Public Document Pack

EXECUTIVE

Monday, 20 November 2023	6.00 pm	Committee Room 1, 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, Matthew Hillman, Daren Turner, Simon Walters and Carolyn Wheater

A G E N D A

SECTION A **Page(s)**

1. Confirmation of Minutes - 16 October 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.

QUALITY HOUSING

3. Housing Revenue Account Business Plan 2024/54 **9 - 70**

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10. HR Policy Change: Management of Change **417 - 456**

11. Strategic Risk Register- Quarterly Review **457 - 460**

12. Exclusion of the Press and Public **461 - 462**

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

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

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

SECTION B

OUR PEOPLE AND RESOURCES

13. Strategic Risk Register - Quarterly Review **463 - 478**

[Exempt Para 3]

Executive **16 October 2023**

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

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.

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Item No. 3

EXECUTIVE **20 NOVEMBER 2023**

SUBJECT:	**HOUSING REVENUE ACCOUNT BUSINESS PLAN 2024/54**
DIRECTORATE:	**HOUSING AND INVESTMENT**
REPORT AUTHORS:	**PAULA BURTON, HOUSING STRATEGY & INVESTMENT MANAGER**
	PAUL HOPKINSON, SENIOR HOUSING STRATEGY OFFICER

1. Purpose of Report

1.1 This report presents the long-term Housing Revenue Account (HRA) Business Plan for 2024/54. It introduces the 30 year business plan that sets out the Councils intentions of what we want to achieve over the next 30 years.

Executive is asked to approve the contents of the HRA Business Plan for 2024/54 and the strategic workstreams that are included in the plan, having been considered by Housing Scrutiny Sub Committee on 2 November 2023 (Appendix B refers).

2. Background

2.1 Lincoln is a successful city and demand for housing is expected to grow over the life of this business plan. The Council retains 7,800 homes, which represents approximately 20% of the city's total number of domestic homes. In addition, we also manage and maintain 1,235 council garages.

2.2 These 7,800 properties comprise of 3,513 Houses, 3,008 Flats, 547 Bungalows, 259 Maisonettes and 6 Bedsits. The Council also has 467 homes for older persons.

The Council employs over 280 staff in its Housing Directorate with a range of professional backgrounds and technical skills to fulfil its role as a landlord and custodians of the City's housing stock.

2.3 All Councils with 200 or more council houses are required to have a Housing Revenue Account.

The HRA covers revenue income and expenditure relating to the Council's own housing stock. It is an account that is ring-fenced from the Council's general fund as required by the Local Government Act 1989, which specifies the items that can be charged and credited to it.

The Council must include all costs and income relating to the Council's landlord role (except in respect of leased accommodation, for households owed a homeless duty, and in respect of accommodation provided other than under Housing Act powers).

The council has a legal duty to ensure the account remains solvent and to review the account throughout the year.

2.4 The HRA Business Plan sets out the income and expenditure plans for the delivery of council housing in Lincoln. The Plan and associated budgets will be reviewed and monitored annually. A five-year business plan was reviewed and approved in February 2023. However, it was apparent that a number of strategic workstreams that needed to be included in the plan (i.e. Additional Homes, Decarbonisation, Estate Regeneration) could not be planned for or delivered within a five year timeframe, so the decision was taken to develop a new long-term (30-year) business plan that would allow sufficient time and investment to deliver these long-term goals.

2.5 The Council's goal was to undertake a full strategic review during 2023, with the aim of having an updated 30 year HRA Business Plan that looks generationally at Lincoln's wider housing and community needs, developed and approved for the start of the 2024/25 financial year.

3. The HRA Business Plan 2024/54

3.1 The HRA Business Plan is attached as Appendix A. It demonstrates the HRA's current situation and outlines what the aims and expectations are for the 30 years from April 2024. This also includes the financial assumptions and projections during the lifespan of the plan.

4. Proposed Timetable/Next Steps

4.1 Executive – 20 November 2023

5. Strategic Priorities

5.1 <u>Let's drive inclusive economic growth</u>

The Housing Revenue Account invests over £30million in Lincoln's economy each year, with much of this spend going to local businesses and residents. These partnerships with local businesses help to support the growth of a vibrant and resilient economy in the city.

We directly employ approximately 280 people in the Directorate of Housing and Investment and enable many more jobs in our suppliers and sub-contractors. We support local businesses and residents by putting social value at a key component in our contracts with suppliers and contractors to maximise delivery of training and employment opportunities for local resident.

The provision of good quality accommodation and pleasant neighbourhoods makes the city an attractive destination for people and businesses who may be considering investing in or moving to the area.

5.2 Let's reduce all kinds of inequality

The provision of good quality housing is a fundamental human need. Providing quality accommodation will improve the quality of life for thousands of people across the city, minimise deprivation and inequality.

We are working with residents and partners in key neighbourhoods such as Sincil Bank to develop strong communities where people feel safe and welcome.

We are working with partners to support vulnerable residents by delivering a Housing First solution to assist rough sleepers to move to safe accommodation.

We are improving the quality and energy efficiency of our homes to provide attractive, comfortable homes and to reduce fuel poverty for our tenants.

5.3 Let's deliver quality housing

The business plan contains proposals to maintain and improve approximately 7,800 homes, whilst also regenerating neighbourhoods and delivering much needed new and refurbished additional homes.

We are continuing to further improve our existing properties and estates through the Decent Homes and Estate regeneration programmes. These programmes will provide good quality homes in attractive, appealing neighbourhoods.

5.4 Let's enhance our remarkable place

We fully appreciate the importance of investing in our homes and estates to ensure we deliver good quality homes in nice neighbourhoods. We have carried out an estate regeneration review of all ten housing estates, in order to better understand the individual position for each neighbourhood. In addition, we completed an option appraisal for two high-rise blocks together with a review of older persons accommodation to ensure they are fit-for-purpose. The results of these reviews will inform our investment decisions over the life of this business plan.

Repairing, maintaining, and improving homes and neighbourhoods is essential if we are to enhance our beautiful city. We continue to improve our homes and neighbourhoods to ensure that residents can enjoy their homes and the surrounding environment.

5.5 Let's address the challenge of climate change

We are working to make our council housing as energy efficient as possible. Our asset investment plan includes the fitting of additional insulation, high-quality double-glazed windows, and efficient heating systems. This is lowering the carbon emissions from our homes as well as reducing fuel poverty for our tenants.

We are also using the HRA to drive down our carbon footprint my introducing a modern efficient fleet of vehicles, using "batched" scheduled repairs where possible and by specifying sustainable building materials.

6. Organisational Impacts

6.1 Finance

The provision of housing accommodation is set out in Part II of the Housing Act 1985. Statutory requirements regarding keeping of a Housing Revenue Account (HRA) are contained in the Local Government and Housing Act 1989 ("Act"). The provisions contain a duty under section 76 of the Act, to budget to prevent a debit balance on the HRA and to implement and review the budget. The Act places a duty on local housing authorities to: (i) to produce and make available for public inspection, an annual budget for their HRA, which avoids a deficit; (ii) to review and if necessary, revise that budget from time to time and (iii) to take all reasonably practical steps to avoid an end of year deficit.

6.2 Legal

The expenditure referred to in this report will be spent pursuant to the Council's powers and duties and the Council has a duty to disclose information as set out in the Housing Revenue Account (Accounting Practices) Directions 2016.

All procurement associated with the delivery of the Business Plan and subsequent works to the Council's Housing stock will be undertaken in line with the requirements of the Authority's own Contract Procedure Rules and Public Contract Regulations, which are embedded in UK law.

6.3 Equality, Diversity and Human Rights

The Equalities Act 2010 introduced a single public sector equality duty. This duty requires the Council to have due regard in its decision-making processes to the need to:

a) Eliminate discrimination, harassment, victimisation, or other prohibited conduct.
b) Advance equality of opportunity between persons who share a relevant protected characteristic and those who do not share it, and.
c) Foster good relationships between those who share a relevant characteristic and those that do not share it.

The relevant protected shared characteristics are age, disability, gender reassignment, pregnancy and maternity, race, religion or belief, sex, sexual orientation.

The Council is required to act in accordance with the equality duty and to have due regard to the duty when carrying out its functions, which includes making new decisions in the current context and in relation to the new strategy.

It should be noted in respect of the Council's public sector equalities duties where the setting of the capital, revenue and HRA budget results in new policies or policy change the relevant service department will carry out an equality impact assessment to secure delivery of that duty including consultation as may be required.

In addition, any estate regeneration schemes are subject to an Equalities Impact Assessment to ensure any arising issues are addressed. DDA works and disabled adaptations are included as essential works within the capital programme. Further Equalities Impact Assessments and/or consultation may be necessary if significant changes are envisaged to Housing Management Services or Schemes.

7. Risk Implications

7.1 Failure for the HRA Business Plan to get the approval of the Executive Committee would have a detrimental impact on the delivery of housing services in Lincoln.

8. Recommendation

8.1 Executive is asked to approve the HRA 30 Year Business Plan.

Is this a key decision?	Yes
Do the exempt information categories apply?	No
Does Rule 15 of the Scrutiny Procedure Rules (call-in and urgency) apply?	No
How many appendices does the report contain?	2

Lead Officer: Paula Burton, Housing Strategy and Investment Manager

Paul Hopkinson, Senior Housing Strategy Officer

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Appendix A

City of Lincoln
Housing Revenue Account 30-Year Business Plan
2024 - 2054

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- **1 – Housing Strategy Action Plan**
- **2 – Asset Management Strategy Action Plan**
- **3 - DHI Risk Register**
- **4 - Key Performance Indicators 2023/24**
- **5 - HRA New Build Programme**
- **6 - Financial Assumptions**
- **7 – Glossary**

DRAFT

Foreword

Welcome to this document which sets out the City of Lincoln Council's ambitions for its housing stock for the next 30 years.

The City Council has been providing much needed affordable quality homes for the people of Lincoln since 1920 when we completed our first properties in the north of the City. We are proud of our housing and passionately believe in the positive influence, good quality, affordable housing has on people's lives.

We currently have a housing crisis throughout the country with an acute shortage of affordable housing.

This housing crisis includes the City of Lincoln and is an immensely challenging situation. Rising inflation, increases in interest rates, the cost of living crisis, changes in the private rented sector and the effects of the war in Ukraine have simultaneously changed the world we operate in.

We must play our part in addressing climate change and the strategy presented here complements our existing actions in response to the climate and environmental emergency declared by the City Council in July 2019.

We must also respond to changing national legislation and guidance and in particular the regulations brought in to ensure that the tragic events of Grenfell never happen again.

This document sets out the next phase of our journey and although difficult times lie ahead, we have plans to address what is ahead of us.

We will provide more housing and we will ensure our housing stock management dramatically reduces its impact on the environment. We will invest in and improve our existing estate areas whilst at the same time strive to improve our services for our tenants.

Our mission is to provide good quality housing which meets the varied needs of our residents and to do this we have developed a set of ambitious goals. The City Council's strategy, Vision 2025, sets out our aspirations to deliver a fairer more prosperous place to live and work for our residents, and delivering good quality housing and neighbourhoods is central to this goal.

This 30-year business plan describes our long-term commitment to deliver real improvements to the city's council housing stock and surrounding neighbourhoods and to do this we have identified four main objectives: -

- **Core Housing Services** -Tenants consistently place core housing services such as repairs, caretaking and landscaping as their number one priority and we will work to ensure that Lincoln is ranked amongst the country's top performing social landlords.
- **New Homes** - Our plans to build, acquire and enable the development of 1,700 additional homes over 30 years means that we will reduce homelessness and provide a greater choice of places for people to live.

- **Estate Regeneration** - Our plans to regenerate estates means that we will tackle problems like parking, crime and anti-social behaviour by improving the urban landscapes (the look and feel) of our streets and neighbourhoods.
- **Decarbonisation -** Our plan to achieve an energy performance rating of C for all our council housing properties by 2030 means that we will protect the environment by reducing our carbon footprint and making homes cheaper to run for residents.

In conclusion, I wish to place on record our deep appreciation for the tenants and for our staff who work so hard to provide supportive communities, homes and services to our tenants and their families. Thank you also to the many people who have contributed to this document and I look forward to delivering the plan with you all.

Donald Nannestad. Portfolio Holder for Quality Housing and Deputy Leader of the Council.

October 2023.

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1. Introduction

The Housing Revenue Account (HRA) is a ring-fenced financial account used to manage local authority social landlord activities. It is funded through rents and service charges from council tenants and leaseholders. It is ring-fenced in law and can only be used to provide services such as repairs and maintenance, landscaping and caretaking to council housing tenants or leaseholders or to fund the development or acquisition of new council homes or other related capital projects.

The HRA Business Plan was last reviewed and updated in spring 2023 and this review aims to provide an updated long-term HRA Business Plan written and approved for the 2024/25 financial year.

This Business Plan is our strategic plan for managing and maintaining Lincoln's council housing properties and estates. It also sets out how we will provide housing services to support our tenants, and their families, to live in well maintained and sustainable homes, which will be safe, secure, and of a high quality. It sets out our short to medium term plans and priorities for the housing service. The strategic objectives set out within the plan, will influence our longer-term (30 year) plans for financial planning and investment into our existing council housing and for the provision of new homes.

At the heart of the plan is our desire to provide quality housing and to make our neighbourhoods, clean, green and safe. Our aim is also to use this investment to support long-term improvements in communities and neighbourhoods by improving wider socioeconomic factors such as health, welfare, crime, and education.

Over the last decade the social housing sector has seen significant challenges including the impact of rent cuts imposed by central government, political uncertainty, increased demand for social housing, the focus on increased fire and building safety measures and the surge in operational cost inflation caused by international conflicts. This has combined to create a difficult operational environment.

However, the abolition of the previous borrowing cap allows flexibility to develop longer-term solutions to address these challenges and for us to help deliver our housing goals.

Within this plan, we consider the current investment needs of our homes, recognising our ambitious plans to regenerate our estates and develop and acquire additional affordable homes.

The finance section describes the key assumptions we have made to develop the financial model. These assumptions form the basis of our long-term plans and demonstrate how we can grow surpluses that will enable sustainable investment in our homes and neighbourhoods.

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2. City of Lincoln Corporate Vision and Objectives

Lincoln's Vision 2025 sets out what the Council want to achieve by 2025 and how we will achieve it. It focuses on five key priorities to deliver Lincoln's ambitious future, they are:

1. **Let's drive inclusive economic growth.**
2. **Let's reduce all kinds of inequality.**
3. **Let's deliver quality housing.**
4. **Let's enhance our remarkable place.**
5. **Let's address the challenge of climate change.**

In 2020 the council agreed a new Housing Strategy to deliver "*quality affordable homes in which people can feel safe and thrive".* This strategy supports Lincoln's corporate vision and sets out a plan to deliver quality housing through three key objectives:

- **Provide housing which meets the varied needs of our residents.**
- **Building sustainable communities.**
- **Improve housing standards for all.**

The HRA Business Plan supports and complements Vision 2025 and the City of Lincoln Housing Strategy's aspirations and sets out the financial assumptions and planning to deliver those aims. The HRA Business Plan commits to:

- Ensure the housing services funded through the HRA are efficient and effective.
- Maintain the quality and safety of the existing supply of council housing stock.
- Deliver major repair and component replacement programmes to the stock.
- Invest in new homes.
- Increase the supply of housing to tackle homelessness.
- Invest in the delivery of new affordable homes for rent.
- Review HRA assets to maximise their effectiveness and efficiency.
- Improve the quality of neighbourhoods.
- Supporting the Council's goal to achieve net zero carbon by 2030.

This Business Plan provides an overarching framework that sets out how we will deliver these objectives. It also provides a prudent financial base for the delivery of specific services and goals that are set out in greater detail in the associated Housing Strategy and Asset Management Strategy.

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3. National and local context

3.1 National factors affecting the HRA

The period from 2016 has seen the country face many challenges as it strives to cope with; changes to the political landscape. The period from 2022 has seen significant uncertainty, with economic challenges and political changes at home and a war in Ukraine. This section describes some of the national factors that influence Lincoln's HRA Business Plan.

Social Housing (Regulation) Act 2023

A Charter for Social Housing Residents

The Governments new Housing Bill received Royal Assent on 20th of July 2023. The aim of the Act is to deliver 'transformational change' for social housing residents to empower residents, provide better redress, better regulation, and improve the quality and safety of social housing. Key provisions include:

- Making safety, transparency, and energy efficiency part of the Regulator of Social Housing's fundamental objectives.
- Enable the Regulator to set standards for the competence and conduct of staff working for registered providers of social housing.
- Giving the Secretary of State the power to introduce new requirements for registered providers relating to health and safety measures.
- Regular inspection of registered providers with specific focus on economic regulations and tenant satisfaction measures.

The introduction of the Act is already having a direct impact on the governance and operational service delivery of Lincoln's council housing service. The Act contains a charter that sets out seven commitments that residents should expect from their landlord: -

1. To be safe in your home.
2. To know how your landlord is performing, including on repairs, complaints, and safety, and how it spends its money.
3. To have complaints dealt with promptly and fairly, with access to an Ombudsman.
4. To be treated with respect, backed by a strong consumer regulator, and improved consumer standards for tenants.
5. To have your voice heard by landlords.
6. To have a good quality home and neighbourhood to live in, with your landlord keeping your home in good repair.
7. The Government will ensure social housing can support people to take their first step to ownership.

The Act also promises a range of other measures and reforms, each of which is relevant to the City of Lincoln Council:

- A reformed Regulator of Social Housing with new reactive and proactive consumer regulation.

- The Regulator to inspect organisations with over 1000 homes at least once every four years to review compliance with the consumer standards.
- A strengthened housing ombudsman which allows tenants easier access and speeds up complaint resolution as well as new quarterly webinars for residents on insight reports about complaints data learning points and case studies.
- A series of key performance indicators that landlords will be required to report against with proposed satisfaction measures on repairs safety, complaints engagement and the neighbourhood management. Landlords will also be required to report on executive pay and how they spend their money.
- A new accountable person for safety and consumer standards within each landlord.
- An expectation the tenant should be able to access key information from their landlords.
- An intention to tackle antisocial behaviour by clarifying the roles of different agencies and signposting who can support residents.

The requirement that all registered social landlords must collect and publish a range of 22 satisfaction measures on areas such as repairs, safety checks, complaints and tenant perception of a landlord's services must be implemented.

The Council will continue to be proactive and feels the Act builds on some of the initiatives we have already taken and will help to continue to strengthen our future service delivery. We have also introduced actions to ensure that the new data is being collected and will be first published in April 2024.

Damp and Mould

Damp and Mould in housing is of concern nationally and the Housing Secretary has written to all councils and social housing providers instructing them to declare details of damp and mould issues affecting properties and how it is being tackled.

Many of our homes are older and could suffer from condensation or a lack of ventilation leading to mould problems. During 2023 we have reviewed and updated our property standards and operating procedures to ensure they meet the needs of tenants and our obligations as a landlord.

Decent Homes 2

The original Decent Homes Standard was introduced in 2000, it set a minimum standard that all social landlords had to meet by a target date of 2010. The Government is now working to update the Decent Homes standard and plans to deliver an updated set of standards that all social houses must meet.

We have previously developed a 'Lincoln Standard' which goes beyond the original Decent Homes standard and we will review and update this standard early in 2024 in line with published updated standards.

Cost of Living Crisis

The impact of the global economic situation as a result of international conflict and increased inflation has materially altered the outlook for the UK economy and increased uncertainty

over what may happen next. In the UK steeply rising energy prices have led to rising inflation and a 'cost of living crisis' for many, with the low paid and vulnerable the worst hit. The Government consulted on a potential rent cap which could reduce HRA income at a time when costs are likely to increase.

We subsequently increased rents by 6.5%, this equates to a real-term reduction in resources, which could affect the long-term financial sustainability of the HRA and impact investment decisions.

Building and Fire Safety

Following the Grenfell fire in 2017, Government introduced several measures to improve fire and building safety especially in high rise blocks and buildings of multiple occupancy.

The Hackett report was published in 2018 and set out over 50 recommendations for the delivery of a robust regulatory system. In response to this Government introduced the Building a Safer Future (BSF) initiative as a framework to address the shortcomings identified by the Hackett enquiry.

Two key pieces of legislation support this initiative – the Building Safety Act and the Fire Safety Act. The Fire Safety Act received royal assent in April 2021 and the Building Safety Act received royal assent in April 2022. Many of the detailed provisions in the Acts will be implemented over the next two years through a programme of secondary legislation.

Following consultation and formal introduction of the Acts it is likely that there will be additional requirements to further improve building and fire safety. In Lincoln we recruited specialist fire safety expertise to provide professional guidance in reaction to new and changing regulations and legislation around building safety.

Works are planned and resident engagement activity has increased to ensure residents are able to appreciate the nature of the fire risk. The tower blocks are all regarded as low risk due to the construction methods and additional control measures and rectification works, carried out over the last few years.

All tower blocks have dedicated fire strategies and we have competed the Type 4, intrusive Fire Risk Assessments. This is a critical step to develop the building licence, required under the Building Safety Act. The other property architypes with communal areas, are being assessed on a rolling programme. This is being managed by a specialist in-house team. The processes created has seen an increase of fire safety works across this stock and an improved level of management of risk.

Government Home Ownership Products

The Government has introduced Home ownership products to promote home ownership for first time buyers. The includes Help to Buy schemes and First Homes. The risk for Lincoln is that these scheme will encourage tenants to buy their council homes (especially modern or new build properties) at a time when the Council is looking to increase the number of Council homes.

Right to Buy Receipts

Recent changes in the Right to Buy regulations extended the period that receipts can be retained from three years to five years. At the same time the level of receipts that can be used to support development spend has increased from 30% to 40%.

Prudential Borrowing

HRA's became self-financing in 2012, with restrictions placed on the level of external borrowing. The Government removed the debt cap in 2018 and HRA borrowing became subject to similar prudential borrowing guidelines as other Council Funds. This change provides an opportunity for Lincoln to increase the supply of affordable housing, however, it needs to ensure that the investment represents value for money and that it can meet the costs of the borrowing.

Welfare Reform

Two recent governmental policies have affected the HRA.

The Welfare Reform and Work Act 2016 required social landlords to reduce rents by 1% each year for four years from April 2016. From April 2020 social landlords could increase rents by the Consumer Price Index (CPI) plus 1% for at least five years. The overall effect of these changes has been to reduce the revenue available to the HRA by a cumulative total of circa £17million. In 2022 the Government consulted on the introduction of a second cap on rents which resulted in limiting the annual rent increase in social housing to a maximum of 7% in 2023/24. With sector inflation running at 11.1% (in September 2022) this means that the HRA saw a substantive reduction in income as rent levels during the period did not keep in line with sector costs.

From March 2018 Lincoln Council became a Universal Credit (UC) full-service area which meant any working age person/couple making a new claim for Housing Benefit, Employment and Support Allowance, Income Support, Job Seekers Allowance or Tax Credits would apply for UC. From September 2023 Department for Works and Pensions (DWP) will begin managed migration for customers on Tax Credits only, with a view of completing managed migration for all working age customers by December 2028. The introduction of UC has brought changes to the rental profile of our tenants as shown below: -

- 25% are in receipt of full housing benefit
- 10% are in receipt of partial housing benefit
- 36% are in receipt of Universal Credit
- 29% do not receive any of the above

**Data in December 2022*

These changes to the welfare system represent a major change and we will continue to monitor the impact of these changes on rent collection and associated bad debts.

Coronavirus (COVID-19) Pandemic

Coronavirus continues to cause disruption to all areas of society and business in the UK. The pandemic changed the ways in which we operate and limited our ability to interact with and serve customers. This was especially noticeable for services where tenants visit one of our offices or where we must enter tenants' properties to carry out repairs or mandatory safety checks. It is now much more difficult to recruit or retain staff, especially for customer facing roles, as people are now making different lifestyle decisions and are seeing hybrid working with less time in the office and more time working from home as more desirable.

The situation has not yet returned to normal and many of our contractor and supply chain partners continue to be affected and this has led to delays in many projects and programmes of work. We continue to monitor and respond to the situation.

Brexit – Leaving the European Union

The UK left the European Union on the 31 January 2020. It is difficult to quantify the consequences of Brexit because the impact of the move was overshadowed by the COVID pandemic. However, there are several areas where we continue to notice the effects of Brexit on the HRA:

- Imports from the EU have been disrupted by the new border formalities, 60% of construction materials and 80% of softwood comes from the EU and our exit has led to shortages of goods and materials and higher costs.
- Brexit has led large numbers of EU workers to leave the UK, which in turn has led to shortages of skilled labour in the construction and maintenance sectors, HGV drivers etc.
- It is now more difficult to recruit staff with more job vacancies.
- Prices for goods, services, and utilities continue to rise, for example the National Federation of Housing (NATFED) estimate that repairs and maintenance costs have increased by 16% in the 12 months from April 2022 to March 2023.

Radon

The health risks associated with radon gas in houses is an emerging theme for social landlords. Radon is an odourless colourless radioactive gas that is everywhere both inside and outside homes. We are currently assessing any potential risk to our tenants and preparing a Radon Management Plan. Once the risks and the required remedial works have been identified they will be programmed into our property investment programme.

3.2 Local factors affecting the HRA

It is important to understand the local context and its impact on shaping and influencing long-term planning and the delivery of housing services and associated projects. The following section provides an insight into the city's socio-economic make up and the local demand for social housing.

Socio-economic Factors[1]

Population

Lincoln has a population of 103,813 people and its population has grown by 1% per annum since 2011, which is almost double than the national growth rate. According to the latest population projection Lincoln's population will only slightly increase by 2043. It should be noted that the data for the projected population in Lincoln is based on the 2018 year. This is currently the latest available data provided by the ONS but does not fully capture the impact of recent events such as Covid and Brexit.

Lincoln has a younger profile than England, generally the population of Lincoln is relatively younger than the national average, with the exception of the 0-14 age group which is smaller in Lincoln (15.2%) than England's average of 17.4%. Furthermore, analysis shows broadly similar growth rates in each age group for the city between 2011 and 2021. These growth rates differ to England's growth rates, particularly in the younger age groups. The 15-24 age group has fallen by 4% across England between 2011 and 2021, and the largest increase in all age groups is the 65+ age group, which grew by 20% in this period. This suggests that the City of Lincoln's population remains relatively young in contrast to the national trend.

Our analysis regarding population projection suggests that the population of Lincoln is forecast to age. By 2043, the 65 and over age group is forecast to grow in population by 47% between 2021 and 2043, which is the highest projected population growth rate of all age groups. Whereas the 0-14, 25-44 and 45-64 age groups are projected to decline by 2043. The 15-24 age group is projected to grow at a slower rate, which is likely linked to the presence of University of Lincoln, attracting people of student age. Some of these trends are broadly in line with the national trends; however, the 0-14 age group saw a less significant fall in its population across England. The 25-44 and 45-64 age groups grew slightly in contrast to the negative growth rates in these groups in Lincoln. This analysis suggests key implications for future housing needs in Lincoln with increased demand for specific housing typology more suitable for older people.

Employment

The proportion of people in employment in Lincoln has fallen by 3.6% from 2011 to 2021. Comparing this to the proportion of unemployed people, the rate has fallen by only 0.4% between 2011 and 2021. However, the proportion of economically inactive people in Lincoln has increased by 11.1%. Overall, the proportion of economically active people who are in employment amounts to 57.3%. The proportion of economically inactive people amounts to 41.9%. This is partly attributed to the student population that is present in Lincoln and the economic effects associated with the Covid-19 pandemic and the lockdown restrictions which have caused a downturn in the economy and reduced economic activity across the country due to long term illness.

[1] Lincoln City Profile, ONS, Census 2021, Source Savills Estate Regeneration Review 2023

The total number of jobs in the City of Lincoln amounts to 57,000 in 2021, according to Business Register and Employment Survey (BRES) (2023), with jobs increasing by 7.5% since 2011. Employment in Lincoln is predominantly focused on health, retail, and education.

Approximately 12,000 jobs out of 57,120 jobs in Lincoln are in the health sector in 2021, which represents 21.1%. and has grown at the fastest rate between 2011 and 2021. Retail experienced the largest decline in the employment share between 2011 and 2021, which is presumably related to the economic effects of the Covid-19 pandemic and the lockdown restrictions associated with it.

The availability of housing will be a relevant factor for organisations who may be considering investing in the city and individuals and families who may be considering relocating to Lincoln.

Educational Attainment

There is an established link between the level of educational attainment and deprivation, with Lower attainment leading to greater levels of deprivation in communities. General educational attainment in Lincoln is similar to England, apart from Levels 3 and 4 qualifications. Lincoln has a lower proportion of people with Level 4 qualifications than England but a higher proportion of Level 3 qualifications than England.

Deprivation

Lincoln was ranked as the 68th most deprived local authority area out of a total of 317 in 2019 and has improved its ranking since 2015 (45th most deprived). The three domains that Lincoln has scored higher in the rankings (less deprived) are in crime, housing and living environment. These three areas have the least weighting on the overall Indices of Multiple (IMD) score. Health remains Lincoln's most deprived domain. Within the city deprivation levels vary. Analysis indicates that the north-eastern part of Lincoln is more deprived compared to the rest of the city. The western and south-western parts are broadly least deprived with pockets of deprivation around the Birchwood area.

Demand for Affordable Housing

Lincoln is a successful city with a growing population. The city is an urban centre located in a predominantly rural county. Property densities within the city boundary are high and there are limited sites to develop new housing developments. Almost all the potential development sites in the city will be constrained by factors such as land contamination, flooding, archaeology, conservation etc. All these factors inhibit potential developments and the city Planning Department estimate that approx. 446 homes will be built in the next three years, with only 0 to 2 of these homes being affordable homes.

The council housing register shows the number of applicants on the city's housing waiting list, who wish to access council housing in Lincoln and these are summarised in the following table.

Table 1

	Band 1	Band 2	Band 3	Band 4	TOTAL
March 2020	100	428	457	412	1,397
March 2021	151	307	666	n/a	1,124
March 2022	250	417	795	n/a	1,463
March 2023	344	438	947	n/a	1,729

In the period from March 2020 to March 2023 the number of applicants on the housing register increased by 23%. Over the same period band 1 applicants increased from 100 to 344 a rise of 244%.

Between March 2020–21, we saw a drop in applications on the housing register. This was due to a policy change which set a residency qualification criteria that had to be met to be eligible. At the same time, we also amended the banding structure, from four bands to three.

Since the policy change, there has been a steady increase of active applications. This is due to a combination of reasons, coming out of the coronavirus pandemic where we were unable to allocate to the general register for a period of time, the cost-of-living crisis affecting private tenants/owner occupiers who can no longer afford their accommodation and also an increase in Private Sector Landlords selling their properties (due to tax changes and climate change regulations) and evicting tenants (following the lifting of restrictions during the pandemic).

Our view is that demand for housing of all types, especially affordable housing in Lincoln will continue to increase.

4. Resident Involvement

We have an active and effective group of tenants that represent all the tenants and leaseholders of our homes and estates. The group is called the Lincoln Tenants Panel (LTP).

We understand and appreciate the importance of working in partnership with our residents to design and deliver housing services and have been doing this by consulting and working with our Lincoln Tenants Panel (LTP). The LTP is for everyone who has a role as tenant of the City of Lincoln and representatives include:

- Council tenants
- Sheltered housing tenants
- Resident leaseholders
- Private tenants of leaseholders

The panel is independent of Lincoln Council and plays a vital role in ensuring that tenants are fully involved as we shape housing policy. We are committed to working with the LTP to:

- Ensure meaningful resident engagement in decision making
- Work collaboratively with tenants to implement mechanisms for scrutiny and oversight
- Support tenants to hold Lincoln Council to account
- Be open to the challenges that all of this brings

The Council have been working in partnership with our tenants and have reviewed and updated the Tenant Involvement Strategy which sets out how we will provide a range of ways for tenants and leaseholders to get involved to co-design services and improvements.

The Council have also been consulting with its tenants and the Lincoln Tenants Panel (LTP) to talk to them about the development of the long-term business plan, as their views are fundamental to the development of this document.

Please see below a quotation from the Chairman of the Lincoln Tenants Panel

"This has been an exciting journey for the Lincoln Tenants Panel – we have been involved in the development of the councils 30-year business plan for housing and excited to progress through to the next stage; we believe a sustainable business plan will ensure we can meet our targets by understanding the challenges our council faces and to envisage a way forward to help solve this.

We have been consulted in the development of the four strategic workstreams that are central to the business plan, and we look forward to on-going involvement, to help shape the delivery of major improvements to our homes and estates."

Mick Barber – August 2023

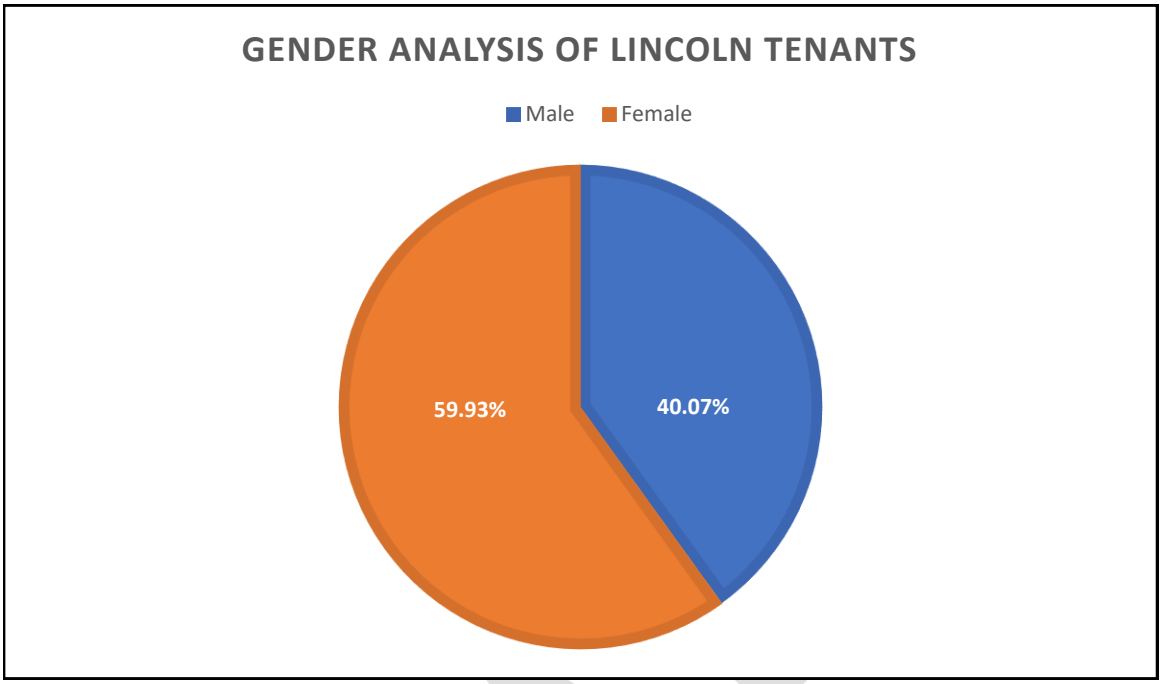
5. Housing Revenue Account Housing Services

Social housing is about much more than just buildings. It includes homes, neighbourhoods and communities and is ultimately focussed on helping tenants and leaseholders to fulfil their potential and live happy lives. It is widely accepted that good quality housing is critical to health and wellbeing, it helps people to stay healthy and provides a base to raise a family, sustain a job, contribute to the community, and generally achieve a good quality of life.

Our goal is to 'Deliver Quality Housing' in Lincoln and this section sets out how the HRA Business Plan supports the delivery of housing and housing services to its tenants.

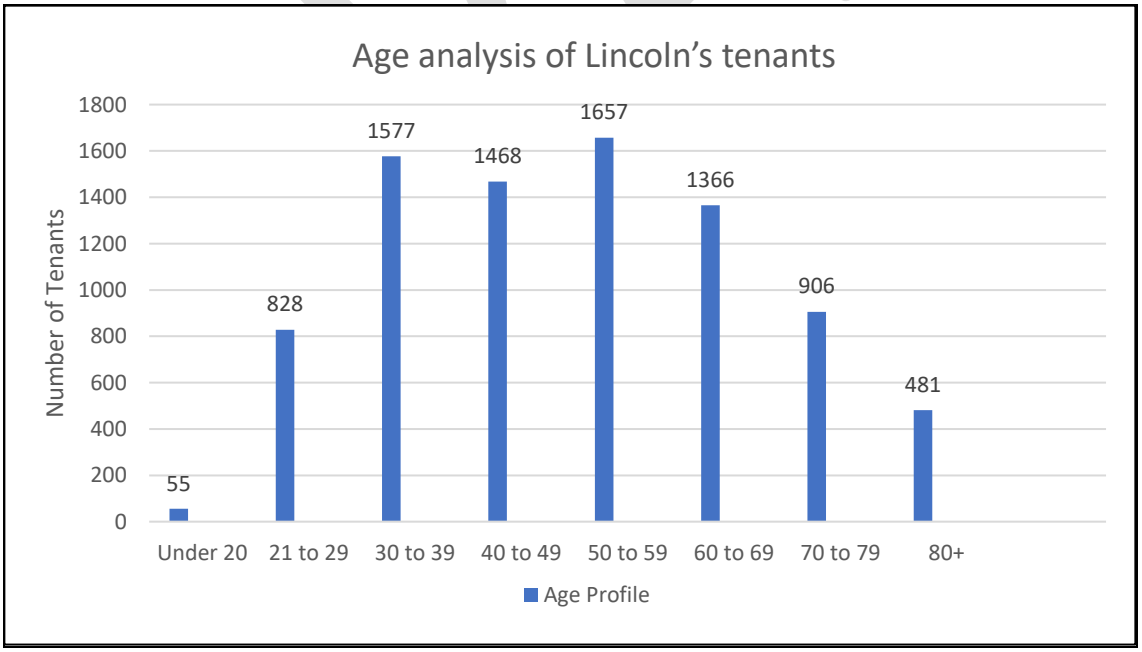
Knowing and understanding our residents is the key to giving them a good service. Our residents are all different and it is important that we understand these differences to tailor housing service to meet their varied needs.

Chart 1



We have 8,327 tenants in Lincoln and this graph shows that females are the largest gender with 59.93% and males 40.07%

Chart 2



This chart shows the age profile of Lincoln's tenants. The 50 to 59 age group has the largest number of tenants (1,657), closely followed by 30 to 39 (1,577) and 40 to 49 (1,468). This

together with the generally ageing population strongly suggests that we should be building more older persons accommodation.

5.1 Housing Revenue Account Portfolio

The Council has a total rented housing stock of 7,800 dwellings. This comprises of 7,333 general needs dwellings, with the remainder being older persons housing. Most of the stock is of traditional build; however, the portfolio includes prefabricated housing built in the 1940s, along with sheltered housing schemes, high-rise flats built in the 1960s and a small number of properties of non-traditional construction types.

There are also 1,113 garages, 61 garage plots and 326 leasehold properties. In addition to the core portfolio there are a small number of flats and houses that are being managed as temporary accommodation for homeless households, some as move-on accommodation for former rough sleepers using the Housing First principle and some Local Authority Housing Fund homes that are used for selected cohorts of resettled families.

General needs housing at 31st March 2023

This includes bungalows, houses, flats, and maisonettes. Houses make up the largest proportion with 47.90%, followed by flats with 41.02%, bungalows with 7.45%, maisonettes with 3.53% and bedsits with 0.08%. The following table shows general needs housing by property type and number of bedrooms.

Table 2

	Bedrooms				
	1	**2**	**3**	**4+**	**Totals**
Bedsit	6	-	-	-	**6**
Bungalow	323	162	61	1	**547**
Flat	2,388	605	15		**3,008**
House	16	1,725	1,613	159	**3,513**
Maisonette	-	242	17	-	**259**
Totals	**2,733**	**2,734**	**1,706**	**160**	**7,333**

Older persons housing at 31st March 2023

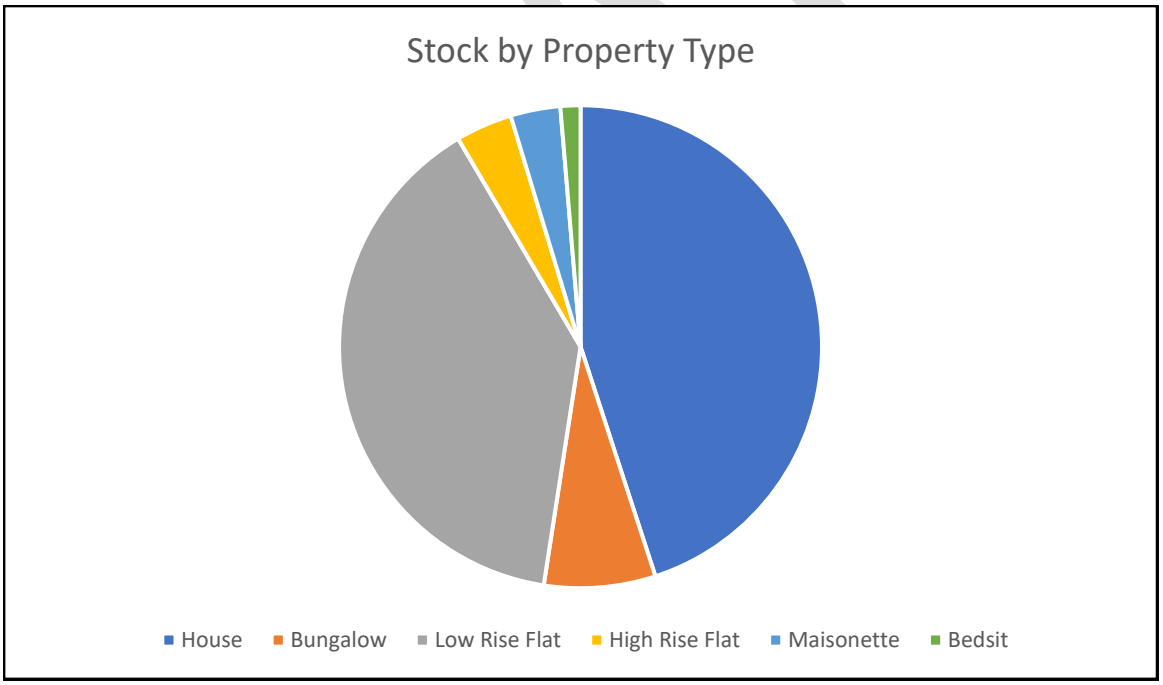
There are 467 older persons properties based in seven sheltered schemes, which are a mixture of independent and assisted living properties. Two schemes comprise bedsitter accommodation, the bedsits are ensuite, however, there is no separate living area. Most of the sheltered accommodation is made up of flats and there are 36 sheltered bungalows and 9 houses. In 2022 we opened De Wint Court an extra care sheltered housing (category 2.5)

scheme, this comprises 50 one-bedroom flats and 20 two-bedroom flats. The following table shows older persons housing by property type and number of bedrooms.

Table 3

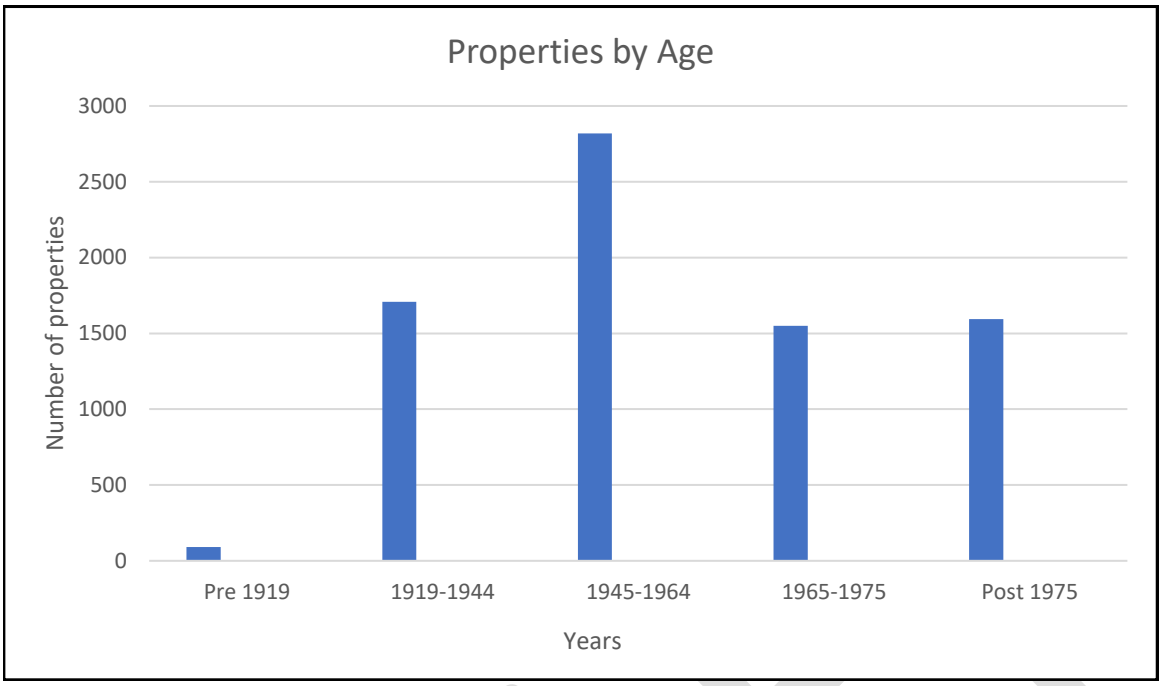
	Bedrooms			
	1	**2**	**3**	**Totals**
Bedsit	104	-	-	**104**
Bungalow	16	20	-	**36**
Flat	281	36	1	**318**
House	-	-	9	**9**
Totals	**401**	**56**	**10**	**467**

Chart 3



Houses are the single largest property type with 3522 units (45.16%) closely followed by Flats with 3326 units (42.64%). Bungalows are the third largest property type with 583 units (7.47%), with 259 (3.32%) maisonettes and 110 (1.41%) Bedsits.

Chart 4



This table clearly illustrates the age profile of the housing stock with 6,176 properties (79.2%) being built between 1900 and 1974, with a further 1,624 properties (20.8%) being constructed after 1974.

The age profile of the homes is comparable amongst councils with retained housing stock. It demonstrates the importance of continuous investment in maintenance and improvement works to ensure properties continue to be attractive to residents whilst also maintaining and achieving the Decent Homes Standard.

5.2 Providing quality housing which meets tenants needs and aspirations

The Council's housing stock is well maintained and has been the subject of a structured programme of maintenance.

The most recent stock condition data shows that 99.19% of local authority housing stock was compliant with the Decent Homes Standard. This equates to 63 dwellings. 0.81% were classified as not being compliant and the majority of these were awaiting delivery of the identified planned improvement works.

The Council has an Aids and Adaptations procedure that completes adaptations to homes where there is an approved medical requirement for them.

5.3 Maintaining our homes

Maintenance, and Investment

Just over 300 of the Council's homes were built using non-traditional construction methods such as Anglian (26), Arcon (139), Cornish (61), Hawksley (63) and Waites (23). The form

of construction used means that these homes can be difficult and expensive to maintain and expensive for tenants to keep warm.

Table 4

EPC Rating	No. of Properties
A	0
B	94
C	6,462
D	1,237
E	4
F	3

Repairs and maintenance is voted as an important service by Lincoln's tenants and we constantly look for ways to improve the quality and effectiveness of the service. It is important that we increase the proportion of spending on planned work to achieve value for money and provide efficiency savings to reinvest in our homes.

We have introduced a "scheduled repairs" strategy for responsive repairs, where non-urgent repairs are batched and delivered on a locality basis. This reduces wasteful travel, reduces Co2 emissions and increases the amount of time operatives have to work on repairs in tenant's homes. It also allows us to plan more effectively and manage stores and materials more efficiently. During 2022-23 we responded to a total of 34,890 repair requests (this includes building and gas repairs), 11,054 (32%) were priority one repairs and 23,836 (68%) were urgent or scheduled repairs. This relates to an average of 4.47 repairs per property for the year.

During 2022-23 the ratio of responsive to planned maintenance was 20.32% planned to 79.68% reactive.

As a landlord we are responsible for Gas Safety, Legionella and Electrical Safety, Fire Safety and Asbestos Management in our properties. We have two teams that work in conjunction with the wider housing teams to ensure our residents are safe and free from harm.

We fully support the Council's objective to make Lincoln a socially responsible and sustainable city and are actively looking at a range of options to make our council housing more energy efficient to reduce greenhouse gas emissions from our homes. The average Energy Performance Certificate rating of Council dwellings in March 2023 was 71.57. The Council is committed to improving the energy efficiency of Council housing, reducing energy costs, and improving thermal comfort for tenants. Over 84% of the council stock has an EPC rating of C or above, placing the thermal efficiency of the housing stock higher than the national average.

5.4 Core Landlord services

Most of the housing teams time and energy is devoted to providing core housing services to our residents. During consultation with all of our tenants this was confirmed as something very important to them. This includes a range of comprehensive services including: -

- lettings and nominations
- void management
- tenancy management
- supported housing management
- resident involvement
- responsive and void repairs
- planned repairs and cyclical maintenance
- safety assurance activity
- estate management
- rent collection and arrears recovery
- financial management
- remodelling, acquisition, and disposal
- leasehold management; and
- Right to Buy management

6. Our plans for the next 30 years

'High quality housing that is affordable and flexible can help people of all situations to grow and achieve their true potential' -Vision 2025

This section looks forward at our plans to increase the number of homes and improve key housing services.

Lincoln's Vision 2025 document sets out the council's plans to deliver Lincoln's ambitious future and the HRA business plan has been developed to help achieve this goal.

Whilst researching and developing the current five-year business plan, it became clear that a number of the HRA's strategic objectives would take longer than five years to plan and deliver. For that reason, the decision was made to develop a longer-term business plan to enable planning for the delivery of four long-term objectives, these are: -

1. Develop and improve core housing services
2. Provide additional affordable housing
3. Regenerate estates and neighbourhoods
4. Reduce carbon emissions

6.1 Develop and improve Core Housing Services

Vision 2025 sets out the City's commitment to '*providing housing which meets the varied needs of its residents'* in developing this business plan.

The Government is looking to drive up standards in social housing and has indicated that it is planning several major reforms, each of which will increase the cost of delivering housing services:

1. The Decent Homes Standard (DHS) has played a key role in setting minimum standards that social homes are required to meet since its introduction in the early 2000's. In November 2020 the Government committed to reviewing the Decent Homes Standard and it is currently consulting on what the new standards should be. It is likely that the updated standards will place an increased focus on safety and security and be more expensive to deliver.

2. In parallel to the DHS review, the Government is looking at the Thermal Comfort Criteria for housing and is consulting on raising the Minimum Energy Efficiency Standards to EPC C. We currently have approx. 1,500 properties below EPC C and the new standard would require additional investment.

3. Consultation is currently underway to determine the Consumer Standard criteria that will be used by the Regulator of Social Housing to inspect and audit Registered Providers. Once this has been agreed it could result in additional resources being required to complete work to ensure compliance.

4. The review of qualification and professional training for housing staff and it is possible that they will set minimum qualification levels for all housing staff. This will improve the quality of service by driving up standards. However, the training will need to be funded and higher qualified staff may seek increased salaries. There is also a risk that experienced staff choose to leave the sector as they don't wish to complete the qualifications.

During our consultation with tenants they also advised that the delivery of high-quality housing services such as repairs and maintenance, cleaning, caretaking, grounds maintenance and housing management services is important to them. These areas are often overlooked when developing long-term strategic plans, however, we are determined to ensure that residents voices are heard and that we include their priorities in our future plans.

Investing in our assets

The Council has an annual capital investment programme to make improvements to its stock. Over the next five years we will invest over £59.8m to improve and modernise the housing stock.

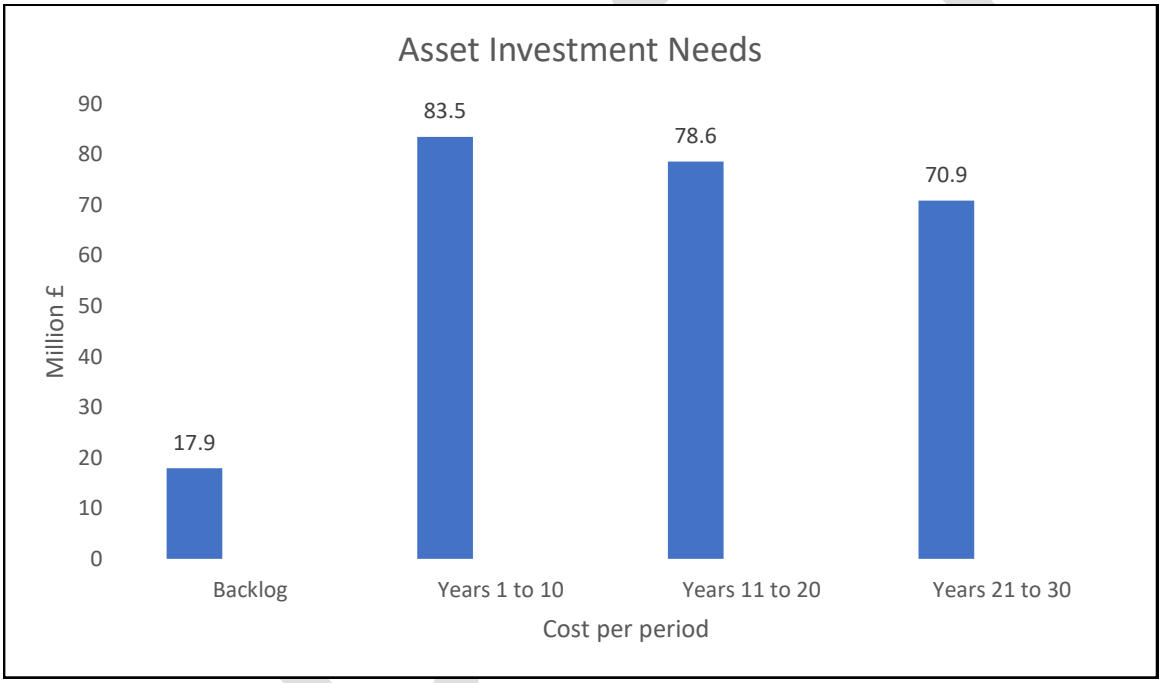
In addition, we estimate that we will spend £53.9m on responsive repairs over the next five years.

In a self-financing environment, understanding the asset base and associated future investment requirements to maintain the asset base in a desirable condition is key to ensuring the financial viability of the business plan.

It is therefore essential to maintain assets to maximise their value in the future and to ensure sufficient resources have been allocated for the long-term maintenance of the stock. A strategic approach to asset management ensures the long-term strategic vision for the authority is underpinned by a thorough understanding of current and future needs.

Stock condition data has identified the following investment levels over the next 30 years. The following chart demonstrates the asset investment value needed over the next 30 years in ten-year bands.

Chart 5



*The above costs are based on 2023 prices and have not been increased to take account of future inflationary pressures.

**The backlog figure is where improvements have been refused or we are unable to gain access to the property.

The table below shows that we will need to invest a total of £233million modernising our housing stock over the next thirty years, at an estimated average annual sum of £7.77million.

Component Replacement Programme

We actively monitor the condition of our properties through a programme of stock condition surveys and have developed a programme where building components and systems are replaced on a planned programme. The following table shows the total replacement costs for the ten most expensive components in ten-year bands sorted in descending order.

Table 5

Component	Years 1-10	Years 11-20	Years 21-30	Total
	£	£	£	£
Kitchens	25.9m	9.9m	28.3m	**64.2m**
Heating Boilers	9.5m	14.1m	10.8m	**34.5m**
Electrical Systems	7.7m	15.5m	4.8m	**27.9m**
Landscaping and Boundaries	10.2m	9.9m	2.3m	**22.5m**
Roofs	7.4m	6.7m	6.6m	**20.6m**
Bathrooms	6.6m	8.1m	6.4m	**21.1m**
Windows	7.8m	8.1m	4.2m	**20.2m**
Doors	3.9m	2.5m	4.1m	**10.7m**
Heating Systems	2.9m	3.3m	2.2m	**8.5m**
Communal Doors	1.4m	248k	976k	**2.7m**
Total	**83.5m**	**78.6m**	**70.9m**	**233.1m**

Our approach to replacing heating and electrical systems is under review as it is likely that these costs will change once we develop a strategy for achieving Net Carbon Neutral. As with the previous table these estimates are based on 2023 costs and have not been adjusted to take account of future inflationary pressures.

The stock condition data, along with lifecycle costing, has been analysed to identify the level of investment required to ensure the authority continues to achieve and maintain homes to the Decent Homes standard and tenant aspirations.

In respect of gas and electrical heating and appliances, biomass boilers, water hygiene, fire alarms and emergency lighting, these are the subject of 100% annual testing under a cyclical programme and the associated costs have been extrapolated to indicate the level of annual investment required with account taken of whole life costing.

As part of the commitment to develop and improve the Core Housing Services we will:

- refresh resident profile data
- analyse and publish the full results of the tenants survey
- produce any necessary improvement plans based on the results of the survey
- provide support to tenants to help them to sustain their tenancies
- review and update the Lincoln Standard
- improve the energy efficiency of our properties
- Implement testing programme and complete a plan for remedial works regarding radon levels in properties

- procure new grounds maintenance and housing garden services
- produce a training and qualification log for all housing staff
- collect feedback from tenants as part of the Tenant Satisfaction Measures (TSM) process
- replace numerous IT systems into a new integrated system -
- aim to attain top quartile performance across all areas of the Tenant Satisfaction Measures
- develop a progressive transformation plan that will further embed a high-performing, customer centric culture within the housing team

6.2 Delivering New Homes

The Councils Vision 2025 document recognised that a quality affordable home in which people can feel safe and thrive is a fundamental element in creating a positive community and enhancing society as whole.

It commits, as did its predecessor Vision 2020, to do everything possible to meet housing demand and improve standards across all tenures in the city. This means high quality housing that is affordable and flexible, that can help people of all situations to grow and achieve their true potential. The Council recognises that by having a place to call home, people not only feel that they belong in their community, but they are more likely to look after their surroundings, which raises and maintains the appearance of the city.

The Council is the largest landlord in the city and therefore must be cognisant of its role in the local housing market and be prepared to set high standards that will hopefully drive and encourage others to follow.

Our current stock of circa 7800 homes has been reduced dramatically by the requirement to sell its properties under the national Right to Buy scheme (see table below). By its very nature this has dramatically reduced the amount of social rental properties available to the people of our city. Sadly, many of the properties sold under right to buy (est. to be >70%) are now in the hands of private sector landlords and let at market rates and therefore, due to massively increasing rent levels in the city, are not affordable to many individuals and families.

Table 6

Year	**2014**	**2015**	**2016**	**2017**	**2018**	**2019**	**2020**	**2021**	**2022**
RTB's sales for FY Apr-Mar	37	53	62	67	48	57	33	55	51

Recognising this situation, the council has committed in V2025 to:

- Let's provide housing which meets the varied needs of our residents, i.e., increase housing numbers

In terms of the HRA and social housing generally this has been expressed in a target of an additional 400 homes over the period of the current V2025 document.

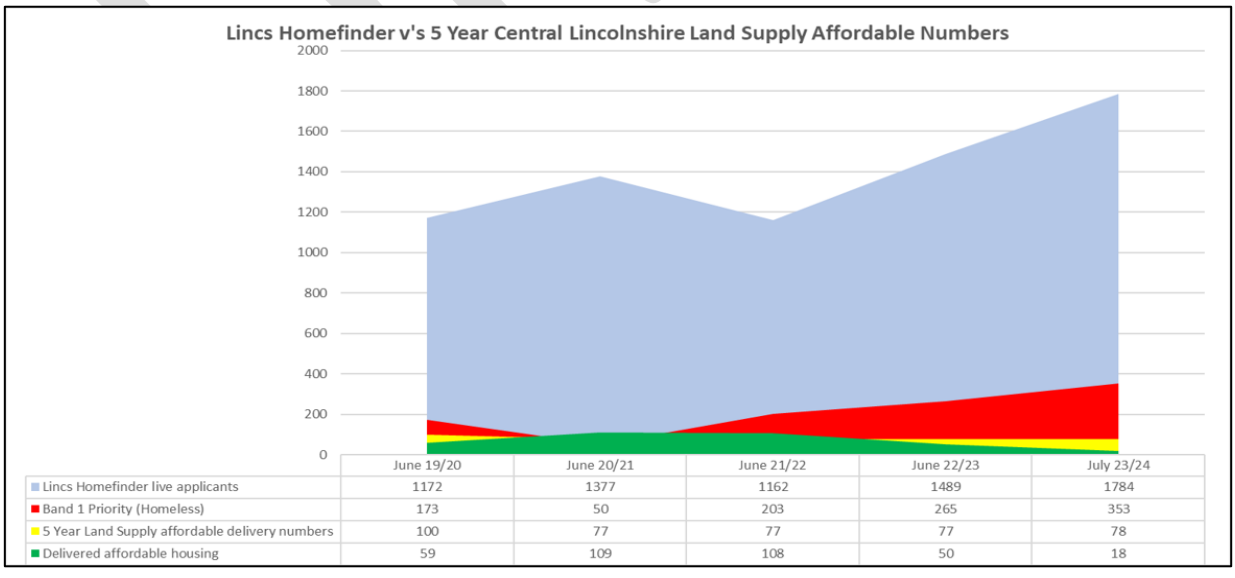
The Council recognises its role and responsibilities to meet housing need and since 2015/16 has provided or enabled over 700 new and additional affordable homes in the city (See table below).

Table 7

Financial Year	CoLC - Acquisitions Open market /Buy backs	New Build purchases or built by CoLC	New Build Other Provider	Total Delivered
2015/16	0	20	21	**41**
2016/17	0	0	57	**57**
2017/18	0	23	16	**39**
2018/19	0	176	79	**255**
2019/20	34	0	25	**59**
2020/21	36	20	53	**109**
2021/22	33	70	5	**108**
2022/23	8	32	10	**50**
2023/24 (as of 18.08.23)	7	10	4	**21**
Total delivered 15/23	**122**	**347**	**270**	**739**

Although the Council has been successful in delivering additional housing, our local housing market has worsened in terms of demand versus supply over the last few years. Whilst it can only be used as a proxy indicator the councils own housing register now has around 1780 active applicants seeking homes. The following graph shows demand for affordable housing:

Chart 6



This graph demonstrates that we have circa 350 individuals and families in Band 1 (our highest need band), meaning “customers requiring urgent rehousing where the council has a legal duty to consider them for accommodation”. This does however include those already in our stock requesting a transfer to either downsize due to over provision or the opposite to upsize due to under provision e.g. a growing family.

If we were to meet the whole of this need, we would need to provide an additional 350 homes over the next few years. If we equate this to our current year in year delivery it would take approximately five years to provide these homes.

It is clear from our consultation with our elected Members and the Lincoln Tenants Panel that they would like to be more ambitious and deliver additional housing as quickly as possible, whilst also recognising our constraints (see below). Members ranked housebuilding as their second most important priority when measured against the other three priority areas mentioned in the 30-year Business Plan. Members understand the complexity of Lincoln’s current housing market and identify Council intervention as important and playing a lead role in attempting to normalise the situation. Whilst not fixing the local housing market issue alone, it is a positive intervention that may lead to other benefits such as improving energy efficiency generally and driving up standards in the private sector as supply begins to equalise demand.

We must accept that we are operating with some constraints. As a council we have limited land available for development. As house building in the HRA was restricted, the skills to bring forward major sites and large numbers of new homes are not easily accessible to us. Funding can be complex and with the higher costs of development we may need to involve other organisations such as the Homes and Regeneration Agency to bring forward developments that would otherwise be unviable.

To address these constraints, over the next 6 months we will review the entirety of our stock and estate areas and look for opportunities to infill and make use of obsolete or unused space. This may mean removal of existing homes to provide access to previously inaccessible sites. We will also consider building outside of the city boundary, especially where sites or opportunities become available adjacent to our boundary. We will also explore any opportunities we identify to provide additional housing by purchasing buildings and land not currently being used for housing.

We will engage with our partners such as the Homes and Regeneration Agency to maximise the grant available to us to bring affordable/social homes forward. We will also seek other grant opportunities through other Government departments to bring forward specialist housing as we have done in the past with programmes such as RSAP, NSAP and SHAP.

We explore working with our Registered Provider (RP) partners to tap into their professional expertise and development teams.

When funding new homes, our current business model is that any development should where possible breakeven at affordable rent levels (80% of market rent). In recent times we have

supplemented our RTB receipts (returns from house sales) with borrowing for the Public Works Loans Board. We always look to maximise the use of these receipts.

We apply for and draw down any funding that is made available to us by Government agencies such as the Homes and Regeneration Agency. Where required we will add additional resources from the HRA Housing Investment Programme. In applying funding this way, we are assuming that rent debit will service the debt costs, so essentially, we will as previously stated be in a breakeven position. In practice each development will be proceeded by a viability assessment which will also determine if the council should be charging an affordable or social rent.

We are committed to providing homes people need over the term of this business plan.

1. We will scrutinise the findings of the housing needs assessment being completed in 2023 to ensure that we are developing and acquiring properties that are in line with the current and future needs of the city's population.
2. Each year, we will, ensure that as a minimum there will be no net reduction in the number of homes in our stock. Based on current RTB loss figures we will build or buy a total of 1,700 properties over the life of this business plan which is an average of 50 properties a year.
3. Over the next ten years we will provide enough homes to reduce the number of applicants in Band 1 of the Housing Register by 75%. This would be an initial delivery target of circa 260 additional homes at an average of 26 per year.
4. We will review these targets year on year to take advantage of new opportunities that are presented to increase our stock but, also to continually understand what our Band 1 requirement looks like.
5. We will use a variety of approaches and opportunities to increase our stock: -
    - We will establish what level of market housing needs to be developed on HRA land to make the site viable (in term of infrastructure etc). These include the sites at Western Growth Corridor and Queen Elizabeth Road.
    - We also have several other development sites such as Searby Road and Tentercroft Street that could be used to provide additional affordable homes.
    - We will review our existing assets base, including garage sites, and release any available land suitable for development.
    - We will work with our Registered Provider partners and existing developers in the city to bring forward development sites in partnership or buy off plan.
    - We will look at our existing housing stock and look to remodel if we believe this will potentially increase house numbers or the number of bedrooms available given the shortness of supply of 2 and 3 bedroom homes. This will include an immediate review of 2 of the 3 high-rise blocks we have.
    - We will look outside of our boundary and seek opportunities to invest in sites and developments that complement our stock.
    - We will continue our existing buy back (Purchase & Repair) programme, but we will be cognisant of the impact this may have on the local housing market.

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6.3 Estate and Neighbourhood Regeneration

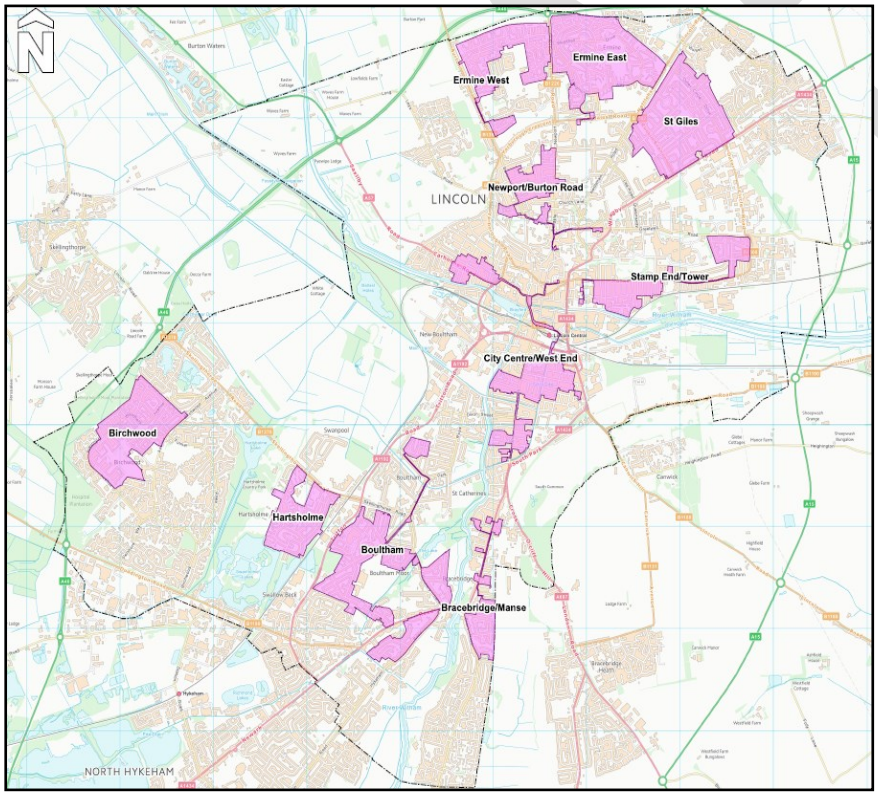
We believe that providing good quality housing and well-designed public spaces can improve the quality of life and offer new opportunities to residents and stimulate inward investment in neighbourhoods.

We have set out our ambitious plans to develop and improve Lincoln in the Vision 2025 document, and this business plan details how we will make our estates and neighbourhoods **CLEAN, GREEN, and SAFE.** Improving communal areas and providing bin stores and cycle racks will make neighbourhoods CLEANER. Creating green corridors and replacing or refurbishing old inefficient housing will make the city GREENER. Reducing cul-de-sacs and improving external lighting will make the city SAFER.

The city's council housing is based in various locations across the city and consists of ten estates, these are shown on the map below.

Chart 7

Location of Council House Estates in the City of Lincoln



We know that improving the quality of our neighbourhoods and estates and reshaping services can have many positive impacts for the city by:

- Developing social cohesion and individual wellbeing by helping to improve health, educational attainment, employment and skills, whilst reducing crime and deprivation.

- Improving the quality of our streets and neighbourhoods which will enhance the quality of life for residents and visitors and make Lincoln a more attractive location for investment and tourism.
- Using underused land (garage sites etc.) to provide much needed additional housing.
- Reducing unemployment and increasing inward investment and economic growth which can deliver significant financial benefits.
- Improving the provision and condition of garages and parking arrangements.

We have already undertaken a comprehensive review of our estates to identify the areas that could benefit from regeneration projects. This review has shown that parts of our estates suffer from social deprivation, high levels of ASB and crime. There is also a lack of transport connectivity between neighbourhoods and a lack of community amenities such as pharmacies and shops. Our estates also offer a range of opportunities and there are numerous areas that could be improved to provide good quality open green spaces or the possibility for additional housing or car parking spaces.

We understand the importance of high-quality communal areas, garages and green spaces and are committed to maintaining and improving our HRA estates and neighbourhoods. To do this we will deliver a range of interventions and improvements over the life of this business plan.

Involving and consulting with our residents is essential and we will continue to consult with tenants, residents, communities and members to ensure we develop and maintain a 'shared vision' for the future of our estates and neighbourhoods.

To improve efficiency and ensure delivery we will sort estate regeneration projects into one of two categories:

1. Small/Medium projects - value up to £100,000

   E.g., Improve bin storage, provide cycle racks, improve play areas, upgrade external lighting, create green corridors between blocks etc.

2. Large projects - value £100,001 and above
   E.g., Reconfigure parking spaces, improve controlled access to public and semi-public spaces, reshape property exteriors, refurbish/redevelop high-rise blocks and pre-fabs, build additional housing on infill sites, improve interconnectivity by developing additional cycle ways and green corridors between neighbourhoods.

We are currently reviewing our garage and local parking strategy and this will be completed by the end of 2024. Following this we will deliver a programme of improvements to ensure that we deliver good quality parking arrangements at an equitable cost to residents.

These projects will take more than one year to deliver and will be managed and funded from the HRA capital programme.

6.4 Addressing Climate Change

On 23rd July 2019 Lincoln Council issued a Climate and Environmental Declaration to address the challenge of climate change.

The Council has a Decarbonisation Strategy and Action Plan that sets out its response to the Climate Emergency. The Plan looks at the emissions that are in the direct control of the Council. The Council also works with the Lincoln Climate Commission and Lincolnshire County Council, to produce and implement plans and policies and deliver strategies to reduce climate change.

As the largest landlord in the city our actions can make a major contribution to the city's aim to reduce climate change. Although there is a moral aim to make improvements to properties to make them carbon neutral, we must balance this with the running costs for tenants that live in the homes and making best use of council resources. There is still a lot of uncertainty in the market about the potential impacts and risks that may come with some of the new technology, for example: -

- The lifespan of some of the materials is unknown. This means that the whole life cost of some materials is unable to be appraised fully as the current costs cannot be compared to any potential longer lifespan.
- The disposal of some of the batteries and materials needs to be considered and options made available.
- The infrastructure within the National Grid does not yet have the capacity to support all housing to change over to all electric devices.
- There are insufficient numbers of charging points for electric vehicles to support all fleet vehicles. This requires the installation of additional charging points; however, this will only be possible if there is the support available from the National Grid infrastructure. There is also a national shortage of operatives that are adequately trained to work on the new technology should it need repairing or maintaining.

For the HRA to make its contribution towards Lincoln's target to be a net zero carbon city by 2030 we will deliver the following actions.

Over the next five years:

1. We will ensure that all council housing properties achieve EPC Band C by 2030.
2. We will continue to improve the environmental performance of our homes as we deliver planned major repairs and improvements, by installing high quality windows and doors and replacing heating systems with high efficiency boilers and controls.
3. We will complete surveys on all housing archetypes to gather data that will enable us to produce a fit for purpose investment programme that includes what is required to retrofit the council housing stock. We will look to complete any improvements as and when they are required to improve the properties during the next five years, however, a retrofitting programme will not be launched during the five years.

4. We will continue to research and test materials that are currently available and are introduced during the next five years to ensure that the Council have the best intelligence on which materials are the most effective and efficient to reduce carbon emissions. Examples of this are air flow heat pumps and devices that monitor the amount of moisture in the air inside properties.
5. We will commission inspections of land owned by the HRA that offers the potential to be used as bio-diversity net gains. Once this data is available, we will seek to follow the necessary requirements to implement and maintain these sites to use to offset carbon emissions and consider the possibility of using these sites to offer for carbon credits to other developers or businesses.
6. We also commit that any new housing developments that are commissioned by the HRA will be to provide net zero homes or deliver the homes at SAP A rating. Where this is difficult to deliver, we will look to offset on-site using other methods outside of the homes.
7. We will ensure that our fleet contracts aim to provide electric vehicles providing the technology and infrastructure required to charge the vehicles is available and effective.

After five years:

1. We will commit to implementing and delivering a Housing Investment Programme that includes works to retrofit council housing.
2. We will complete a training needs analysis and implement a training programme for operatives to be equipped to complete the necessary repairs on all new technology.
3. We will continue to deliver any new housing developments that are commissioned by the HRA to provide net zero homes or deliver the homes at SAP A rating.

7. The Financial Model

This business plan sets out our ambitious long-term plans to deliver quality council housing in Lincoln. The previous section set out our four strategic aims and delivering these will only be possible if we have a prudent financial plan that delivers capacity in the HRA to invest in the housing service.

Alongside the business plan the Council's key financial strategy is it's Medium Term Financial Strategy. The purpose of the MTFS is to set out the overall framework on which the Council plans and manages its financial resources to ensure that they fit with, and support, the direction of the Council's vision and strategic priorities. While the business plans sets out the longer term plans for council housing the MTFS is focussed on the first five-years and mirrors the business plan in this respect.

The MTFS contains a number of financial objectives for the Council, in response to the impact that current economic conditions are having on the Council's finances and the inherent uncertainty in financial planning, these objectives have been reviewed to ensure they remained relevant. The key overriding objective continues to be: -

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

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

- To ensure the Council uses its reserves and balances carefully, seeking to maintain robust levels and replenishing where necessary, to address any future risks and unforeseen events without jeopardising key services and the delivery of outcomes
- To seek to maximise income levels, including maintaining in the short term and growing over the medium term, the Council Tax and Business Rates tax bases, whilst ensuring that Council Tax rate and Housing Rent increases are kept an acceptable level.
- To ensure that the Council's limited resources are directed towards its Vision and strategic priorities, redirecting where necessary to allow for improvement and investment.
- To ensure the Council provides efficient, effective and economic services which demonstrate value for money.

We also have some general principles that we follow for the HRA, which are:

- The prudent level of reserves on the HRA is to maintained at between £1m-£1.5m.
- Surpluses in the HRA, are in the short term i.e. over the 5-year MTFS period, contributed to the capital programme as part of useable capital reserves and held for investment purposes.
- Financing of new builds or acquisitions will be (after the use of 1-4-1 or grant funding) funded through borrowing on the basis that investments are predominately made where projected income offsets the cost including borrowing. Some investments may though not generate a surplus but will have wider strategic benefits which warrant the investment.

We have developed a financial model that predicts the future performance of our HRA assets and measures them against our financial and operational objectives.

Central to this are the set of financial assumptions that underpin and inform the model. These include assumptions on future income and expenditure levels, staffing and repair and maintenance costs, debt management costs and future interest rates. These assumptions provide the guidelines for the HRA to follow, as they enable us to accurately forecast what the HRA will do in the future. A table summarising these assumptions is shown in Appendix 5.

The development of a long-term financial model provides several important advantages: -

- Provides an improved understanding of the business, based on accurate and tested financial data.
- Enables periodic reviews of financial performance.
- Offers the opportunity to benchmark performance against peer groups.
- Enables the use of 'stress testing' techniques to minimise risk.
- Provides much more accurate financial forecasts and budgets.
- Supports the ability to make quick, accurate decision on growth opportunities.

We are taking a long-term view of the management of the councils housing stock and are planning over a thirty-year period. This enables the development of complex strategies to achieve our long-term goals and objectives. In addition, we are also developing rolling multi-year budgets to; enable prudent financial planning and management to support the delivery of medium and long-term projects and the provision of a wide range of operational services.

7.1 Revenue Budgets

The HRA account is under a great deal of pressure to break even because of increased inflationary pressures, notably on staff salaries, energy, and utility costs, building materials and sub-contractor prices. Whilst at the same time having to cope with below inflation rent increases in 2021/22 and 2022/23.

The following table provides a summary of the HRA revenue projected budgets for the period 2024/25 to 2053/54. These budgets pay for all the operational day to day housing services (repairs and maintenance, housing management, estate services) as well as depreciation costs and transfers to the major repair reserve.

The table summarises HRA income and expenditure into five-year segments 1 to 5, 6 to 10 etc. The final column provides a total of the income/expenditure over the whole 30-year period.

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Table 8 - **30-Year HRA SUMMARY - 2022/23 to 2052/53**

	Yr 1 to 5	Yr 6 to 10	Yr 11 to 15	Yr 16 to 20	Yr 21 to 25	Yr 26 to 30
HRA 30 YEAR SUMMARY						
Dwelling rents	166,787,393	192,639,693	216,855,887	244,729,194	276,935,705	314,300,839
Non-dwelling rents	2,127,785	2,461,156	2,853,154	3,307,588	3,834,401	4,445,122
Service charge income	3,561,363	10,076,049	14,662,482	16,997,835	19,705,149	22,843,668
Other income and contributions	3,630,926	3,577,636	3,737,319	3,905,149	4,081,539	4,266,927
Total income	**176,107,467**	**208,754,534**	**238,108,842**	**268,939,765**	**304,556,794**	**345,856,556**
Repairs & maintenance	53,967,362	61,015,670	66,956,105	73,521,942	80,784,197	88,822,434
Management (incl RRT)	52,610,515	58,102,185	64,149,507	70,826,240	78,197,891	86,336,791
Bad debts	1,305,178	1,327,836	1,495,820	1,688,446	1,911,025	2,169,254
Dwelling Depreciation	38,823,854	40,239,460	44,427,615	49,051,677	54,157,015	59,793,721
Debt management	72,820	83,265	91,931	101,499	112,063	123,727
Total costs	146,779,729	160,768,416	177,120,978	195,189,803	215,162,192	237,245,926
Net income from services	**29,327,739**	**47,986,118**	**60,987,864**	**73,749,961**	**89,394,602**	**108,610,630**
Interest payable	-11,977,846	-11,352,078	-9,493,199	-7,148,150	-5,584,614	-5,091,783
Interest income	1,684,636	1,481,812	2,904,789	5,066,501	8,188,476	13,197,039
Net income/expenditure before appropriations	**19,034,529**	**38,115,852**	**54,399,454**	**71,668,313**	**91,998,464**	**116,715,885**

Set aside for debt repayment	0	-5,897,597	-12,553,563	-12,000,000	-5,576,168	-2,303,235
Revenue contributions to capital	-17,728,701	-46,358,748	-12,604,606	-18,673,588	-14,381,008	-11,835,028
Allocation to/from other reserves	-1,122,254	-2,354,598	0	0	0	0
Other appropriations	0	0	0	0	0	0
Net HRA Surplus/Deficit	**183,574**	**21,573,967**	**29,241,285**	**40,994,726**	**72,041,288**	**102,577,622**
HRA Balance brought forward	**1,227,516**	**18,572,438**	**44,548,031**	**83,863**	**148,905,166**	**246,157,843**
HRA surplus/(deficit)	-18,740	3,843,157	7,108,848	8,788,768	15,787,727	21,112.68
HRA Balance carried forward	**1,208,776**	**22,415,595**	**51,656,879**	**92,651,605**	**164,692,893**	**267,270,515**
Other reserves brought forward	**5,821,345**	**6,046,885**	**6,046,885**	**6,046,885**	**6,046,885**	**6,046,885**
Appropriation from HRA	115,450	0	0	0	0	0
Release of reserve	0	0	0	0	0	0
Other reserves carried forward	**5,936,795**	**6,046,885**	**6,046,885**	**6,046,885**	**6,046,885**	**6,046,885**

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In the first five-year period the HRA revenue account has a projected total income from rents, service charges and various other income streams of £176million, this continues to rise for each of the subsequent five-year periods and reaches £346million for years 26 to 30. This assumes that rents will increase by 6.5% (2023/24), 5% (2024/25) then 3% beyond (assuming CPI = 2%) and CPI (2%) plus 1% in each of the subsequent years.

The table illustrates several interesting points, most notably: -

- With a total income over the 30-year period of £1.542billion the HRA is a large business and major player in Lincoln's economy.
- The compound effect of inflationary increases (on both income and expenditure) almost doubles financial values over a 30-year period.
- Prudent management of the HRA can deliver significant surpluses to reinvest back into the council's housing stock.

The various income streams are spent across numerous budgets. The main item of expenditure is on repairs and maintenance which incurs the largest expenditure in each of the five-year periods, followed by staffing costs, debt management expenses, HRA loan charges, HRA debt provision and major repairs reserves.

The short-term economic situation is uncertain, and we anticipate that we will continue to face significant short-term inflationary increases that may drive up costs for energy, fuel and materials.

7.2 Capital Budgets

The following table provides a summary of the HRA capital budgets for the period 2024 to 2054. The budgets consist of four categories.

Table 9

HRA Capital Budgets 2022/23 to 2051/52

	Yr 1-5	Yr 6-10	Yr 11-15	Yr 16-20	Yr 21-25	Yr 26-30
HRA CAPITAL PROGRAMME						
	Yr 1-5	**Yr 6-10**	**Yr 11-15**	**Yr16-20**	**Yr 21-25**	**Yr 26-30**
Stock capital investment	59,762,818	61,753,683	57,012,438	67,688,798	68,482,418	71,551,138
Other Improvements	0	0	0	0	0	0
Development/Acquisition	17,768,633	17,768,633	1,266,953	294,760	325,470	359,350
IT Infrastructure	1,081,231	121,064	0	0	0	0
Capital programme	**78,612,683**	**63,141,700**	**57,307,198**	**68,014,268**	**68,841,768**	**71,947,988**

In total we are planning to spend £408million on various capital projects over the next 30 years at an average spend of £13.6million a year.

1. Stock Capital Investment makes up approx. 95% of our capital expenditure. This includes the Decent Homes and Lincoln Standard improvement programmes, Health

and Safety works and landscaping and environmental improvement projects, CCTV systems and improvement works to garage sites. In total we will be investing £386million in these projects over the next 30 years.

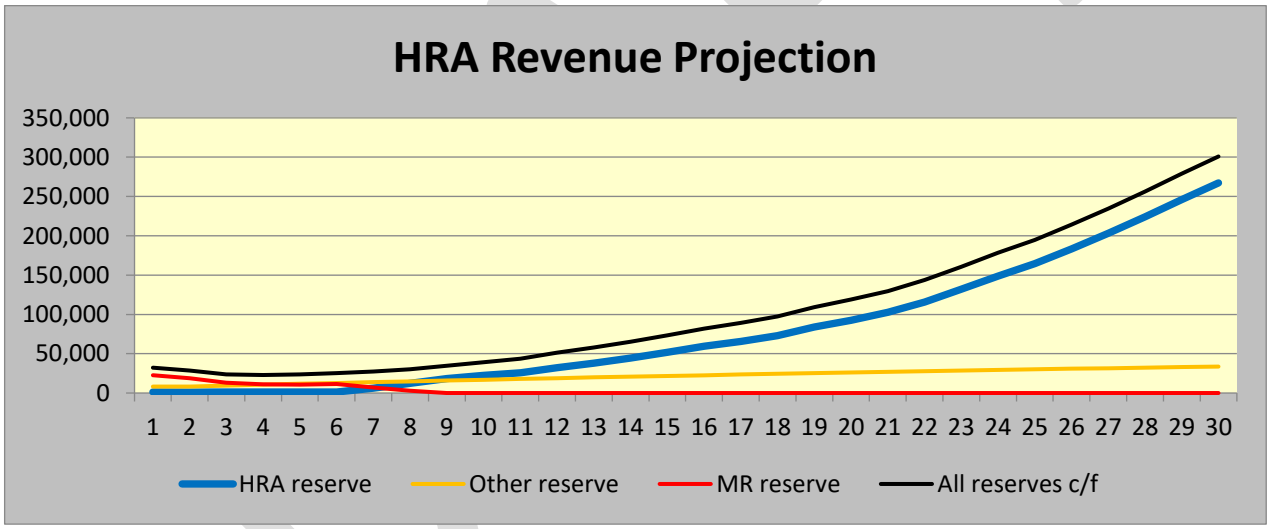
2. Development and acquisitions, this includes various projects to build new homes and the acquisition of one-off properties under the Buy Back and other government housing schemes. In total we will be investing £20million delivering additional homes.

3. IT/Infrastructure, this includes on-going investment in IT systems, hardware, and communication systems. In total we will invest £1.2m in this area.

7.3 HRA Surpluses

We have taken a prudent approach to the financial management of the HRA we estimate that the HRA revenue account will produce a total net surplus of circa. £266million over the 30-year period. The gross balance at year five will be £24million, by year 10 this will have risen to £39m and this continue will continue to increase incrementally to reach a total of £301million by year 30.

Chart 8



The prudent approach to managing the HRA set out in this business plan will, over time deliver surpluses that will enable Lincoln Council to invest in; improving core housing services, make our council houses greener and cost less to keep warm, regenerate our estates and build additional affordable houses.

8. Governance and Performance

The City Council's Constitution sets out how the council operates, how decisions are made and the procedures which are followed to ensure that these are efficient, transparent and accountable to local people.

The HRA Business Plan and policy framework are approved by Executive, as these are key decisions for example in relation to the capital programme, which is included in the council's Medium Term Financial Strategy and dwelling/non dwelling income in the annual rent setting report.

Informing and supporting those decisions is a structure set out in the Constitution.

Performance - Measuring Performance

We have a performance framework which incorporates monthly performance metrics and quarterly performance measures for the services we provide across the HRA business.

This helps us to monitor service delivery and to report consistent information to a range of audiences, including to tenants and to officers in the council, together with presentations to Housing Scrutiny Committee and Executive.

These measures and the discussion around them, help us to make decisions about service improvements and about how to make services more efficient.

There is also a direct link to the strategic measures in Strategic Plan which ensures that the HRA business contributes to Vision 2025.

Also subject to monitoring and scrutiny within the framework, we have a Housing Work Plan, Vision 2025 action plan, team plans and individual objectives which all link back to delivering key actions and priorities in service delivery. These priorities and plans improve efficiency, secure value for money and improve the quality of our homes and the services that we provide.

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Appendix 1

Housing Strategy Action Plan

Note – insert link to latest version of the housing strategy

Appendix 2

Asset Management Strategy Action Plan

Note – insert link to latest version of the asset management strategy

Appendix 3

Housing and Investment Risk Register

Note – insert link to latest version of the housing risk register

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Appendix 4

Department of Housing and Investment High Level Key Performance Indicators 2023/24

Performance indicator	PSC 23-24 Target		HSSC 23-24 Target
	CoLC Lower Target	CoLC Higher Target	Target
Rent collected as a percentage of rent due	96.50%	97.50%	97.50%
Current rent arrears as a percentage of rent due	4.15%	4.00%	4.00%
Percentage of rent lost due to vacant dwellings	1.20%	1.00%	1.00%
Average re-let times (minor works) *all dwellings*	34 days	32 days	32 days
Average relet times (including major works) *all dwellings* - Overall	40 days	38 days	38 days
Percentage of priority repairs caried out within time limit (1-day tickets)	98.50%	99.50%	99.50%
Percentage of homes with a valid Gas Safety Certificate	98.60%	99.00%	99.00%
Repairs completed right first time (1- and 3-day tickets)	90%	92%	92%
Percentage of repairs appointments kept (1- and 3-day tickets)	95%	97%	97%

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Percentage of Urgent repairs carried out within time limits (3-day tickets)	95.00%	97.50%	97.50%
Percentage of non-decent homes	1.20%	1.00%	1.00%
Percentage of alarm calls answered within 60 seconds	97.50%	98.00%	Not in HSSC
The number of people currently on the housing list	No target - volumetric measure		Not in HSSC
Percentage of tenants satisfied with repairs and maintenance	90.00%	95.00%	Not in HSSC
The number of people approaching the council as homeless	No target - volumetric measure		Not in HSSC
Successful preventions and relief of homelessness against total number of homelessness approaches	45.00%	50.00%	Not in HSSC
Percentage satisfied of new connections for the control centre	90.00%	95.00%	Not in HSSC
Number of properties 'not decent' because of tenant's refusal to allow work (excluding referrals)	No target - volumetric measure		Not in HSSC
% of offers accepted first time	Not in PSC		85%
% of Priority repairs carried out within time limits (1-day tickets) – Aaron Services only)	Not in PSC		99.50%
% of complaints replied to within Housing Code timescales	Corporate target		95%

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Average number of working days to respond to complaint	Not in PSC	12 days
% of ASB cases closed that were resolved	Not in PSC	94%
Average days to resolve ASB cases	Not in PSC	70 days
% of complaints replied to within Housing Code timescales	Corporate target	95%
Average number of working days to respond to complaint	Not in PSC	12 days
% of ASB cases closed that were resolved	Not in PSC	94%
Average days to resolve ASB cases	Not in PSC	70 days

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Appendix 5 - HRA Development Programme

Scheme	2020/21		2021/22		2022/23		2023/24		2024/25		2025/26		26/27		Future delivery - dates TBC	
	Other Affordable Provider	CoLC	Other Affordable Provider	CoLC	Other Affordable Provider	CoLC	Other Affordable Provider	CoLC	Other Affordable Provider	CoLC	Other Affordable Provider	CoLC	Other Affordable Provider	CoLC	Other Affordable Provider	CoLC
LN6 Development	6															
Markham House		5														
Rookery Lane						32		10								
De Wint Court				70												
Gaunt Street	9															
Boultham Dairy site	18															
Riseholme Road (Waterloo)	20	15														
Former council properties / open market acquisitions		36		15		8		12		10						
NSAP / RSAP purchases				18												
Monks Road			5													
Hermit Street										11						
Gap Homes									5							
Garage Sites												10		10		
SHAP - framework provision											15					
LAHF								6								
Roman gate Taylor Lindsey affordable homeownership product					10											
Roman gate Taylor Lindsey inhouse affordable section 106 contributions							4		10							
RSAP - Framework							6									
LAHF								9								
Queen Elizabeth Road Site														81		
S106											10		10		10	
Western Growth Corridor															363	277
Jasmine Green																49
Longhurst Flats															17	
Tentercroft Street																40
Palmer Street																10
TOTALS	**53**	**56**	**5**	**103**	**10**	**40**	**10**	**37**	**15**	**21**	**25**	**10**	**10**	**91**	**390**	**376**

KEY	
Complete	287
In progress	27
Likely to proceed	182
Dates to be confirmed if scheme progresses	756
Total identified	**1252**

Appendix 6

City of Lincoln Business Plan Assumptions

	Medium-Term Financial Plan (Mirrored in the Model)	Year 5+ Used in the o Long-term Business Plan	Commentary
Rents	6.5% (23.24), 5% (24.25) then 3% beyond (assuming CPI = 2%) RTBs (-50pa)	CPI (2%) + 1% RTBs (-50pa Y6, Y7+ this reduces by -1 pa)	The plan assumes CPI at 4% for 2024.25 then CPI at 2% thereafter. Rents increase all-years at CPI +1%. The current rent policy ends in April 2024 – consensus is that rents should continue to increase by CPI +1% until further long-term guidance is issued. The CPI rates used are reasonable given latest forecasts.
Non-Dwelling Rents	3% 2024.25 beyond	CPI (2%) + 1%	We would expect non-dwelling rents such as garages to continue to increase by CPI +1%.
Service Charges	3% 2024.25 beyond* (Only a small minority of properties currently have a service charge) *De Wint Court is the only exception to this with service charges calculated annually on a full cost recovery basis.	CPI (2%) + 1%	The majority of social landlords (councils and RP's) have implemented rent de-pooling, the Council are proposing to introduce new service charges, with a phased approach, effective Apr-25. New service charges will increase in line with service costs unless direction not to fully recover costs
Repairs	3% 2024.25, 2% beyond	CPI (2%)	Increases are dependent on contracts and if uplifted by CPI or by the relevant BCIS index. Not all expenditure is inflated as per MTFS assumptions.

Management	Pay c.6% 2024.25, 2% beyond* Utilities 3% 2024.25, 2% beyond *the MTFS originally assumed a pay award of 3% for 2024.25, this has since been uplifted to recognise the latest national pay offer (though not agreed) which represents an average increase of c.6%	CPI (2%)	Salary costs now reflect the proposed national pay offer for 2024.25, and 2% thereafter. Utilities are inflated by 3% in 2024.25, and 2% thereafter. The cost-of-living impact within 2023.24 was recognised within the current MTFS and the base budget was increased by 180% and 100% for Gas and Electricity respectively. Not all expenditure is inflated as per the MTFS assumptions.
Bad Debt Provision	Fixed £250k	0.7%	Beyond the current MTFS the bad debt provision rises in line with rent increases.
Depreciation	Cash Limited – to match MTFP	CPI (2%)	N/A
Capital Expenditure	Cash Limited – to match MTFP	CPI (2%)	Based on inflated Stock Condition Surveys
Debt Management	Cash Limited – to match MTFP	CPI (2%)	Based on Treasury Management Requirements
Interest Paid	Existing Loans c3.4% New Loans (£2.7m) c4.1% Internal Borrowing >£17.6m 0%	Existing Loans c3.4% Internal Borrowing 0%	Limited new borrowing included due to level of available resources. Internal borrowing reduces investment interest received.
Interest Received	c1.7% to c1.1% (To be updated in next MTFS refresh)	1.1% (To be updated in next MFTS refresh)	Longer terms rates are set to reduce.

Appendix 7

Glossary:

Affordable Rent	Up to 80% of open market rent.
AHP	Affordable Homes Programme
Allocations Policy	The Council's policy setting out how Council housing is allocated
Category 1 sheltered housing	Properties are grouped together, usually with a common room, with a site warden.
Category 2 sheltered housing	Flats / bedsits "all under one roof" with facilities such as a common room, guest room and communal kitchen with a site warden.
Category 2.5 sheltered housing or extra care sheltered housing	Flats / bedsits "all under one roof" with on-site care provision, a scheme manager, and a range of communal facilities such as a restaurant, hair salon and treatment rooms.
Cost floor	Section 131 of the Housing Act 1985 (the cost floor) limits the Right to Buy discount to ensure that the purchase price of the property does not fall below what has been spent on building, buying, repairing, or maintaining it over a certain period. For new homes the cost floor covers the first 15 years. However, where the cost floor is above the valuation the sale price will equal that valuation.
CPI	Consumer Price Index
Decent Homes Standard	Homes that are warm, weatherproof and have reasonably modern facilities.
Depreciation charge	Annual amounts representing the long-term needs of the existing stock to be moved from the HRA to the Major Repairs Reserve.
EPC	Energy Performance Certificate
Formula Rent	Social rent which has reached the target under rent restructuring.
General needs housing	Housing which is not designated for people with specific housing needs. However, general needs bungalows are usually only allocated to older people and people with disabilities.
HAPPI	Housing our Ageing Population: Panel for Innovation

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Housing Association	A not-for-profit organisation which provides affordable housing. A housing association registered with the Regulator of Social Housing is a private registered provider.
HRA	Housing Revenue Account. This is ring-fenced, landlord account which records expenditure and income arising from the provision of housing accommodation by local housing authorities.
Leasehold properties	When HRA properties are sold through the Right to Buy the former tenant of a bedsit, flat or maisonette becomes a leaseholder.
Lettable standard	Standard of property which each Council home is required to reach before it is let.
Net zero	Net zero refers to achieving a balance between the amount of greenhouse gas emissions produced and the amount removed from the atmosphere.
Rent Standard	Sets out the rent increases local authorities and housing associations are expected to levy on social and affordable rented housing.
Retained Right to Buy receipts	Often referred to as 1-4-1 receipts, these are receipts received by the Council for Righto to Buy sales over and above the assumed level of sales agreed under self-financing settlement payment. The receipts can fund up to 30% of the total scheme cost of replacement social housing.
SAP	Standard Assessment Procedure.
Statutory homeless	A household is homeless, eligible for assistance, in priority need, unintentionally homeless and has a local connection.
Social Rent	Formula set by the Government which reflects valuation, average earnings, and the size of a property.
Supported housing	Housing which should only allocated to people with specific housing needs, this includes sheltered housing.
Tenancy Policy	Sets out the types of tenancies which the Council offers and in what circumstance.
Void	Empty council house.

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30. Housing Revenue Account Business Plan 2024/54

Daren Turner, Strategic Director of Housing and Investment:

a) presented Housing Scrutiny Sub-Committee (HSSC) with a report which detailed the long-term Housing Revenue Account (HRA) Business Plan for 2024/54 which could be seen at Appendix A to the report

b) added that HRA Business Plan built on the previous five-year plan, demonstrated the current situation and outlined the aims and objective for the 30 years from April 2024. In addition, the HRA Business Plan included financial assumptions and projections during the lifespan of the plan

c) confirmed that the Council had a legal duty to ensure the account remained solvent and would review financials on a yearly basis

d) reported that the Business Plan focussed on 4 key objectives:

    a. Develop and Improve Core Housing Services
    b. Delivering New Homes
    c. Estate and Neighbourhood Regeneration
    d. Addressing Climate Change

e) added that extensive consultation had taken place in collaboration with LTP, Tenants and also included five Member workshops. A shorter synopsis of the Business Plan was expected to be made available to all Members.

f) offered thanks to Members of LTP for their involvement and for the attendance to workshops of all elected Members

g) invited comments and questions from Members of the Committee.

Members discussed the content of the report, commented, asked questions and received relevant responses from Officers as follows:

Comment from Mick Barber, Chair of LTP: The hard work of the officers involved in the creation of the plan and the commitment of LTP was valued.

Comment from Donald Nannestad, Portfolio Holder for Quality Housing: The dedication of officers for the vast amount of work that had been undertaken was recognised and appreciated. The document would be reviewed and amended over time as the situation would look very different in 30 years' time.

Question: Had the consultants work now been completed?

Response: The contract for the consultants was not for one specific part of the plan only. There would be a presentation by the consultants in the future.

Question: How many times throughout the year would consideration be given to the Housing Revenue Account (HRA)? Should HSSC decide how many times the HRA was reviewed per year?
Response: The financial performance of the HRA had not historically appeared as a regular agenda item for consideration by HSSC. Instead, it had been presented to Performance Scrutiny Committee. Review of the financials was conducted within the department on a quarterly basis.

Comment: It may prove beneficial for a financial update to be presented to HSSC on a bi-annual basis for scrutiny.
Response: It would be a matter for the Chief Finance Officer to present financial information and discussions with finance colleagues would take place further to the meeting. Democratic Services had already commenced enquiries for bi-annual presentation of financial information, prior to the meeting.

Question: Where did the money to support emergency accommodation in hotels come from? The General Fund Account or the Housing Revenue Account?
Response: The General Fund Account. The long-term aim was to secure individuals into our housing stock and to have long term secure accommodation. Once under tenancy services, individuals would still be provided with support to ensure that the tenancy was sustainable.

Question: Why had there been an option appraisal for only two of the three high-rise blocks?
Response: Shuttleworth House had benefitted from significant investment approximately 4-5 years ago and was in good condition. Shuttleworth House also benefitted from two stairwells at both the front and the back of the block. Therefore, it was very well equipped in respect of fire safety. The other two high-rise blocks only had one stairwell each.

Question: Had consideration been given to the improvement of energy efficiency for properties with an Energy Performance Certificate (EPC) band D or lower?
Response: We were committed to achieving an EPC Band C or above for all properties over the lifespan of the plan. Achievement was difficult for a range of reasons. Successfully gaining physical access to some properties was difficult and some tenants that had resided in their home for a number of years, opposed modernisation of the property. Residents that allowed entry were considered within the plan and the total number of properties affected was now in single figures.

Comment: Changes contained within the Government's new Housing Bill which received Royal Assent on 20 July 2023, were required to be in place by 1 April 2024. Any organisation with over 1000 homes would be inspected once every four years to review compliance with the consumer standards. Social landlords would be required to collect and publish a range of 22 satisfaction measures and the City of Lincoln Council (CoLC) had a contract in place to provide that, as an external method to provide baselines and dashboards. The CoLC's performance as a landlord would be accessible by any person and provided a transparent view to the public and potential tenants.

Question: The Act contained a charter that laid out seven commitments that residents should expect from their landlord. Further to the tragic death in Boultham Ward, how were we going to ensure people were safe in their home?
Response: Incidents of that nature were handled on a case-by-case basis with consideration given to the nature of the incident. On some occasions, not always a serious case review was instigated and all public bodies involved in said case would be required to take part in a review of the response. If that occurred, reports would be published at a set time dependent on the nature of the enquiry which could take many months or years to complete.

Question: Was it possible to view the results of investigations, given the Council's role as landlord?
Response: It was not possible to comment on the processes of the Police, judiciary, and mental health services in connection with the tragic incident in Boultham Ward. Further to the incident, CoLC conducted an internal review of its own processes. A wider review had been commissioned, to be led by the Business Manager – Lincolnshire Safeguarding Adults Board. Reports would always be considered, and messages fed back. The decision to publicise records was not a CoLC decision.

Comment: Two senior officers conducted the internal review. Neither officer nor their department were involved in the case.

Comment: The Charter had proposed criteria for how inspection of registered providers would be implemented, but it had not been agreed. Agreement was likely to be after Christmas. The information from the consultation could still be viewed even through it was closed. The CoLC had considered the proposals as a guide to our current performance.

Comment: Transparency was important and the only way to assess the impact of policies was to have sight of them.
Response: Consideration had been given to internal mechanisms only. Any change to policy would require presentation to the Policy Scrutiny Committee to be scrutinised by elected members prior to approval of Executive. The review of the Boultham Ward incident concluded that the CoLC could not have done more.

Comment: It was important to understand what the regulator meant in regard to being safe in your home. When we talked about being safe in your home, we considered health and safety risks, property condition and damp and mould. Anti-Social Behaviour was a strand of safety however that element of the Charter regarded the structure and property condition.

Question: There was to be a review in 'early 2024'. Had a date been received?
Response: The guidance from Government was expected imminently and it would be presented to HSSC once received.

Question: Would the 22 Tenant Satisfaction Measures be scrutinised?
Response: The Tenant Satisfaction Measures were standardised and it was not possible to shape the questions asked as the measures had been nationally agreed. The results would be publicly accessible.

Question: There would be a requirement for individuals at Scampton who passed refugee status to be housed. Did the Business Plan consider the long-term provision of housing?
Response: It was not possible to estimate the impact. As of the latest correspondence, the Home Office stated that the decision for those individuals to stay or not stay would not be made locally. The total number of 2000 would not have a decision made locally in West Lindsay. Individuals would be unable to use local connection to gain duty. Once given their decision, individuals would be transported to wherever in the Country they chose through a national dispersal arrangement according to the Home Office. We had a duty to provide housing to those that chose Lincoln.

Comment from Donald Nannestad, Portfolio Holder for Quality Housing: A number of individuals may request to go to cities, especially single people.

Comment: In terms of the 30-year Business Plan, the CoLC had to consider homelessness and temporary accommodation but it was for the General Fund Account, not the Housing Revenue Account to pick up the related costs. Under homelessness legislation, CoLC had a duty to assist an individual to find housing. It did not have to be from our own Council stock.

Comment: The provision of 1700 additional homes was in order to address the losses from Right to Buy. The Council had looked to be ambitious to close the gap created by the need in Band 1 of the housing register.

Comment: The Government added on white paper, the Right to Buy was to be encouraged which was a cause for concern in respect of housing provision.

Question: Under Welfare Reform, the Business Plan stated the rental profile of tenants. What percentage were under discretionary housing?
Response: As of 31 July 2023, 56 family homes that are currently under occupying were in receipt of discretionary housing payment. The number of council tenants in receipt of DHP was twice as high 18 months ago.

Question: Further to the Covid-19 pandemic, 'it is now much more difficult to recruit or retain staff…' Was this in relation to housing officers?
Response: The recruitment and retention of staff remained a challenge across all departments of the Council and across different employment sectors. The Council had not seen a large movement of construction workers from private sector companies into the Council. That position may change as the effects of soaring inflation were felt. Consideration had been given to different forms of more regular recruitment exercises.

Question: There appeared to be a lack of trades staff specific for a job. Were trades staff employed as specific staff or multipurpose staff?
Response: There was a specific skill set however staff were also offered opportunities to enjoy a multiskilled role. Such roles enabled resources to be deployed more effectively. The availability of specific skill sets was a traditional approach and given the nature of modern education and training, prospective employees did not present in that way. The standard of workmanship had not been adversely affected.

Question: How did the Council intend to approach Lincoln's ageing population and encourage people to downsize in the future?
Response: Consideration was given to socioeconomic factors prior to development works commencing in order to identify the future housing needs for the city. Developments offered a range of property sizes and composition.

Comment from Donald Nannestad, Portfolio Holder for Quality Housing: Rookery Lane offered a wide range of properties which ranged from bungalows and flats to 4 bed properties.

Comment: Consideration was given to the internals of properties prior to build, to identify what design features were needed for now and in the future to provide homes that adapted along with the resident's needs. Some of the housing stock was ageing, not suitable for modern day living and needed to be rectified.

Question: What was the terminology used for rent payments?
Response: Local Housing Allowance.

Question: How many of the housing stock properties were above the Local Housing Allowance?
Response: Individuals who used their benefits to pay their rent would be able to access properties at Rookery Lane. It was important to have a variety of properties and to bridge the gap between social housing rent and private sector rent.

Question: Had the consultant's report considered this area?
Response: There were four areas of work which included a review of two of the high-rise blocks, a review of sheltered accommodation and estate regeneration and how they could be improved. Other pieces of work were mentioned in the documents and were reflected. There was a detailed financial model that we had committed to use which was specifically designed to manage the HRA and the 30-year plan.

Question: Referred to Table 1 on page 15 of the HRA Business Plan 2024/54. Under Band 1, March 2023, there were a total of 344 applicants on the housing register. What help was given to private renters? Did support come from the HRA?
Response: No. Support came from Homelessness Prevention under the General Fund.

Question: The HRA Business Plan detailed a variety of approaches to increase housing stock which included a review of existing assets. Could there be a review of empty garages that produced no rent and a breakdown, per ward of occupied and lost revenue per ward? It was important that the HRA generated as much revenue as possible.
Response: The use and management of garages had not been the focus for a number of years. Moving forward, we needed to consider them in a different way. Discussions had taken place with the Portfolio Holder for Quality Housing, to consider differential pricing strategies and use of the sites. It was important to recognise non-tenants who parked in garages. It was often the case that it was more cost effective for those individuals to rent a garage than park in Council car parks and pay the appropriate fee. The continuation of illegal access to properties

via our garage sites was also an issue. There was currently approximately 60% occupied and 40% unoccupied.

Comment from Donald Nannestad, Portfolio Holder for Quality Housing: Consideration had been given to a varied charge for the use of garages, e.g. storing items inside would incur a higher fee and a non-Lincoln resident would incur higher charge.

Question: If there was rear access gained to a property, should the Council be paid?
Response: Yes.

Comment: When assets had not generated an income, it was important to consider what to do with them.

Comment: There had been fantastic levelling off work carried out in the Sincil Bank area, an excellent example of future proofing. In addition, great work had been carried out on Walnut Place and the Ermine which needed to be rolled out across the City. Many Council garages had been used to store items in which was not allowed.

Question: What would happen to the green space at Queen Elizabeth in the West?
Response: This had been factored in under the Local Plan. It would be developed upon.

Question: Bollards had been installed on the garage sites at Walnut Place. Was it possible to negotiate with tenants, that bollards would not be installed in front of gardens if the appropriate fee was paid?
Response: It was not possible to comment on illegal access to properties through Council land. The possession of an appropriate licence would make access, lawful behaviour.

RESOLVED that:

1. Additional information be provided by Officers in relation to:

    - Confirmation of a bi-annual presentation of the Housing Revenue Account financial information to Housing Scrutiny Sub-Committee. The Democratic Services Officer be tasked with the addition of the item to the Work Programme

    - A figure, in monetary terms relating to lost revenue in respect of garages.

2. The HRA Business Plan 2024/54 be proceeded to Executive for formal approval.

Item No. 4

EXECUTIVE **20 NOVEMBER 2023**

SUBJECT:	**REPAIRS POLICY UPDATE**
DIRECTORATE:	**HOUSING AND INVESTMENT**
REPORT AUTHOR:	**AMY LARDER – MAINTENANCE MANAGER**

1. Purpose of Report

1.1 This report details the changes and updates made to the Repairs Policy since its previous review in 2017.

2. Executive Summary

2.1 The Repairs Policy was previously updated in 2017, Since the last edition of the policy there have been several changes around service delivery predominantly, around the implementation of scheduled repairs.

2.2 The policy has been reviewed and updated by the Housing Repair Service (HRS), the Investment Team, and in consultation with the Lincoln Tenant's Panel.

2.3 The policy now refers to scheduled repairs where appropriate, and the repair responsibilities for both the City of Lincoln Council and Tenants have been updated.

2.4 The key areas for clarification are on fencing, specifically our guidance on replacements and the tenant responsibility for maintaining installed fencing. Other key alterations include responsibility to include maintain ventilation to the property and cleaning/clearing of air vents by our tenants.

3. Background

3.1 The Repairs policy aims to identify within the provision of the Housing Act 1985 (amended) the tenants right to repair and identify the repairs that the City of Lincoln Council are responsible for, and those which tenants are responsible for within the terms and conditions of their tenancy agreement.

3.2 The policy also looks to provide key information on service delivery, information on services provided by City of Lincoln Council, and how to report a repair.

3.3 Service delivery has seen several changes since 2017 with a key area being the introduction of scheduled repairs since February 2022 and the Repairs Policy required updating to reflect this.

3.4 The Policy has been reviewed and updated by HRS, The Investment Team, and in consultation with Lincoln Tenants Panel.

4. Details

4.1 The repair policy was identified as requiring a review due to it being last updated in 2017. During the review, several areas within the document have been amended to refer to scheduled repairs rather than responsive repairs.

As well as providing clarity on the service delivery for repairs and responsibility's, the document also now provides information and guidance for customers and City of Lincoln Council Staff on the following areas.

- Regulatory requirements
- Scheduled repairs
- Health and safety
- Resident consultation
- Performance management
- Leaseholders
- Access arrangements
- Rechargeable repairs
- Vulnerable tenants
- Adaptations
- Alterations
- Right to buy
- Complaints

4.2 Key Updates Within the Policy

4.3 The service delivery area of the policy shows the hours our repairs service is available and identifies the repair priorities currently in use and the service delivery expected for each priority type.

- Priority repairs to be completed within 24 hours.
- Urgent repairs within 3 days
- Complete all other repair requests within 12 weeks, in line with the scheduled repairs programmed schedule.

It also details how to report a repair, and this section has been updated to include a link to our website, QR code and the online repair reporting site. There is now an overview included of scheduled repairs and how these repairs are identified and the timescales for carrying these out.

4.4 The policy reinforces that the City of Lincoln Council are responsible for the structure, exterior, services, fixtures and fittings to the property and any communal areas of the building excluding communal gardens.

4.5 Within our responsibilities, we have included clearer guidance on the replacement of fencing, fencing sizes and maintenance. The policy highlights that fencing may be replaced by hedging.

4.6 We have identified several repairs being carried out that should be tenants' responsibility in line with their tenancy agreement. These are now clearly outlined

in the policy. It also outlines repairs within the property that tenants are responsible for, including renewing or replacing items following normal wear and tear.

4.7 Items added to this policy within the tenants' responsibilities include.

- Maintaining all hedges to prevent obstruction to neighbouring properties, public highways, and footpaths. Hedges must not be removed without written permission from City of Lincoln Council (CoLC)
- Painting any existing timber fencing
- To keep the home properly heated and ventilated to prevent condensation or the build-up of carbon monoxide and mould
- To keep air vents clear and the cleaning of extractor fan vents

4.8 Next Steps

4.9 To deliver briefings and issue the repair policy to all staff within Customer services, Tenancy services, the Housing Repair Service, and the Investment team to provide clear guidance and knowledge of service requirements and responsibilities.

5. Strategic Priorities

5.1 Let's reduce all kinds of inequality.

The policy outlines a service level expected for all customers. The policy sets out our duty for vulnerable tenants and how we could adjust the policy in relation to recharges to account for individual circumstances.

5.2 Let's deliver quality housing.

The repair policy will provide a clear service delivery expectation increasing effective repairs and planned maintenance across the housing stock.

5.3 Let's address the challenge of climate change.

Within the policy we have included the reinstating of hedging to denote boundary lines where possible and suitable. This is more environmentally friendly than replacing with fencing panels.

6. Organisational Impacts

6.1 Finance

N/A.

6.2 Legal Implications including Procurement Rules

The Repairs policy aims to identify within the provision of the Housing Act 1985.

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 policy review has considered its equality duty and ensures that the service delivery is accessible to all tenants and leaseholders and the wider community where applicable.

6.4 Human Resources

N/A.

6.5 Land, Property and Accommodation

N/A

6.6 Significant Community Impact &/or Environmental Impact

N/A.

6.7 Corporate Health and Safety Implications

The policy highlights the responsibility of all managers responsible for the employees they manage to make sure that all working practices are in line with the appropriate health and safety legislation and good practice in order to ensure that employees, tenants and buildings and stakeholders are safe.

All employees must also adhere to procedures and method statements in place to protect themselves and others that they may have contact with.

7. Risk Implications

7.1 (i) Options Explored

It is not considered that there are any risks associated with the updates within the repairs policy.

7.2 (ii) Key Risks Associated with the Preferred Approach

It is not considered that there are any risks associated with the updates within the repairs policy.

8. Recommendation

8.1 Executive is asked to approve the policy, and, to ensure understanding and consistent application, briefing sessions for customer services and housing staff be undertaken.

8.2 To update the website with access to the policy for our customers.

Is this a key decision?	No
Do the exempt information categories apply?	No
Does Rule 15 of the Scrutiny Procedure Rules (call-in and urgency) apply?	No
How many appendices does the report contain?	2
List of Background Papers:	None
Lead Officer:	Amy Larder, Maintenance Manager Email address: **amy.larder@lincoln.gov.uk**

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Repairs and Maintenance Policy

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Introduction

The City of Lincoln Council's (CoLC's) housing department is a stock retained local authority, meaning we retain the ownership and management of our properties. CoLC is committed to providing the best services possible for our tenants, who occupy approximately 7,800 properties throughout the city. Our properties are a mix of houses, bungalows, maisonettes, and flats, some of which are in our three high rise blocks. The CoLC's stock also includes approximately 1,200 garages. We are committed to providing the best service possible to our tenants.

The CoLC aims to deliver a continuously improving scheduled repair and maintenance service by making sure that day to day repairs are carried out, on time and to a high standard that customers are satisfied with, whilst maintaining value for money within the service at all times.

The CoLC will ensure that all properties are repaired and maintained, providing a safe home environment for all its residents and tenants. The housing team will also contribute to the financial viability of the organisation by improving performance, with a main focus on 'right first time' repairs wherever possible.

Aims and objectives of policy

At commencement of tenancy, the CoLC lets all properties to the 'Empty Homes Letting Standard' and throughout the life of our assets, we deliver improvements to our properties to maintain them to the Lincoln homes standard which also incorporates all aspects of the national decent homes standard.

Within the provision of the Housing Act 1985 (amended) each tenant has a right to repair. This policy identifies which repairs the CoLC are responsible for in line with the maintenance of housing stock and which repairs tenants are responsible for within the terms and conditions of their tenancy agreement.

The CoLC will continually look to improve the repair and maintenance service and continually consult with tenants to seek their views on the quality of the service and the repairs carried out at their homes.

Diversity and inclusion

The CoLC will make sure that the principles of equality, diversity and inclusion are integral in the business planning and delivery of the scheduled repair, maintenance, and void services, which work in tandem with this Repairs and Maintenance Policy. The CoLC is committed to delivering its repair and maintenance service in a way which meets the diverse needs of local communities. This will be achieved by treating people fairly and taking the nine protected characteristics of the Equality Act 2010 into consideration within all aspects of the repair service.

Regulatory requirements

The Home Standards contained in the revised Homes and Communities Agency Regulations, which came into effect on 1 April 2012, lay out the requirements for organisations in terms of repair and maintenance. The regulations state the following:

Quality of accommodation

Registered providers shall:

- Ensure that tenant's homes meet the standard set out in Section 5 of the Government's Decent Homes Guidance and continue to maintain their homes to at least this standard.
- Meet the standards of design and quality that applied when the home was built and were required as a condition of publicly funded financial assistance, if these standards are higher than the Decent Homes Standard.
- In agreeing a local offer, ensure that it is set at a level not less than these standards and have regard for Section 6 of the Government's Decent Homes Guidance.

Repairs and maintenance

Registered providers shall:

- Provide a cost-effective repairs and maintenance service to homes and communal areas that responds to the needs of tenants and has the objective of completing repairs and improvements 'right first time'.
- Meet all applicable statutory requirements that provide for the health and safety of the occupants in their homes.

The specific expectations relating to repair and maintenance are that:

- Registered providers shall ensure a prudent, planned approach to repairs and maintenance of homes and communal areas. This should demonstrate an appropriate balance of planned and responsive repairs, and value for money. The

approach should include scheduled and cyclical repairs, planned and capital work, work on empty properties and adaptations.

- Registered providers shall co-operate with relevant organisations to provide an adaptations service that meets tenants needs.

Involvement and empowerment-

- Registered providers shall ensure that tenants are given a wide range of opportunities to influence and be involved in the management of repair and maintenance services such as commissioning and undertaking a range of repair tasks as agreed with landlords, and the sharing of savings made.

Service delivery

The repair service is available 24-hours a day, 365 days of the year. A team of operatives work an 8:00 to 16:00 shift pattern Monday to Thursday and 8:00 to 15:30 on a Friday. Emergencies that are reported during the day will be attended within a 24-hour period. Emergencies that are reported after 16:00 Monday to Thursday or after 15:30 on a Friday are passed to the emergency call out team. The call out team then work between 16:00 and 08:00 each day and from 15:30 on Friday until 8:00 on Monday. When booking an appointment, you will be given the option of the following time slots (depending on availability)

- 08:00-16:00
- 08:00-12:00
- 12:00-16:00
- 09.30-14.30

How to report a repair-

A request for a repair can be made by the following methods:

- Online at www.lincoln.gov.uk (At all times)
- By telephoning Customer Services on 01522 873333 during opening hours.
- In the event of an emergency, outside of office hours, telephone 01522 534747.

When a repair request is received the CoLC will:

- Complete priority repairs within 24hours.
- Complete urgent repairs within 3 days.
- Complete all other repair requests within 100 days, in line with the scheduled repairs programme schedule.

- If the repair request is a priority or urgent repair – CoLC will arrange an appointment with the customer at the earliest possible date available, which is suitable for the customer.
- If the repair request is a scheduled repair – the customer can select a preferred appointment date and time when reporting the repair via the online scheduling service. When the customer reports a scheduled repair via email or telephone, customer services will make an appointment with the tenant whilst on the phone or by responding to the email sent in by the tenant.

If the CoLC is called out to deal with a repair between the hours of 4pm and 8am during any day of the week, including Bank Holidays, and the repair is not a genuine emergency, the CoLC will recharge the full costs of the call-out to the tenant.

Scheduled Repairs

Scheduled repairs is CoLC's way of carrying out repairs that need to be completed but are not urgent or a priority repair and will are unlikely to cause a risk to tenants. Once your repair has been reported, it will be scheduled in and carried out when our repairs team are next working in your area. Repairs should take no longer than 12 weeks to be completed.

Further information on scheduled repairs is available at- https://www.lincoln.gov.uk/council-housing/scheduled-repairs

Health and Safety

The CoLC is committed to providing a safe and healthy working environment at all times under the Health and Safety at Work Act.

In line with the CoLC's Health and Safety Policy, all managers have responsibility for the employees they manage, to make sure that all of the CoLC's working practices are in line with appropriate health and safety legislation and good practice, making sure that employees, tenants, buildings, and stakeholders are safe.

All employees (individually or collectively) must adhere to procedures and method statements which are designed for the protection of themselves and other people who they may have contact with.

Consultation

The CoLC will work with tenants to continually improve the repairs service in a range of ways including, focus groups, service review groups and tenant inspections, in line with published regulatory standards.

Further information on how tenants can become involved in shaping the way we deliver services is available at www.lincoln.gov.uk/housing/council-tenants/resident-involvement/

Performance management

There are a number of indicators recorded in respect of repairs and maintenance. Performance figures are presented to Housing Services Team, Lincoln Tenants Panel, Performance Scrutiny Committee and Housing Scrutiny Sub Committee. Targets for the team in 2023/24 are as follows:

- An average end to end time of 100 days for scheduled repairs.
- 99.5% of priority repairs completed within 24 hours.
- 97.5% of urgent repairs completed within 3 working days.
- 92% of repairs completed ‘right first time’.
- 95% of tenants satisfied with the repairs service.
- 97% of appointments 'made and kept'.

Responsibilities

City of Lincoln Council

The CoLC are responsible for the structure, exterior, services, the fixtures and fittings to the property, and any communal areas in the building (Excluding communal gardens).

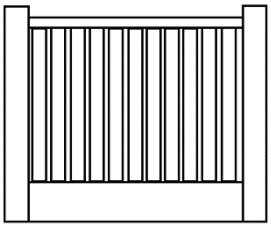
Structure and exterior-

- Drains, gutters, and outside pipes.
- Roof, external walls, doors, and windows.
- Replacement of fencing, that was previously installed by CoLC. Our standard will be concrete slotted posts and kickboards with 3 ft high x 6ft wide timber panels to front boundary and adjacent to highway and footpath. To the side elevation will be one 6ft x 6ft panel between adjoining properties. All other boundaries will be concrete slotted posts and kickboards and 3ft high x 6ft wide timber panels.
- Pathways and steps which provide access to the main entrance point of the property.

- Garages and outside brick-built store places.
- Washing line posts.

Fencing-

The fencing standard is concrete slotted posts and kickboards with 3ft high x 6ft wide timber panels to the rear boundary and adjacent footpath. The rear elevation will initially be one 6ft x 6ft panel between adjoining properties, thereafter the 3ft x 6ft standard will resume.



- 90 x 183 x 40cm fence panels.
- 120 x 183 x 40cm fence panels.
- 150 x 183 x 40cm fence panels.
- 180 x 183 x 40cm fence panels.
- 150 x 110cm fence posts.
- 240 x 110cm fence posts.
- 183 x 150cm kickboards.

Replacement panels:

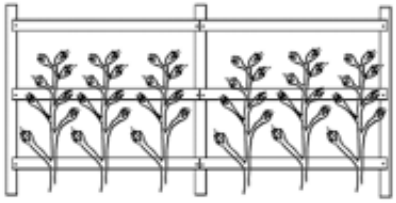
Replacement of fencing panels to pre-existing fencing will be replaced on a like for like basis.

Hedging:

Where applicable we may also carry out the installation of hedging in lieu of fencing. The type of hedging used will fit into the local area an example of type of hedging considered would be Bare root Privets. They will be planted approx. 90cm and will be twin staggered.

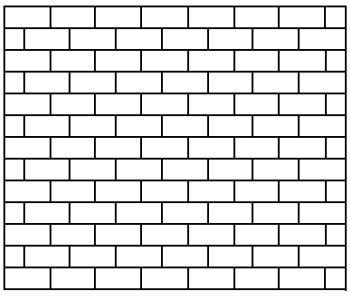
Lincolnshire post & rail fencing with planting:

The standard for Lincolnshire post and rail fencing is 3ft x 3ft timber posts with timber railings. The hedging plants will typically be bare root privets. They will be planted approx. 90cm and will be twin staggered.



Brickwork:

The standard is a 3ft retaining wall, with double course brickwork. There will be a pillar every 2 metres with coping stones and wall ties every 3 courses. Brickwork will be laid in a concrete footing, and the brick bond style will be relative to the local area.



Each person should be considered individually. Where there are concerns that someone is potentially vulnerable or the target of anti-social behaviour, we will take into consideration other fencing installation (I.e., The installation of 6x6 panels around the rear perimeter of a property).

Where tenants would like additional fencing or additional sized panels to the above specification, these will where reasonable be agreed and recharged at the cost difference to original specification.

Services-

- Installations for supplying water, gas, and electricity.
- Installations and appliances for heating the property and for hot water.
- Lifeline/warden alarm units and their pull cords

Fixtures and fittings-

- Basin, sinks, baths, and toilets (excluding toilet seats).
- Kitchen fixtures and fittings.

Communal areas-

- Communal aerials.
- Lifts and other communal amenities such as laundries, common rooms, door entry systems, fire alarms, corridors, and waste chutes in high rises.

Priority repairs

Priority repairs that are the responsibility of the CoLC will be attended to within 24 hours of the problem being reported, unless there are factors that are outside of the organisations control, for example in the event of severe weather conditions that are causing hazardous driving conditions, or where the number of emergencies impact on capacity and resources to deliver services. In such circumstances, tenants will be kept informed of any delays.

Priority repairs are those repairs that:

- Remove immediate danger to the occupants of a property or an outside space.
- Restore essential services such as heat and power.
- Avoid major damage to a property such as a serious flood.
- Make the property secure following a break in by changing locks or boarding a broken window.
- Remove any possible health and safety risk.

Some useful contact details in case of priority repair:

- In the event of a gas leak (or smell of gas), call the gas emergency line immediately on 0800 111999. Turn the handle at the meter to the flat (horizontal) position.
- If there is a problem with electricity, turn the mains switch on the consumer unit to the off position. If the tenant has a power cut call Western Power Distribution on 0800 6783 105.
- If there is a problem with water, turn the main stop tap to the right (clockwise) or turn off the sure stop. If the tenant has no water, then call Anglian Water on 0800 771 881.

Tenant responsibility

The terms of the Tenancy Agreement state that there are a number of obligations for a tenant once they sign to accept the keys for the property. These include but are not limited to:

- Not cause damage to your home, to our property or to the property of your neighbours.
- Not neglect your home or let it fall into disrepair.
- Keep the inside of your home clean and in good decorative order.
- Take reasonable precautions to prevent water pipes bursting through frost or the property being damaged by items which were present on letting. (Including any extensions to the property) fire.
- Maintain any non-standard items that were present on letting.
- Keep your home secure at all times using all security locks where provided.
- Keep your windows clean unless you pay for this through a service charge.
- Not cause damage to any of our fixtures and fittings, including glass, inside your home or in communal areas, deliberately or through misuse or negligence.
- Provide safe storage and recharging facilities for motorised wheelchairs/scooters that belong to you. In sheltered housing we may provide storage and recharging facilities for electric wheelchairs/scooters. It will remain your responsibility to ensure that they are safe and secure within that designated area.
- You must report any repairs that are our responsibility without delay and as soon as you are aware of them.
- You are responsible for repairing any damage to your home that is caused deliberately or negligently by you, your children, friends, relatives, visitors, pets, and any other person living in your home.
- You will also have to pay for the cost of repairing any damage to other property or to the communal areas which is caused deliberately or negligently by, your children, friends, relatives, visitors, and any other person living in your home.

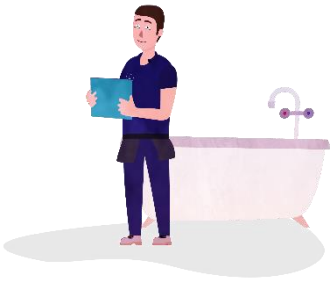
Tenants are also responsible for renewing or replacing the following items unless they require replacement through normal wear and tear:

- Door locks, keys and fobs including suited keys (fobs, communal and suited keys are only obtainable from the CoLC).
- Door furniture.
- Cupboard latches.
- Internal decoration.
- Shower hoses and spray heads that are not part of the fixed plumbing system.
- Plugs and chains to sinks, wash basins and baths.
- Internal doors.
- Architraves (the moulded trim around door frames).
- Skirting boards, pelmets, and curtain battens.
- Shelving.
- Coat rails and hooks.
- Floor tiles and glazed wall tiles with the exception of kitchens and bathrooms.
- Door bells.
- Broken windows and front / back door glass caused by accidental damage or without a crime reference number.
- Cost of un-authorised removal of CoLC property including stair lifts.
- Removal or re fixing of disabled adaptations due to carpet renewal.

In line with the Tenancy Agreement tenants also have a responsibility for:

Baths, basins, drains and waste-

- Initially trying to clear blocked baths, sinks and basins. Tenants will be recharged if, following the completion of the repair, the fault is found to have been caused by the tenant.
- Repairing any items that have been fitted by the tenant previously.
- Clearing blockages in washing machines or dishwashers. If the tenant is fitting this as a new appliance they are responsible for this work



- Keeping gully grids clear of leaves and rubbish
- Environmental work including flea treatments/needle removal/body fluids or rubbish.
- Replacement of toilet seats and toilet roll holders.
- Other fixtures and fittings, and any alterations or improvements that the tenant has made.

Doors and locks-

- Replacement of keys/locks when keys have been lost or tenant has locked themselves out.
- Fitting and repairing any additional locks and latches.
- Replacing glass in any internal or external door.
- Adjusting door when a new carpet fitted.

Electrics-

- Resetting trip switches and if necessary turning off the mains supply.
- Replacing light bulbs, fluorescent tubes, and starters.
- Replacing electrical plugs and plug fuses for tenants own appliances.
- Testing and cleaning of smoke detectors, fans, and carbon monoxide detectors.

Floors and stairs-

- Repairing and replacing any floor coverings, vinyl tiles sheeting, carpets, or laminates that the tenant has fitted.

Garden and garages-

- Repairing any fencing, patios, steps, sheds or other garden features, garages or driveways not originally provided by the CoLC.
- Maintaining garden paths other than those giving main access to the front and back door of the property or to a CoLC washing line post.
- Replacing keys or locks to garage or shed doors when the keys have been lost.
- Renewing broken clothes lines.

- Grassed areas and borders such as, front or side gardens.
- Maintaining all hedges to prevent obstruction to neighbouring properties, public highway, and footpaths. Hedges must not be removed, without written permission from CoLC
- Painting any existing timber fencing.

Heating-

- Checking that heating controls (room thermostat, timer, or programmer) are set correctly.
- Keeping the home properly heated and ventilated to prevent condensation or the build-up of carbon monoxide and mould.
- Keeping the home properly heated to prevent pipes from bursting particularly during cold weather, or whilst tenants are away from the property for a period of time.
- Bleeding radiators.
- Any other repairs which investigations establish are not attributable to fair wear and tear.
- Gas and/or electric supply

Kitchen fittings-

- Installation of washing machines, dishwashers or tumble driers including waste, supply pipes and vents if not already provided by the CoLC.
- Repairing any extra units that have been installed in the property by the tenant.
- Minor repairs to kitchen unit's e.g., tightening screws and adjusting drawers and cupboard doors.

Pipes and taps-

- Taking steps to prevent pipes from bursting during cold weather, particularly if the tenant is to be away from the property for any length of time.
- Turning off the water supply at the stop tap or sure stop if a water pipe has burst, and then turning all the taps on to allow all remaining water to flow out.

Roofs and chimneys

- Putting up and securing TV aerials (except communal aerials). Tenants need permission to put up a satellite dish.

Toilets-

- Cleaning toilet pans.

- Attempting to clear blocked toilets. If on repair it is found that the blockage is caused by the tenant, a member of their household or a visitor, then the tenant will be recharged.

Walls and ceilings-

- Decorating walls and ceilings inside the home.
- Filling minor cracks and holes in walls and ceilings.
- Keeping air vents clear and cleaning extractor fan vents.

Windows-

- Replacing broken or cracked glass where caused by accidental damage or without a crime reference number.
- Keeping window trickle vents clear.

Leaseholders

The CoLC is responsible for the structure of the building and any outbuildings/sheds, communal areas, systems, and installations in leasehold blocks. The leaseholder is responsible for everything within the home, which is for their use and benefit. Rights and responsibilities for individual properties are contained within individual lease agreements.

The Leaseholder service charge for day-to-day repair and maintenance is charged in advance as an estimated amount. An adjustment is made to the service charge account for the following year for any difference between the estimated and actual costs. Employees will have regard for this when deciding upon the repair required at a property, and should further clarity be required, the employee should contact the Finance and Leasehold via:

- Telephone - by calling our switch board on 01522 881188
- Email – by emailing FinanceAndLeaseholderTeam@lincoln.gov.uk

We cannot charge an individual leaseholder more than £250 for any work unless we have first served a Section 20 Notice (this is done by the Finance and Leasehold Team who will advise employees on the process and timescales). However, the following information provides a general summary of responsibilities relating to repair and maintenance which include:

- The main structure, foundations, roof, guttering, communal drains, external pipe work and windows excluding glass (leaseholders are responsible for windows that they, or a previous leaseholder, have installed in their property).

- Any communal services and any related machinery or installations connected with those services; this would include lifts and lighting in communal areas, door entry systems (including handsets within leasehold properties).
- Communal areas, including external doors, passageways, staircases, halls, landings, and any grounds within the estate such as bin or drying areas, which are jointly used by the tenants.

Further information about service charges is available in our Leaseholders' Guide which can be found at: https://www.lincoln.gov.uk/council-housing/council-leaseholders/2

Access arrangements

The following need to be taken into consideration when access is required to properties to complete a repair.

- Tenants must allow authorised employees of the CoLC or other agents of the CoLC into their home during reasonable hours to inspect its condition, carry out repairs or improvements, or to service appliances. This also includes any other work that the CoLC consider necessary to ensure that the property and surrounding properties do not put the tenant or anyone else at risk.
- Employees or contractors employed by the CoLC must have access to carry out gas servicing or electrical inspections as and when required.
- Where possible the CoLC will give at least 24 hours advance notice, and all employees of the CoLC or its agents will carry formal identification at all times.
- The CoLC may need to gain access to homes to inspect, clean or repair a home or neighbouring dwellings, or any sewers, drains, pipes, wiring, or cable serving a home or neighbouring dwellings.
- Authorised employees of the CoLC may need to enter a property without notice in an emergency, using reasonable force if necessary, if the CoLC feel there is a risk of personal injury or damage to property or surrounding properties.

Rechargeable repairs

Tenants, their family members and any visitors to their home are responsible for any

damage caused to the property, either caused accidently, deliberately or through neglect.

The CoLC aim to make sure that all tenants are aware of their obligations not to damage or neglect CoLC property and that they are responsible for damage caused by their children, pets, and visitors. This is formally agreed with the tenant when the tenancy agreement is signed.

When a current or former tenant wishes to dispute the bill for rechargeable repairs they have received, this will in the first instance be to the officer who has issued the rechargeable repair letter advising that the charges are correct and due for payment. If this disagreement is not resolved, the current or former tenant can make a formal complaint using the complaint process.

For more information on rechargeable repairs, please read our rechargeable repairs policy.

Vulnerable tenants

When deciding whether or not to recharge a tenant for repairs that can't be attributable to fair wear and wear account must be taken of any vulnerability factors.

A vulnerable tenant is someone who is or may be in need of community care services by reason of mental health or other disability, age, or illness, who is or may be unable to take care of him or herself, or unable to protect him or herself against significant harm or exploitation. This includes individuals who might be in receipt of social care or health services. Each person should be considered individually. Where there are concerns that someone is potentially vulnerable the final decision to recharge or waive the charge will rest with the Tenancy Services Manager.

Adaptations

Everyone's housing needs are different and the CoLC offers permanent adaptations to resident's homes to ensure that it remains suitable for their needs. The CoLC works with Lincolnshire County Council to provide adaptations to its properties.

If an adaptation is assessed as being necessary and appropriate by Lincolnshire County Councils Social Services, it will be referred to the CoLC who will determine whether the request is 'reasonable and practicable'. The final decision will be made by the CoLC on whether the adaptation will be undertaken.

Permanent and semi-permanent adaptations are provided by the CoLC including stair lifts and through floor lift. Lincolnshire County Council will provide hoists and other aids through its social services team. The CoLC will not remove adaptations from its properties for new tenants if the property is advertised with the adaptations. Any adaptations, including stair lifts or lifts, that are removed by the tenant without the CoLC permission will be recharged. If you wish to make an adaptions request, please contact Lincolnshire county council on 01522 552222

For more information on aids and adaptions, please read our aids and adaptions policy.

Alterations

Written permission must be obtained prior to any alterations or improvements commencing. The CoLC recognise that tenants will want to make alterations and improvements to their homes. Where requests are reasonable they will not be refused. The terms of the Tenancy Agreement do however mean that an introductory tenant is not allowed to make alterations and improvements to their property within the first 12 months of their tenancy. Examples of alterations or improvements that require written permission include:

- Decorate any part of the outside of their home.
- Make any structural changes or additions to the property.
- Erect a shed, garage, or any other external construction.
- Remove, add, or alter any part of a fence or garden wall.
- Add to, change, or replace any fixtures and fittings provided by CoLC.
- Fixing any items to the external walls of the property, including (but not limited too) installing a satellite dish, television, radio, recording devices, or amateur radio aerial such as a Citizens Band aerial.
- Apply textured coating to a ceiling. Textured coating is not allowed on walls.
- Fit tiles to walls or floors.
- Alter the electrical, gas, heating or water installations including having a water meter installed.

The CoLC may impose conditions when approving works. If required, planning permission, building regulations approval or any other permission must be obtained before starting the work. The CoLC will provide any service contracts or repairs to any installation it has provided.

Right to buy applications

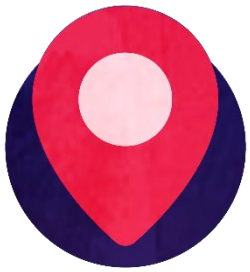
Once an application under the Right to Buy is received by the CoLC then there becomes a legal responsibility for the organisation to carry out emergency repairs only. This will make sure that the property remains wind and water tight and is fit for human habitation. Examples of repairs that might be carried out are as follows:

- Serious water penetration.
- No power.
- No heating.
- No bathing facilities.
- Not being able to use a toilet when there is only one in the property.

Complaints

To make a complaint about the City of Lincoln Council please contact us using one of the following methods

- Online at www.lincoln.gov.uk/complaints
- By email to complaints@lincoln.gov.uk
- By telephoning 01522 881188
- By letter to Housing Services
  City of Lincoln Council,
  City Hall,
  Beaumont Fee,
  Lincoln, LN1 1DD



We aim to acknowledge and respond to complaints within 10 working days. Further information is available at-
https://www.lincoln.gov.uk/council/compliments-compliments-feedback/3

Reviewed: August 2023

APPENDIX B

EXTRACT FROM COMMITTEE

Housing Scrutiny Sub-Committee **10 August 2023**

22. Repairs Policy Update

Amy Larder, Maintenance Manager:

a. presented Housing Scrutiny Sub Committee with a report to detail the changes and updates made to the Repairs Policy since its previous review in 2017

b. added that the key areas for clarification were on fencing, specifically guidance on replacements and the tenant responsibility for maintaining installed fencing. Other key alterations included responsibility to include maintenance of ventilation to the property and the cleaning/clearing of air vents by tenants

c. confirmed that the Repairs Policy aimed to identify within the provision of the Housing Act 1985 (amended) the tenants right to repair and identify the repairs that the CoLC were responsible for and those of which tenants were responsible for within the terms and conditions of their tenancy agreement

d. reported that the policy looked to provide key information on service delivery, information on services provided by CoLC and how to report a repair

e. highlighted that the items added to the policy within the tenants' responsibilities were detailed at paragraph 4.7 to the report

f. added that the Policy had been reviewed and updated by HRS, the Investment Team and in consultation with Lincoln Tenants Panel

g. invited comments and questions from Members of the Committee.

Members discussed the content of the report, commented, asked questions and received relevant responses from Officers as follows:

Question: Who was responsible for repairs on enclosed porches? Was that the responsibility of the Council or the tenant?
Response: Some areas had been enclosed by a previous tenant that should not have been. They were not classed as a habitable space. The CoLC were responsible for canopies. Areas would be referred back and then maintained from there.

Question: Would it be more appropriate for the bleeding of radiators to be a Council responsibility rather than a tenant responsibility? If radiators were not bled correctly, it could result in the loss of heating and hot water.

Response: The Council would be responsible for a boiler issue that resulted in no heating.

Question: Could Officers provide some clarification around the provisions for textured ceilings and walls?
Response: Textured ceilings and walls in good condition would only be removed at the point where a repair was needed to them. If either were already in situ, it would not present a problem, however tenants were not to install any.

Comment: Should radiators come under the service per year to be checked and removed from the tenant's responsibility. A tenant should report if a radiator was not producing heat effectively.
Response: There were DIY videos that would accompany the Repairs Policy in order to aid tenants with the tenant's responsibilities.

Question: When were DIY videos planned to be rolled out?
Response: The videos were planned to accompany the Repairs Policy update on the website.

Comment: Referred to electrics within the home. Changing a fuse should be a Council responsibility only.
Response: Fuses were for individual appliances only. The Council would not expect a tenant to change a fuse on a fuse box.

Question: If there were a vulnerable tenant, disabled or elderly, and there was wear and tear on the toilet seat, would the Council replace it or would they help them to renew?
Response: There was a section for vulnerable tenants and this was where discretion would be exercised. Each case would be considered on an individual basis.

Question: Could Officers provide clarification on the 16 days difference between 12 weeks for schedule repairs and the 100 days stated?
Response: The figure of 100 days was included as a rounded figure. Repairs were scheduled within the twelve-week planning period. The 100-day target related to how IT systems were set up.

RESOLVED that Members agreed the contents of the report to progress to Executive for formal approval.

Item No. 5

EXECUTIVE **20 NOVEMBER 2023**

SUBJECT:	**QUARTER 2 2023/24 OPERATIONAL PERFORMANCE REPORT**
DIRECTORATE:	**CHIEF EXECUTIVE AND TOWN CLERK**
REPORT AUTHORS:	**GRAHAM ROSE – SENIOR STRATEGIC POLICY OFFICER** **SCOTT LEA – POLICY & PERFORMANCE OFFICER**

1. Purpose of Report

1.1 To present to Executive an outturn summary of the council's performance in quarter 2 of 2023/24.

2. Executive Summary

2.1 At the end of quarter 2 2023/24 of the **79** performance measures across the directorates of Chief Executive's, Communities & Environment and Housing & Investment:

- **12** measures **(15.2%)** were Red (below lower target boundary)
- **23** measures **(29.1%)** were Blue (within target boundaries – acceptable)
- **27** measures **(34.2%)** were Green (meeting or exceeding the higher target)
- **17** measures **(21.5%)** were recorded as volumetric
- **0** measures **(0%)** were recorded as data not being available for this quarter

Out of the **79** performance measures monitored during the quarter **62** had targets allocated to them. Of these targeted measures **50 (80.6%)** were within or exceeding the targets set. This was an improvement of **8.9%** when compared to quarter 1 2023/24.

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 2 2023/24

4.1 The Quarter 2 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 second 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 2 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 2 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 & Performance Officer

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APPENDIX A

Operational Performance Report – Quarter 2 2023/24

Graham Rose - Senior Strategic Policy Officer

Scott Lea – Policy and Performance 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 2 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 monitored 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:

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

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 2 2023/24 Operational Performance Report for the City of Lincoln Council, we are reporting on **77** quarterly performance measures and **2** annual performance measures. The **79** 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 2 2023/24.

	Performance measure outturns by status					
Directorate	**Below target**	**Acceptable**	**Above target**	**Volumetric**	**Data not available**	**Total**
CX	1 (4.3%)	7 (30.4%)	9 (39.1%)	6 (26.1%)	0 (0.0%)	23
DCE	3 (7.9%)	13 (34.2%)	14 (36.8%)	8 (21.1%)	0 (0.0%)	38
DHI	8 (44.4%)	3 (16.7%)	4 (22.2%)	3 (16.7%)	0 (0.0%)	18
Total	**12 (15.2%)**	**23 (29.1%)**	**27 (34.2%)**	**17 (21.5%)**	**0 (0.0%)**	**79**

	Performance measures outturns by direction of travel					
Directorate	**Deteriorating**	**No change**	**Improving**	**Volumetric**	**Data not available**	**Total**
CX	8 (34.8%)	1 (4.3%)	8 (34.8%)	6 (26.1%)	0 (0.0%)	23
DCE	10 (26.3%)	3 (7.9%)	17 (44.7%)	8 (21.1%)	0 (0.0%)	38
DHI	5 (27.8%)	0 (0.0%)	10 (55.6%)	3 (16.7%)	0 (0.0%)	18
Total	**23 (29.1%)**	**4 (5.1%)**	**35 (44.3%)**	**17 (21.5%)**	**0 (0.0%)**	**79**

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 2 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	Quarter 2 2023/24 outturn	Status	
Work Based Learning	WBL 1	Percentage of apprentices completing their qualification on time	%	High is good	95.00	100.00	67.00	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	82.00	A	▼
Customer Services	CS 1	Number of face to face enquiries in customer services	Number	N/A	Volumetric	Volumetric	20	V	
Customer Services	CS 2	Number of telephone enquiries answered in Channel Shift Areas (Rev & Bens, Housing & Env. Services)	Number	N/A	Volumetric	Volumetric	26,804	V	
Customer Services	CS 3	Average time taken to answer a call to customer services	Seconds	Low is good	600.00	300.00	327.17	A	▲
Customer Services	CS 4	Average customer feedback score (telephone, face to face and e-mail enquiries)	%	High is good	75.00	90.00	82.06	A	▼
IT	ICT 1	Number of calls logged to IT helpdesk	Number	N/A	Volumetric	Volumetric	909	V	
IT	ICT 2	Percentage of first time fixes	%	N/A	Volumetric	Volumetric	70.00	V	
Accountancy	ACC 1	Average return on investment portfolio	%	High is good	1.50	2.75	5.14	G	▲
Accountancy	ACC 2	Average interest rate on external borrowing	%	Low is good	5.25	3.75	3.20	G	▼
Debtors & Creditors	DCT 1	Percentage of invoices paid within 30 days	%	High is good	95.00	97.00	96.58	A	▼

Service area	Measure ID	Measure	Unit	High or low is good	Low target	High target	Quarter 2 2023/24 outturn	Status	
Debtors & Creditors	DCT 2	Percentage of invoices that have a Purchase Order completed	%	High is good	60.00	70.00	71.00	G	▲
Debtors & Creditors	DCT 3	Average number of days to pay invoices	Days	Low is good	20	15	13	G	▲
Housing Benefit Administration	BE 1	Average days to process new housing benefit claims from date received (cumulative)	Days	Low is good	19.00	17.50	16.61	G	▼
Housing Benefit Administration	BE 2	Average days to process housing benefit claim changes of circumstances from date received (cumulative)	Days	Low is good	8.50	6.50	6.25	G	▲
Housing Benefit Administration	BE 3	Number of Housing Benefits / Council Tax support customers awaiting assessment	Number	Low is good	1,900	1,700	1,156	G	▲
Housing Benefit Administration	BE 4	Percentage of risk-based quality checks made where benefit entitlement is correct (cumulative)	%	High is good	89.00	92.00	89.87	A	▼
Housing Benefit Administration	BE 5	The number of new benefit claims year to date (Housing Benefits/Council Tax Support)	Number	N/A	Volumetric	Volumetric	2,371	V	
Revenues Administration	REV 1	Council Tax – in year collection rate for Lincoln (cumulative)	%	High is good	50.00	51.50	50.46	A	▼
Revenues Administration	REV 2	Business Rates – in year collection rate for Lincoln (cumulative)	%	High is good	54.00	57.00	59.56	G	▼
Revenues Administration	REV 3	Number of outstanding customer changes in the Revenues Team	Number	Low is good	1,200	1,100	1,120	A	▲
Revenues Administration	REV 4	Number of accounts created for the My Lincoln Accounts system (to date)	Number	N/A	Volumetric	Volumetric	2,713	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 2 2023/24 the percentage of City of Lincoln Council apprentices moving into Education, Employment or Training was 100% (6 out of 6 apprentices). This latest outturn was above the high target for the measure of 95% and was the 5th consecutive quarter this measure had performed at 100%. During quarter 2 2023/24 there were 4 new starters on the council's apprenticeship scheme.

ACCOUNTANCY

ACC 1 – Average return on investment portfolio

In the second quarter the average return on investment portfolio was 5.14%. This latest outturn was above the high target for the measure of 2.75%. When compared to the previous quarter this latest outturn was increase of 0.82% and an increase of 3.5% when compared to the comparative quarter in 2022/23. Yields have continued to increase during the quarter with further increases in the Bank of England base rate and the re-investing of matured fixed term investments at higher rates.

ACC 2 – Average interest rate on external borrowing

The average interest rate on external borrowing in quarter 2 2023/24 was 3.2%. The latest outturn was below the high target for the measure of 3.75% (low is good). The team has reported that the average interest rate on borrowing has remained stable and is unlikely to significantly increase this financial year with there being no requirement for further external borrowing.

DEBTORS & CREDITORS

DCT 2 – Percentage of invoices that have a Purchase Order completed

During the second quarter of 2023/24, 71% of invoices had an associated purchase order completed, which equated to 1,977 invoices having a purchase order out of a total of 2,786. This latest outturn was slightly above the recently increased target for this measure of 70%. Additionally, when compared to the previous quarter, this latest outturn was an improvement in performance of 14%. It is important to note the outturn is based on supplier expenditure only for all invoices and credit notes dated between 1st July 2023 and 30th September 2023. Excluded from the outturn calculation are utility bills where purchase orders are not required and supplier invoices where a purchase order would be unsuitable for processing.

DCT 3 – Average number of days to pay invoices

In quarter 2 2023/24 the average number of days to pay invoices was 13. This latest outturn was below the high target for this measure of 15 days (low is good) and was an improvement of 6 days when compared to the previous quarter's outturn of 19 days. The outturn for this measure is calculated on all supplier invoices and credit notes, which were paid by the council between 1st July 2023 and 30th September 2023. The Debtors and Creditors Team continue to ensure all invoices are paid as quickly as possible.

HOUSING BENEFIT ADMINISTRATION

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

During quarter 2 2023/24 the cumulative average days to process new housing benefit claims from date received was 16.61 days. This latest outturn was below the high target for this measure of 17.5 days (low is good), however, was a slight increase of 0.2 days when compared to the same quarter in 2022/23. The small increase in processing times during quarter 2 2023/24 was due to increased work that was received within the team during the first quarter of the year. This unfortunately impacted on processing times. The team has reported that outstanding work levels have now reduced and it is expected processing times should be maintained and hopefully improve over the third quarter.

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

The cumulative average number of days to process housing benefit claim changes of circumstances from date received at the end of the second quarter was 6.25 days. This outturn was lower than the high target for this quarter of 6.5 days (low is good) showing positive performance. When compared to the same quarter in 2022/23 (6.44 days), this latest outturn was also an improvement in performance of 0.19 days. However, whilst this latest outturn was an improvement in performance year on year, the second quarter did see a slight increase in processing times. This was due to the team clearing high levels of work received during the first quarter. As per measure BE 1, it is expected that the performance of this measure should be maintained or hopefully improve during quarter 3.

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

The number of Housing Benefits / Council Tax support customers awaiting assessment at the end of quarter 2 2023/24 was 1,156. This latest outturn was considerably below the high target for this measure of 1,700 (low is good) demonstrating positive performance. In comparison to the same quarter in 2022/23 (1,502), this latest outturn was a reduction of 346 customers awaiting assessment. The Housing Benefits Administration Team has reported that the lower levels of customers awaiting assessment at the end of the quarter was due to a reduction in workload following the completion of the annual uprating of income and rent work in the team. Of the 1,156 customers awaiting assessment at the end of quarter 2, 812 were awaiting a first contact from the team.

REVENUES ADMINISTRATION

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

At the end of quarter 2 2023/24 the cumulative Business Rates in year collection rate for Lincoln was 59.56%. The outturn was above the high target for the quarter of 57%, but slightly below the comparative quarter 2 2022/23 outturn of 62.99%. It is important to note that during September 2022 there was a Covid Hardship Relief fund where £852,032 was added to the Non Domestic Rate accounts. This subsequently inflated the collection figure for September 2022. This latest outturn has seen collection figures returning back to pre-Covid collection rates.

Chief Executive's Directorate measures performing below target

R

WORK BASED LEARNING

WBL 1 – Percentage of apprentices completing their qualification on time

In the second quarter of 2023/24, 67% of apprentices completed their qualification on time (4 out of 6). Whilst this outturn was an improvement in performance when compared to the previous quarter (50%), this latest outturn was below the low target for this measure of 95%. Due to the low numbers of apprentices scheduled to complete their qualifications during the quarter, the impact of 2 apprentices not completing on time is much larger.

Directorate for Communities and Environment

Directorate for Communities and Environment – Performance Measures

Quarterly Measures

Service area	Measure ID	Measure	Unit	High or low is good	Low target	High target	Quarter 2 2023/24 outturn	Status	
Affordable Housing	AH 1	Number of affordable homes delivered (cumulative)	Number	High is good	10	50	17	A	▲
Development Management (Planning)	DM 1	Number of applications in the quarter	Number	N/A	Volumetric	Volumetric	224	V	
Development Management (Planning)	DM 2	End to end time to determine a planning application (Days)	Days	Low is good	85.00	65.00	74.67	A	▼
Development Management (Planning)	DM 3	Number of live planning applications open	Number	Low is good	180	120	146	A	▼
Development Management (Planning)	DM 4	Percentage of applications approved	%	High is good	85.00	97.00	97.00	G	▲
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	1.70	G	▼
Development Management (Planning)	DM 5a	Number of decisions appealed in the quarter	Number	Low is good	5	1	1	G	▲
Development Management (Planning)	DM 5b	Number of appealed decisions in the quarter overturned by the inspectorate	Number	Low is good	5	1	0	G	▲
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 (including extensions of time)	%	High is good	70.00	90.00	73.00	A	▼

Service area	Measure ID	Measure	Unit	High or low is good	Low target	High target	Quarter 2 2023/24 outturn	Status	
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 (including extensions of time)	%	High is good	60.00	90.00	100.00	G	
Parking Services	PS 1	Overall percentage utilisation of all car parks	%	High is good	50.00	60.00	53.00	A	
Parking Services	PS 2	Sessional car parking income as a percentage of budget requirement	%	High is good	91.00	96.00	106.41	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	8.26	G	
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	80.00	R	
Licensing	LIC 1	Percentage of premises licences issued within 28 days of grant	%	High is good	80.00	100.00	100.00	G	
Licensing	LIC 2	Total number of active premises licences	Number	N/A	Volumetric	Volumetric	407	V	
Licensing	LIC 3	Total number of active private hire / hackney carriage licences (operators, vehicles and drivers)	Number	N/A	Volumetric	Volumetric	811	V	

Service area	Measure ID	Measure	Unit	High or low is good	Low target	High target	Quarter 2 2023/24 outturn	Status	
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	29.90	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	12	21	R	
Private Housing	PH 3	Number of empty homes brought back into use (cumulative)	Number	High is good	8	18	20	G	
Public Protection and Anti-Social Behaviour Team	PPASB 1	Number of cases received in the quarter (ASB cases only)	Number	N/A	Volumetric	Volumetric	120	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	964	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	240	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	42,118	V	
Sport & Leisure	SP 1b	Quarterly visitor numbers to Yarborough Leisure Centre	Number	N/A	Volumetric	Volumetric	103,392	V	

Service area	Measure ID	Measure	Unit	High or low is good	Low target	High target	Quarter 2 2023/24 outturn	Status	
Sport & Leisure	SP 2	Artificial Grass Pitch usage at Yarborough Leisure Centre & Birchwood Leisure Centre	Hours	High is good	520	700	663	A	▼
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	58	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	17	G	▲
Allotments	AM 1	Percentage occupancy of allotment plots	%	High is good	86.00	94.00	95.00	G	▲
CCTV	CCTV 1	Total number of incidents handled by CCTV operators	Number	N/A	Volumetric	Volumetric	2,396	V	
Grounds Maintenance	GM 1	Contractor points recorded against target standards specified in contract - Grounds Maintenance	Number	Low is good	150	50	70	A	▼
Street Cleansing	SC 1	Contractor points recorded against target standards specified in contract - Street Cleansing	Number	Low is good	150	50	70	A	▲
Waste & Recycling	WM 1	Percentage of waste recycled or composted (seasonal)	%	High is good	34.00	37.00	35.54	A	▲
Waste & Recycling	WM 2	Contractor points recorded against target standards specified in contract - Waste Management	Number	Low is good	150	50	125	A	▼

Annual measures

Service area	Measure ID	Measure	Unit	High Or Low is good	Low target	High target	2023/24 outturn	Status	
Grounds Maintenance	GM 2	Satisfaction with our public open spaces overall (collected via Citizens' Panel)	%	High is good	80.00	90.00	83.50	A	▲
Street Cleansing	SC 2	Satisfaction that public land and public highways are kept clear of litter and refuse (Street Cleansing) (collected via Citizens' Panel)	%	High is good	68.00	78.00	69.50	A	▼

Directorate for Communities and Environment measures performing at or above target

G

DEVELOPMENT MANAGEMENT (PLANNING)

DM 4 – Percentage of applications approved

The percentage of applications approved in quarter 2 2023/24 was 97%. This latest outturn reported on the high target for this measure of 97% and was an increase of 2% on the previous quarter 1 2023/24 outturn of 95%. The percentage of applications approved by the Development Management Team has continued to remain consistently high. This is due to the positive and proactive approach of officers in negotiation as well as the role of the pre-application process.

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

The percentage of total decisions made in quarter 2 2023/24 that were subsequently overturned at appeal was 1.7%. Although this latest outturn was a 0.26% increase on the previous quarter 1 2023/24 outturn of 1.44%, this measure continued to perform below the high target for this measure of 5% (low is good). This latest outturn reflects the team's strong performance at appeal, together with the robustness of the decision making process.

DM 5a – Number of decisions appealed in the quarter

The number of decisions appealed in quarter 2 2023/24 was 1. This latest outturn was a decrease of 3 appeals from the previous quarter 1 2023/24 outturn of 4 and reported on the high target for this measure of 1 (low is good). The outturn for this measure has remained low, which reflects the quality of decisions made and the proactive approach of the team in negotiating acceptable outcomes.

DM 5b – Number of appealed decisions in the quarter overturned by the inspectorate

There were 0 appealed decisions in quarter 2 2023/24 overturned by the inspectorate. This latest outturn was a decrease of 2 from the previous quarter 1 2023/24 outturn and reported below the high target for this measure of 1 (low is good). As per measure DM 5a, this outturn has also remained low, which again reflects the quality of decisions made and the proactive approach of the team in negotiating acceptable outcomes.

Performance measure revisions - Quarter 2 2023/24

- DM6 - Percentage of Non-Major Planning Applications determined within the government target (70% in 8 weeks) measured on a 2 year rolling basis (including extensions of time)
- DM 7 - Percentage of Major Planning Applications determined within the government target (60% in 13 weeks) measured on a 2 year rolling basis (including extensions of time)

From quarter 2 2023/24, performance measures DM 6 and DM 7 have been reverted to include extensions of time. In quarter 3 2022/23 the measures were amended to exclude extensions of time to ensure they were in line with national benchmarking data available at the time. However, following this change, it is clear that in isolation the outturns excluding extensions of time can be misleading as the outturns simply show the number of applications determined where an agreed extension of time is excluded. Subsequently, the measures have been reverted back to be in line with how the service operates and to ensure senior management and members are provided with a more accurate reflection of how the service is performing. Additionally, the data being collected is in line with how other district councils report this data, which will allow for a certain degree of benchmarking to take place moving forwards. Data within the performance system from quarter 3 2022/23 has been revised to include extensions of time to ensure full back data is available for audit purposes and to ensure there are no gaps in historical data for these measures. The targets set for both measures DM6 and DM 7 are in line with the national targets set by government.

DM 7 - Percentage of Major Planning Applications determined within the government target (60% in 13 weeks) measured on a 2 year rolling basis (including extensions of time)

In quarter 2 2023/24 the percentage of major planning applications determined within the government target, measured on a 2 year rolling basis, was 100%. This latest outturn was the same as the previous quarter 1 2023/24 outturn of 100% and reported above the high target for this measure of 90%. It is important to note that whilst this figure remained high, there have only been a small number of major applications determined. Subsequently, this is not fully representative of resource levels versus performance. In context, the difference in a couple of weeks for the determination period could have easily meant this figure performed lower. The team continue to monitor performance with relevant amendments being made to ensure this measure performs at or above the national targets.

PARKING SERVICES

PS 2 – Sessional car parking income as a percentage of budget requirement

In quarter 2 2023/24 the sessional car parking income as a percentage of budget requirement was 106.41%, which equated to £1,678,362.31 against a budget of £1,577,262.00. This latest outturn continued to report above the high target for this measure of 96% and was an improvement of 3.82% on the previous quarter 1 2023/24 outturn of 102.59%. It is important to note this quarter covers the school summer holidays and the tourist season so is traditionally one of the better quarters for income.

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 2 2023/24 was 99.99%. This latest outturn continued to report above the high target for this measure of 97% and reported the same as the quarter 1 2023/24 outturn also of 99.99%. It is important to note this was the second quarter since the withdrawal of the Food Standards Agency (FSA) Recovery Plan. During the quarter there was a reduction in the number of non-compliant businesses, with 12 business being recorded as non-compliant at the end of the quarter. The Food Health & Safety Team continues to work with these non-compliant businesses to get them to a level where they are at least broadly compliant, which subsequently will protect the public health of residents and visitors. The number of food related businesses registered in the city at the end of the quarter was 1,074, however, this number continues to fluctuate on a daily basis. The team is continuing to prioritise less compliant businesses as well as new businesses in the city.

FHS 2 – Average time from actual date of inspection to achieving compliance

The average time from actual date of inspection to achieving compliance in quarter 2 2023/24 was 8.26 days. This latest outturn was below the high target for this measure of 10 (low is good) and was a decrease of 1.8 days on the previous quarter 1 2023/24 outturn of 10.06 days. This measure continues to see a steady improvement. It is important to note that during the last month of the quarter, the majority of the team were involved in a serious health and safety incident. However, an agency worker was employed during quarter 2 to cover vacancies, which has contributed to the positive performance during the quarter.

LICENSING

LIC 1 – Percentage of premises licences issued within 28 days of grant

The percentage of premises licences issued within 28 days of grant in quarter 2 2023/24 was 100%, with all licences being issued within the specified timeframe. This latest outturn was an increase of 2.15% on the previous quarter 1 2023/24 outturn of 97.85% and reported on the high target for this measure of 100%. The current outturn includes any new applications, variations, transfers and any other changes affecting licences, which would require a new premises licence being produced

physically. It is important to note that depending on the type of application, the timeframes are different as to when a licence can be produced.

PRIVATE HOUSING

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

The number of empty homes brought back into use during quarter 2 2023/24 was 12. This brings the total number of homes brought back into use so far this year to 20. This latest cumulative outturn reported above the high target for the quarter of 18. It is important to note the Empty Homes Officer working to bring empty homes back into use is a shared resource between City of Lincoln Council and North Kesteven District Council. Of the 12 properties brought back into use in Lincoln during the quarter, 3 of the properties had been empty for 5 years or more, 2 had been empty for more than 4 years, and the remaining 7 properties had been empty for more than 2 years.

PUBLIC PROTECTION AND ANTI-SOCIAL BEHAVIOUR (PPASB)

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

In quarter 2 2023/24 the satisfaction level of complainants relating to how their complaint was handled across the full PPASB service was 100%. This latest outturn reported the same as the previous quarter 1 2023/24 outturn and continued to report above the high target for this measure of 85%. Overall, 45 surveys were sent out during the quarter. 8 surveys were returned, with 6 respondents stating they were ‘very satisfied’ with the service and 2 respondents stating they were ‘fairly satisfied’ with the service.

SPORT & LEISURE

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 SP 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.

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 average Net Promoter Score for England

For quarter 2 2023/24 the net promoter score for Birchwood Leisure Centre was 100, showing excellent performance. This score was 58 points above the average national benchmarking score for the period of 41.6. It should be noted that only one consultation form was received back in the second quarter with a score of 100. However, other positive feedback was received during the quarter in relation to birthday parties and the new baby ballet club at the centre. Additionally, positive feedback was also received in relation to the staff at the centre and the standard of service that was received.

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

Yarborough Leisure Centre's net promoter score for quarter 2 2023/24 was 58.6. This latest score was 17 points above the national benchmarking score for the period of 41.6 showing good performance. Positive feedback was received during the quarter for a range of classes delivered at the centre, including fitness and aqua classes. Additionally, positive feedback was also received in relation to the E-gym and the health benefits this brings, and also regarding the staff at the centre. For this quarter some negative feedback was received in relation to reduced availability of the deep water swimming lane during September. Subsequently the timetable for October has been changed to accommodate the return of these sessions.

ALLOTMENTS

AM 1 – Percentage occupancy of allotment plots

At the end of quarter 2 2023/24, the percentage occupancy of allotment plots was 95%. This latest outturn was a 4% increase on the previous quarter 1 2023/24 outturn of 91% and reported slightly above the high target for this measure of 94%. The latest outturn equated to 1,064 out of a total of 1,124 lettable plots being let during the quarter, with the remaining plots being offered to prospective new tenants on the waiting list (for those sites which have them) and for other sites on a first come first serve basis. It is important to note that there continues to be a steady demand for allotment tenancies with the team working on allocating these as quickly as possible. It is anticipated that throughout the year occupancy rates should increase and waiting list numbers should decrease.

Directorate for Communities and Environment measures performing below target

R

FOOD HEALTH & SAFETY

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

In quarter 2 2023/24 the percentage of food inspections that should have been completed and were completed within the time period was 80%. This latest outturn, although a significant improvement on the previous quarter 1 2023/24 outturn of 58.91%, continued to report below the low target for this measure of 85%. The number of inspections carried out during the quarter was 158 with a further 20 remote assessments taking place. The number of outstanding inspections at the end of the quarter was 79 and this consisted of 56 low risk businesses such as home caterers, businesses selling only confectionary and wet sales pubs. It is important to note the Food Health & Safety 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. In relation to the remote assessments, the team will carry these out on the 56 low risk businesses by sending out a questionnaire during the third quarter. If the questionnaire is failed to be completed or the team have any concerns around the answers provided, a physical inspection will be carried out in order to ensure compliance. Of the remaining 23 businesses, 17 were new businesses and 6 were either broadly or fully compliant.

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)

In quarter 2 2023/24 the average time in weeks from occupational therapy notification to completion of works on site for a Disabled Facilities Grant (DFG) was 29.9 weeks. This latest outturn was greater than the low target for this measure of 26 weeks (low is good). The Private Housing Team has reported that there were a total of 38 grant adaptions completed in quarter 2 2023/24 and although there continues to be a backlog on cases being allocated, this backlog has significantly reduced, reducing from 6 months down to 3 months. This is due to team members being directed onto this particular element of work. During the second quarter, the Private Housing Team were successful in appointing to the previously vacant Technical Officer role with employment commencing in September 2023. Subsequently, it is anticipated that there will be an improvement in the performance of this measure from quarter 3 2023/24. It is important to note this measure is calculated from when the first occupational therapist notification was received.

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 2 2023/24 was 21 weeks. This latest outturn continued to be 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 36 housing disrepair / condition cases. The Private Housing Team anticipated that the performance of this measure would deteriorate this quarter with staff in the Private Housing Team being prioritised towards the Disabled Facilities Grant programme. However, performance has remained at a consistent level with the previous quarter 1 2023/24 outturn of 21.2 weeks.

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	Quarter 2 2023/24 outturn	Status	
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	97.56	G	▲
Control Centre	CC 2	Percentage of Lincare Housing Assistance calls answered within 60 seconds	%	High is good	97.50	98.00	97.33	R	▼
Housing Solutions	HS 1	The number of people currently on the Housing Register	Number	N/A	Volumetric	Volumetric	1,475	V	
Housing Solutions	HS 2	The number of people approaching the council as homeless	Number	N/A	Volumetric	Volumetric	299	V	
Housing Solutions	HS 3	Successful preventions and relief of homelessness against total number of homelessness approaches	%	High is good	45.00	50.00	35.90	R	▼
Housing Voids	HV 1	Percentage of rent lost through dwelling being vacant	%	Low is good	1.10	1.00	1.03	A	▲
Housing Voids	HV 2	Average re-let time calendar days for all dwellings - standard re-lets	Days	Low is good	34.00	32.00	40.48	R	▲
Housing Voids	HV 3	Average re-let time calendar days for all dwellings	Days	Low is good	40.00	38.00	49.61	R	▼

Service area	Measure ID	Measure	Unit	High or low is good	Low target	High target	Quarter 2 2023/24 outturn	Status	
		(including major works)							
Rent Collection	RC 1	Rent collected as a proportion of rent owed	%	High is good	96.50	97.50	97.67	G	
Rent Collection	RC 2	Current tenant arrears as a percentage of the annual rent debit	%	Low is good	4.15	4.00	4.25	R	
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	1.09	A	
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	237	V	
Housing Investment	HI 3	Percentage of dwellings with a valid gas safety certificate	%	High is good	98.60	99.00	98.54	R	
Housing Maintenance	HM 1a	Percentage of reactive repairs completed within target time (priority 1 day only)	%	High is good	98.50	99.50	99.75	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	94.22	R	
Housing Maintenance	HM 2	Percentage of repairs fixed first time (priority and urgent repairs) - HRS only	%	High is good	90.00	92.00	93.52	G	
Housing Maintenance	HM 3	Percentage of tenants satisfied	%	High is good	90.00	95.00	78.69	R	

Service area	Measure ID	Measure	Unit	High or low is good	Low target	High target	Quarter 2 2023/24 outturn	Status	
		with repairs and maintenance							
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	96.60	A	

Directorate for Housing and Investment measures performing at or above target

G

CONTROL CENTRE

CC 1 – Percentage of customers satisfied with their new Lincare Housing Assistance service connection to the control centre

In the second quarter, the percentage of customers satisfied with their new Lincare Housing Assistance service connection to the Control Centre was 97.56%. This outturn performed above the high target for the measure of 95%. Of the 41 responses received, just 1 response was dissatisfied with the service. The respondent which was dissatisfied raised they had received limited communication around the cost of the lifeline. All negative feedback is forwarded onto the Lincare Manager to review.

RENT COLLECTION

RC 1 – Rent collected as a proportion of rent owed

The percentage of rent collected as a proportion of rent owed in the second quarter was 97.67%. This latest outturn outperformed the high target for this measure of 97.5%. When compared to the previous quarter, this latest outturn was also an improvement in performance of 0.86%. Due to the ongoing impact of the cost of living on tenants, rent collection continues to be very challenging.

HOUSING MAINTENANCE

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

During the second quarter the percentage of reactive priority repairs completed within target time was 99.75%. This latest outturn performed above the high target for the measure of 99.5% and was an increase of 0.2% when compared to the previous quarter's outturn of 99.55%. Due to an increase in demand for both priority and urgent repairs within the Housing Maintenance Team,

during the quarter the team has continued to monitor requests to ensure these are being accurately recorded as priority repairs. This ongoing monitoring has contributed to the continued positive performance of this measure.

HM 2 – Percentage of repairs fixed first time (priority and urgent repairs) – Housing Repairs Service only)

In quarter 2 2023/24 the percentage of priority and urgent repairs fixed first time was 93.52%. The latest outturn outperformed the high target for this measure of 92% and was an increase in performance of 2% when compared to the previous quarter. The Housing Maintenance Team has reported that the improvement in performance is largely as a result of a restructure of operatives taking place during the quarter within the team. This has provided increased resource and availability to ensure more work can be completed on the first visit.

Directorate for Housing and Investment measures performing below target

R

CONTROL CENTRE

CC 2 – Percentage of Lincare Housing Assistance calls answered within 60 seconds

In quarter 2 2023/24, 97.33% of Lincare Housing Assistance calls were answered within 60 seconds. This latest outturn was only 0.17% below the low target for the measure of 97.5%. In the quarter 14,840 calls were handled by the Lincare Team. Should a further 25 calls have been answered within 60 seconds (0.17%), this measure would have performed within its target boundaries. Within the quarter 53 of the calls missed were answered just outside of the target within 65 seconds meaning the measure was very close to achieving its target during the second quarter. There is no clear explanation for the slight drop in performance in this latest quarter. However, this appears to correlate with the system switch over from analogue to digital - as more digital devices are being used, performance has reduced. The system supplier is currently assessing whether there are any technical reasons resulting in a lower number of calls being answered within the target time, rather than it being down to staff not answering calls as quickly.

HOUSING SOLUTIONS

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

Successful preventions and relief of homelessness against total number of homelessness approaches in quarter 2 2023/24 was 35.9%. This latest outturn was below the low target for this measure of 45% and a decrease when compared to the quarter 1 2023/24 outturn of 38.12%. The Housing Solutions Team has reported that it is working to implement as many interventions as possible to prevent and relieve homelessness, however, this is extremely challenging due to the current economic climate, as a result of the cost of living crisis, together with the accompanying housing market. In quarter 2 2023/24, 299 homelessness approaches were made to the council.

This was an increase when compared to quarter 2 2022/23 where there were 258 homelessness approaches, and an increase when compared to quarter 2 2021/22 where there were 145 homelessness approaches.

HOUSING VOIDS

HV 2 – Average re-let time in calendar days for all dwellings – standard re-lets

The average re-let time in calendar days for all dwellings in quarter 2 2023/24 was 40.48 days for completed voids. The latest outturn continued to perform outside of the low target for the measure of 34 days (low is good), however, was an improvement in performance of 3.22 days when compared to the quarter 1 2023/24 outturn of 43.7 days.

The main reason for the target being out of range is that there were a number of properties relet during the period that had been void for over 100 days. When these voids are added to the completed number, they increased the average significantly. There are no more voids currently in the system in excess of 100 days. The number of voids still in the system at the end of quarter 2 2023/24 was 76, with an average re-let time of 27 days at the time of reporting. This is a reduction of 9 voids when compared to the position at the end of quarter 1 2023/24 where there were 85 voids in the system, with an average relet time of 37 days.

The efficiency of the Housing Repairs Service to ensure a property is ready to re-let as quickly as possible has had a positive impact on the performance of this measure. However, properties that require cleansing prior to works starting continues to have a significant impact on the overall performance. The Housing Voids Team has reported that in some cases the need for cleansing can delay works commencing by up to two weeks. To help reduce this impact, the team is focused on carrying out pre-void inspections, which will allow conversations with tenants to take place focused on encouraging them to ensure the property is fully cleared when they leave. In time this should help to reduce the number of void properties being returned requiring significant cleansing.

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

During quarter 2 2023/24, the average re-let time in calendar days for all dwellings, including those that require major work, was 49.61 days. This latest outturn has continued to perform above the low target for this measure of 40 days (low is good) and was an increase of 1.55 days when compared to the quarter 1 2023/24 outturn of 48.06 days. The teams involved in managing void properties are continuing to work together to identify and resolve any delays in the re-letting process. These teams include the Asbestos Team, Investment Team and the Compliance Team, together with Aaron Services. Additionally, the teams are looking into utilising better communication pathways to hopefully stop any avoidable delays.

RENT COLLECTION

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

The current tenant arrears as a percentage of the annual rent debit at the end of quarter 2 2023/24 was 4.25%. This latest outturn was greater than the low target for this measure of 4.15% (low is good) and was a small increase of 0.42% when compared to the quarter 1 2023/24 outturn of 3.83%. When compared to the quarter 2 2022/23 outturn where the team were over target at 4.76%, this latest outturn was 0.51% lower. Although this measure was below target at the end of the second quarter, the arrears increase from quarters 1 and 2 this year in monetary terms was £53,026 less than the same period last year. This equates to arrears of £138,393 at the end of quarter 2 2023/24 compared to arrears of £191,419 at the end of quarter 2 2022/23. With the rent free weeks coming up in December the team anticipate a reduction in the arrears for quarter 3 2023/24 reporting - this is the general pattern. The Rent Collection Team will work with the Corporate Policy & Transformation Team over the coming quarter to produce reports, with a focus on further comparing data to the same period last year. This will enable the team to see where the biggest increase in arrears is and allow targeted campaign work to take place over the coming months. The team is hopeful the campaign will help to improve the performance of this measure by year end.

HOUSING INVESTMENT

HI 3 - Percentage of dwellings with a valid gas safety certificate

During quarter 2 2023/24 the percentage of dwellings with a valid gas safety certificate was 98.54%. This latest outturn performed just below the low target for the measure of 98.6%, however, was a small increase in performance of 0.04% when compared to the previous quarter. The council's annual gas servicing programme continually runs 12 months a year. Each month there are a small number of tenants who do not allow access to the gas engineer prior to the deadline date of the gas service. The team continues to work hard to resolve these access issues. Additionally, the team has also recently undertaken a review of the council's gas servicing procedures to ensure the council's legal responsibility is fulfilled.

HOUSING MAINTENANCE

HM1b – Percentage of reactive repairs completed within target time (urgent 3 days repairs only)

The percentage of reactive repairs completed within target time during quarter 2, focusing on urgent 3 day repairs only, was 94.22%. This latest outturn performed just below the low target for the measure of 95%, however, when compared to the previous quarter's outturn of 92.06%, was an improvement in performance of 2.16%. Throughout the second quarter the Housing Maintenance Team has continued to implement clearer processes and joint working with Customer Services to improve the performance of this measure. Additionally, a restructure of operatives has also taken place during the quarter, which has provided increased resource for urgent plumbing repairs. This has also contributed to the improvement in the performance of this measure during quarter 2. Looking ahead the team will continue to work closely with Customer Services and also Resource

Planning to ensure works are correctly allocated targets and scheduled at point of call. It is expected this will help to improve the performance of this measure further.

HM 3 – Percentage of tenants satisfied with repairs and maintenance

The Housing Repairs Service completed 6,544 repairs in the second quarter of 2023/24. During that period the service requested feedback 837 times. Only 61 responses were received (7.29%) and of these 78.69% of tenants were satisfied with the repairs and maintenance undertaken (41 tenants). The team, alongside colleagues in the Corporate Policy and Transformation Team, is looking into a more effective way of gathering customer feedback. In the small sample we do have, of those respondents not satisfied with the service they received sighted standard of workmanship and quality of the repair.

Corporate Performance Measures

Resource Information

There were 26 leavers in quarter 2 2023/24, which equated to a turnover figure of 4.4% (based upon employee headcount at the end of September 2023). When compared to the previous quarter, this latest figure was an increase of 1.1%.

The vacancy figure as at the end of quarter 2 2023/24 stood at 77 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 September 2023, the council was actively recruiting to 36.34 FTE vacancies.

Directorate	CX	DCE	DMD	DHI	Total (Excluding Apprentices
Number of FTE employees	177.80	122.48	15.69	206.51	522.48
Average number of apprentices (as at quarter end)	**Authority Wide**				7.88
Percentage of staff turnover	**Authority Wide**				4.4%
Active vacancies which are being recruited (FTE)	**Authority Wide**				36.34

Appraisals completed up to the end of quarter 2 2023/24 as recorded in ITrent

Directorate	Appraisals due in quarter 2 2023/24	Appraisals completed in quarter 2 2023/24	% of appraisals completed	Appraisals completed over the last 12 months *
CX	77	27	35.1%	59
DCE	40	18	45.0%	27
DMD	9	0	0.0%	5
DHI	62	7	11.3%	34
Authority Wide	**188**	**52**	**27.7%**	**125**

*Please note, if an employee has had two appraisals within the past year, this has only been recorded as one.

The council has recently changed how appraisals are completed, whereby appraisals are no longer completed between April – June annually but are now completed on the anniversary of the employee's 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 2 2023/24, 188 appraisals were due for completion. Of these 52 appraisals were recorded as being completed within the ITrent system (27.7%).

It should be noted that as part of the transitional arrangements, managers have been given more time from the employee's anniversary date to complete the appraisals, therefore the completion rate will be lower than expected within the first two quarters.

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 & Wellbeing

During quarter 2 2023/24 there have been a range of health and wellbeing initiatives promoted.

The Human Resources Team has continued to promote the benefits the council has in place that will help employees' money go further (such as employee discounts), together with also recently promoted Financial Wellbeing online courses along with Pension Pre-Retirement courses.

The team has also recently arranged and promoted a "Know your numbers" event, which took place on 2nd October 2023. This involved GP referral trained coaches from Active Nation being on hand to undertake blood pressure and BMI checks and offer general health and dietary advice.

Additionally, the team has also promoted the Flu Vaccination scheme during the quarter. All council employees are eligible to request a flu vaccination voucher (unless an employee is eligible to receive a free vaccination through their GP).

The council's Mental Health and Wellbeing e-learning has also been updated and is available to all managers (via the Hub).

Sickness Performance

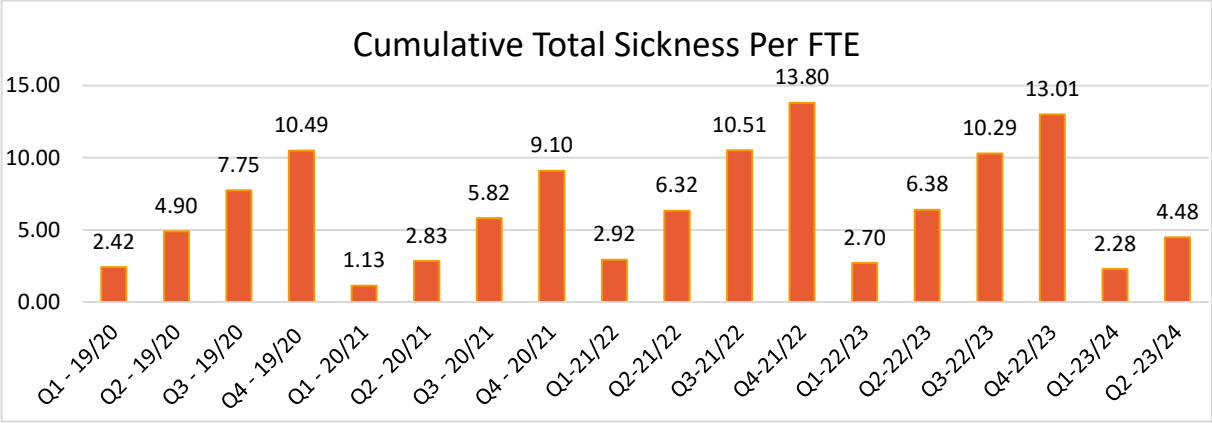
During quarter 2 2023/24 the total sickness levels for the council stood at 2.20 days lost per FTE. When compared to the previous quarter sickness levels have decreased (quarter 1 2023/24 figure stood at 2.28 days lost per FTE). In addition, this latest outturn is also lower than when compared the same quarter last year where the total sickness stood at 3.68 days lost per FTE.

During quarter 2 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.

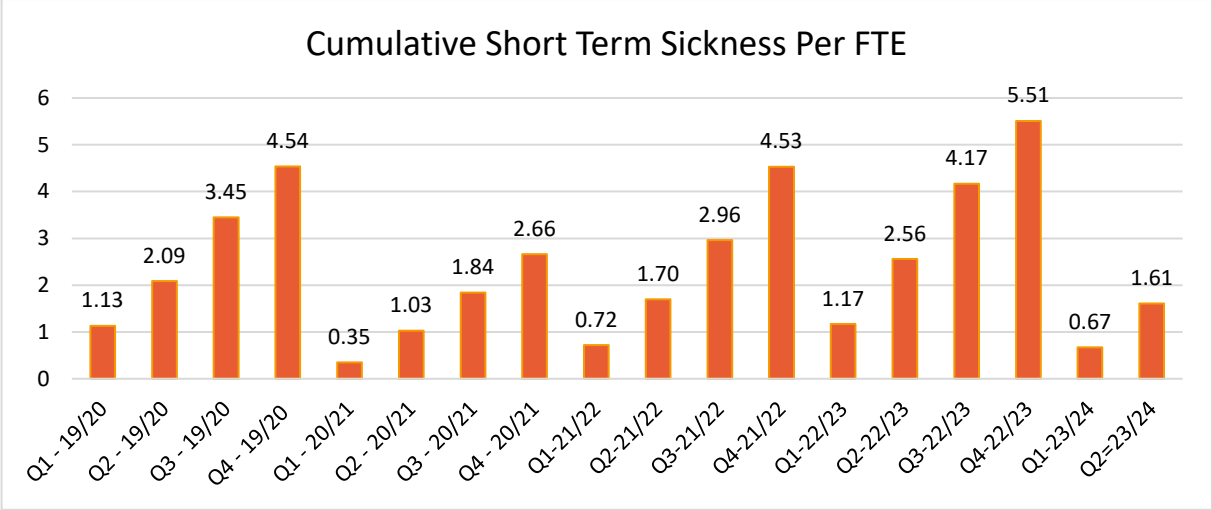
Quarter 2 2023/24 ONLY

	Short Term Days Lost	Long Term Days Lost	Total days lost	Number of FTE	Short Term Days lost per FTE	Long Term Days lost per FTE	Total Days lost per FTE
CX Excluding Apprentices	159.5	260	419.5	177.80	0.90	1.46	2.36
Apprentices	19.5	0	19.5	7.88	2.47	0.00	2.47
DCE	99	70	169	122.48	0.81	0.57	1.38
DMD	8	0	8	15.69	0.51	0.00	0.51
DHI	224	328.5	552.5	206.51	1.08	1.59	2.68
Total	**510**	**658.5**	**1,168.5**	**530.34**	**0.96**	**1.24**	**2.20**
Less Apprentices	**490.5**	**658.5**	**1,149**	**522.46**	**0.94**	**1.26**	**2.20**

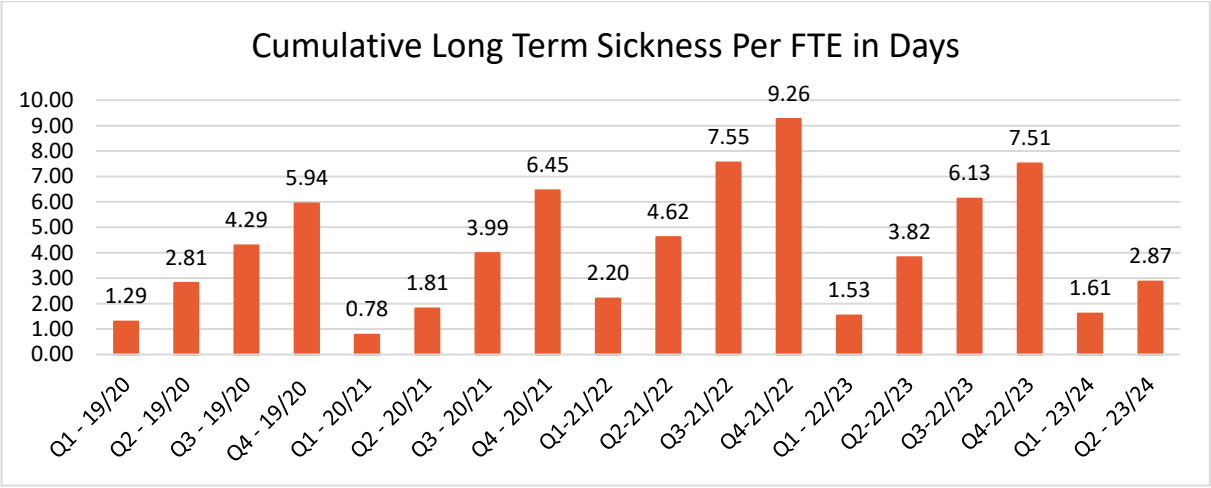
Cumulative total sickness per FTE in days (excluding apprentices)



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



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



Complaints Performance

In quarter 2 2023/24 there were 84 complaints dealt with across the council.

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 66% (133). In quarter 2 2023/24, there were 0 Local Government Ombudsman (LGO) complaints decided and 0 Local Housing Ombudsman (LHO) complaints decided.

Quarter 2 2023/24

	CX	DCE	DHI	DMD	TOTAL
Number of formal complaints dealt with this quarter (Q2)	7	25	50	2	84
Number of formal complaints upheld this quarter (Q2)	4 (57%)	13 (52%)	22 (44%)	2 (100%)	41 (49%)
YTD total number of complaints investigated	19	69	110	2	200
YTD number of formal complaints Upheld	9 (47%)	26 (38%)	54 (49%)	2 (100%)	91 (46%)
No / % of responses within target time this quarter (Q2)	7 (100%)	23 (92%)	29 (58%)	2 (100%)	61 (73%)
No / % of responses within target time YTD	18 (95%)	66 (96%)	47 (43%)	2 (100%)	133 (66%)
LGO complaints decided (Q2)	0	0	0	0	0
LHO complaints decided (Q2)	0	0	0	0	0

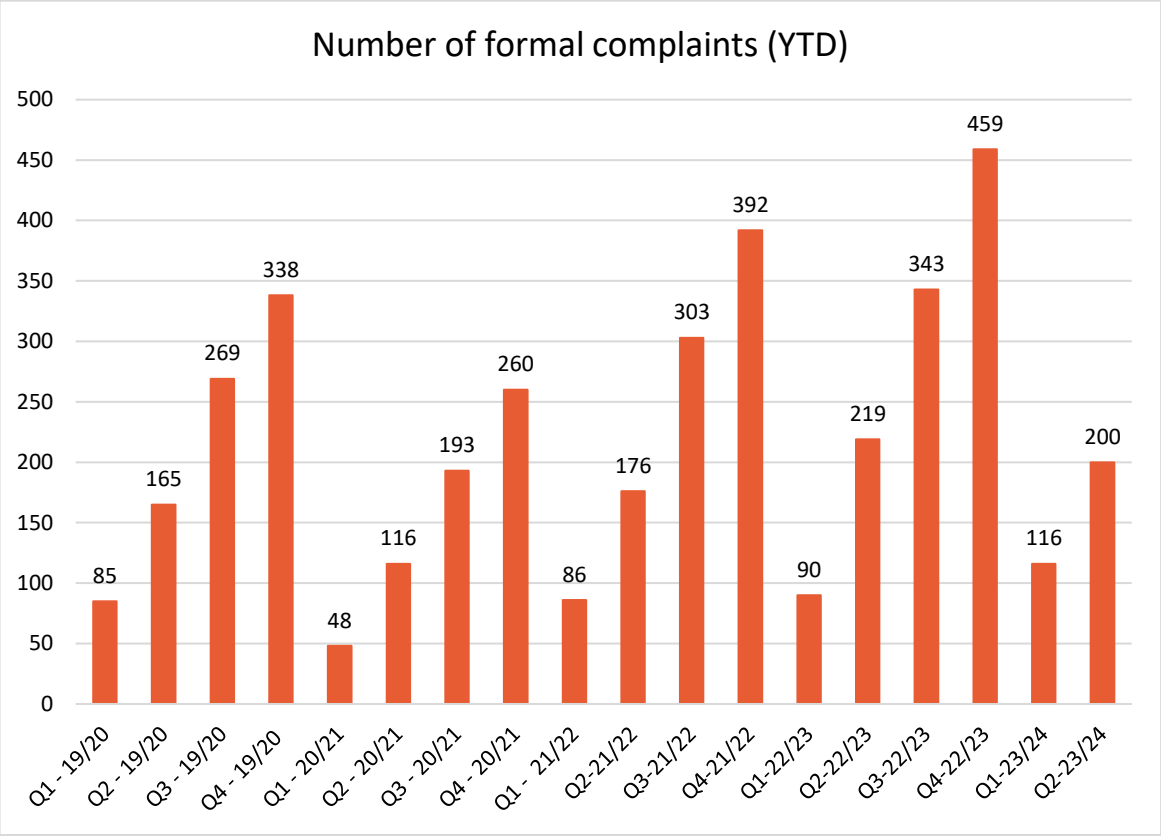
In quarter 2 2023/24 the number of complaints dealt with by the Chief Executive's Directorate reduced to only 7 compared to the previous quarter, in which there were 12. All 7 of the complaints related to some aspect of Council Tax collection. All complaints to the Chief Executive's Directorate were dealt with within the target response time.

The Directorate for Communities and Environment dealt with a reduced number of complaints, responding to only 25 in quarter 2. This compares to 44 in quarter 1. 23 or 92% of these were responded to within the target response time. Complaints were spread across most of the service areas in the directorate with no one area dominating the range of issues raised.

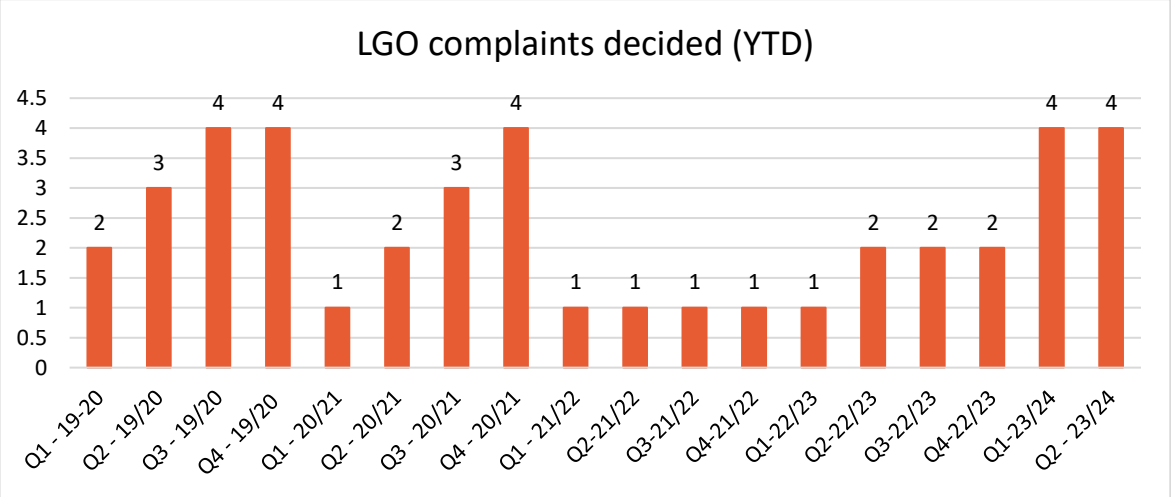
Complaints received in the Directorate of Housing and Investment reduced for the third quarter in a row to 50 in this second quarter of the year. Looking at the previous year (2021/2022) in quarter 2 staff dealt with 109 complaints. Half of the complaints in the directorate were about repairs and conditions 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 is improving in this directorate with 58% of complaints now being responded to within published target response times.

There were 2 complaints received in the Directorate for Major Developments during quarter 2. These both related to the Western Growth corridor and were both upheld. One was related to construction noise and one was about traffic management on site.

Number of formal complaints decided (YTD)



Local Government Ombudsman complaints decided (YTD)



New Joint Complaint Handling Code for Housing Complaints

The Housing Ombudsman and the Local Government and Social Care Ombudsman have proposed that in the interests of fairness across Local Authority Services they will introduce a new Joint Complaint Handling Code.

The Housing Ombudsman introduced its initial complaint handling code in 2020 and under the Social Housing (Regulation) Act it will become a statutory duty from 1 April 2024. The council will be required to complete an annual self-assessment against the code, present the outcome report to members and publish it on our website. The Housing Ombudsman Service will have a duty to monitor performance against the code and will have the power to issue Complaint Handling Failure Orders. The draft code is currently being consulted on and when the final version is published the council will ensure our Complaints Policy is amended if necessary to reflect the code. Further updates will be provided upon completion of the consultation stage.

Compliments Performance

In quarter 2 2023/24 there were 26 compliments recorded across the council.

	CX	DCE	DHI	DMD	TOTAL
Number of compliments received	8	6	11	1	26

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

CX	Excellent standard of service from the Revenues Team relating to stressful and complex cases, revenues support in relation to moving into a property, revenues support in relation to a council tax query.
DCE	Support with Community Services request, support with a complaint response, support from parking attendants.
DHI	Support with rent arrears, estate improvements, support in finding more suitable accommodation, housing application support.
DMD	Great work of the team to achieve a positive outcome (in relation to a Wall at Windmill View).

For each compliment received a letter is sent to the individual to thank them for taking the time to make the compliment.

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

CX

Revenues support

'I would like to compliment Lincoln Council services for their excellent customer service and systems. On a few occasions I have needed to contact the council tax department and each time the people who work in customer service, are professional, helpful and well informed. The system of

speaking to someone directly is really useful when compared to my local council in Sussex. Please pass on my feedback.'

Revenues support

'I would just like to offer my thanks to your council tax and recovery teams within the council. Spoke to 3 or 4 members across both teams today and they could not have been more helpful with the serious problem I was having. All seemed to know exactly what to do as well as being empathetic and genuinely wanting to help. Could not speak highly enough of them, only sorry I could not remember their names.'

Revenues support

'That was all very stressful and you've done a marvellous job of untangling things and managing the whole issue. Thank you again.'

DCE

Support from parking attendant

'Today I had troubles parking at Lucy tower street car park on the sixth level and was pleasantly surprised to receive an excellent level of assistance from a parking attendant who helped us get our ticket when we were in a rush and we really appreciate the support he provided.'

DHI

Estate Improvements

'Can I please take this opportunity to personally thank you for all the help and support you have provided for all the improvements made to the local area. The car park at the top of Kenner Close has never looked so tidy. Thank you again for all your hard work, sometimes we all forget to show appreciation and I know at times that can be quite disheartening.'

Tenancy

'Many thanks for your help resolving my rent issues, I can rest easy. Thanks again.'

Housing Solutions

'Many thanks for your time, support and help in the application process. I appreciate this, and it certainly made the transition of finding and securing our next home smoother.'

DMD

Wall at Windmill View (internal compliment)

'Fantastic news. What a herculean effort it has been. You've done a brilliant job so well done and thank you. Big thankyou from me also for everyone else involved in this. I'm sure the residents are delighted with the results and so they should be. I take the absence of complaints to me during construction as evidence of this. Great teamwork even though we tried everything we could to avoid being put in the situation!'

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Performance measure outturns - Quarter 2 2023/24

Performance Information Management System

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

Quarterly reported measures

	Assistant Director	Service area	Measure ID	Measure	Unit	High or low is good	Low target	High target	Previous data period	Previous outturn	Quarter 2 2023/24 outturn	Status		Commentary
CX	Carolyn Wheater – City Solicitor	Work Based Learning	WBL 1	Percentage of apprentices completing their qualification on time	%	High is good	95.00	100.00	Q1 - 23/24	50.00	67.00	R	▲	In Q2 23/24 the number of apprentices completing their apprenticeship on time was 67% (4/6). 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	Q1 - 23/24	100.00	100.00	G	–	In Q2 2023/24, 100% (6/6) of apprentices on programme moved into Employment, Education or Training. There were 4 new starters on the apprenticeship scheme during Q2 2023/24.
	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	Q1 - 23/24	86.00	82.00	A	▼	Over the summer months, the number of enquiries received usually reduce and this year was no exception. However, those that were received tended to be slightly more time-consuming and, as such, sometimes went beyond the timescales required or requested. The most significant story, which ran across the whole of the city's media, as well as also being included in regional and national titles, was the council's investigation into potential carbon monoxide poisoning at a karting centre in the city, which was covered by media including the Daily Telegraph, Independent, The Sun, Daily Express and many more. Elsewhere, the focus remained on events at Scampton and the impact that might have on the city, along with regular updates sought on the work at the Cornhill Market. Other enquiries touched on varied subjects, as wide-ranging as: the possibility of a ULEZ-style scheme in Lincoln; the ongoing work around Stokes and the Gloryhole and, following the financial issues at Birmingham Council, questions regarding the state of the city council's own finances. One story that resulted in significant positive coverage and enquiries was the quick action of the council and partners in making safe a large tree that had split in half, causing significant potential risk to nearby properties.
		Customer Services	CS 1	Number of face to face enquiries in customer services	Number	N/A	Volumetric	Volumetric	Q1 - 23/24	22	20	V		There were 105 pre-booked appointments for customers in total. The majority were with the Welfare Team who saw 63 customers and 20 were assisted by Customer Service Advisors, the remainder were supported by a mixture of other council teams. There were 439 customers who came to main reception without an appointment and were supported by an officer at

	Assistant Director	Service area	Measure ID	Measure	Unit	High or low is good	Low target	High target	Previous data period	Previous outturn	Quarter 2 2023/24 outturn	Status		Commentary
														the time. There is starting to be a decline in pre-booked face to face appointments as more customers are using the website or phoning in their enquiries. There is beginning to be an increase in walk-in enquiries with initial feedback for this is that customers are becoming more aware of what services are available in City Hall.
		Customer Services	CS 2	Number of telephone enquiries answered in Channel Shift Areas (Rev & Bens, Housing & Env. Services)	Number	N/A	Volumetric	Volumetric	Q1 - 23/24	27,860	26,804	V		Similar to last quarter and less than the same quarter last year when we were answering extra calls for the energy rebate. We have answered 3,840 refuse/environmental calls, 4,033 housing solutions/homelessness calls, 11,690 housing calls, 7,241 council tax/benefit calls and 425 other calls. We have also answered 18,105 calls at switchboard.
		Customer Services	CS 3	Average time taken to answer a call to customer services	Seconds	Low is good	600.00	300.00	Q1 - 23/24	457.67	327.17	A	▲	This is the average wait for the contact centre calls, excluding switchboard. If switchboard is included in the figure it would bring down the average wait to 214.13 seconds. This is an improvement over the previous quarters. The longest a customer waited to be answered in the quarter was 4,318 seconds, and the longest wait before a customer hung up without being answered was 4,312 seconds. Even though we can have busy periods at any time, these are especially following letter runs, for example council tax reminders and quarterly rent statements. Our busiest period each week is first thing Monday morning.
		Customer Services	CS 4	Average customer feedback score (telephone, face to face and e-mail enquiries)	%	High is good	75.00	90.00	Q1 - 23/24	87.60	82.06	A	▼	From 59 responses, mainly from email interactions. We did have 3 responses for face to face interactions but these were all connected to the job centre not ourselves. The comments left ranged from, "The matter was dealt with and I was informed of what would be happening", “Great customer service, thank you" to "not easy to find numbers, or which department wanted" and "Pity the result wasn't followed through."
		IT	ICT 1	Number of calls logged to IT helpdesk	Number	N/A	Volumetric	Volumetric	Q1 - 23/24	869	909	V		During the quarter there was a small increase in the number of calls logged to the IT helpdesk. This increase was as a result of a small increase in incidents. However, telephony system enquiries continue to diminish.
		IT	ICT 2	Percentage of first time fixes	%	N/A	Volumetric	Volumetric	Q1 - 23/24	66.10	70.00	V		In quarter 2 there was a slight increase in the First Time Fix rate. This was as a result of a change in staffing, which has meant an increased focus on incoming calls to help upskill new staff.
	Jaclyn Gibson - Chief Finance Officer	Accountancy	ACC 1	Average return on investment portfolio	%	High is good	1.50	2.75	Q1 - 23/24	4.32	5.14	G	▲	Yields have continued to increase with increases in the Bank of England base rate and the re-investing of matured fixed term investments at higher rates.
		Accountancy	ACC 2	Average interest rate on external borrowing	%	Low is good	5.25	3.75	Q1 - 23/24	3.10	3.20	G	▼	Average interest rate on borrowing remains stable at 3.2%. This is unlikely to increase significantly this financial year as there is no requirement for further external borrowing.
		Debtors & Creditors	DCT 1	Percentage of invoices paid within 30 days	%	High is good	95.00	97.00	Q1 - 23/24	96.61	96.58	A	▼	Figures are calculated on all supplier invoices and credit notes (not refunds or grants) paid 01/07/2023 - 30/09/2023. Figures are adjusted based on certain assumptions as below: 1) No invoice collected for payment by supplier by direct debit or paid by standing order is assumed to be late. 2) No credit note taken by COLC outside of 30 days classified as late

	Assistant Director	Service area	Measure ID	Measure	Unit	High or low is good	Low target	High target	Previous data period	Previous outturn	Quarter 2 2023/24 outturn	Status		Commentary
														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 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.
		Debtors & Creditors	DCT 2	Percentage of invoices that have a Purchase Order completed	%	High is good	60.00	70.00	Q1 - 23/24	57.00	71.00	G	▲	Based on supplier expenditure only (all invoices and credit notes dated between 01/07/2023 and 30/09/2023). None supplier expenditure is excluded. Other exclusions: Utility bills where purchase orders are not required and supplier invoices where a purchase order would be unsuitable for processing. Number of invoices included - 2,786 of which 1,977 were linked to either an Agresso or Universal Housing order number.
		Debtors & Creditors	DCT 3	Average number of days to pay invoices	Days	Low is good	20	15	Q1 - 23/24	19	13	G	▲	Figures calculated on all supplier invoices and credit notes paid between 01/07/2023 - 30/09/2023.
	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	19.00	17.50	Q2 - 22/23	16.41	16.61	G	▼	Quarter 2 shows a small increase in processing times. This was due to increased workload being received during quarter 1, which impacted on processing times. Now the outstanding work levels have reduced, processing times should be maintained or improved.
		Housing Benefit Administration	BE 2	Average days to process housing benefit claim changes of circumstances from date received (cumulative)	Days	Low is good	8.50	6.50	Q2 - 22/23	6.44	6.25	G	▲	At the end of quarter 2 there was a slight increase in processing times. This was due to the team clearing the high levels of work received during quarter 1. As the outstanding work has now decreased it is expected that processing times should be maintained or decrease over the coming quarter.
		Housing Benefit Administration	BE 3	Number of Housing Benefits / Council Tax support customers awaiting assessment	Number	Low is good	1,900	1,700	Q2 - 22/23	1,502	1,156	G	▲	At the end of quarter 2 there were 1,156 customers awaiting assessment. Of these 812 were waiting for a first contact from the Benefits team. Outstanding work has decreased in the team as the level of work being received has decreased. This follows the annual up ratings of income and rent having been dealt with.
		Housing Benefit Administration	BE 4	Percentage of risk-based quality checks made where benefit entitlement is correct (cumulative)	%	High is good	89.00	92.00	Q2 - 22/23	95.56	89.87	A	▼	The team carried out over 100 quality checks in the last quarter. This was a smaller amount than normal. The lower number was due to the workload in the Subsidy Team and also the holiday period. However, there was a small increase in the percentage overall, which was due to less errors being made. Also, due to less experienced officers being part of the team, 100% of the assessors claims have been checked and this has resulted in a small error rate, which has decreased in quarter 2. It is also important to note the Subsidy Team have completed audit work, so have been unable to complete as many quality checks compared to other quarters.
		Housing Benefit Administration	BE 5	The number of new benefit claims year to date (Housing	Number	N/A	Volumetric	Volumetric	Q1 - 23/24	1,130	2,371	V		So far this year the team has processed 552 Housing Benefit claims and 1,819 claims for Council Tax Reduction.

	Assistant Director	Service area	Measure ID	Measure	Unit	High or low is good	Low target	High target	Previous data period	Previous outturn	Quarter 2 2023/24 outturn	Status		Commentary
				Benefits/Council Tax Support)										
		Revenues Administration	REV 1	Council Tax – in year collection rate for Lincoln (cumulative)	%	High is good	50.00	51.50	Q2 - 22/23	52.16	50.46	A	▼	This is a little bit lower than expected as council tax had been doing well for the previous months. This will be monitored carefully over the next 3 months and some changes are being made in Council Tax administration processes to further improve efficiency.
		Revenues Administration	REV 2	Business Rates – in year collection rate for Lincoln (cumulative)	%	High is good	54.00	57.00	Q2 - 22/23	62.99	59.56	G	▼	During September 2022 there was a Covid Hardship Relief fund and £852,032 was added to the NDR accounts, which inflated the collection figure for September 2022. The collection figures at the end of September for the last few years are as follows - Sept 2019 - 59.58% Sept 2020 - 65.15% (during this year retail, leisure and hospitality had nothing to pay) Sept 2021 - 55.70% Sept 2022 - 62.99% (during this year £852K Covid relief was added to the accounts) Sept 2023 - 59.56% Collection figures now appear to be getting back to the pre-Covid collection rates.
		Revenues Administration	REV 3	Number of outstanding customer changes in the Revenues Team	Number	Low is good	1,200	1,100	Q2 - 22/23	3,025	1,120	A	▲	At the end of the quarter there were 472 documents outstanding in the Enterprise document management system that relate to changes for City of Lincoln Council customers. E-mails which are received are actioned and then indexed as completed items. E-mails 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 648 emails outstanding at 30.9.2023. These are split on a 50/50 ratio as a best estimate for each authority giving an estimate of 324 outstanding e-mails for City of Lincoln. This brings the total number of outstanding customer changes for City of Lincoln at the end of the quarter to 1,120.
		Revenues Administration	REV 4	Number of accounts created for the My Lincoln Accounts system (to date)	Number	N/A	Volumetric	Volumetric	Q1 - 23/24	2,149	2,713	V		Customers will know this system as My Lincoln Accounts, although the software behind this is called Citizens Advice - Revenues (CA-R). 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. In order to register securely, customers must provide the following – • Forename and surname as shown on their council tax bill • Council Tax reference number from their bill And 2 of the following – • Postcode • The last 3 digits of their bank account if they pay council tax by direct debit • The last 3 digits of their phone number if we hold this on file • Online Key which is a unique reference number that they will find on their council tax account. Without registering for an account, a customer can still set up direct debits,

	Assistant Director	Service area	Measure ID	Measure	Unit	High or low is good	Low target	High target	Previous data period	Previous outturn	Quarter 2 2023/24 outturn	Status		Commentary
														report a move to us and/or apply for a single person discount. Other forms are available online 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. The number of customers who had registered on My Lincoln Accounts at the 30.9.2023 was 2,713.
DCE	Kieron Manning - Assistant Director Development Management	Affordable Housing	AH 1	Number of affordable homes delivered (cumulative)	Number	High is good	10	50	Q2 - 22/23	0	17	A	▲	A total of 4 affordable homes were completed during this quarter all of which came from the Romangate development.
		Development Management (Planning)	DM 1	Number of applications in the quarter	Number	N/A	Volumetric	Volumetric	Q1 - 23/24	195	224	V		Total application numbers have increased in the quarter with more applications for minor works such as residential extensions and works to protected trees.
		Development Management (Planning)	DM 2	End to end time to determine a planning application (Days)	Days	Low is good	85.00	65.00	Q1 - 23/24	64.19	74.67	A	▼	End to end times have increased largely as a result of the current resource position within the service. All vacancies have now been appointed to although these new members of staff don't start until the end of Oct/early Nov. As reported previously there will also continue be a lag in performance as these new members of staff are trained and enabled to gear up.
		Development Management (Planning)	DM 3	Number of live planning applications open	Number	Low is good	180	120	Q1 - 23/24	127	146	A	▼	This increase in the quarter reflects the additional volume of applications submitted.
		Development Management (Planning)	DM 4	Percentage of applications approved	%	High is good	85.00	97.00	Q1 - 23/24	95.00	97.00	G	▲	The percentage remains consistently high due to the positive and proactive approach of officers in negotiation as well as the role that pre-application plays.
		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	Q1 - 23/24	1.44	1.70	G	▼	This figure remains very low reflecting our strong performance at appeal and the robustness of our decision making process.
		Development Management (Planning)	DM 5a	Number of decisions appealed in the quarter	Number	Low is good	5	1	Q1 - 23/24	4	1	G	▲	This figure remains very low showing both the quality of decisions made but also is indicative of the proactive and positive approach of the team in negotiating acceptable outcomes during the process.
		Development Management (Planning)	DM 5b	Number of appealed decisions in the quarter overturned by the inspectorate	Number	Low is good	5	1	Q1 - 23/24	2	0	G	▲	This figure remains very low showing both the quality of decisions made but also is indicative of the proactive and positive approach of the team in negotiating acceptable outcomes during the process.

	Assistant Director	Service area	Measure ID	Measure	Unit	High or low is good	Low target	High target	Previous data period	Previous outturn	Quarter 2 2023/24 outturn	Status		Commentary
		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 (including extensions of time)	%	High is good	70.00	90.00	Q1 - 23/24	85.00	73.00	A	▼	This is an accurate reflection of the performance of the service and demonstrates that despite the resource pressures, the team has been able to perform above the national target (70% on a 2 year rolling basis). Note - From Quarter 2 2023/24, this performance measure has been reverted back to include extensions of time. This ensures the measure is in line with how the service operates and ensures senior management and members are provided with a more accurate reflection of how the service is performing. Additionally, this change will allow for a certain degree of benchmarking to take place moving forwards. Data within the performance system from quarter 3 2022/23 (the point when the measure was initially revised to exclude extensions of time in line with benchmarking data previously available) has been updated to include extensions of time, which has ensured there are no gaps in historical data for this measure.
		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 (including extensions of time)	%	High is good	60.00	90.00	Q1 - 23/24	100.00	100.00	G	▬	Whilst this figure is high at 100%, there have only been a small number of major applications determined in the quarter so is not fully representative of resource levels vs performance. For example the difference in a couple of weeks for the determination period could have easily meant that this figure was 50%. That being said we closely monitor our statutory performance to ensure we make the relevant amendments to our approach to ensure they are maintained at or above the national targets. Note - From Quarter 2 2023/24, this performance measure has been reverted back to include extensions of time. This ensures the measure is in line with how the service operates and ensures senior management and members are provided with a more accurate reflection of how the service is performing. Additionally, this change will allow for a certain degree of benchmarking to take place moving forwards. Data within the performance system from quarter 3 2022/23 (the point when the measure was initially revised to exclude extensions of time in line with benchmarking data previously available) has been updated to include extensions of time, which has ensured there are no gaps in historical data for this measure.
		Parking Services	PS 1	Overall percentage utilisation of all car parks	%	High is good	50.00	60.00	Q1 - 23/24	48.00	53.00	A	▲	This quarter covers the summer school holidays so occupancy was up, with the uphill car parks doing very well re the tourist trade.
		Parking Services	PS 2	Sessional car parking income as a percentage of budget requirement	%	High is good	91.00	96.00	Q1 - 23/24	102.59	106.41	G	▲	Income for the quarter was £1,678,362.71 against a budget of £1,577,262.00, which shows income has surpassed the budget. This quarter covers the school summer holidays and tourist season so is traditionally one of the better quarters for income.
	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	Q1 - 23/24	99.99	99.99	G	▬	This is the second quarter since the FSA Recovery Plan was withdrawn at the end of March 2023 and although the value reported is the same as the last quarter, I can report that there has been a reduction in the number of non-compliant businesses. We currently have 12 businesses that are non-compliant, however 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.

	Assistant Director	Service area	Measure ID	Measure	Unit	High or low is good	Low target	High target	Previous data period	Previous outturn	Quarter 2 2023/24 outturn	Status		Commentary
														The number of businesses that are registered in the city is 1,074 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.
		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	Q1 - 23/24	10.06	8.26	G	▲	The time taken for businesses to comply with food safety requirements from the date of inspection has improved in this quarter and has been steadily improving in the last year. There were 158 businesses inspected during quarter 2, with an additional 20 low risk businesses being assessed in accordance with the Alternative Enforcement Strategy. During the last month of this quarter, the majority of the team were involved in an investigation into a serious health and safety incident. 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	Q1 - 23/24	58.91	80.00	R	▲	There has been an improvement in the percentage of inspections done during this quarter, which includes assessments of some of the low risk businesses that were given a low priority during the pandemic. The number of inspections carried out during quarter 2 was 158 and 20 remote assessments. The number of inspections that haven't been done is 79, this is made up of: 56 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 56 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. Of the remaining 23 businesses, 17 were new businesses and 6 were either broadly or fully compliant (3 out of the 6 were evening economy businesses). As stated in the commentary for FHS2, in the last month of the quarter, the majority of the team were involved with an investigation into a major health and safety incident, which affected the number of new businesses inspected.
		Licensing	LIC 1	Percentage of premises licences issued within 28 days of grant	%	High is good	80.00	100.00	Q1 - 23/24	97.85	100.00	G	▲	All licences issued were within the selected timeframe during this quarter. 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	Q1 - 23/24	409	407	V		The total number of 'active' premises licences at end of Q2 was 407. This was a slight decrease from previous quarter due to a few licences being surrendered.

	Assistant Director	Service area	Measure ID	Measure	Unit	High or low is good	Low target	High target	Previous data period	Previous outturn	Quarter 2 2023/24 outturn	Status		Commentary
		Licensing	LIC 3	Total number of active private hire / hackney carriage licences (operators, vehicles and drivers)	Number	N/A	Volumetric	Volumetric	Q1 - 23/24	794	811	V		The total number of active private hire/hackney carriage licences at the end of the quarter was 811. The breakdown was as follows: Private Hire Drivers - 422 Private Hire Vehicles - 303 Private Hire Operators - 22 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	Q1 - 23/24	27.00	29.90	R	▼	38 grant adaptations were completed between July 2023 and end of September 2023. This is a significant improvement on previous quarters. This is due to team resources being directed into delivering this particular area of work. It was expected that the measure itself would not improve for this quarter as there was a backlog on cases to be allocated. There had been a 6 month waiting period and this has now reduced down to less than 3 months. The recruitment into the Technical Officer vacancy has been successful and the Officer commenced employment with us in September 2023. It is anticipated that there will be an improvement in measure for the Quarter 3 reporting period.
		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	Q1 - 23/24	21.20	21.00	R	▲	During this quarter 36 housing disrepair/condition cases were resolved closed. The staff within the Private Housing Team has been prioritised towards the DFG grant programme during quarter 2. It had been expected that this measure would have deteriorated, so it is good to report that it is holding steady from the previous quarter reported.
		Private Housing	PH 3	Number of empty homes brought back into use (cumulative)	Number	High is good	8	18	Q2 - 22/23	16	20	G	▲	The Empty Homes Officer who is a shared resource between City of Lincoln and North Kesteven DC has successfully returned 12 properties back into use for quarter 2 in Lincoln. Of the 12 properties brought back into use:- Three of the properties had been empty for 5 years or more. Two had been empty for more than 4 years - the rest had all been empty for more than 2 years. Three properties had been discovered as empty following inspections. The owners who had been recording them as either furnished second homes or occupied were given advice and assistance. Premium long term empty charges were added to their council tax accounts to bring them back into use. Four of the properties received VAT discount letters to assist them with their renovation works. Four of the properties had internal inspections carried out by the Empty Homes Officer and either a PPASB Officer or a Private Housing Officer, and the owners were given advice and assistance with the work they needed to carry out to make the properties habitable or usable. One owner was given a referral to specialist legal support to deal with a

	Assistant Director	Service area	Measure ID	Measure	Unit	High or low is good	Low target	High target	Previous data period	Previous outturn	Quarter 2 2023/24 outturn	Status		Commentary
														challenging situation they had with the ownership of the property. Four of the owners received warning letters advising them that the council were considering enforcement action to bring the property back into use. Two were served with S239 Notice ordering them to allow access to carry out inspections (both complied).
		Public Protection and Anti-Social Behaviour Team	PPASB 1	Number of cases received in the quarter (ASB cases only)	Number	N/A	Volumetric	Volumetric	Q1 - 23/24	115	120	V		This is a 9.8% decrease compared to the amount of ASB cases received in Q2 of 22/23. It is an increase of 4.3% when compared with Q1 of 23/24. This latest outturn indicates that the number of ASB cases being received by the team is stable.
		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	Q1 - 23/24	1,003	964	V		This latest outturn is a 3.9% decrease when compared with the outturn from Q1 of 23/24 and a 6.9% decrease when compared with Q2 of 22/23. This latest outturn is relatively stable and shows that the team are effectively managing and closing cases.
		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	Q1 - 23/24	211	240	A	▼	This latest outturn is a 15.4% increase when compared with Q2 of 22/23 and 13.7% increase when compared with the outturn from Q1 of 23/24. This increase could be due to having two new PPASB Officers, so the investigations and closing of cases could be taking longer due to ongoing training.
		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	Q1 - 23/24	100.00	100.00	G	—	In Quarter 2, 45 satisfaction surveys were sent out. 8 responses were received back. 6 customers answered, 'Very Satisfied' and 2 customers were 'fairly satisfied'.
		Sport & Leisure	SP 1a	Quarterly visitor numbers to Birchwood Leisure Centre	Number	N/A	Volumetric	Volumetric	Q1 - 23/24	38,209	42,118	V		In quarter 2 2023/24 there were 42,118 visits to Birchwood Leisure Centre. This number is still lower than pre-pandemic levels. For example, in Quarter 2 2019/20 there were 57,138 visits – a difference of 15,020 visits. However, Quarter 2 visits are steadily increasing year on year since the pandemic. The economic climate is still challenging for most households.
		Sport & Leisure	SP 1b	Quarterly visitor numbers to Yarborough Leisure Centre	Number	N/A	Volumetric	Volumetric	Q1 - 23/24	99,520	103,392	V		In quarter 2 2023/24 there were 103,392 visits to Yarborough Leisure Centre. This is still down on the quarter 2 2019/20 pre-pandemic level by 86,659 visits. However, visitor numbers are steadily rising year on year. Household budgets are still stretched and this is having an impact on numbers.
		Sport & Leisure	SP 2	Artificial Grass Pitch usage at Yarborough Leisure Centre & Birchwood Leisure Centre	Hours	High is good	520.00	700.00	Q1 - 23/24	760.50	663.00	A	▼	Quarter 2 2023/24 saw usage of the AGP's at: Birchwood Leisure Centre equated to 461.50 hours used. This is down 58.5 hours on the last quarter, which equates to occupancy of 48% of all the available hours. Yarborough Leisure Centre equates to 201.50 hours used. This is down 39 hours on the last quarter, which equates to occupancy 21% of all available hours. Weekend usage dropped due to only friendly games being played over the summer. Weekly usage has dropped slightly at Yarborough due to one of the large

	Assistant Director	Service area	Measure ID	Measure	Unit	High or low is good	Low target	High target	Previous data period	Previous outturn	Quarter 2 2023/24 outturn	Status		Commentary
														clubs not playing during the summer.
		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	58	G	▲	The average National Bench marking score was 41.6 over Quarter 2 2023/24. Birchwood's score was 100 for the period, which was excellent. However, out of all the consultation forms sent out only one was received back with a score of 100. Other off-line positive feedback was received for birthday parties and the new baby ballet club. Positive reviews were also received for staff and service.
		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)	17	G	▲	For Quarter 2 2023/24 Yarborough's net promotor score was high at 58.6. This was above the National Benchmark score of 41.6 and 53 above the Active Nation average score. Positive feedback was received during the quarter for a range of classes, including fitness and aqua, with ongoing praise for the E-gym and the health benefits it brings. Additionally, praise has also been received towards staff during the quarter. Negative feedback was received on the reduced availability of deep water lane swimming in September. Subsequently, the swimming timetable in October has been changed to accommodate the return of these sessions. Weekend family swimming now starts at 10am addressing some of the comments made by members. Positive feedback on class delivery and the timetable was received during the quarter. The cafe service reopens on the 12th of October 2023 with a new provider.
	Steve Bird - Assistant Director of Communities and Street Scene	Allotments	AM 1	Percentage occupancy of allotment plots	%	High is good	86.00	94.00	Q1 - 23/24	91.00	95.00	G	▲	As at the end of September 2023, 1,064 plots of a total 1,178 were let. Of the 1,178 total plots, 1,124 plots are currently lettable. 1,064 occupied lettable plots equates to 95% occupancy rate, with the remaining being offered to prospective tenants on the waiting list (those sites that have them) and for other sites on a first come, first serve basis. There continues to be a steady demand for allotment tenancies. Most 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. Hopefully, as plots are offered, these will soon get re-allocated and occupancy rates should increase (and waiting list numbers should hopefully decrease).
		CCTV	CCTV 1	Total number of incidents handled by CCTV operators	Number	N/A	Volumetric	Volumetric	Q1 - 23/24	2,661	2,396	V		Incidents are down slightly on the previous quarter but are comparable with Q2 of the previous year. PPAAB and Shoplifting are at the same levels, but Public Order is down 19% and Drug Incidents is down 31%. Incident Reviews for the police are up 11% and Evidence Discs produced for police are up 12%. In September, we produced 87 Evidence Discs - one of the highest monthly totals ever.
		Grounds Maintenance	GM 1	Contractor points recorded against target standards specified in contract -	Number	Low is good	150	50	Q1 - 23/24	55	70	A	▼	The collective points for the quarter totalled 70. This has been broken down into 35 in July 2023, 25 in August 2023 and 10 in September 2023. The majority of points in the quarter were recorded for delays in grass cuttings.

	Assistant Director	Service area	Measure ID	Measure	Unit	High or low is good	Low target	High target	Previous data period	Previous outturn	Quarter 2 2023/24 outturn	Status		Commentary
				Grounds Maintenance										
		Street Cleansing	SC 1	Contractor points recorded against target standards specified in contract - Street Cleansing	Number	Low is good	150	50	Q1 - 23/24	170	70	A	▲	70 points were awarded against the contractor in quarter 2. Of these points, 30 points were awarded in July 2023, 0 points awarded in August 2023 and 40 points awarded in September 2023. The majority of points in the quarter were recorded for full dog/litter bins.
		Waste & Recycling	WM 1	Percentage of waste recycled or composted (seasonal)	%	High is good	34.00	37.00	Q2 - 22/23	35.00	35.54	A	▲	This figure relates to quarter 1 (April 2023 - June 2023) as data received from Lincolnshire County Council is lagged. 14.75% has been recorded as waste being recycled, whereas 19.79% was recorded as waste being composted, equating to 34.54% being composted or recycled.
		Waste & Recycling	WM 2	Contractor points recorded against target standards specified in contract - Waste Management	Number	Low is good	150	50	Q1 - 23/24	95	125	A	▼	125 points were recorded against the contractor during the quarter. Of these points, 35 points were recorded in July 2023, 50 points recorded in August 2023 and 40 points recorded in September 2023. The majority of points in the quarter were recorded for missed recycling collections.
DHI	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	Q1 - 23/24	94.74	97.56	G	▲	YTD - 96.30% 41 responses in quarter 2, with only 1 dissatisfied survey being returned. As per all negative surveys these are passed to the Lincare manager to review.
		Control Centre	CC 2	Percentage of Lincare Housing Assistance calls answered within 60 seconds	%	High is good	97.50	98.00	Q1 - 23/24	97.63	97.33	R	▼	YTD - 97.51%. Over the past few months we have slowly been getting nearer and nearer the 97.5% target to the point that this has been missed for the last 2 months. This latest outturn was only 0.17% below the low target for the measure of 97.5%. In Q2 2023/24 there were 14,840 calls answered. A further 25 calls being answered within 60 seconds would have resulted in this measure falling within its target boundaries. 53 of the calls missed during quarter 2 were answered just outside of the target within 65 seconds meaning the measure was very close to achieving its target during the second quarter. Aside from the obvious increase in calls, there seems to be no explanation for this latest outturn missing the target apart from this appears to correlate with our analogue to digital switchover. The more digital devices we have the worse our performance has become. The supplier is currently assessing if there is any technical reason why this may be happening rather than there being it down to staff not answering calls as quickly. We are still awaiting a response from the supplier.

	Assistant Director	Service area	Measure ID	Measure	Unit	High or low is good	Low target	High target	Previous data period	Previous outturn	Quarter 2 2023/24 outturn	Status		Commentary
		Housing Solutions	HS 1	The number of people currently on the Housing Register	Number	N/A	Volumetric	Volumetric	Q1 - 23/24	1,422	1,475	V		Numbers on the Housing Register remain fairly stable. We are still waiting for our IT provider to complete an upgrade so we can properly undertake the annual review process. Numbers are likely to fall once we have this in place and remove those people who no longer need to be on the Register.
		Housing Solutions	HS 2	The number of people approaching the council as homeless	Number	N/A	Volumetric	Volumetric	Q1 - 23/24	329	299	V		YTD - 628 We have undertaken an internal review of processes and possible solutions to tackle the high numbers of homelessness applications we have seen recently. As can be seen, numbers have reduced somewhat, it remains to be seen if this will be sustainable going forwards.
		Housing Solutions	HS 3	Successful preventions and relief of homelessness against total number of homelessness approaches	%	High is good	45.00	50.00	Q1 - 23/24	38.12	35.90	R	▼	YTD - 36.9% We are trying to implement as many interventions to prevent and relieve homelessness as we can, however, the current economic climate, as a result of the cost of living crisis, and the accompanying housing market, is making this incredibly challenging at present. In quarter 2 2023/24, 299 homelessness approaches were made to the council. This was an increase when compared to quarter 2 2022/23 where there were 258 homelessness approaches and an increase when compared to quarter 2 2021/22 where there were 145 homelessness approaches.
		Housing Voids	HV 1	Percentage of rent lost through dwelling being vacant	%	Low is good	1.10	1.00	Q1 - 23/24	1.29	1.03	A	▲	YTD - 1.15% Quarter 2 has seen a reduction in percentage of rent lost through vacant dwellings compared to quarter 1 of 0.26%, so just above the high target figure. The Voids Team are continuing to identify efficiencies throughout the process to achieve target.
		Housing Voids	HV 2	Average re-let time calendar days for all dwellings - standard re-lets	Days	Low is good	34.00	32.00	Q1 - 23/24	43.70	40.48	R	▲	YTD - 42.16 Quarter 2 has seen the average relet time for standard dwellings reduce by 3.22 days. The main reason for the target being out if range is that there were a number of properties relet during the period that had been void for over 100 days. When these voids are added to the completed number, they increased the average significantly. There are no more voids currently in the system in excess of 100 days. The number of voids in the system at the end of quarter 2 2023/24 was 76, with an average re-let time of 27 days. This is a reduction of 9 voids when compared to the position at the end of quarter 1 2023/24 where there were 85 voids in the system, with an average relet time of 37 days. The Repairs Team have been excellent and have had a positive impact on the outturn for this measure. Properties that require cleansing prior to works starting continues to have a significant impact on the overall figure, in cases it delays works starting by up to two weeks. The team are focusing on ensuring we are carrying out pre void inspections to allow us to have those conversations with tenants about taking items when they leave. The Housing Team are starting with property inspections, this in time should help to reduce the number of heavy voids coming back.

	Assistant Director	Service area	Measure ID	Measure	Unit	High or low is good	Low target	High target	Previous data period	Previous outturn	Quarter 2 2023/24 outturn	Status		Commentary
		Housing Voids	HV 3	Average re-let time calendar days for all dwellings (including major works)	Days	Low is good	40.00	38.00	Q1 - 23/24	48.06	49.61	R	▼	YTD - 48.63 Quarter two has seen an increase in the number of void days from 48.06 at quarter one, to 49.61 for end of 23/24 quarter two. We are also working closer together with all teams to try and iron out any delays that are caused in the void process. This includes Asbestos team, Aaron Services, Investment and Compliance Team. We are looking into better communication pathways to stop any avoidable delays.
		Rent Collection	RC 1	Rent collected as a proportion of rent owed	%	High is good	96.50	97.50	Q1 - 23/24	96.81	97.67	G	▲	YTD – 97.24% In year collection as of the end of quarter one stands at 97.67% which is an increase of 0.86%. Rent collection is very challenging for the team, as tenants are very much impacted by cost-of-living crisis.
		Rent Collection	RC 2	Current tenant arrears as a percentage of the annual rent debit	%	Low is good	4.15	4.00	Q1 - 23/24	3.83	4.25	R	▼	Whilst rent arrears as a percentage of the annual rent debit have increased by 0.42% from last quarter, the arrears increase from quarters one and two this year in monetary terms was £53,026 less than the same period last year. This equates to arrears of £138,393 at the end of quarter 2 2023/24 compared to arrears of £191,419 at the end of quarter 2 2022/23. In quarter 2 2022/23 the team were over this target at 4.76%, whilst at the same stage this year the team are 0.51% lower than the quarter 2 2022/23 outturn. With the rent free weeks coming up in December we anticipate a reduction in the arrears for quarter three reporting. We are going to work with the Corporate Policy & Transformation Team to get some reports built that will allow us to carry out some target campaign work over the coming months to allow us to work on reducing this figure for year end. We will be focusing on comparing data to the same period last year to see where the biggest increase in arrears is to capture our criteria for the campaign work.
	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	Q1 - 23/24	1.35	1.09	A	▲	Progress continues to be offset by additional referrals for doors and windows from HRS and additional stock condition surveys, some of which will not be addressed in this financial year but instead will be deferred to next year's programme. However, progressing well to year-end target of 1%. Failures are now due to 32 doors, 32 windows, 23 electrics and 1 chimney.
		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	Q1 - 23/24	232	237	V		The level of refusals is recorded but cannot be controlled by the Council. We have had an increase of 5 since the end of the previous quarter.
		Housing Investment	HI 3	Percentage of dwellings with a	%	High is good	98.60	99.00	Q1 - 23/24	98.50	98.54	R	▲	YTD - 98.52% Our annual gas servicing programme continually runs 12 months a year.

	Assistant Director	Service area	Measure ID	Measure	Unit	High or low is good	Low target	High target	Previous data period	Previous outturn	Quarter 2 2023/24 outturn	Status		Commentary
				valid gas safety certificate										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. We have recently undertaken a review our gas servicing procedures to ensure our legal responsibility is fulfilled.
		Housing Maintenance	HM 1a	Percentage of reactive repairs completed within target time (priority 1 day only)	%	High is good	98.50	99.50	Q1 - 23/24	99.55	99.75	G	▲	YTD - 99.67% We have maintained service level above the high target for Priority repairs. We are continuing to monitor these requests being reported to ensure these are being accurately raised due to increase in demand for priority and urgent repair requests.
		Housing Maintenance	HM 1b	Percentage of reactive repairs completed within target time (urgent 3 day repairs only)	%	High is good	95.00	97.50	Q1 - 23/24	92.06	94.22	R	▲	YTD - 93.20% The continued implementation of clearer processes and joint working with customer services along with a restructure of operatives to provide more resource for urgent plumbing has had a positive impact on improving the performance this quarter. We will continue to work more closely with customer services and resource planning to build on this further to ensure works are correctly allocated targets and scheduled at point of call, to see further improvements.
		Housing Maintenance	HM 2	Percentage of repairs fixed first time (priority and urgent repairs) - HRS only	%	High is good	90.00	92.00	Q1 - 23/24	91.52	93.52	G	▲	YTD - 92.75% Currently performing above the high target. This area has also seen an improvement since Q1. The change round of resource within teams has helped to provide additional resource to the team and enable more availability to complete work on first visit.
		Housing Maintenance	HM 3	Percentage of tenants satisfied with repairs and maintenance	%	High is good	90.00	95.00	Q1 - 23/24	72.73	78.69	R	▲	YTD - 75.86% While we remain significantly below target for this measure, there has been an increase in satisfaction for this period. We are still only receiving a very small number of satisfaction surveys back - 61 of 837 sent out (7.29%). This is something we need to address to enable us to gain a more accurate view of tenants satisfaction. In total 6,544 repairs were completed during the quarter. Of the 61 surveys returned in quarter 2, 48 were either ‘very satisfied’ or ‘fairly satisfied’ (78.69%). Reviewing the comments for the dissatisfied surveys, the common themes appear to be workmanship and outstanding repairs.
		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	Q1 - 23/24	97.32	96.60	A	▼	YTD - 96.92% This has seen a slight dip over this last quarter in comparison to Q1 with performance still within target boundaries. Priority and urgent teams have had an increase in resources within the last month to increase capacity and cover for leave within the team due to demand on priority and urgent repairs.

Annually reported measures

	Assistant Director	Service area	Measure ID	Measure	Unit	High or low is good	Low target	High target	Previous data period	Previous outturn	2023/24 outturn	Status		Commentary
DCE	Steve Bird - Assistant Director of Communities and Street Scene	Grounds Maintenance	GM 2	Satisfaction with our public open spaces overall (collected via Citizens' Panel)	%	High is good	80.00	90.00	2022/23	80.00	83.50	A	▲	83.5% (229 out of 274 respondents to this question) reported being very satisfied or satisfied with the overall management of our open spaces.
		Street Cleansing	SC 2	Satisfaction that public land and public highways are kept clear of litter and refuse (Street Cleansing) (collected via Citizens' Panel)	%	High is good	68.00	78.00	2022/23	72.80	69.50	A	▼	Citizens' Panel results show 69.5% (196 respondents out of 282 respondents to this question) were very satisfied or satisfied with the cleanliness of highways and open spaces.

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EXECUTIVE **20 NOVEMBER 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 second quarter's performance (up to 30th September), 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. While 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 second quarter (up to 30th September) the forecast financial position of the Council for 2023/24 is:

Revenue Accounts	**2023/24**		
	Budget £'000	**Forecast @ Q2 £'000**	**Variance @ Q2 £'000**
General Fund – Contribution (to)/from balances	191	73	(118)
Housing Revenue Account – Contribution (to)/from balances	59	30	(29)
Housing Repairs Service – (surplus)/deficit	0	761	761*

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

Capital Programmes	2023/24		
	Budget following Q1 Report £'000	Revised Budget @ Q2 £'000	Movement @ Q2 £'000
General Investment Programme	24,688	24,784	96
Housing Investment Programme	17,969	16,862	(1,107)

Balances	2023/24		
	Budgeted Balance @ 31/03/24 £'000	Forecast Balance @ 31/03/24 £'000	Forecast Movement £'000
General Fund Balances	(2,229)	(2,346)	(118)
Housing Revenue Account Balances	(1,126)	(1,155)	(29)
Housing Repairs Service Balances	0	0	0

Reserves	2023/24		
	Opening Balance @ 01/04/23 £'000	Forecast Balance @ 31/03/24 £'000	Forecast Movement £'000
General Fund Earmarked Reserves	(7,040)	(7,050)	(10)
HRA Earmarked Reserves	(3,510)	(3,400)	110

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 £117,659 (Appendix A provides a forecast General Fund Summary), resulting in general balance at the year-end of £2,346,398. This position maintains balances above the prudent minimum of c.£1.5-£2m.

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:

General Fund Forecast year-end key variances:	Forecast £'000
National pay award settlement	535
Reduction in Housing Benefits overpayments, increased non-recoverable temporary accommodation costs & reduction in claims attracting 100% subsidy	227
Building Regulations & Development Control income pressures	270
Less:	
Release of Inflation Volatility reserve	(233)
Interest on Investments	(448)
Additional funding for Land Drainage Levies	(142)
Net other variances	(327)
Overall forecast budget deficit/(surplus)	**(118)**

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:

- Pay award inflation pressure - the 2023/24 pay offer, made by the National Employers for Local Government Services earlier this year, has now been accepted by the Trade Unions. The award, which will now be paid in December, reflects 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%.

- Investment income – as a result of the rising Bank of England Base Rate, which has further increased to 5.25%, the level of interest earnt 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.

- Unrecoverable Housing Benefit - increased demand for temporary accommodation, coupled with a shortage in suitable accommodation, has increased the use of bed and breakfasts. Regardless of the actual cost of the accommodation the amount that can be reclaimed through the housing subsidy process is limited to the local housing allowance rate of £91.15 per week, this rate has been frozen for a number of years, increasing the cost borne by the Council. In addition, there has also been a shift in other costs from those which attract 100% subsidy to those which attract lower levels of subsidy.

- Reduced fees and charges income – 2023/24 continues to see a reduction in income from planning applications, land charges 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, half of the inflation volatility reserve will be released.

3.6. Whilst the level of uncertainty around inflation pressures is significantly reduced this year due to actions taken in the latest MTFS, there still remains uncertainty in terms of service demands and income forecasts. At quarter two, 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 2 performance, shows that secured savings total £115,510 for the General Fund, with a further £69,700 identified, which will achieve 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 £28,999, which would result in HRA balances of £1,154,516 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:

Housing Revenue Account **Forecast year-end key variances:**	**Forecast £'000**
National pay award settlement	209
Less:	
Increased Investment Interest	(857)
Additional Rental Income	(196)
HRS Recharges:	
Housing Repairs Service Overall Deficit Repatriation	761
Net Other Variances	54
Overall forecast deficit/(surplus)	**(29)**

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:

- Pay award inflation pressure - the 2023/24 pay offer, made by the National Employers for Local Government Services earlier this year, has now been accepted by the Trade Unions. The award, which will now be paid in December, reflects 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%.

- Investment income – as a result of the rising Bank of England Base Rate, which has further increased to 5.25%, the level of interest earnt 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.

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 2 the HRS are forecasting a deficit of £761,406 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:

Housing Repairs Service **Forecast year-end key variances:**	**Forecast** **£'000**
Increased use of sub-contractors and increases in sub-contractor prices	1,260
Increase in materials usage and price	142
National proposed pay award settlement	125
Less:	
Staff vacancies due to recruitment and retention challenges	(644)
Increased income for HRS Jobs	(127)
Net other variances	5
Overall forecast deficit/(surplus)	**761**

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 the Council's 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. Whilst the pay award has now been accepted for Green Book employees the Red Book contract, which affects the majority of the HRS workforce, is yet to be agreed. The proposed pay award is currently forecast to be in line with the agreed Green Book award, however until an agreement is made there remains a risk that this could be subject to change.

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 31st March 2024 are attached in Appendix G, with further details in the MTFS 2023-2028. In summary:

Earmarked Reserves	Opening Balance 01/04/23 £'000	Increase £'000	Decrease £'000	Closing Balance 31/03/24 £'000
General Fund	7,040	2,054	(2,044)	7,050
Housing Revenue Account	3,510	71	(181)	3,400

7. Capital Programme

7.1. General Investment Programme

7.2. The revised General Investment Programme for 2023/24 amounted to £24.688m following the quarter 1 report. At quarter 2 the programme has increased by £0.096m to £24.784m, as shown below:

General Investment Programme	2023/24 £'000	2024/25 £'000	2025/26 £'000	2026/27 £'000	2027/28 £'000
Budget following Q1 report	24,688	10,463	6,236	1,052	1,052
Budget changes for approval – Quarter 2	96	0	0	0	0
Revised Budget	**24,784**	**10,463**	**6,236**	**1,052**	**1,052**

7.3. All changes over the approved limit require approval by the Executive. There are no changes requiring Executive approval for the second quarter.

7.4. All new projects are subject to Executive approval. The following schemes have been added to the GIP, and require approval by the Executive:

Approved by the Executive / Delegated Portfolio Holder	2023/24 £'000	2024/25 £'000	2025/26 £'000	2026/27 £'000	2027/28 £'000
Lincoln Central Car Park Lifts (new scheme funded from existing planned maintenance budget)	150	0	0	0	0
Total Schemes requiring approval by the Executive	**150**	**0**	**0**	**0**	**0**

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 2:

GIP Movements Approved by the Chief Finance Officer:	2023/24 £'000	2024/25 £'000	2025/26 £'000	2026/27 £'000	2027/28 £'000
Crematorium Curtains	19	0	0	0	0
Green Homes Grant (increase to Grant b/f)	13	0	0	0	0
Home Upgrade Grant (extra grant received to cover costs after grant was repaid)	9	0	0	0	0
Better Care Fund (additional grant received)	74	0	0	0	0
Planned Capitalised Work contribution to Lincoln Central Lifts, and Crematorium Curtains	(169)	0	0	0	0
Total GIP Movements Approved by the CFO	**(54)**	**0**	**0**	**0**	**0**

Total GIP Delegated Approvals and Approvals by/for Executive	**96**	**0**	**0**	**0**	**0**

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

General Investment Programme - Projected Outturn	2023/24			
	Budget following Q1 Report £'000	Revised Budget Q2 £'000	Forecast Outturn £'000	Variance £'000
Active Programme				
Housing and Investment	298	298	298	0
Communities and Environment	2,997	3,071	3,071	0
Chief Executive	1,896	1,896	1,896	0
Major Developments	13,873	13,895	13,895	0
Total Active Schemes	**19,064**	**19,160**	**19,160**	**0**
Schemes on Hold/ Contingencies	308	308	308	0
Externally Delivered Town Deal Schemes	5,316	5,316	5,316	0
Total Capital Programme	**24,688**	**24,784**	**24,784**	0

7.7. The overall spending on the General Investment Programme active schemes (excluding externally delivered schemes), for the second quarter of 23/24 is £4.4m, which is 22.6% of the budget. 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 the next 6 months on Better Care Fund (DFG's), Western Growth Corridor, Greyfriars, Central Market, and Town's Deal Schemes.

7.8. **Housing Investment Programme**

7.9. The revised Housing Investment Programme for 2023/24 amounted to £17.969m following the Quarter 1 position. At quarter 2 the programme has been decreased by £1.107m to £16.862m, as shown below:

Housing Investment Programme	2023/24 £'000	2024/25 £'000	2025/26 £'000	2026/27 £'000	2027/28 £'000
Revised Budget at Q1	**17,969**	**19,568**	**18,957**	**13,472**	**13,743**
Budget changes for approval – Quarter 2	(1,107)	(393)	(3,442)	817	565
Revised Budget	**16,862**	**19,175**	**15,515**	**14,289**	**14,307**

7.10. All changes over the approved limit require approval by the Executive. There have been a number of changes made to the HIP as 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, reflected in the business plan, require Executive approval for Quarter 2:

Changes requiring Executive Approval:	2023/24* £'000	2024/25 £'000	2025/26 £'000	2026/27 £'000	2027/28 £'000
Replacement Door Entry Systems	150	0	0	0	0
Environmental works	(311)	0	0	0	0
Void Capitalised Works	0	(400)	(400)	(400)	(400)
Fire Doors	0	953	(35)	213	(40)
Fire Compartment works	0	195	5	4	4
New Build Programme (141 eligible)	0	(1,009)	(2,072)	600	600
New Build Programme (Borrowing for 141 eligible)	0	(673)	(1,381)	400	400
Total changes requiring Executive Approval	**(161)**	**(934)**	**(3,883)**	**817**	**564**

* 2023/24 changes not reflected in the Housing Business Plan.

7.11. All new projects are subject to Executive approval. There has been one new project, to be funded from the Major Repairs Reserve, requiring approval:

Changes Approved at Executive:	2023/24 £'000	2024/25 £'000	2025/26 £'000	2026/27 £'000	2027/28 £'000
Eco Welfare Unit	24	0	0	0	0
Total changes approved by Executive	**24**	**0**	**0**	**0**	**0**

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 2:

Changes approved by the Chief Finance Officer:	2023/24 £'000	2024/25 £'000	2025/26 £'000	2026/27 £'000	2027/28 £'000
Bathrooms & WC's	(100)	100	0	0	0
Door replacements	(882)	441	441	0	0
New services	20	0	0	0	0
Over bath showers (10 year programme)	(20)	0	0	0	0
Communal TV Aerials	(30)	0	0	0	0
Thurlby Crescent	41	0	0	0	0
Total Changes Approved by the Chief Finance Officer	**(971)**	**541**	**441**	**0**	**0**

Total HIP Delegated Approvals and Approvals by/for Executive	**(1,108)**	**(393)**	**(3,442)**	**817**	**564**

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

Housing Investment Programme - Projected Outturn	2023/24			
	Budget £'000	Revised Budget Q2 £'000	Forecast Outturn £'000	Variance £'000
Decent Homes / Lincoln Standard	8,469	7,487	7,487	0
Health and Safety	523	673	673	0
Contingent Major Repairs / Works	0	0	0	0
New Build Programme	7,235	7,235	7,235	0
Other Schemes	1,237	962	962	0
Computer Fund / IT Schemes	506	506	506	0
Total Capital Programme	**17,970**	**16,862**	**16,862**	**0**

7.14. The overall expenditure on the Housing Investment Programme at the end of Q2 was £4.205m, which is 24.94% of the 2023/24 revised programme. This is detailed further at Appendix J.

A further £0.649m has been spent as at the end of October 2023, although this is still 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 only recently 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, or above, 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 and income pressures 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 1st April to 30th September 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 General Investment programme and the Housing Investment programme as detailed in paragraphs 7.4, 7.10 and 7.11.

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

APPENDIX A

GENERAL FUND SUMMARY – AS AT 30 SEPTEMBER 2023

Service Area	Ref	Revised Budget £'000	Projected Outturn £'000	Variance £'000
Strategic Development	A	2,194	2,150	(44)
Chief Finance Officer (S151)	B	(252)	(642)	(390)
City Solicitor	C	1,891	1,933	42
Revenues & Benefits	D	520	709	189
Housing	E	(6)	46	52
Director of Major Developments	F	779	779	0
Communities and Street Scene	G	8,329	8,325	(3)
Health and Environmental Services	H	1,272	1,061	(211)
Planning	I	(2,960)	(2,748)	212
		11,767	**11,614**	**(153)**
Corporate Expenditure	J	1,287	1,141	(146)
TOTAL SERVICE EXPENDITURE		**13,054**	**12,755**	**(299)**
Capital Accounting Adjustment	K	2,210	2,409	199
Specific Grants	L	(700)	(700)	0
Contingencies	M	(102)	526	627
Savings Targets	N	(70)	(70)	0
Earmarked Reserves	O	654	10	(645)
Insurance Reserve	P	(453)	(453)	0
TOTAL EXPENDITURE		**14,594**	**14,476**	**(118)**
CONTRIBUTION FROM BALANCES		**(191)**	**(73)**	**118**
NET REQUIREMENT		**14,403**	**14,403**	**0**
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
TOTAL RESOURCES		**14,403**	**14,403**	**0**

General Fund Forecast Variances – Quarter 2

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		£	
	Increased Expenditure		
B	Property Services	74,950	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.
C	Legal Services	106,290	
E	Control Centre	48,950	
E	Control Centre	49,210	Increase in annual maintenance contract, telephony and IT costs.
E	Homeless Bed & Breakfast	35,000	Forecast increase in B&B expenditure as a result of rising demand on service due to cost of living crisis, offset by additional grant income below.
G	Waste	61,720	Additional contract management (£34k) and inflation (£28k) pressures over and above the MTFS assumptions, offset by reduced expenditure on Street Cleansing contract below (net pressure £2.5k).
G	Garden Waste	6,740	Additional costs for outsourced printing costs
H	Car Parks	170,120	Additional card payment fees due to a system upgrade (£45k), additional maintenance works required at Lucy Tower & Broadgate (£34k), additional utilities pressures over and above MTFS assumptions (£28k), deep clean at Central (£11k) & various other cost pressures relating to overtime, additional charges due to increase in pay by phone transaction, increased security costs (£52k), wholly offset by increased income below (net car parking surplus £1.8k).
M	Pay Award	534,920	Impact of National Employers pay award over and above budget assumptions.
M	Annual Vacancy Savings Target	88,835	YTD Vacancy savings target, offset by savings in service areas.
	Reduced Income		

Ref		£	
D	Housing Benefits	95,000	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	55,000	Forecast reduction in housing benefits income as a result of change in subsidy allocation.
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	Central Market	40,060	Additional legal costs and website fees.
H	Crematorium	50,120	Reduced income as a result of lower than budgeted cremation levels, offset by savings on utilities and business rate costs.
H	Yarbrough Leisure Centre	50,000	Anticipated contribution to support Utility inflation pressures at YLC.
I	Building Regulations	50,000	Anticipated reduction in income as a result of current economic conditions.
I	Land Charges	29,570	Anticipated reduction in income as a result of current economic conditions.
I	Development Control	190,000	Anticipated reduction in income as a result of current economic conditions.
	Reduced Expenditure		
A	Corporate Policy	(77,010)	Vacancy savings pending recruitment, offset against Corporate vacancy savings target.
D	Revenues & Benefits Shared Service	(61,100)	Vacancy savings pending recruitment, offset against Corporate vacancy savings target.
F	DMD Director	(35,320)	Vacancy savings pending recruitment, offset against Corporate vacancy savings target.
G	Street Cleansing	(59,270)	Reduction in contracted charges in relation to car parks (£40k) and other minor underspends, offsets waste contract overspends above (net pressure £2.5k).
H	Housing Regeneration	(92,200)	Vacancy savings pending recruitment, offset against Corporate vacancy savings target.
H	Crematorium	(116,740)	Forecast underspend on utilities and business rates as a result of transitional discounts.

Ref		£	
I	Development Control	(51,790)	Vacancy savings offset against corporate vacancy savings target.
N	Earmarked Reserves	(233,100)	Release half of Inflation Volatility reserve to offset increased expenditure as a result of proposed pay award.
N	Earmarked Reserves	(100,000)	Release of CX Capacity reserve to offset increased expenditure as a result of proposed vacancy pressures above.
	Increased Income		
E	Housing Solutions Management	(25,000)	New Burdens grant income relating to staff time attributable to work on the Ukrainian Resettlement.
E	Homeless Bed & Breakfast	(35,000)	Additional grant expenditure offsetting B&B pressures outlined above.
B	Lincoln Properties	(60,910)	Tenant profit share as agreed in arrangements related to CVA agreed during Covid-19 pandemic.
B	Other Interest	(447,520)	Increased investment income as a result of higher interest rates and additional dividend income.
H	Community Centres	(48,990)	Increased income levels, predominantly driven by NHS Contract at the Grandstand (£29.2k).
I	Car Parks	(172,040)	Increase in season ticket income & forecast increase in pay and display income (net car parking surplus £1.8k).
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 SEPTEMBER 2023

	Ref	Revised Budget £'000	Projected Outturn £'000	Variance £'000
Gross Rental Income	A	(32,643)	(32,836)	(192)
Charges for Services & Facilities	B	(554)	(660)	(106)
Contribution towards Expenditure	C	(50)	(20)	30
Repairs Account – Income	D1	0	(68)	(68)
Supervision & Management – General	D2	(664)	(683)	(19)
Supervision & Management – Special	D3	(66)	(78)	(11)
Repairs & Maintenance	E	10,834	10,685	(149)
Supervision & Management – General	F1	6,924	7,241	317
Supervision & Management – Special	F2	1,991	2,088	97
Rents, Rates and Other Premises	G	846	891	45
Increase in Bad Debt Provisions	H	250	250	0
Insurance Claims Contingency	I	174	330	156
Contingencies	J	114	362	248
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	761	761
Net Cost of Service	O	**(5,080)**	**(3,971)**	**1,109**
Loan Charges Interest	P	2,356	2,356	0
Investment/Mortgage Interest	Q	(308)	(1,165)	(857)
Net Operating Inc/Exp	R	**(3,032)**	**(2,780)**	**252**
Major Repairs Reserve Adjustment	T	3,000	3,000	0
Transfers to/from reserves	U	91	(190)	(281)
(Surplus)/Deficit in Year	V	**59**	**30**	**(29)**

Housing Revenue Account Variances – Quarter 2

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

Ref		£	Reason for variance
	Reduced Income		
C	Court Costs	30,000	Reduction in recovered income from court costs as less cases in year than anticipated.
	Increased Income		
Q	Investment Interest	(856,700)	Increased investment income as a result of higher interest rates.
U	Transfers to/(from) Reserves	(280,970)	Contributions from reserves to offset expenditure outlined below (further detail in appendix G).
A	Gross Rental Income	(196,210)	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.
	Reduced Expenditure		
E	Repairs & Maintenance - HRS	(299,710)	Reduced HRS expenditure on Responsive Repairs, Voids and Cleansing offset by increases on Aids & Adaptations below (net overspend £13.1k).
F	Supervision & Management	(274,040)	Reduced expenditure on Employee Costs due to staff vacancies, offset by agency costs below.
E	Repairs & Maintenance	(125,960)	Underspend on Repairs Account expenditure predominantly due to skip recharges and cyclical repair/replacement works.
E	Repairs & Maintenance – Asbestos	(36,480)	Net reduction on Asbestos Removals (£21k o/s) & Asbestos Surveys (£58k u/s)
	Increased Expenditure		

Ref		£	Reason for variance
N	HRS Surplus/Deficit	761,410	Estimated HRS deficit position (refer to HRS variances – Appendix F).
F1	Supervision & Management – General	348,110	Increased expenditure due to consultancy costs on HRA Business Plan schemes (£106k), void work & garden/hedge/tree work costs (£62k) caretakers tipping (£45k), additional training requirements (£25k), housing needs survey (£25k), partially offset by increased call on reserves.
F1	Supervision & Management – General	345,290	Cost of agency staff to cover staff vacancies within Supervision & Management, partially offset by Vacancy savings above.
E	Repairs & Maintenance - HRS	312,760	Increased HRS expenditure on Aids & Adaptations largely offset by reduced cost on Responsive Repairs above.
J	Contingencies	208,550	Impact of proposed National Employers pay award over and above budgeted assumptions.
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 SEPTEMBER 2023

	Revised Budget	Forecast Outturn	Variance
	£'000	£'000	£'000
Employees	3,852	3,333	(519)
Premises	171	205	34
Transport	432	385	(47)
Materials	1,519	1,661	142
Sub-Contractors	2,154	3,414	1,260
Supplies & Services	333	352	19
Central Support Charges	586	586	0
Capital Charges	0	0	0
Total Expenditure	**9,047**	**9,936**	**889**
Income	(9,047)	(9,175)	(127)
(Surplus)/Deficit	**0**	**761**	**761**

Housing Repairs Service Variances – Quarter 2

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

	£	Reason for Variance
Reduced Expenditure		
Employee Costs	(644,360)	Vacancies within the Operative staff.
Fleet Charges	(46,920)	Reduction in lease costs due to delay in receiving new vehicles from supplier.
Increased Expenditure		
Employee Costs	125,230	Impact of nationally proposed pay award above budgeted assumptions.
Sub-Contractors	1,258,870	Increased use of sub-contractors to meet demand and cover vacancies within the operative team.
Direct Materials	141,870	Increased usage and rising material prices following end of fixed-term contract prices.
Increased Income		
Income	(127,300)	Increased income as a result of increase in number of jobs.

EARMARKED RESERVES – Q2 MONITORING 2023/24

	Revised Opening Balance	In Year Increase	In Year Decrease	Forecast Closing Balance
	01/04/2023			31/03/2024
	£'000	£'000	£'000	£'000
General Fund				
Budget Carry Forwards	483	27	(158)	352
Grants & Contributions	1,447	192	(224)	1,415
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	9	-	22
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	-	(65)	104
Income Volatility Reserve	320	-	-	320
Inflation Volatility Reserve	466	-	(233)	233
Invest to Save (GF)	37	400	(88)	349
IT Reserve	284	109	-	393
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	-	(39)	63
Unused DRF	199	-	(199)	-
Vision 2025	533	34	(209)	359
	7,040	**2,054**	**(2,044)**	**7,050**

HRA				
Capital Fees Equalisation	110	-	-	110
De Wint Court	73	-	-	73
De Wint Court Sinking Fund	10	19	-	29
Disrepairs Management	300	-	-	300
Housing Business Plan	177	-	(142)	35
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	-	(39)	377
RSAP/NSAP Sinking Fund	9	9	-	18
Strategic Growth Reserve	5	-	-	5
Tenant Satisfaction Survey	23	8	-	31
	3,510	**71**	**(181)**	**3,400**
Total Earmarked Reserves	**10,550**	**2,125**	**(2,225)**	**10,450**

CAPITAL RESOURCES – Q2 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	19,596	(18,490)	2,538
Capital Grants/Contributions HRA	0	727	(727)	0
Capital receipts General Fund	13	1,650	0	1,663
Capital receipts HRA	2,660	750	(1,000)	2,410
Capital receipts 1-4-1	4,274	0	(1,004)	3,270
Major Repairs Reserve	12,432	7,750	(7,601)	12,581
GENF DRF	164	1	(165)	0
HRA DRF	10,200	3,000	(5,240)	7,960
Total Capital Resources	**31,175**	**33,474**	**(34,227)**	**30,422**

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 30th September 2023

GENERAL INVESTMENT PROGRAMME	Budget 2023/24 - Reported at Q1	Q2 Budget Increase / Decrease	2023/24 Revised Budget	2023/24 Total Spend	2023/24 % Spend to Revised Budget
Housing and Investment					
Housing Renewal Area Unallocated	298,152		298,152	0	0.00%
Housing and Investment Total	**298,152**		**298,152**	**0**	**0.00%**
DCE - Community and Environment					
Better Care Fund (was Disabled Facilities Grant)	2,284,012	74,344	2,358,356	172,286	7.31%
DCE - Community and Environment Total	**2,284,012**	**74,344**	**2,358,356**	**172,286**	**7.31%**
DCE - Community Services					
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%
DCE - Community Services Total	**54,941**		**54,941**	**-4,526**	**-8.24%**
DCE - Planning					
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	4,355	43.55%
St Mary's Guildhall (HAZ)	67,000		67,000	2,406	3.59%
Windmill View	439,339		439,339	435,009	99.01%
DCE - Planning Total	**658,519**		**658,519**	**451,744**	**68.60%**
Chief Executive Corporate Policy					
New Telephony System	8,758		8,758	0	0.00%
Chief Executive Corporate Policy Total	**8,758**		**8,758**	**0**	**0.00%**

GENERAL INVESTMENT PROGRAMME	Budget 2023/24 - Reported at Q1	Q2 Budget Increase / Decrease	2023/24 Revised Budget	2023/24 Total Spend	2023/24 % Spend to Revised Budget
Chief Executive Chief Finance Officer					
Allotments Asbestos Sheds	33,795		33,795	0	0.00%
City Hall Lightning Protection	6,104		6,104	0	0.00%
Crematorium Curtains	0	19,410	19,410	0	0.00%
Greyfriars - Phase 2 Delivery	1,232,410		1,232,410	51,562	4.18%
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%
Lincoln Central Lifts	0	150,000	150,000	0	0.00%
Planned Capitalised Works	542,806	-169,410	373,396	3,941	1.06%
Chief Executive Chief Finance Officer Total	**1,886,795**	**0**	**1,886,795**	**55,502**	**2.94%**
Major Developments					
Central Markets	2,000		2,000	0	0.00%
Central Markets (All Funding Streams)	3,604,271		3,604,271	2,140,243	59.38%
Electric Vehicle Charge Points - Phase 2	237,000		237,000	0	0.00%
HUG - Home Upgrade Grant	6,641	8,601	15,242	15,242	100.00%
LAD 3 - Green Homes Grant Local Authority Delivery Scheme BEIS	1,723,455	12,838	1,736,293	387,407	22.31%
Lincoln Transport HUB	0		0	-56,196	
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	9,342	12.41%
UKSPF (Shared Prosperity Fund)	122,801		122,801	0	0.00%
WGC Housing Delivery	2,034,010		2,034,010	54,181	2.66%
WGC Phase 1b Bridges	3,662,840		3,662,840	326,822	8.92%
WGC Shared Infrastructure	1,868,599		1,868,599	851,515	45.57%
Major Developments Total	**13,873,424**	**21,439**	**13,894,863**	**3,728,557**	**26.83%**

GENERAL INVESTMENT PROGRAMME	Budget 2023/24 - Reported at Q1	Q2 Budget Increase / Decrease	2023/24 Revised Budget	2023/24 Total Spend	2023/24 % Spend to Revised Budget
TOTAL ACTIVE SCHEMES	**19,064,601**	**95,783**	**19,160,384**	**4,403,563**	**22.98%**
Schemes Currently Under Review					
Compulsory Purchase Orders	151,254	82,227	233,481	0	0.00%
Compulsory Purchase Orders	82,227	-82,227	0	0	0.00%
IT Reserve	74,334		74,334	0	0.00%
Schemes Currently Under Review Total	**307,815**	**0**	**307,815**	**0**	**0.00%**
TOTAL CAPITAL PROGRAMME EXCLUDING EXTERNALLY DELIVERED SCHEMES	**19,372,416**	**95,783**	**19,468,199**	**4,403,563**	**22.62%**
Externally Delivered Town's Deal Schemes					
TD Barbican Production & Maker Hub	1,700,000		1,700,000	0	0.00%
TD Hospitality & Events & Tourism Institute	209,954		209,954	209,954	100.00%
TD Lincoln City FC and Foundation	814,122		814,122	487,000	59.82%
TD Lincoln Connected	462,108		462,108	91,861	19.88%
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%
Externally Delivered Town's Deal Schemes Total	**5,315,636**		**5,315,636**	**788,815**	**14.84%**
Grand Total	**24,688,052**	**95,783**	**24,783,835**	**5,192,378**	**20.95%**

Housing Investment Programme – Summary of Expenditure as at 30th September 2023

HOUSING INVESTMENT PROGRAMME	Budget 2023/24 - Reported at Q1	Q2 Budget Increase / Decrease	2023/24 Revised Budget	2023/24 Total Spend	2023/24 % Spend to Revised Budget
Contingency Schemes					
Contingency Reserve	0	0	0	0	0
Contingency Schemes Total	**0**	**0**	**0**	**0**	**0**
Decent Homes					
Bathrooms & WC's	400,000	(100,000)	300,000	0	0.00%
DH Central Heating Upgrades	2,253,948	0	2,253,948	1,187,257	52.67%
Door Replacement	1,782,491	(882,491)	900,000	331,523	36.84%
Fire Compartment works	10,000	0	10,000	0	0.00%
Fire Doors	120,919	0	120,919	0	0.00%
Kitchen Improvements	1,100,000	0	1,100,000	3,006	0.27%
Lincoln Standard Windows Replacement	789,732	0	789,732	363,913	46.08%
New services	55,000	20,000	75,000	10,552	14.07%
Re-roofing	20,000	0	20,000	0	0.00%
Rewiring	50,000	0	50,000	0	0.00%
Structural Defects	85,448	0	85,448	0	0.00%
Thermal Comfort Works	181,250	0	181,250	988	0.54%
Void Capitalised Works	1,570,320	0	1,570,320	374,757	23.86%
Decent Homes Total	**8,419,108**	**(962,491)**	**7,456,617**	**2,271,996**	**30.47%**
Health and Safety					
Asbestos Removal	190,000	0	190,000	(40)	(0.02%)
Asbestos Surveys	129,000	0	129,000	22,283	17.27%
Fire Alarms	0	0	0	0	0.00%

HOUSING INVESTMENT PROGRAMME	Budget 2023/24 - Reported at Q1	Q2 Budget Increase / Decrease	2023/24 Revised Budget	2023/24 Total Spend	2023/24 % Spend to Revised Budget
Renew stair structure	40,000	0	40,000	0	0.00%
Replacement Door Entry Systems	163,757	150,000	313,757	164,872	52.55%
Health and Safety Total	**522,757**	**150,000**	**672,757**	**187,114**	**27.81%**
IT/Infrastructure					
Housing Support Services Computer Fund	319,743	0	319,743	250,514	78.35%
Infrastructure Upgrade	166,383	0	166,383	0	0.00%
Operation Rose	10,903	0	10,903	0	0.00%
Telephony	8,758	0	8,758	0	0.00%
IT/Infrastructure Total	**505,786**	**0**	**505,786**	**250,514**	**49.53%**
Lincoln Standard					
Over bath showers (10 year programme)	50,000	(20,000)	30,000	0	0.00%
Lincoln Standard Total	**50,000**	**(20,000)**	**30,000**	**0**	**0.00%**
Other Current Developments					
CCTV	0	0	0	0	0.00%
Communal Electrics	119,063	0	119,063	9,786	8.22%
Communal TV Aerials	40,000	(30,000)	10,000	1,284	12.84%
Environmental works	710,827	(310,827)	400,000	764	0.19%
Garages	50,000	0	50,000	0	0.00%
Eco Welfare Unit	0	24,324	24,324	7,330	30.14%
Hiab and Mule	122,330	0	122,330	0	0.00%
HRA Buildings	115,805	0	115,805	0	0.00%
Landscaping & Boundaries	0	0	0	0	0.00%
Thurlby Crescent	78,583	41,418	120,000	2,250	1.88%
Other Current Developments Total	**1,236,608**	**(275,086)**	**961,522**	**21,414**	**2.23%**
HOUSING INVESTMENT TOTAL	**10,734,259**	**(1,107,577)**	**9,626,683**	**2,731,038**	**28.37%**

HOUSING INVESTMENT PROGRAMME	Budget 2023/24 - Reported at Q1	Q2 Budget Increase / Decrease	2023/24 Revised Budget	2023/24 Total Spend	2023/24 % Spend to Revised Budget
HOUSING STRATEGY AND INVESTMENT					
New Build Programme					
Property Acquisitions	1,940,628	83,650	2,024,278	1,170,061	57.80%
Hermit Street Regeneration	8,003	0	8,003	19,561	244.42%
New Build Capital Salaries	46,032	0	46,032	0	0.00%
New Build- De Wint Court	0	0	0	24,549	0.00%
New Build Programme	587,014	(83,650)	503,364	0	0.00%
New Build Programme (141 eligible)	0	0	0	0	0.00%
New Build Programme (Borrowing for 141 eligible)	0	0	0	0	0.00%
New Build Site – Hermit Street	1,968,464	0	1,968,464	134,935	6.85%
New Build Site - Queen Elizabeth Road	0	0	0	0	0.00%
New Build Site - Rookery Lane	40,804	0	40,804	123,768	303.32%
New Build Site - Searby Road	0	0	0	0	0.00%
Western Growth Corridor	2,644,051	0	2,644,051	0	0.00%
New Build Programme Total	**7,234,996**	**0**	**7,234,996**	**1,474,194**	**20.38%**
HOUSING STRATEGY AND INVESTMENT TOTAL	**7,234,996**	**0**	**7,234,996**	**1,474,194**	**20.38%**
TOTAL HOUSING INVESTMENT PROGRAMME	**17,969,255**	**(1,107,577)**	**16,861,678**	**4,205,032**	**24.94%**

TFS Phase7 programme: progress at Q2 - 2023/2024

Service	Summary of project	Dir.	Total savings in 2023/24	GF savings in 2023/24	HRA savings in 2023/24	Comments
			£000's	**£000's**	**£000's**	
ACTIONS COMPLETED AS OF END Q2 2023/24						
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
TOTAL			**116**	**116**	**-**	

EXECUTIVE **20 NOVEMBER 2023**

SUBJECT:	**STATEMENT OF ACCOUNTS 2022/23**
REPORT BY:	**CHIEF EXECUTIVE AND TOWN CLERK**
LEAD OFFICER:	**LAURA SHIPLEY, FINANCIAL SERVICES MANAGER**

1. Purpose of Report

1.1 To present, for information, the final Statement of Accounts for the financial year ending 31 March 2023, following substantial completion of the audit opinion.

2. Executive Summary

2.1 The Statement of Accounts (SOA) for 2022/23 provide a comprehensive picture of the Council's financial circumstances and are compiled to demonstrate probity and stewardship of public funds.

2.2 The Council is statutorily required to publish its draft Statement of Accounts for 2022/23 by 31 May 2023 with an audit opinion and certificate by no later than 30 September 2023.

2.3 The Audit Committee should note that the Statement of Accounts for 2022/23 are still subject to final verification by external audit. The audit of the accounts is being finalised by Mazars, who commenced the audit in July. The majority of the audit work has now been completed, however should any changes be necessary as a result of this final external work, these will be reported to the Chair of the Audit Committee, with any material changes notified to the Audit Committee.

2.4 The Council must make the Statement of Accounts available for public inspection for 10 working days. Following notification from Mazars, this ran from 1st June until 15 June 2023 and the External Auditor was available to answer questions during that period, however no questions were received.

2.5 The Audit Completion Report also states that there were no significant findings or recommendations in relation to internal controls during the completion of the audit work.

2.6 The Council is also required to provide a documented annual review of the effectiveness of its governance arrangements (Annual Governance Statement), which sits alongside the Statement of Accounts. The overall level of assurance provided in 2022/23 was substantial (green) and is in line with our Code of Corporate Governance. Substantial progress has been made against the significant issue in relation to the IT Disaster Recovery Plan, that was included in the previous year's AGS, to the extent that the issue is no longer a significant governance issue. There were no new significant governance issues that were identified for inclusion in the 2022/23.

3. Background

3.1 The Accounts and Audit Regulations 2015 require the Statement of Accounts to be certified by the Council's Chief Finance Officer by the 31 May each year. The Accounts were then released to be audited by the Council's external auditor, Mazars. After completion of the audit the accounts must be published with the audit opinion and certificate, and before that must have been approved by Full Council, normally by no later than 31 July each year. However, amended Regulations published in 2022 have extended this date to 30th September for a period of 6 years i.e. up to 2027/28. The timescales involved with the approval of the Statement of Accounts for 2022/23 are therefore as follows:

a) Report draft accounts to Audit Committee	17 July 2023
b) Report to Audit Committee	8 November 2023
c) Report to the Executive	20 November 2023
d) Approval by Council	28 November 2023

3.2 In order to ensure that the current statutory deadline of 30 September is met Mazars must complete their audit and issue the relevant audit opinion. Where an audit of accounts has not been concluded by the statutory deadline, the Council must (in accordance with the Accounts and Audit Regulations 2015) publish as soon as reasonably practicable on or after that date a notice stating that it has not been able to publish the Statement of Accounts and its reasons for this. In accordance with this, a notice was published on the Council's website on 30 September to state that the audit of the 2022/23 Statement of Accounts had not yet been completed.

3.3 There is a great deal of technical detail contained in the statutory rigid format of the Accounts that is not always easily understood by the reader unless they are familiar with accounting and audit standards. To assist members in their understanding of the accounts:

- Training has been provided to the Audit Committee
- A short summary of the accounts has been produced at Appendix A
- The remainder of this report sets out a short summary highlighting the key figures in the financial statements.

4. Going Concern Assessment

4.1 As with all principal local authorities, the Council is required to compile its Statement of Accounts in accordance with the Code of Practice on Local Authority Accounting for 2022/23. In accordance with the Code the Council's Statement of Accounts is prepared assuming that the functions of the authority will continue in operational existence for the foreseeable future and that it is able to do so within the current and anticipated resources available. By this, it is meant that the Council will realise its assets and settle its obligations in the normal course of business. The Code also states "An authority shall prepare its financial statements on a going concern basis unless there is an intention by government that the services provided by the authority will no longer be

provided. An intention by government to transfer services from one authority to another (for example, as part of local government reorganisation) does not negate the presumption that the authority is a going concern."

4.2 We are satisfied there are no indications of changes to the 'continued provision of services' principle, which underpins our assessment of the Council's going concern basis. The Council is not reliant on significant alternative sources of non-statutory funding and no events or conditions have been identified that highlight uncertainties in relation to the Council's continuing existence and the extent to which our services may cease or transfer outside of the public sector.

5. Summary of Key Issues in the Financial Statements

5.1 The Comprehensive Income and Expenditure Statement

5.1.1 **The Comprehensive Income and Expenditure Statement (CIES)** (*SOA page 25*) – in line with statutory accounting practice the Comprehensive Income and Expenditure Statement (CIES) shows the Council's actual performance for the year measured in terms of the resources consumed and generated over the last 12 months. It should not be misinterpreted as the financial outturn position of the Council as this statement contains a number of accounting entries required under International Financial Reporting Standards (IFRS). Regulation allows local authorities to reverse these amounts out of the accounts before determining their outturn position. There is a note to the accounts (Expenditure & Funding Analysis (*SOA page 55*)) that adjusts the expenditure that is chargeable to general fund and the HRA balances (as per the actual outturn position) to the accounting entries in the CIES under IFRS. To further assist members interpretation of the CIES the table below summarises the reconciliation between the net surplus on the Provision of Services of £25.317m in the CIES to the outturn position of a decrease in General Fund Balances of £0.218m and a decrease on HRA balances of £0.161m as reported in the Financial Outturn report (Executive 30 May 2023).

	£m	£m
Net (surplus)/deficit on the Provision of Services		**(25.317)**

Of which:

General Fund	£m	£m
Net (surplus)/deficit on the Provision of Services		(2.110)
Adjust for:		
Depreciation, revaluation losses and gains & impairment of non-current assets	(1.598)	
Revenue expenditure funded from capital under Statute	(4.461)	
Direct Revenue financing of capital expenditure	0	
Gain/loss on the sale of non-current assets	0	
Contribution to/from the pensions reserve	(1.389)	
Debt repayment and premiums & discounts on debt	0.824	
Short-term compensated absences	0.058	
Contribution to Government's Housing Capital Receipts Pool	0	
Capital grants & contributions unapplied credited to CIES	9.445	
Adjustment for Collection Fund	4.661	
Adjustment for Financial Instruments	0.002	
Transfer to/from Earmarked reserves	(5.650)	
Total Adjustments		**1.892**
(Increase)/decrease in General Fund Balances		**(0.218)**

Of which:

HRA	£m	£m
Net (surplus)/deficit on the Provision of Services		(23,207)
Adjust for:		
Depreciation, revaluation losses and gains & impairment of non-current assets	19.798	
Direct Revenue financing of capital expenditure	0	
Gain/loss on the sale of non-current assets	0.627	
Contribution to/from the pensions reserve	(0.799)	
Short-term compensated absences	0.029	
Capital grants & contributions unapplied credited to CI&ES	0.496	
Transfer to/from the HRA	2.147	
Transfer to/from Earmarked reserves	0.748	
Total Adjustments		**23.046**
(Increase)/decrease in HRA Balances		**(0.161)**
Overall (Increase)/decrease in Balances		**(0.377)**

5.1.2 Clearly the most significant issue for Members to be aware of from the Comprehensive Income and Expenditure Statement is how the Council performed financially in 2022/23, in comparison to the revised budget for the year. The General Fund is reporting an outturn of an overall budget surplus of £0.218m, against a revised budgeted surplus of £0.061m, resulting in an underspend of £0.157m. General Fund balances were therefore £2.415m as at

31st March 2023.

5.1.3 The Housing Revenue Account is reporting an outturn of an overall budget surplus £0.161m against a revised budgeted surplus of £0.039m, resulting in an underspend of £0.121m. HRA balances were therefore £1.191m as at 31st March 2023.

5.1.4 Further details on these are provided in the Narrative Report in the Statement of Accounts (*SOA page 3*) and were subject to a separate report to Performance Scrutiny Committee and Executive on the 25th May 2023 and 30th May 2023, respectively.

5.2 The Balance Sheet *(SOA page 26)*

5.2.1 **The Balance Sheet** is fundamental to understanding the Council's financial position at the year-end. It shows the Council's balances and reserves, long-term indebtedness, and the non-current and current assets employed in the Council's operations. The key information for members to be aware of in the Balance Sheet as at 31 March 2023 are:

5.2.2 **General Balances** – General balances have increased by £0.377m during the year, as analysed below:

Description	**Opening Balance £m**	**Closing Balance £m**	**Increase/ (Decrease) £m**
General Fund balances	2.197	2.415	0.218
HRA balances	1.030	1.191	0.159
HRS	0	0	0
Total	**3.227**	**3.604**	**0.377**

5.2.3 **Earmarked Reserves** - in total monies carried forward to pay for specific future commitments (including the insurance fund) have decreased by £5.627m, as analysed below:

Description	**Opening Balance £m**	**Closing Balance £m**	**Increase/ (Decrease) £m**
Other Specific Reserves	12.668	7.040	(5.627)

This is due to a number of contributions to and from earmarked reserves as reported as part of the 2021/22 Provisional outturn to the Executive 30th May 2023 and as detailed in Note 10 (Transfers to/ from Earmarked Reserves) in the Statement of Accounts (*SOA page 64)*. The most significant use of reserves relates to the authorities share of the Business Rate deficit. Funding of £5.1m was utilised from the Business Rates Volatility Reserve, which had been received from the Government in 20/21 to finance the Collection Fund deficits which had occurred due to the Reliefs awarded in 21/22.

5.2.4 **Liquidity** – a reliable indication of liquidity is the ratio of current assets (excluding inventories) to current liabilities. The Council's current assets (excluding inventories) of £55.487m exceed current liabilities of £40.649m by a ratio of 1.36:1, which represents an increase from the previous year's ratio of 1.3:1. This is due to a reduction in short-term borrowing and short-term creditors.

5.2.5 **Debtors** – debtors have decreased by £8.371m to £16.545m. The decrease is mainly due to decreases in balances on the Central Government and County Council shares of the Council Tax and Business Rates Collection Fund deficits, both preceptors now having creditor balances, and a reduction in Housing Subsidy and Standard Rent Allowance grants.

5.2.6 **Creditors** – have decreased by £17.676m to £26.254m. This is mainly due to the utilisation/repayment of grants related to CT energy rebate, CARF and Towns fund all paid in 2021/22 in advance of being awarded in 2022/23.

5.3 Cross Cutting Key Issues

5.3.1 There are a number of areas that have significant impacts or are of particular interest that sit both within the Comprehensive Income and Expenditure Statement and the Balance Sheet. To aid members understanding of the Accounts these are summarised below:

5.3.2 **Non-Current Assets** are shown in the Balance Sheet and represent the Council's land, building, heritage, community and intangible assets.

- **The value of non-current assets and assets held for sale in the Balance Sheet has increased by £28.2m** (6.1%) to £485m between 31 March 2022 and 31st March 2023 (see the Balance Sheet and Notes 14, 15 and 16 for further detail). This net increase is the result of a number of factors:

    - **Revaluations** - The Council's Assets are valued on a rolling programme, which ensures each asset is re-valued every 5 years as at the 31 March. In addition to this, all assets are reviewed for any material change in their value at the end of each financial year. The results for 22/23 have seen an **overall increase in value of £13.693m**, which is the net result of valuation gains and losses across a range of assets.

      Accounting rules require that where a balance has not built up on the Revaluation Reserve for an individual asset (a reserve which holds accumulated gains following previous revaluations upwards) then any revaluation losses (downwards revaluation in asset values) must be recognised in the Comprehensive Income and Expenditure Statement (CI&ES) and then reversed out in the Movement in Reserves Statement before it impacts on Council Tax payers. Accounting rules also require that where a revaluation loss previously recognised in the CI&ES on an individual asset is subsequently

reversed by an upwards revaluation, then the revaluation gain should be recognised in the Comprehensive Income and Expenditure Statement up to the value of the original revaluation loss. Within the £13.693m net upwards movements due to revaluation gains and losses in 22/23, there were:

- **£12.763m of net revaluation gain** required to be charged to Cost of Services in the CIES. This is mainly due to reflecting the social housing value of housing stock (£11.932m).

- **£0.930m of net upwards revaluations** were reflected in the Revaluation Reserve (shown in Other Comprehensive Income and Expenditure in the CIES). This was mainly due to the upward revaluation (£1.1m) an increase in the council's land and buildings.

- **Additions - New capital investment in assets belonging to the Council totalled £19.399m**. The main areas of expenditure include £4.6m spent on the Council's new build and acquisition programme, £6.0m improving Council dwellings including re-roofing, kitchens and landscaping, Central Market Improvements £4.3m and Town Fund schemes £2.3m. To pay for this investment, the Council has used £5.94m of capital grants and contributions, £1.93m of capital receipts, £7.0m of the Major Repairs Reserve, £4.0m of unsupported borrowing, and £0.47m of direct revenue financing.

- **Depreciation –** a charge is made to the Comprehensive Income and Expenditure account for depreciation to reflect the use of assets in the provision of services during the year. The value of non-current assets in the Balance Sheet is reduced by an equivalent amount. For General Fund services this charge is reversed out in the Movement in Reserves Statement (MiRS) and replaced with a statutory charge for the repayment of debt. In the HRA under self financing, depreciation is a real charge to the service however, it is set aside in the Major Repairs Reserve for future investment in the housing stock. **In 2022/23 total depreciation was £9.943m** (£7.5m in relation to HRA dwellings and £2.4m relating to non HRA assets. £7.5m was charged to the HRA which is available in the Major Repairs Reserve for future investment).

- **Disposals – assets valued at £2.634m in the Balance Sheet were disposed** of in 2022/23. This included 51 Right to Buy sales of council dwellings.

5.3.3 **Pensions –** the payments made by the Council to the Lincolnshire County Council Pension Fund each year as employer contributions to the scheme and any addition costs relating to pension strain etc are reflected in the financial outturn position of the Council. However, accounting practice requires that in

the Statement of Accounts pension costs are shown when the Council is committed to give them, even if the actual giving may be years into the future. This means that:

- The costs of providing retirement benefits to employees are recognised in the accounting period in which the benefits are earned by employees, and the related finance costs and any other changes in value of assets and liabilities are recognised in the accounting periods in which they arise.

- The financial statements reflect the liabilities arising from the Council's retirement obligations.

- The financial statements disclose the cost of providing retirement benefits and related gains, losses, assets and liabilities

Full details are provided in Note 44 to the accounts – Defined Benefit Pension Schemes *(SOA page 104)*. The impact of these accounting requirements in the core financial statements are:

- **Comprehensive Income & Expenditure Statement (CIES)** - The cost of retirement benefits in the CIES is shown as an actuarial estimate of £7.475m reflecting the retirement benefits earned during 2022/23 and to be funded in the future. This includes £5.960m current service costs, £0.127m admin expenses, £0.122m past service costs and a net interest cost on the defined benefit obligations of £1.266m. This net cost is reversed out in the Movement in Reserves Statement (MiRS) and is replaced by the actual amount charged for pension contributions in the year of £5.287m.

- **Balance Sheet** – The Pension Reserve shows the underlying commitments that the Council has in the long term to pay retirement benefits based on an assessment by the pension schemes actuary. The balance on the Pensions Reserve is the net position of the scheme's liabilities and assets. During 2022/23 the net liability has decreased by £72.203m to £7.796m. The actuarial assumptions are detailed in note 44 to the accounts 'Defined benefit pension scheme'.

  It is important for members to be aware that the statutory arrangements for funding the remaining liability of £7.796 means that this deficit will be made good by the increased level of annual employer contributions payable to the Pension Fund over the remaining estimated average working life of our employees in the Pension Scheme. The financial position of the Council remains healthy.

5.3.4 **Officer Remuneration –** note 35 to the accounts (*SOA page 94)* details senior staff salaries and the number of employees receiving more than £50k remuneration during the year (this includes receipt of any redundancy payments). Also detailed within the note is the redundancy/pension/payment in lieu costs paid in year, in line with Executive approvals of Towards Financial Sustainability business cases and the Council's redundancy policy.

5.3.5 **Borrowing** – the Council takes borrowing to fund capital expenditure. It also occasionally takes short-term borrowing for cash flow purposes.

- Between 31st March 2022 and 31st March 2023, the Council's total borrowing reduced to £121.996m (excluding accrued interest which is shown in the Balance Sheet under short-term borrowing as at 31st March 2023).
- The total borrowing can be split between short term borrowing (payable within 12 months) of £12.753m and long term borrowing of £109.243m.
- The average rate of interest payable on borrowing remained the same as the previous financial year (2021/22) at 3.02%.
- The Comprehensive Income and Expenditure Statement for 2022/23 includes £3.840m interest payable on borrowing (excluding leases) of which £1.408m relates to the General Fund and £2.432m to the HRA.

The maturity profile of the outstanding borrowing as at 31st March 2023 is as follows:

Within	**£m**	**% of Total Debt**
1 year	12.754	10.46%
1 – 2 years	2.225	1.81%
2 – 5 years	4.104	3.37%
5 +	102.913	84.36%
Total	**121.996**	**100.00%**

5.3.6 **Investments** – in line with its Treasury Management Strategy, the Council invests surplus cash on the money markets, typically for periods less than one year to approved organisations, although core cash balances may be invested for periods over 1 year if interest rates and market conditions are favourable.

- As at 31st March 2023, total investments had decreased by £13.165m, from £49.850m to £36.685m, compared to the previous year end.
- Average investment balance during 2022/23 was £55.850m, compared to £44.7m in 2021/22. The higher investment balance mainly being due to retaining BIES (covid) grant funding which has since been returned to government.
- The average interest rate received on investments in 2022/23 was 2.10% (an increase of 1.91% on the average rate achieved in 2021/22 due to the Bank of England base rate increases seen during the year). The comparable performance indicator is SONIA 7 day uncompounded (2.23%).

6. Strategic Priorities

6.1 The Council's Statement of Accounts are a financial summary of the Council's activities in support of its Vision 2025 and Strategic Priorities during the

financial year 2022/23.

6.2 Communication - The final Statement of Accounts along with the summary version will be published on the Council website.

7. Organisational Impacts

7.1 Finance

The financial implications are contained throughout this report.

7.2 Legal Implications including Procurement Rules

In accordance with the Accounts and Audit (Amendment) Regulations 2022 the Statement of Accounts must be approved and published by the Council, together with the audit opinion and certificate, by the 30th September 2023. Where an audit of accounts has not been concluded by the specified date, the Council must publish as soon as reasonably practicable on or after that date a notice stating that it has not been able to publish the Statement of Accounts and its reasons for this. In accordance with this, a notice was published on the Council's website on 30th September to state that the audit of the 2022/23 Statement of Accounts had not yet been completed.

7.3 Equality, Diversity and Human Rights

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

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

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

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

8. Risk Implications

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

9. Recommendation

9.1 The Executive are invited to scrutinise the Statement of Accounts and make any comments to full Council on the 28 November 2023.

Key Decision	No
Key Decision Reference No.	N/A
Do the Exempt Information Categories Apply	No
Call in and Urgency: Is the decision one to which Rule 15 of the Scrutiny Procedure Rules apply?	No
Does the report contain Appendices?	Yes - Two
List of Background Papers:	Medium Term Financial Strategy 2023-2028 Financial Performance - Outturn 2022/23
Lead Officer:	Laura Shipley, Financial Services Manager Email: laura.shipley@lincoln.gov.uk

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SUMMARY ACCOUNTS 2022/23

The Council produces a full set of accounts in compliance with relevant standards. In order to present the most important information from the accounts in a more user-friendly, understandable format this summary of accounts has been produced. The full statement of accounts are made up of a number of key statements and the main ones are summarised below.

Income and Expenditure

This table outlines the cost of running council services over the year.

NET EXPENDITURE	£'000
Chief Executive	6,816
Housing & Regeneration	1,116
Communities & Environment	8,816
Major Developments	4,146
Corporate	450
Net Cost of Services	**21,344**
Other Operating Expenditure	945
Financing & Investment Income and Exp	(844)
Taxation and Non-Specific Grant Income	(23,555)
Surplus on Provision of Services	**(2,110)**
FINANCED BY:	**£'000**
Central Government Grant	24
Council Tax	7,261
NNDR Business Rates	5,927
Non ring-fenced Government Grants	899
Capital Grants and Contributions	9,945
(Surplus)/Deficit on Provision of Services	**(2,110)**
Statutory Adjustments	7,542
Trf to/from Reserves	(5,650)
(Surplus)/Deficit in General Fund	**(218)**
General Fund balance brought forward	(2,197)
General Fund Balance carried forward	**(2,415)**

The Council's total gross spend on services for the year was approximately £78.738M. Council Tax equated to 8.8% of all income received by the Council. The City Council received £7.26m of Council Tax in 2022/23.

Balance Sheet

The Balance Sheet shows the current financial position of the Council at the end of the year. It shows the value of all assets and liabilities (what the council owes and is owed).

Here is a summary of the Balance Sheet as at 31 March 2023

Assets and Liabilities	**£'000**
Fixed Assets (Land & Buildings)	485,011
Stock (stores of materials)	155
Debtors (people who owe money to the Council)	16,545
Investments (value of money invested)	36,932
Assets Held For Sale	1,500
Cash at bank	509
Current Liabilities (council debts payable within 1 year)	(40,649)
Long-Term Liabilities (Debts payable after 1 year)	(119,024)
Total Net Assets	**380,979**
Financed By:	**£'000**
Usable Reserves	48,964
Unusable Reserves	332,015
Total Reserves and Balances	**380,979**

At the end of the year the council had £0.824m worth of long-term investments and £36.9m of short-term investments. At the end of the year the council had £12.753m of short-term borrowing and £109.2m of long-term borrowing.

Cash Flow Statement

This table shows the flow of cash during the year:

CASH FLOW STATEMENT	**£'000**
Cash as at 1 April 2022	(103)
Net Cash flow from operating activities	(8,497)
Net Cash flow from investing activities	7,138
Net cash flow from financing activities	1,971
Cash as at 31 March 2023	**509**

Housing Revenue Account

It is a legal requirement that all income and expenditure on council houses is kept in a separate account called the Housing Revenue Account:

Number of properties

The Council owns 7,795 homes, consisting of the following types:

Low-Rise Flats	2,356
Medium Rise Flats	1,046
High Rise Flats	294
Houses/Bungalows	4,090
General Fund	9
Total Council Dwellings	**7,795**

During the year 51 properties were sold under the Right to Buy scheme.

This table provides a summary of the Housing Revenue Account for 2022/23:

Income	**£'000**
Council house rents (gross)	(30,089)
Investment Interest	(614)
Other Income	(1,840)
Expenditure	**£'000**
Repairs and maintenance	8,982
Supervision and management	8,746
Rents, Rates and Other Premises	621
Capital financing costs	(13,059)
Bad Debt Provision	300
Corporate costs	3,240
Insurance Claims Contingency	284
HRS Repatriation	222
(Surplus)/Deficit for year	**(23,207)**
Statutory Adjustments	22,298
Trf to/from Reserves	748
(Surplus)/Deficit in HRA	**(161)**
HRA Balance bought forward	(1,030)
HRA balance carried forward	**(1,191)**

Capital Expenditure

Capital expenditure is the money spent by the Council on purchasing and upgrading or improving assets that will help achieve the Council's priorities over a number of years. Good examples are regeneration, building construction and IT upgrades.

In 2022/23 the Council's capital expenditure totalled £23.465 million.

Below is a breakdown of the capital expenditure for 2022/23:

	£'000
Works to the Housing Stock	6,197
Housing Development and Acquisition	5,990
HRA IT Infrastructure	460
Crematoria Improvements	130
Improvement and Renovation Grants	649
Central Market	4,346
Flood Alleviation Scheme	319
Yarborough Ceiling refurbishment	582
Stamp End Demolition	138
Western Growth Corridor	635
HAZ schemes	535
Towns Fund	2,216
LAD Schemes	863
Other	405
Total Capital Spend	**23,465**

	£'000
General Fund Investment Programme	10,818
Housing Investment Programme	12,647
Total Capital Spend	**23,465**

CITY OF Lincoln COUNCIL

STATEMENT OF ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2023

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An introduction to the City of Lincoln's 2022/23 Statement of Accounts by J Gibson, Chief Finance Officer, Section 151 Officer.

The Statement of Accounts

The purpose of the Accounts, which follow, is to give electors, those subject to locally levied taxes and charges, Members of the Council, employees and other interested parties clear information about the Council's finances. The Accounts show the financial performance for 2022/23 and the financial position at 31 March 2023. The Accounts present expenditure and income incurred by the Council in the financial year 2022/23 and highlight changes in the financial position of the Council over the course of the year.

The accounts of the Council are, by their nature, both technical and complex. The information contained within the Accounts for 2022/23 is presented as simply and clearly as possible and the Narrative Report explains some of the statements and provides a summary of the Council's financial performance as at 31st March 2023 and its financial prospects.

The financial statements have been prepared in accordance with the Code of Practice on Local Authority Accounting in the UK (the Code) published by the Chartered Institute of Public Finance and Accountancy (CIPFA).

The Statement of Accounts consists of various sections and statements, which are briefly explained below:

A Narrative Report – this provides information on the format of this Statement of Accounts as well as a review of the financial position of the Council for the financial year.

The Statement of Responsibilities – this details the responsibilities of the Council and the Section 151 Officer concerning the Council's financial affairs and the actual Statement of Accounts.

The Audit Opinion and Certificate – this is provided by Mazars LLP following the completion of the annual audit.

The Accounting Policies – this statement explains the basis for the recognition, measurement and disclosure of transactions and other events in the accounts.

The Core Financial Statements, comprising:

- **The Movements in Reserves Statement** – this statement shows the movement in year on the different reserves held by the Council, analysed into 'usable' (i.e. those that can be applied to fund expenditure or reduce local taxation) and other unusable reserves.

- **The Comprehensive Income and Expenditure Statement (CIES) –** this statement shows the accounting cost in the year of providing services in accordance with accounting standards, rather than the amount funded from taxation. The Council raises taxation to cover the cost of expenditure in accordance with

regulations; this may be different from the accounting cost. The taxation position is shown in the Movement in Reserves Statement.

- **The Balance Sheet –** this statement shows the value as at the Balance Sheet date of the assets and liabilities recognised by the Council. The net assets (assets less liabilities) of the Council are matched by the reserves held by the Council.

- **The Cash Flow Statement –** this statement shows the changes in cash and cash equivalents of the Council during the year. It shows how the Council generates and uses cash and cash equivalents by classifying cash flows as operating, investing and financing activities.

The Notes to the Financial Statements – these provide supporting and explanatory information on the Financial Statements.

The Supplementary Statements, comprising:

- **The Housing Revenue Income and Expenditure Statement -** this statement shows the economic cost in the year of providing housing services in accordance with generally accepted accounting practices, rather than the amount to be funded from rents and government grants. The Council charges rents to cover expenditure in accordance with regulations; this may be different from the accounting cost. The increase or decrease in the year, on the basis of which rents are raised, is shown in the Movement on the HRA Statement.

- **The Movement on the HRA Statement –** this statement takes the outturn on the HRA Income and Expenditure Statement and reconciles it to the surplus or deficit for the year on the HRA Balance, calculated in accordance with the requirements of the Local Government and Housing Act 1989.

- **The Collection Fund Statement -** this statement is an agent's statement that reflects the statutory obligation for billing authorities (such as the City of Lincoln Council) to maintain a separate Collection Fund. The statement shows the transactions of the Council in relation to the collection from Council Tax and Business Rate payers and distribution to Lincolnshire County Council, Police and Crime Commissioner for Lincolnshire (PCCL) and Government of Council Tax and National Non-Domestic Rates (NNDR).

Financial Summary 2022/23

Much has changed over the last twelve months with global events having played a significant part in shaping our financial year. The legacy effects of Covid19, the war in the Ukraine and Brexit have all impacted on global and national economies, creating disruption to global supply chains and commodity markets, elevating energy prices, exacerbating food shortages and critically forcing inflation to its highest level in 40 years.

The impact of these events has driven up the cost of goods and services, which in turn has put a financial strain on local government, and the Council itself. The past twelve months have seen the Council face mounting cost pressures arising from soaring energy prices, nationally agreed pay agreements and escalating contractual costs.

In addition, these global events and their specific impact on inflation has driven a national cost of living crisis in the UK. This in turn creates a growing demand for some of our key services as those more vulnerable in the City, a client group that was impacted the hardest during Covid19, look to the Council for support and rely on the safety net provided by local government.

These unforeseen and unavoidable cost pressures seriously impacted on the assumptions that underpinned our 2022/23 budget. As a result of which, when reporting the forecast position at the end of the first two quarters of the year, both the General Fund and Housing Revenue Account were forecasting significant cost pressures. In response to this, we took swift action and implemented a range of mitigation actions, as part of a financial recovery programme to ensure we retained a sustainable financial position in 2022/23, and also in the medium term.

As a result of maintaining our strong financial discipline and the mitigating actions that were taken, both the General Fund and the Housing Revenue Account were able to reverse the forecast overspend positions and have financial outturns for 2022/23 of small underspends, resulting in higher than budgeted contributions to general balances.

Despite the challenges of an increasing cost base and rising demand for services and the capacity required to implement the mitigating actions, we have continued to ensure that our limited resources are directed and used in support of our Vision 2025. During 2022/23, we have invested in local services and projects to support the City's economy, business and residents and, in addition, we have we prioritised support for those feeling the effects of the cost-of-living crisis. We have continued to fully fund our Local Council Tax Support Scheme, distributed support from the Household Support Fund, Council Tax Energy Rebate and Energy Bills Support Schemes, provided further support through our local Hardship Funds and supported our tenants through the creation of a new tenancy sustainment team (further details of the support provided is set out in the Performance section below).

Although both the General Fund and Housing Revenue Account were able to respond to the financial challenges in 2022/23 and maintain balanced budget positions, this does not mean that the financial issues for the Council are resolved, it simply means that the in-year budget pressures were addressed.

We will continue to face significant financial challenges as we move into 2023/24, but we will build on our successful financial management to date, maintaining a vigilant watch on expenditure and income. The measures we have in place to manage our finances remain robust and continue to drive strong financial performance. Through constant forecasting and an ever present view of our service performance we continue to navigate the challenges of the cost of living crisis and the impacts of economic factors, to deliver value for money services for the people of Lincoln whilst also ensuring that our limited resources are directed towards the priority areas in our Vision 2025.

Performance

The City of Lincoln Council is a high performing and innovative organisation, focussed on providing quality services and delivering outcomes that matter. Our Vision 2025 is

an ambitious strategic plan that is helping to transform both the Council and the City through our five strategic priorities.

Vision 2025 was adopted by the Executive on 24th February 2020. As a result of the Covid-19 pandemic the delivery of this plan was put on hold as the duties of many of our employees were reprioritised to provide emergency support to our residents. Work on the delivery of this plan recommenced in 2022 in line with the recommencement of services and the return to more normal working conditions.

This recommencement of the plan in 2022 was an opportunity to review and relaunch Vision 2025 to ensure that the actions taken to meet the priorities will help tackle the needs of the City's residents and businesses following the Covid19 pandemic. As part of this work, the effect of Covid19 on the physical and mental health of residents was considered, and as a result resources were focussed towards prevention and addressing those areas, including health inequalities, that will be needed most over the next three year period to 2025.

Whilst delivery of this plan has continued to be challenging as a result of the financial and resource pressures being faced by the Council, listed below are some of the key Vision 2025 projects progressed over the past 12 months –

- Plans for the development of the Western Growth Corridor in the west of the city have continued to be progressed following receiving formal planning approval in 2022. The development will supply the city with 3,200 much needed new homes, a leisure village, industrial park, and transport infrastructure. Development work is expected to commence on site in 2023.
- The renovation and repurposing of Lincoln Central Market has continued. When complete this facility will provide a strong, sustainable indoor and outdoor market offer in Lincoln.
- Development of a residential scheme on land off Rookery Lane has been completed. The successful completion of the development has delivered a mix of affordable two, three, and four-bedroom houses, two-bedroom bungalows and one-bedroom flats.
- The Heritage Action Zone regeneration work has continued. The programme aims to maintain, protect and restore city centre shop fronts, historical buildings and heritage sites at risk, together with a public engagement strand based around cultural activity.
- Delivered the Lincoln Good Design awards, celebrating great architectural design in planning applications received over the last two years.
- Significant progress has been made with the re-imaging of Greyfriars, which was successful in securing it's round two funding bid from the National Heritage Lottery Fund of £1.952m in October 2022.
- Working in partnership with the Council, Heritage Trust Lincolnshire has secured funding for the Harlequin Project from the Architectural Heritage Fund, which will bring the Michaelgate properties, as the first part of this project back into use, with works anticipated to start later in 2023.
- Progress has continued on the Digital City agenda, which aims to see Lincoln becoming a smart place that is truly digitally enabled - having smart digital networks will support business innovation as well as access to transport, healthcare and a range of other services.
- Development of our workspaces and business premises offer has progressed helping to ensure businesses of all sizes and types can make Lincoln their home.

- Projects being delivered under the Town Deals work programme have continued to be progressed, such as improved transport schemes in the Sincil Bank area of the city.
- We have continued to deliver the Sincil Bank revitalisation project with the aim of making the area a better place for people to live and work.
- A review of the Central Lincolnshire Local Plan has been undertaken, which sets out where and how the city is going to develop over the next 20 years.
- Work to promote our green spaces and leisure areas has continued with the aim of inspiring residents to lead a healthy lifestyle.
- The Council has commenced work on the creation of Hope Wood on Council-owned land. The aim of the project is to enhance the existing biodiversity of the area through thoughtful planting of thousands of trees and shrubs. Upon completion of the works, the area will be an accessible space for residents and visitors to enjoy for years to come.
- Completed works on the regeneration of Boultham Park lake followed by an extensive community involvement scheme to encourage local people to become actively involved in the park.
- Completed major construction work to the dam wall in Hartsholme Country park.
- Undertaken further work to develop a cultural partnership for the city, which will lead to a new events and festivals strategy for Lincoln.
- Supported work to create Bio havens on the Brayford and have since commenced a project assessing how more greenery can be introduced into the city centre.
- Work has commenced on the development of a District Health and Wellbeing Strategy focused on improving the health of residents across the district.
- Grant funding has been made available to address issues of poor insulation and heating within the private sector.
- Following securing Safer Street funding the Council has upgraded its CCTV server room and installed a total of 34 CCTV cameras in Abbey, Carholme, Castle and Park wards. This has help provide safer routes for visitors, residents and students who choose to walk home after a night out in the city centre.
- Following completion of the De Wint Court supported housing development, a review of our other supported housing stock within the city has commenced. The review aims to assess the ongoing needs of our tenants alongside our Council housing stock.
- We have continued to deliver a campaign which encourages Private Sector landlords in the city to sign up to the Trusted Landlord Scheme.
- We have worked with partners on the Lincoln Climate Commission to develop a Climate Action Plan. This follows City of Lincoln Council being the second council in Lincolnshire to declare a climate emergency.
- The Council has achieved 'Green' level Environmental Management Accreditation by 'Investors in the Environment'.

In terms of service delivery, performance has continued to be affected over the past year, largely as a result of the current cost of living challenges and the ongoing recovery of the city following the Covid-19 pandemic. In direct response to these challenges we have worked hard to ensure our services and the support we can offer has reached those in need. Some examples of this work are provided below:

- Our Revenues and Benefits Team has continued to experience significant levels of demand, which has further continued to be impacted through the delivery

of several additional schemes to assist residents and businesses through Covid-19 and then into the cost of living challenges.

- The hard work of our Welfare Support teams has ensured our residents have continued to receive prompt, essential welfare and benefits advice.
- Across the Directorate for Housing and Investment, our housing teams have worked extremely hard maintaining Council homes to ensure they meet the decent homes standard, returning void properties back into use and collecting rent.
- The Housing Solutions Team has continued to provide invaluable support to our residents who are homeless or who are at risk of becoming homeless.
- Our Housing and Planning teams have worked to deliver much needed new affordable homes in the city on Rookery Lane.
- The Customer Services Team has managed an increasing number of telephone calls and e-mail enquiries as residents seek advice and support from the Council.
- The Council's Communication Team has provided clear guidance to residents and businesses on how they can access help and support. This communication has primarily been via our website and social media channels and has included the use of videos and a range of other media types to help effectively engage with our customers.
- The Council has continued to be a provider of apprenticeships. These apprenticeships have been across the areas of Business Administration, Customer Service, Team Leading and Management delivered by the Work Based Learning Team, together with Craft apprenticeships delivered by the Housing Repairs Service.

All of our achievements during 2022/23 should be set in the context of the significant difficulties in the recruitment and retention of staff currently being faced by local government, of which we are no exception. This creates capacity pressures in both operational services and in our support services. Whilst we have been able to continue to deliver against our priorities during 2022/23, some aspects of performance have been undoubtedly affected by our reduced resources, particularly when those resources have been under further pressure to respond to the financial and cost of living challenges arising in the year. Work continues both on a national and local level to develop a range of responses to encourage both new entrants into the sector as well as retain the existing workforce.

Revenue Income and Expenditure

General Fund

The General Fund covers all net spending by the Council on services other than those accounted for in the Housing Revenue Account. General Fund services are partly paid for by government grants and contributions from Retained Business Rates, with the balance being funded from Council Tax and income from fees and charges.

For 2022/23, the approved net expenditure budget for General Fund services was £8,907,490 including a planned contribution to reserves of £60,700.

As highlighted in the Financial Summary, 2022/23 has presented significant financial challenges for the Council and in particular the escalating cost of services provision, which were unforeseen and have far exceeded budgeted assumptions. The General Fund has experienced escalating costs in a number of key areas:

- Contractual services inflation increases – contracts for key front line service provision are linked to annual CPI/RPI price increases at set points in the year. The most significant of these contracts is in relation to waste and street cleansing. These two contracts are linked to inflation as at the previous December and have therefore seen increases of 5.4% for 2022/23.

- Gas and electric supplies - whilst the Council procures the majority of its energy supplies through a framework agreement, allowing it to benefit from economies of scale, it is still subject to the impacts of fluctuations in wholesale prices. Gas prices for 2022/23 have increased by 70% since April 2022 and electricity prices have increased by 100% from October 2022.

- Nationally agreed pay inflation - the pay offer, made by the National Employers for Local Government Services, was accepted by the Trade Unions in early November 2022. The pay deal sees a flat rate increase of £1,925 to all employees, equivalent to a 10.5% increase for the lowest paid members of staff and with the majority of officers receiving pay rises above 5%.

In terms of service delivery, during 2022/23 we have faced growing demands for some of our key services as those more vulnerable in the city look to the council for support as the cost-of-living crisis hits household incomes. This includes increased demand for; welfare advice; housing benefits; housing solutions, homelessness support, etc. Of particular challenge to the General Fund has been the cost of providing homelessness support, with escalating number of cases presenting increasing the cost of providing temporary accommodation.

In response to these escalating costs, we developed a range of mitigating actions as part of a financial recovery programme, in order to ensure we could maintain a sustainable financial position in 2022/23. Included within these actions was a review of the Council's Borrowing, Investment and Minimum Revenue Provision (MRP) strategies. This review resulted in a change to the MRP Policy (as approved by Full Council in February 2022), which has released significant savings in the medium term, whilst still maintaining a prudent provision. The net saving in 2022/23 is £0.790m

As a result of this reduction in capital financing costs, along with other actions taken during the year, including an in-year increase in some fees and charges and

temporary recruitment measures, and with some positive impacts of the economy on investment returns, the General Fund was able to reverse the forecast overspend position, estimated at quarter two, and has reported a small underspend outturn position for 2022/23. This underspend position includes additional contributions to a number of earmarked reserves in order to provide future resilience against a number of cost pressure risks that we are facing in future years.

The table that follows provides a summary of the final outturn position for the General Fund, against the net budget.

	ACTUAL 2022/23 £'000	REVISED BUDGET 2022/23 £'000	VARIANCE 2022/23 £'000
Chief Executive and Town Clerk	3,247	3,016	231
Directorate of Housing & Regeneration	1,050	1,100	(50)
Directorate of Communities & Environment	5,897	5,289	608
Directorate of Major Developments	457	489	(32)
Corporate	1,932	1,969	(37)
Net Operational Expenditure	**12,582**	**11,863**	**719**
Specific Grants	(899)	(859)	(40)
Savings Target	0	(54)	54
Earmarked Reserves	(5,627)	(5,626)	(1)
Insurance Reserve	(23)	40	(63)
Capital Accounting Adjustment	2,297	3,234	(937)
Contingencies	0	(112)	112
Total Expenditure	**8,330**	**8,486**	**(156)**
Contribution To/(From) General Balances	**218**	**61**	**157**
Total Net Budget	**8,547**	**8,546**	**1**
Retained Business Rates Income	(16,082)	(15,956)	(126)
Tariff	13,094	13,094	0
Section 31 grant	(3,192)	(3,108)	(84)
Levy Payment	967	759	208
Revenue Support Grant	(24)	(24)	0
Council Tax	(7,360)	(7,360)	0
Council Tax Section 31 Grant	0	0	0
Council Tax Deficit	6	6	0
NNDR Deficit	4,044	4,044	0
Total Resources	**(8,547)**	**(8,546)**	**(1)**

While total expenditure was £8.330m (£0.156m less than budget) this is offset by a £0.157m increase in the actual contribution to general balances. The actual

contribution to general balances was £0.218m compared to the approved budget of £0.061m.

Included within the General Fund Budget was an assumed savings target of £1.050m, which was to be delivered in 2022/23 as part of the Council's Towards Financial Sustainability (TFS) Programme. The provisional outturn performance shows that secured savings total £0.996m. This results in an under-achievement of the target in 2022/23 by £0.054m. This under-achievement should be set against the context of an overall positive position for the General Fund in 2022/23. The TFS programme continues to be successful, and work continues in developing and delivering new projects as part of the programme to secure the additional savings required in 2023/24 and future years.

Although the General Fund maintained a balanced budget position in 2022/23 this does not mean that the financial issues for the Council are resolved, it simply means that the in-year budget challenges have been addressed.

As at 31 March 2023, the Council held £9.455m General Fund revenue reserves, comprising £7.040m earmarked reserves (to cover specific or potential financial risks and liabilities) and £2.415m non-earmarked general reserves. General Balances are currently in line with the prudently assessed minimum requirements in the Council's Medium-Term Financial Strategy, which providing resilience for financial challenges we face.

Housing Revenue Account

The Housing Revenue Account has to be kept as a separate account for all the expenditure and income relating to the landlord functions associated with the provision, management and maintenance of Council owned dwellings.

For 2022/23, the approved net operating budget for the Housing Revenue Account was set at £0.038m contribution to balances. Actual net expenditure for 2022/23 was £0.159m surplus, resulting in a £0.120m variance against the budget.

In line with the General Fund, a number of the key cost pressures; pay inflation, contractual inflation; energy price increases; and material and external labour prices, have impacted the Housing Revenue Account. These cost increases were unforeseen and far exceeded the assumptions underpinning the Housing Revenue Accounts budget.

As is being experienced across the Council, the Housing Revenue Account is also experiencing recruitment and retention challenges in relation to its craftworkers, increasing the reliance on external contractors.

These new financial and capacity pressures arose at a time when the Housing Revenue Account is still responding to the legacy effects of Covid19 and Brexit both in relation to service delivery, in terms of backlogs of outstanding housing repairs work, and also due to the ongoing impact on supply chains and availability of labour.

This combination of factors has led to a number of significant variances of both a positive and negative nature in the Housing Revenue Account, with underspends on general repairs and maintenance due to availability of resources and contractors and overspends on repairs to void properties due to a higher than normal level of void properties.

A range of measures have been implemented in 2022/23 to address some of the factors affecting the Housing Revenue Account, and these are producing positive results e.g., a reduction in voids backlogs. However, further work will be required in 2023/24 to fully address the performance issues and the subsequent financial variances this creates.

Overall, the net impact of these variances, including the positive effect of rising investment returns, resulted in the Housing Revenue Account reversing the forecast overspend position, estimated at quarter two, to reporting a small underspend outturn position for 2022/23. This underspend position includes additional contributions to a number of earmarked reserves in order to provide future resilience against a number of cost pressure risks that we are facing in future years.

The table that follows provides a summary of the final outturn position for the Housing Revenue Account, against the net budget.

	ACTUAL 2022/23 £'000	**REVISED BUDGET 2022/23 £'000**	**VARIANCE 2022/23 £'000**
Operational Expenditure			
Repairs & Maintenance	8,982	10,022	(1,040)
Supervision & Management	8,776	8,370	376
Provisions (including Bad Debt)	300	250	50
Rents, Rates and Other Premises	621	486	135
Other Expenditure	293	155	138
Capital Financing	7,862	7,450	412
Sub Total	**26,834**	**26,733**	**71**
Add:			
HRS – repatriation of surplus	222	0	222
Interest Payable & Similar Charges	2,432	2,580	314
Total Expenditure	**29,488**	**29,313**	**944**
Income			
Rents & Service Charges	(31,038)	(31,081)	43
Other Income	(892)	(710)	(181)
Interest	(614)	(66)	(547)

	ACTUAL 2022/23 £'000	REVISED BUDGET 2022/23 £'000	VARIANCE 2022/23 £'000
Net Expenditure	**(3,683)**	**(2,544)**	**(20,662)**
Less:			
Appropriation to/(from) Major Repairs Reserves	2,147	2,559	(412)
Appropriations to/(from) Earmarked Reserves	749	(53)	801
Net HRA (Surplus)/Deficit	**(159)**	**(39)**	**(120)**

As at 31 March 2023, the Council held £4.700m HRA revenue reserves, comprising £3.509m earmarked reserves (to cover identified specific, potential financial risks and liabilities) and £1.191m non-earmarked general reserves.

Capital Expenditure
(Note 39)

Capital expenditure on the provision of new or enhanced assets is met from capital receipts, government grants, contributions from third parties and revenue contributions, with the balance funded from borrowing.

Capital spending in the year was £23.9m compared to the revised approved programme budget of £38.4m, representing an underspend of £14.5m against the profiled budget. The variance in 2022/23 is mostly due to the re-profiling of schemes within the general fund and housing programmes resulting from the delays in appointed contractors for the schemes. The 2022/23 capital spending and funding position is summarised as follows:

	ACTUAL 2022/23 £'000	BUDGET 2022/23 £'000	VARIANCE 2022/23 £'000
Capital Expenditure			
General Fund	11,213	17,860	(6,647)
Housing Revenue	12,647	20,499	(7,852)
Total Expenditure	**23,860**	**38,359**	**(14,499)**
Financed by:			
Borrowing	4,069	7,333	(3,264)
Capital Receipts	1,934	2,469	(536)
Capital Grants and Contributions	10,330	14,386	(4,056)
Major Repairs Reserve	7,465	7,348	(2,570)
Revenue Contributions	62	3,823	(4,073)
Total Financing	**23,860**	**38,359**	**(14,499)**

Major Capital works carried out during 2022/23 are set out in the following table:

	£'000
Housing	
Decent Homes and improvements to Council dwellings	5,998
Council house schemes	5,570
Other major works to housing stock	1,079
General Fund	
Crematorium	131
Central Market	4,345
Improvement and Renovation Grants	649
Boultham Park	11
Western Growth Corridor	133
Towns Fund Schemes	0
Other Schemes	0
Total	**23,860**

Capital Financing

The Council's capital programme is funded by a number of sources including the application of capital receipts, capital grants, contributions from the revenue account and long-term borrowing. A summary of significant transactions in capital funding in 2022/2023 is provided below:

Capital Receipts (Note 9)

The Council utilised £1.934m of capital receipts and received £3.173m of capital receipts in the year. The majority of these will be used to support the new build programme within the Housing Investment Programme and investment in the housing stock.

Major Repairs Reserve (Note 9)

The Council is required to maintain a Major Repairs Reserve, which controls an element of the capital resources limited to being used on capital expenditure on HRA assets or the financing of historical capital expenditure by the HRA. The balance shows the capital resources that have yet to be applied at the year-end.

Long Term Borrowing (Note 18)

The Council undertakes long term borrowing, for periods in excess of one year, in order to finance capital expenditure. An assessment of the use of borrowing to fund capital expenditure is made through the application of the CIPFA Prudential Code in the Council's annual Treasury Management Strategy. This approach provides a framework for decision making highlighting the level of capital expenditure, the impact on borrowing and investment levels and the overall controls in place to ensure activity remains affordable, prudent and sustainable.

The Council satisfies its long-term borrowing requirement by securing external loans.

Although the Council requires long-term borrowing in order to finance capital expenditure, it can temporarily defer the need to borrow externally by using cash set aside for longer term purposes (in line with its Treasury Management Strategy); this practice means that there is no immediate link between the need to borrow to pay for capital spend and the level of external borrowing. The effect of using the cash set aside is to reduce the level of cash that the Council has available for investment.

The Council's level of total principal debt outstanding (long and short-term), (excluding loans of £0.03m which the Council holds for local charities and Bonds worth £0.03m), as at 31 March 2023 was £122m.

Total Borrowing Outstanding

31/03/22 £'000	Source of loan	31/03/23 £'000
94,177	Public Works Loan Board	93,962
31,000	Market and Other Long-Term Loans	28,000
125,177	**Total**	**121,962**

Short-term borrowing of £5m was taken during 2022/23. Short-term borrowing of £8m and £0.215m of PWLB borrowing was repaid during 2022/23. This represents a net decrease of £3.215m of borrowing since 31 March 2022. The Council remains under borrowed by £24.141m (i.e. the Council's actual borrowing is £24.141m less than its borrowing requirement at 31 March 2023).

This means that the borrowing need (CFR) has not been fully funded with loan debt as cash supporting the Council's reserves, balances and cash flow has been used as a temporary measure. This strategy is considered prudent whilst internal balances allow for this. Additional long-term borrowing may be taken in 2023/24 and future years to bring levels up to the Council's borrowing requirement, subject to liquidity requirements, if preferential interest rates are available.

Pension Costs
(Note 44)

The Council accounts for retirement benefits when it is committed to give them, even if the actual giving will be many years into the future. This means that:

- The financial statements reflect the liabilities arising from the Council's retirement obligations.

- The costs of providing retirement benefits to employees are recognised in the accounting period in which the benefits are earned by employees, and the related finance costs and any other changes in value of assets and liabilities are recognised in the accounting periods in which they arise.

- The financial statements disclose the cost of providing retirement benefits and related gains, losses, assets and liabilities.

The Balance Sheet shows a reduced Pension Fund Reserve / net liability position when compared to the start of the year - reducing from £80.999m at 1 April 2022 to £7.796m as at 31 March 2023. This decrease in the net liability is mainly a result of changes in financial assumptions following the latest actuarial report. This is recognised as re-measurements on defined benefit obligation, which is shown in Other Comprehensive Income and Expenditure within the Comprehensive Income and Expenditure Statement.

The statutory arrangements for funding the remaining liability of £7.796m means that this deficit will be made good by the increased level of annual employer contributions payable to the Pension Fund over the remaining estimated average working life of our employees in the Pension Scheme. The latest triennial revaluation of the Council's Pension Fund took place on 31 March 2022.

Although the overall funding position has improved, the employer contribution rates are still required to increase in order to improve the funding position further. Because of the guaranteed nature of Local Government Pension Scheme, a stabilisation overlay mechanism is applied, whereby the employer's current contribution rate is capped at an affordable level. Based on the latest tri-annual review, the council is facing an increase in pension contributions of over 6 percentage points, rising from 17.3% of payroll in 2022/23 to 23.4% of payroll for the 3-year period commencing 2023/24. This increase has reduced the need for additional monetary payments to the scheme.

Future Plans

Vision 2025 sets out the Council's vision for the future of the city, strategic priorities and core values. Although the Vision looks ahead for up to 30 years it specifically includes a programme of activity up to 2025, which seeks to not only deal with the most pressing issues in the city, but also details how the Council will work, with others, to further grow Lincoln's economy.

The Council's vision for 2025 remains as;

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

Underpinning this vision are now five strategic priorities, each with a number of supporting aspirations. The aspirations are in turn supported by groups of projects that will be delivered throughout the five-year programme.

The five strategic priorities are:

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

These five strategic priorities are supported by a programme called One Council. One Council is made up of the following pillars:

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

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

A mid-term review of the proposals in the vision was undertaken in 2021/22. This review was an opportunity to review and relaunch Vision 2025, following the Covid19 pandemic, and to ensure that the actions taken to meet the priorities will help tackle the needs of the City's residents and businesses.

As part of this process, a public consultation was undertaken to understand which activities resident and businesses felt were of the greatest priority to them. Following this review, it was agreed there were no changes required to the Vision, the five priorities or the aspirations under each priority - these still remain relevant. However, we will ensure promoting positive health for the city will be a key feature of these goals wherever possible and as a result resources have been refocused towards prevention and addressing those areas, including health inequalities, that will be needed most in the period up to 2025.

The Vision 2025 Interim Review document can be accessed using the following link - https://www.lincoln.gov.uk/downloads/file/1213/vision-2025-3-year-addendum

General Fund

The financial challenges that the General Fund faces as a result of the current economic conditions and national cost-of-living crisis come at a time when we are still recovering from the detrimental financial effects of Covid19 and after facing a decade of austerity measures. These unforeseen and unavoidable pressures are though even more severe than the impacts of the pandemic, they are not temporary cost/income pressure spikes that will fall away as the economy stabilises, they represent structural changes in the Council's ongoing net cost base and have required budgets to be reset as part of this Medium-Term Financial Strategy.

Furthermore, there still remains uncertainty around the level of funding for local government beyond the current Spending Review period. There are a number of proposed changes in the funding mechanisms for local government, which have the ability to fundamentally alter the course of the Medium-Term Financial Strategy. Whilst it has now been confirmed that they will not now be implemented until 2025/26 at the earliest, and the latest Local Government Finance Settlement announced some much-needed additional funding for local authorities, all this has done is to have shifted the financial challenges to the period following the next General Election. In addition, the large national deficit that has arisen as a result of the financial measures the Government implemented during the pandemic and more recently in response to the cost-of-living-crisis, will need to be addressed. This is likely to further impact on the funding available to councils in future years with a risk of a new round of austerity measures.

Despite this significant level of uncertainty, based on what is currently known, or can be reasonably assumed, the General Fund continues to face a significant and widening gap between the its spending requirements and the level of resources it estimates to receive, with the underlying need to reduce the net cost base by £1.750m by 2026/27 if the Council is to remain sustainable in the medium term.

The ability to deliver these further, significant, reductions in the net cost base must be set in the context of the Council having already delivered, over the last decade, annual revenue savings of nearly £10m. This is a significant amount in comparison to the net General Fund budget. This has already involved us having to take difficult decisions in terms of which services we can continue to provide, whilst minimising the impact on services most needed by local residents and businesses.

We still believe that our longer-term approach to closing the funding gap is fundamentally through economic growth and investment. This is ever more critical in light of the crippling effect Covid19 and now the current economic factors have on the local economy. Through Vision 2025 we will continue to seek ways to maximise

our tax bases by creating the right conditions for the economy to recover and grow, to increase Business Rates income, and to encourage housebuilding to meet growing demand, generating additional Council Tax. As well as continuing to support this we will also seek through direct interventions, such as through; the Town Deal; the Council House New Build Programme; the UK Shared Prosperity Fund and Western Growth Corridor etc, to enhance the economic prosperity of the City.

The delivery of these benefits from economic development cannot however be realised in the short to medium term and will not directly contribute towards the required reductions in the net cost base in the Medium-Term Financial Strategy. In order to deliver the level of savings required over the period of the Medium-Term Financial Strategy, we will continue to adopt a range of options, but given the scale of the financial challenge we faces, we have little choice but to face some difficult decisions about the size and scope of the essential services we can continue to provide. We will need to review and revisit our investment priorities, beyond Vision 2025, and will be forced to look closely at the services we provide and will inevitably have to stop some of these to balance the books.

Closing a projected budget gap of this size is a challenge for the Council, but we have confidence in our track record of delivering strong financial discipline and that we can continue to rise to the challenge. Our successful financial planning has enabled the protection of core services for the people of Lincoln, whilst at the same time allowing for significant investment in the City, and its economy, and delivery of the Council's Vision. We will continue to adopt this approach, carefully balancing the allocation of resources to Vision 2025 and future investment plans, whilst ensuring we maintain a sustainable financial position and delivers the required reductions in its net cost base.

Housing Revenue Account (HRA)

HRA Self-financing was implemented from 1 April 2012 following a one-off settlement to the Treasury, in order to 'buy out' of the old subsidy system. The new system incentivised landlords to manage their assets well and yield efficiency savings. With this however also came the transfer of significant risks from Central Government to local authorities. The Council now bears the responsibility for the long-term security and viability of council housing in Lincoln and has to fund all activity related to council housing from the income generated from rents, through long term business planning.

It was anticipated that there would be greater certainty about future income as councils were no longer subject to annual funding decisions by Central Government, enabling them to develop long-term plans, and to retain income for reinvestment.

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

- the long-term plans for the Council's housing stock
- the finances to deliver plans
- how the Council will manage the income from its stock, demand for housing and stock condition

- identifies resources for its initial Council House New Build Programme.

Since adoption of the Plan, in 2016, a number of issues e.g., Brexit and the Covid19 pandemic have had a fundamental impact on the way we deliver our housing and landlord services, now and in the future. In addition, the refreshed and repurposed strategic plan, Vision 2025, includes a much greater focus on health outcomes and the environment e.g. net zero carbon target, with implications for the delivery of housing services and investment in the housing stock and new build standards. Furthermore, the tragic fire at Grenfell Tower and the introduction of new measures to improve fire and building safety will create additional requirements on the Council.

A full review of the Business Plan was scheduled for 2022, however, due to the current economic climate and the impact on the assumptions that underpin the HRA and Housing Business Plan it has not been possible to make accurate long-term financial forecasts at this time. As a result, an interim high-level refresh of the Business Plan was undertaken during 2022 with a full update to the Business Plan now scheduled for 2023, with a new a 30-year Business Plan to be in place for the start of 2024/25. This update will take into consideration the key issues that are impacting on the environment in which the Plan will be set with the goal of developing an exciting Business Plan that sets out what we want to achieve over the next 30 years.

Capital Expenditure

Despite the pressures our revenue budgets face, investment in our assets, to maintain income generation, provide new income generating assets, support service delivery and to act as a catalyst in the local economy is still critical. Our capital strategy plans to deliver projects to the value of £205m over the next five years, with £36m estimated to be spent in 2023/24. This includes significant investment in the Council's key strategic projects notably the Western Growth Corridor development, the Lincoln Town Deal Programme, Central Market redevelopment, and the Greyfriars development, all in addition to further investment on Council dwellings and Council buildings, including the construction of new council housing.

Capital resources for the next five years include capital receipts, government grants, contributions from third parties and revenue contributions.

The Housing element of the capital programme represents the largest element of capital expenditure over the next 5 years and is funded through a combination of borrowing and revenue contributions from the Housing Revenue Account (HRA) through both depreciation charges and direct revenue contributions. The HRA Business Plan includes the release of capital resource to fund significant capital investment in new housing stock over the medium term. It is critical that there

continues robust budget management of the HRA to continue to allow the required investment.

Cash flows

The future cash flows will be dependent on the outcome of a number of key assumptions in the Medium-Term Financial Strategy and HRA Business Plan, of which the Council has varying degrees of influence over the outcomes. Some of the key determinants will be:

- Actual Business Rates base in year compared to the assumed levels in the budget, and the ongoing risk of funding the backdated costs of any successful valuation office appeals by businesses within the city as well as potential reductions arising from the current economic conditions and legacy of Covid19.
- Collection rates for Council Tax, Business Rates and Rents, which continue to be detrimentally impacted by Covid19 and the current cost of living crisis.
- Income received compared to income targets (e.g. car parking, planning and building control), income in these areas plummeted during 'lockdown' and whilst they have recovered, the current cost-of-living crisis and current economic factors are now impacting on demand in some key areas.
- Interest rates achieved on investments and secured on new borrowing.
- Timescale for payment of invoices and collection of debts.
- Profile of capital spending and funding over the MTFS.

Summary

Although both the General Fund and Housing Revenue Account have maintained balanced budget positions in 2022/23 this does not mean that the financial issues for the Council are resolved, it simply means that the in-year budget challenges have been addressed. Beyond 2022/23 we are set to face ongoing reductions in resources increased service costs, increased service demands and the ongoing impact of the current economic uncertainty. This will require ongoing reductions in the net cost base in order to live within a significantly reduced resources envelope. The Medium-Term Financial Strategy 2023-2028, approved by Full Council in March 2023 sets out the detail of the financial challenge the Council faces.

Whilst addressing the financial challenges we face in the forthcoming years we will also continue to maintain the correct balance between these challenges and ensuring that our limited resources are directed towards the Council's strategic priorities.

Vision 2025 is supported by a programme of activity, resourced through the Medium Term Financial Strategy, that seeks to not only deal with the most pressing issues in the city, but also how the Council will work, with others, to embrace and encourage Lincoln's economy through schemes such as delivering homes and infrastructure, stimulating jobs and growth, tackling climate change, providing and enhancing support systems for our vulnerable residents, and delivering the Towns Deal Programme. The recovery and growth of the City's economy is now more important than ever.

Group Accounts

The increasing scope and scale of local authorities moving away from traditional ways of providing services makes it increasingly difficult for the Council's own financial statements to present fairly all the aspects of control over service provision and accountability for all resources and exposure to risks that the Council has taken on. A consolidated set of group accounts can make a vital contribution towards giving users a full picture of the Council's sphere of control and influence.

The Council has a collaborative arrangement with North Kesteven and West Lindsey District Councils to provide the Central Lincolnshire Joint Planning Unit. This arrangement is hosted by North Kesteven District Council. The Council contributed £99k to the service which is contained within the Communities and Environment line of the CIES.

The Council also has a collaborative arrangement with North Kesteven to provide a shared Revenues and Benefits Service. This shared service is hosted by the City of Lincoln Council. The Council contributed £1.267m to the service which is contained within the Chief Executive's Directorate line in the CIES.

Both of these arrangements are governed through a Joint Committee representing each of the partner authorities. Under these arrangements the ventures use their own resources to undertake an activity subject to joint control, and as such do not require consolidation into the Council's accounts. The Council's proportion of activity is accounted for separately within the Core Financial Statements.

Further Information

Further information about the accounts is available on request from the Chief Finance Officer, City Hall, Beaumont Fee Lincoln LN1 1DB. In addition, local electors have a statutory right to inspect the accounts before the audit is completed. The availability of the accounts for inspection is advertised on the Council's website.

J Gibson FCCA
Chief Finance Officer
(Section 151 Officer)

COUNCIL APPROVAL

The Statement of Accounts for the year 1 April 2022 to 31 March 2023 has been prepared and I confirm that these Accounts were approved by the City of Lincoln Council, at the meeting held on xxxxx.

Councillor Biff Bean
Chair of Council

Date: xxx

THE STATEMENT OF RESPONSIBILITIES

The Authority's Responsibilities

The Authority is required:

- to make arrangements for the proper administration of its financial affairs and to ensure that one of its officers has the responsibility for the administration of those affairs. In this Authority, that officer is the Chief Finance Officer.
- to manage its affairs to ensure economic, efficient, and effective use of resources and safeguard its assets.
- to approve the Statement of Accounts.

The Chief Finance Officer Responsibilities

The Chief Finance Officer is responsible for the preparation of the Authority's Statement of Accounts in accordance with proper practices as set out in the Code of Practice on Local Authority Accounting in the UK ('the Code').

In preparing this Statement of Accounts, the Chief Finance Officer has:

- selected suitable accounting policies and then applied them consistently.
- made judgements and estimates that were reasonable and prudent.
- complied with the Code of Practice.

The Chief Finance Officer has also:

- kept proper accounting records which were up to date.
- taken reasonable steps for the prevention and detection of fraud and other irregularities.

The Accounts present a true and fair view of the financial position of the Authority at 31 March 2023 and its income and expenditure for the year ended on that date.

J Gibson FCCA
Chief Finance Officer
Date: 31st May 2023

MOVEMENT IN RESERVES

	General Fund Balance £'000	Earmarked Reserves £'000	Housing Revenue Account £'000	Major Repair Reserve £'000	Capital Receipts Reserve £'000	Capital Grants Unapplied £'000	Total Usable Reserves £'000	Unusable Reserves £'000	Total Council Reserves £'000
Balance at 31 March 2021	**2,668**	**26,043**	**1,074**	**14,139**	**4,511**	**4,026**	**52,461**	**174,723**	**227,184**
Movement in reserves during 2021/22									
Surplus or (deficit) on provision of services	(3,207)	0	22,384	0	0	0	**19,177**	**0**	**19,177**
Other Comprehensive Expenditure and Income	0	0	0	0	0	0	**0**	**32,922**	**32,922**
Total Comprehensive Expenditure and Income	**(3,207)**	**0**	**22,384**	**0**	**0**	**0**	**19,177**	**32,922**	**52,098**
Adjustments between accounting basis & funding basis under regulations (note 9)	(4,662)	0	(22,097)	9,790	1,196	(1,929)	**(17,702)**	**17,702**	**0**
Net Increase/Decrease before Transfers to Earmarked Reserves	**(7,870)**	**0**	**287**	**9,790**	**1,196**	**(1,929)**	**1,475**	**50,624**	**52,098**
Transfers (to)/from Earmarked Reserves	7,400	(7,068)	(331)	0	0	0	**0**	**0**	**0**
Increase/Decrease in Year	**(470)**	**(7,068)**	**(50)**	**5,948**	**1,196**	**(1,929)**	**(2,368)**	**50,527**	**52,098**
Balance at 31 March 2022 carried forward	**2,197**	**18,975**	**1,030**	**20,088**	**5,708**	**2,097**	**50,094**	**229,188**	**279,283**

MOVEMENT IN RESERVES

	General Fund Balance £'000	Earmarked Reserves £'000	Housing Revenue Account £'000	Major Repair Reserve £'000	Capital Receipts Reserve £'000	Capital Grants Unapplied £'000	Total Usable Reserves £'000	Unusable Reserves £'000	Total Council Reserves £'000
Balance at 31 March 2022	**2,197**	**18,975**	**1,030**	**20,088**	**5,708**	**2,097**	**50,094**	**229,188**	**279,283**
Movement in reserves during 2022/23									
Surplus or (deficit) on provision of services	2,110	0	23,207	0	0	0	**25,317**	**0**	**25,317**
Other Comprehensive Expenditure and Income	0	0	0	0	0	0	**0**	**76,380**	**76,380**
Total Comprehensive Expenditure and Income	**2,110**	**0**	**23,207**	**0**	**0**	**0**	**25,317**	**76,380**	**101,696**
Adjustments between accounting basis & funding basis under regulations (note 9)	(7,542)	0	(22,298)	2,544	1,239	(390)	**(26,447)**	**26,447**	**0**
Net Increase/Decrease before Transfers (to)/from Reserves	**(5,432)**	**0**	**909**	**2,544**	**1,239**	**(390)**	**(1,131)**	**102,827**	**101,696**
Transfers (to)/from Earmarked Reserves	5,650	(4,902)	(748)	0	0	0	**0**	**0**	**0**
Increase/Decrease in Year	**218**	**(4,902)**	**161**	**2,544**	**1,239**	**(390)**	**(1,131)**	**102,827**	**101,696**
Balance at 31 March 2023 carried forward	**2,415**	**14,073**	**1,191**	**22,632**	**6,947**	**1,707**	**48,964**	**332,015**	**380,979**

COMPREHENSIVE INCOME AND EXPENDITURE STATEMENT 2022/23

2021/22 Gross Expenditure £'000	2021/22 Gross Income £'000	2021/22 Net Expenditure £'000		Note	2022/23 Gross Expenditure £'000	2022/23 Gross Income £'000	2022/23 Net Expenditure £'000
34,108	(27,382)	6,726	Chief Executive's Directorate		39,582	(32,766)	6,816
3,425	(2,794)	631	Housing and Regeneration		3,898	(2,782)	1,116
8,475	(30,080)	(21,605)	Housing Revenue Account (HRA)		7,007	(31,929)	(24,922)
22,643	(12,589)	10,054	Communities and Environment		21,897	(13,082)	8,816
1,678	(811)	866	Major Developments		5,094	(948)	4,146
936	(454)	482	Corporate Services		1,063	(612)	450
71,265	**(74,110)**	**(2,846)**	**Cost of Services**		**78,541**	**(82,119)**	**(3,578)**
		467	Other Operating Expenditure	11			318
		4,843	Financing and Investment Income and Expenditure	12			1,994
		(21,641)	Taxation and Non-Specific Grant Income	13			(24,051)
		(19,177)	**(Surplus) or Deficit on Provision of Services**				**(25,317)**
		(2,990)	(Surplus) or deficit on revaluation of non-current assets	14			(980)
		0	Impairment Losses on Non-Current Assets charged to the Revaluation Reserve				0
		(63)	(Surplus) or deficit from investments in equity instruments designated at fair value through other comprehensive income	26e			(8)
		(29,869)	Total re-measurements on defined benefit obligation	44			(75,391)
		(32,922)	**Other Comprehensive Income and Expenditure**				**(76,380)**
		(52,098)	**Total Comprehensive Income and Expenditure**				**(101,696)**

BALANCE SHEET AS AT 31 MARCH 2023

31 March 2022 £'000		Notes	31 March 2023 £'000
416,478	Property, Plant & Equipment	14,39,41	444,141
2,768	Heritage Assets	15	2,768
36,016	Investment Property	14,16	36,578
207	Intangible Assets	14,17,39	88
816	Long Term Investments	18,47	824
724	Long Term Debtors	18,47	611
457,009	**Long Term Assets**		**485,011**
1,500	Assets Held for Sale	22	1,500
49,878	Short Term Investments	18,47	36,932
104	Inventories	19	155
0	Cash at Bank	21	509
24,916	Short Term Debtors	18,20,47	16,545
76,398	**Current Assets**		**55,641**
(103)	Cash and Cash Equivalents	18,21,47	0
(14,932)	Short Term Borrowing	18,47	(14,396)
(43,929)	Short Term Creditors	18,23,47	(26,254)
(58,964)	**Current Liabilities**		**(40,649)**
0	Long Term Creditors	18,47	0
(2,197)	Provisions	24	(1,985)
(111,962)	Long Term Borrowing	18,47	(109,243)
(80,999)	Other Long-Term Liabilities	44	(7,796)
(195,158)	**Long Term Liabilities**		**(119,024)**
279,283	**Net Assets**		**380,979**
50,094	Usable reserves	10,25	48,964
229,188	Unusable Reserves	26	332,015
279,283	**Total Reserves**		**380,979**

CASH FLOW STATEMENT

2021/22 £'000		Notes	2022/23 £'000
19,177	Net surplus or (deficit) on the provision of services		25,317
2,975	Adjustments to net (surplus) or deficit on the provision of services for non-cash movements	28	(20,700)
(11,108)	Adjustments for items included in the net (surplus) or deficit on the provision of services that are investing and financing activities	29	(13,114)
11,044	**Net cash flows from Operating Activities**		**(8,497)**
(24,808)	Investing Activities	30	7,138
13,098	Financing Activities	31	1,971
(666)	**Net (increase) or decrease in cash and cash equivalents**		**612**
563	Cash and cash equivalents at the beginning of the reporting period		(103)
(103)	**Cash and cash equivalents at the end of the reporting period**	21	**509**

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NOTES TO THE ACCOUNTS

The values held within the proceeding Notes to the Accounts may vary slightly when compared to the main Statements or other Notes, which may also include casting variances. This is due to amounts being rounded. It is not expected that a difference would be in excess of £2,000 in any single case.

Note 1 – Accounting Policies

1. General Principles

The Statement of Accounts summarises the Council's transactions for the 2022/23 financial year and its position at the year-end of 31 March 2023. The Statement of Accounts has been prepared in accordance with proper accounting practices. These practices primarily comprise the Code of Practice on Local Authority Accounting in the United Kingdom 2022/23 (the Code), supported by International Financial Reporting Standards (IFRS) and statutory guidance issued under section 7 of the Accounts and Audit Regulations 2015.

The accounting convention adopted in the Statement of Accounts is historic cost, modified by the revaluation of certain categories of non-current assets and financial instruments.

2. Accruals of Income and Expenditure

The revenue accounts of the Council are maintained on an accrual's basis meaning that activity is accounted for in the year that it takes place, not simply when cash payments are made or received. In particular:

- Revenue from the sale of goods or services is recognised in accordance with the terms and conditions of the contract.
- Supplies are recorded as expenditure when they are consumed – where there is a gap between the date supplies are received and their consumption they are carried as inventories on the Balance Sheet.
- Expenses in relation to services received (including services provided by employees) are recorded as expenditure when the services are received rather than when payments are made.
- Interest receivable on investments and payable on borrowings is accounted for respectively as income and expenditure on the basis of the effective interest rate for the relevant financial instrument rather than the cash flows fixed or determined by the contract.
- Where revenue and expenditure have been recognised but cash has not been received or paid, a debtor or creditor for the relevant amount is recorded in the Balance Sheet. Where debts may not be settled, the balance of debtors is written down and a charge made to revenue for the income that might not be collected.

3. Cash and Cash Equivalents

Cash is represented by cash in hand and deposits with financial institutions repayable without penalty on notice of not more than 24 hours. Cash equivalents are investments that mature within three months or less from the date of acquisition and that are readily convertible to known amounts of cash with insignificant risk of change in value.

In the Cash Flow Statement, cash and cash equivalents are shown net of bank overdrafts that are repayable on demand and form an integral part of the Council's cash management.

4. Prior Period Adjustments, Changes in Accounting Policies and Estimates and Errors

Prior period adjustments may arise as a result of a change in accounting policies or to correct a material error. Changes in accounting estimates are accounted for prospectively i.e., in the current and future years affected by the change and do not give rise to prior period adjustment.

Changes in accounting policies are only made when required by proper accounting practices or the change provides more reliable or relevant information about the effect of transactions, other events and conditions on the Council's financial position or financial performance. Where a change is made, it is applied retrospectively (unless stated otherwise) by adjusting opening balances and comparative amounts for the prior period as if the new policy had always been applied.

Material errors discovered in prior period figures are corrected retrospectively by amending opening balances and comparative amounts for the prior period.

5. Charges to Revenue for Non-Current Assets

Service revenue accounts, central support services and trading accounts are charged with the following amounts to reflect the cost of holding non-current assets during the year:

- depreciation of the assets used by the service.
- revaluation and impairment losses on assets used by the service where there are no accumulated gains in the Revaluation Reserve against which losses can be written off.
- amortisation of intangible assets used by the service.

The Council is not required to raise council tax to fund depreciation, revaluation and impairment losses or amortisation. However, it is required to make an annual contribution from revenue towards the reduction in its overall borrowing requirement equal to an amount calculated on a prudent basis determined by the Council in accordance with statutory guidance. This is referred to as the Minimum Revenue Provision (MRP) and Voluntary Revenue Provision (VRP). The Council's policy on MRP is approved by Council in March each year as part of the Treasury Management Strategy. Depreciation, revaluation and impairment losses and amortisation are

replaced by the MRP and VRP, by way of an adjusting transaction between the Capital Adjustment Account and the General Fund Balance in the Movement in Reserves Statement, for the differences between the two.

6. Council Tax and Non-Domestic Rates

The Council (as the billing authority) acts as an agent, collecting council tax and non-domestic rates (NDR) on behalf of Lincolnshire County Council and Lincolnshire Police (including government for NDR) and, as principals, collecting council tax and NDR for themselves. Billing authorities are required by statute to maintain a separate fund (the Collection Fund) for the collection and distribution of amounts due in respect of council tax and NDR. Under the legislative framework for the Collection Fund, all share proportionately the risks and rewards that the amount of council tax and NDR collected could be less or more than predicted.

Accounting for Council Tax and NDR

The council tax and NDR income included in the Comprehensive Income and Expenditure Statement is the Council's share of accrued income for the year. However, regulations determine the amount of council tax and NDR that must be included in the Council's General Fund. Therefore, the difference between the income included in the Comprehensive Income and Expenditure Statement and the amount required by regulation to be credited to the General Fund is taken to the Collection Fund Adjustment Account and included as a reconciling item in the Movement in Reserves Statement.

The Balance Sheet includes the Council's share of the end of year balances in respect of council tax and NDR relating to arrears, impairment allowances for doubtful debts, overpayments and prepayments and appeals.

Where debtor balances for the above are identified as impaired because of a likelihood arising from a past event that payment due under the statutory arrangements will not be made, the asset is written down and a charge made. The impairment loss is measured as the difference between the carrying amount and the revised future cash flows.

7. Employee Benefits

Benefits payable during employment

Short-term employee benefits are those due to be settled within 12 months of the year-end. They include such benefits as wages and salaries, paid annual leave and paid sick leave, bonuses and non-monetary benefits (e.g., cars) for current employees and are recognised as an expense for services in the year in which employees render service to the Council. An accrual is made for the cost of holiday entitlements or time off in lieu, earned by employees but not taken before the year-end, which employees can carry forward into the next financial year. The accrual is made at the wage and salary rates applicable in the following accounting year, being the period in which employees take the benefit. The accrual is charged to Surplus or Deficit on the Provision of Services, but then reversed out through the Movement in Reserves Statement so that holiday benefits are charged to revenue in the financial year in which the holiday absence occurs.

Termination benefits

Termination benefits are amounts payable as a result of a decision by the Council to terminate an officer's employment before the normal retirement date, or an officer's decision to accept voluntary redundancy, and are charged on an accruals basis to the appropriate service segment or, where applicable, to a corporate service segment for non-distributed costs in the Comprehensive Income and Expenditure Statement at the earlier of when the Council can no longer withdraw the offer of those benefits or when the Council recognises costs of restructuring.

Where termination benefits involve the enhancement of pensions, statutory provisions require the General Fund balance to be charged with the amount payable by the Council to the pension fund or pensioner in the year, not the amount calculated according to relevant accounting standards. In the Movement in Reserves Statement, transfers are required to and from the Pensions Reserve to remove notional debits and credits for pension enhancement termination benefits and replace them with debits for the cash paid to the pension fund and pensioners and any such amounts payable but unpaid at the year-end.

Post-Employment Benefits

Employees of the Council are members of the Local Government Pension Scheme, administered by Lincolnshire County Council. This scheme provides defined benefits to members (retirement lump sums and pensions), earned as employees worked for the Council.

The Local Government Pension Scheme

The Local Government Scheme is accounted for as a defined benefits scheme.

The liabilities of the Lincolnshire County Council pension fund attributable to the Council are included in the Balance Sheet on an actuarial basis using the protected unit method – i.e. an assessment of the future payments that will be made in relation to retirement benefits earned to date by employees, based on assumptions about mortality rates, employee turnover rates, etc., and forecasts of projected earnings for current employees.

Liabilities are discounted to their value at current prices, using a discount rate determined by the pension scheme actuary (based on the yield of UK Government Bonds plus a 'credit spread' allowance to reflect the extra risk involved in using AA corporate bond yields).

The assets of the Lincolnshire County Council pension fund attributable to the Council are included in the Balance Sheet at their fair value:

- Quoted securities – current bid price
- Unquoted securities – professional estimate
- Unitised securities – current bid price
- Property – market value.

The change in the net pension's liability is analysed into the following components:

- Current service cost – the increase in the present value of a defined benefit obligation resulting from employee service in the current period – allocated in the Comprehensive Income and Expenditure Statement to the services for which the employees worked.

- Past service cost – the change in the present value of the defined benefit obligation for the employee service in prior periods, resulting from a plan amendment or a curtailment and any gain or loss on settlement – debited to the Surplus or Deficit on the Provision of Services in the Comprehensive Income and Expenditure Statement as part of Non-Distributed Costs.

- Net interest cost on the net defined benefit liability (asset), i.e. net interest expense for the Council – the change during the period in the net defined benefit liability (asset) that arises from the passage of time charged to the Financing and Investment Income and Expenditure line of the Comprehensive Income and Expenditure Statement – this is calculated by applying the discount rate used to measure the defined benefit obligation at the beginning of the period to the net defined benefit liability (asset) at the beginning of the period – taking into account any changes in the net defined benefit liability (asset) during the period as a result of contribution and benefit payments.

- Re-measurements comprising:

  - the return on plan assets – excluding amounts included in net interest on the defined benefit liability (asset) – charged to the Pensions Reserve as Other Comprehensive Income and Expenditure,

  - actuarial gains and losses – changes in the net pensions liability that arise because events have not coincided with assumptions made at the last actuarial valuation or because the actuaries have updated their assumptions – charged to the Pensions Reserve as Other Comprehensive Income and Expenditure,

- Contributions paid to the Local Government Pension Fund – cash paid as employer's contributions to the pension fund in settlement of liabilities; not accounted for as an expense.

In relation to retirement benefits, statutory provisions require the General Fund balance to be charged with the amount payable by the Council to the pension fund or directly to pensioners in the year, not the amount calculated according to the relevant accounting standards. In the Movement in Reserves Statement, this means that there are transfers to and from the Pensions Reserve to remove the notional debits and credits for retirement benefits and replace them with debits for the cash paid to the pension fund and pensioners and any such amounts payable but unpaid at the year-end. The negative balance that arises on the Pension Reserve thereby measures the beneficial impact to the General Fund of being required to account for retirement benefits on the basis of cash flows rather than as benefits are earned by employees.

Discretionary Benefits

The Council also has restricted powers to make discretionary awards of retirement benefits in the event of early retirements. Any liabilities estimated to arise as a result of an award to any member of staff are accrued in the year of decision to make the award and accounted for using the same policies as are applied to the Local Government Pension Scheme.

8. Events After the Balance Sheet Date

Events after the Balance Sheet date are those events, both favourable and unfavourable, that occur between the end of the reporting period and the date when the Statement of Accounts is authorised for issue. Two types of events can be identified:

- Those that provide evidence of conditions that existed at the end of the reporting period – the Statement of Accounts is adjusted to reflect such events.

- Those that are indicative of conditions that arose after the reporting period – the Statement of Accounts is not adjusted to reflect such events, but where a category of events would have a material effect, disclosure is made in the notes of the nature of the events and their estimated financial effect.

Events taking place after the date of authorisation for issue are not reflected in the Statement of Accounts.

9. Financial Instruments

Financial Liabilities

Financial liabilities are recognised on the Balance Sheet when the Council becomes a party to the contractual provisions of a financial instrument. They are initially measured at fair value and carried at their amortised cost. Annual charges for interest payable are shown in the Financing and Investment Income and Expenditure line in the Comprehensive Income and Expenditure Statement and are based on the carrying amount of the liability, multiplied by the effective rate of interest for the instrument. The effective interest rate is the rate that exactly discounts estimated future cash payments over the life of the instrument to the amount at which it was originally recognised.

For most of the borrowings that the Council has, this means that the amount presented in the Balance Sheet is the outstanding principal repayable, with accrued interest due within one year shown under short term borrowings; and interest charged to the Comprehensive Income and Expenditure Statement is the amount payable for the year according to the loan agreement.

Where premiums and discounts have been charged to the Comprehensive Income and Expenditure Statement, regulations allow the impact on the General Fund Balance to be spread over future years. The Council has a policy of spreading the gain or loss over the unexpired life of the original loan. The reconciliation of amounts charged to the Comprehensive Income and Expenditure Statement to the net charge required against the General Fund Balance is managed by a transfer to or from the Financial Instruments Adjustment Account in the Movement in Reserves Statement.

Financial Assets

Financial assets are classified based on a classification and measurement approach that reflects the business model for holding the financial assets and their cash flow characteristics. There are three main classes of financial assets measured at:

- amortised cost
- fair value through profit or loss (FVPL), and
- fair value through other comprehensive income

The Council's business model is to hold investments to collect contractual cash flows. Financial assets are therefore classified as amortised cost, except for those whose contractual payments are not solely payment of principal and interest (i.e., where the cash flows do not take the form of a basic debt instrument).

Financial Assets Measured at Amortised Cost

Financial assets measured at amortised cost are recognised on the Balance Sheet when the Council becomes a party to the contractual provisions of a financial instrument. They are initially measured at fair value and carried at their amortised cost. Annual credits to the Financing and Investment Income and Expenditure line in the Comprehensive Income and Expenditure Statement for interest receivable are based on the carrying amount of the asset multiplied by the effective rate of interest for the instrument. For most of the financial assets held by the Council, this means that the amount presented in the Balance Sheet is the outstanding principal receivable, with interest receivable within one year shown under short term investments and interest credited to the Comprehensive Income and Expenditure Statement is the amount receivable for the year in the loan agreement.

However, occasionally the Council may make loans to other parties (e.g., voluntary organisations) at less than market rates (soft loans). When soft loans are made, a loss is recorded in the Comprehensive Income and Expenditure Statement for the present value of the interest that will be foregone over the life of the instrument, resulting in a lower amortised cost than the outstanding principal. Interest is credited to the Financing and Investment Income and Expenditure line in the Comprehensive Income and Expenditure Statement at a marginally higher effective rate of interest than the rate receivable, with the difference serving to increase the amortised cost of the loan in the Balance Sheet. Statutory provisions require that the impact of soft loans on the General Fund Balance is the interest receivable for the financial year – the reconciliation of amounts debited and credited to the Comprehensive Income and Expenditure Statement to the net gain required against the General Fund Balance is managed by a transfer to or from the Financial Instruments Adjustment Account in the Movement in the Reserves Statement.
Any gains and losses that arise on the de-recognition of an asset are credited or debited to the Financing and Investment Income and Expenditure line in the Comprehensive Income and Expenditure Statement.

Expected Credit Loss Model

The Council recognises expected credit losses on all of its financial assets held at amortised cost (or where relevant FVOCI), either on a 12-month or lifetime basis. The expected credit loss model also applies to lease receivables and contract assets. Only lifetime losses are recognised for trade receivables (debtors) held by the Authority.

Impairment losses are calculated to reflect the expectation that the future cash flows might not take place because the borrower could default on their obligations. Credit risk plays a crucial part in assessing losses. Where risk has increased significantly since an instrument was initially recognised, losses are assessed on a lifetime basis. Where risk has not increased significantly or remains low, losses are assessed on the basis of 12-month expected losses.

The Council has a number of loans to local organisations. It may not have reasonable and verifiable information to support the measurement of lifetime losses on individual loans without undue cost or effort to support the measurement of lifetime expected losses. It has therefore assessed losses for the portfolio on a collective basis.

The Council has grouped the loans into four groups for assessing loss allowances:

- Group 1 – Commercial investments in line with treasury management policy including counterparties that have external credit ratings of A or better. Loss allowances will be assessed on a group basis using the simplified approach of collective assessment.
- Group 2 – Loans to related parties. Loss allowances for these loans are assessed on an individual basis and / or an individual borrower basis.
- Group 3 – Money Market funds. Loss allowance will be assessed on market value of the investment in the fund.

Financial Assets measured at fair Value through Profit and Loss FVPL

Financial assets that are measured at FVPL are recognised on the Balance Sheet when the Council becomes a party to the contractual provisions of a financial instrument and are initially measured and carried at fair value. Fair value gains and losses are recognised as they arrive in the Surplus or Deficit on the Provision of Services

The fair value measurements of the financial assets are based on the following techniques:

- Instruments with quoted market prices in active markets for identical assets – the market price

- Other instruments with fixed and determinable payments in active markets for identical assets – discounted cash flow analysis

The inputs to the measurement techniques are categorised in accordance with the following three levels:

- Level 1 inputs – quoted prices (unadjusted) in active markets for identical assets that the Authority can access at the measurement date.

- Level 2 inputs – inputs other than quoted prices included within Level 1 that are observable for the asset, either directly or indirectly.

- Level 3 inputs – unobservable inputs for the asset.

Any gains and losses that arise on de-recognition of the asset are credited or debited to the Financing and Investment Income and Expenditure line in the Comprehensive Income and Expenditure Statement.

10. Foreign Currency Translation

Where the Council has entered into a transaction denominated in a foreign currency, the transaction is converted into sterling at the exchange rate applicable on the date the transaction was effective. Where material amounts in foreign currency are outstanding at the year-end, they are reconverted at the spot exchange rate at 31 March. Resulting gains or losses, if material, are recognised in the Financing and Investment Income and Expenditure line in the Comprehensive Income and Expenditure Statement.

11. Government Grants and Contributions

Whether paid on account, by instalments or in arrears, government grants and third-party contributions and donations are recognised as due to the Council when there is reasonable assurance that:

- The Council will comply with the conditions attached to the payments and
- The grants or contributions will be received.

Amounts recognised as due to the Council are not credited to the Comprehensive Income and Expenditure Statement until conditions attached to the grant or contribution have been satisfied. Conditions are stipulations that specify that the future economic benefits or service potential embodied in the asset acquired using the grant or contribution are required to be consumed by the recipient as specified, or future economic benefits or service potential must be returned to the transferor.

Monies advanced as grants and contributions for which conditions have not been satisfied are carried in the Balance Sheet as creditors. When conditions are satisfied, the grant or contribution is credited to the relevant service line (attributable revenue grants and contributions) or Taxation and Non-Specific Grant Income (non-ring-fenced revenue grants and all capital grants) in the Comprehensive Income and Expenditure Statement.

Where capital grants are credited to the Comprehensive Income and Expenditure Statement, they are reversed out of the General Fund Balance in the Movement in Reserves Statement. Where the grant has yet to be used to finance capital expenditure, it is posted to the Capital Grants Unapplied reserve. Where it has been applied, it is posted to the Capital Adjustment Account. Amounts in the Capital Grants Unapplied reserve are transferred to the Capital Adjustment Account once they have been applied to fund capital expenditure.

Business Improvement Districts

A Business Improvement District (BID) scheme applies across the whole of the Council. The scheme is funded by BID levy paid by non-domestic ratepayers. The Council acts as a principal under the scheme, and accounts for income received and expenditure incurred (including contributions to the BID project) within the relevant services within the Comprehensive Income and Expenditure Statement.

Community Infrastructure Levy

The Council has elected to charge a Community Infrastructure Levy (CIL). The levy will be charged on new builds (chargeable development for the Authority) with appropriate planning consent. The Council charges for and collects the levy, which is a planning charge. The income from the levy will be used to fund a number of infrastructure projects (these include transport and schools) to support the development of the area.

CIL is received without outstanding conditions; it is therefore recognised at the commencement date of the chargeable development in the Comprehensive Income and Expenditure Statement in accordance with the accounting policy for government grants and contributions set out above. CIL charges will be largely used to fund capital expenditure, however a proportion of the charges may be used to fund revenue expenditure.

12. Intangible Assets

Intangible assets are assets that do not have physical substance but are identifiable and controlled by the Council (e.g., software licences). Expenditure on intangible assets is capitalised when it is expected that future economic benefits or service potential will flow from the intangible asset to the Council for a period of more than one year.

Internally generated intangible assets are capitalised where it is demonstrable that the project is technically feasible and is intended to be completed and the Council will be able to generate future economic benefits or deliver service potential by being able to sell or use the asset. Expenditure is capitalised where it can be measured reliably as attributable to the asset and is restricted to that incurred during the development phase (research expenditure cannot be capitalised).

Expenditure on the development of the Council's website is not capitalised as the website is primarily intended to promote or advertise the Council's services.

Intangible assets are measured initially at cost. Amounts are only re-valued where the fair value of the assets can be determined by reference to an active market. In practice, no intangible asset held by the Council meets this criterion, and they are therefore carried at amortised cost.
Intangible assets are amortised over their useful life and charged to the relevant service lines in the Comprehensive Income and Expenditure. Any gain or loss arising on the disposal or abandonment of an intangible asset is posted to the Other Operating Expenditure line in the Comprehensive Income and Expenditure Statement.

Where expenditure on intangible assets qualifies as capital expenditure for statutory purposes, amortisation, impairment losses and disposal gains and losses are not permitted to have an impact on the General Fund Balance. The gains and losses are therefore reversed out of the General Fund Balance in the Movement in Reserves Statement and posted to the Capital Adjustment Account and (for any sale proceeds greater than £10,000) the Capital Receipts Reserve.

13. Interests in Companies and other Entities

Councils are required to produce Group Accounts to include services offered to Council Tax payers by organisations other than the Council itself but in which the Council has an interest. There are a number of criteria set out by which the Council must determine whether the value of the company and the Council's interest is significant enough for Group Accounts to be produced. The Council has complied with the Code of Practice on Local Authority Accounting, and while it has identified a company over which it has joint control, it has concluded that the company does not meet the criteria that would require consolidation into the Council's accounts on materiality grounds.

14. Inventories and Long-Term Contracts

Inventories are included in the Balance Sheet at the lower of cost and net realisable value. The cost of inventories is assigned using either the FIFO or weighted average costing formula.

Long term contracts are accounted for on the basis of charging the Surplus and Deficit on the Provision of Services with the value of works and services received under the contract during the financial year.

15. Investment Property

Investment properties are those that are used solely to earn rentals and/or for capital appreciation. The definition is not met if the property is used in any way to facilitate the delivery of services.

Investment properties are measured initially at cost and subsequently at fair value, based on the highest and best use value of the asset. Investment properties are not depreciated but are re-valued annually according to market conditions to ensure that they are held at the highest and best use value on the Balance Sheet date. Gains and losses on revaluation are posted to the Financing and Investment Income and Expenditure line in the Comprehensive Income and Expenditure Statement. The same treatment is applied to gains and losses on disposal.

Rentals received in relation to investment properties are credited to the Financing and Investment Income and Expenditure line and result in a gain for the General Fund Balance. However, revaluation and disposal gains and losses are not permitted by statutory arrangements to have an impact on the General Fund Balance. The gains and losses are therefore reversed out of the General Fund Balance in the Movement in Reserves Statement and posted to the Capital Adjustment Account and (for any sale proceeds greater than £10,000) the Capital Receipts Reserve.

16. Joint Operations

Joint Operations are arrangements where the parties that have joint control of the arrangement have rights to the assets and obligations for the liabilities relating to the arrangement. The activities undertaken by the Council in conjunction with other joint operators involve the use of the assets and resources of those joint operators. In relation to its interest in a joint operation, the Council as a joint operator recognises:

- Its assets, including its share of any assets held jointly.
- Its liabilities, including its share of any liabilities incurred jointly.
- Its revenue from the sale of its share of the output arising from the joint operation.
- Its share of the revenue from the sale of the output by the joint operation.
- Its expenses, including its share of any expenses incurred jointly.

17. Leases

Leases are classified as finance leases where the terms of the lease transfer substantially all the risks and rewards incidental to ownership of the property, plant or equipment from the lessor to the lessee. All other leases are classified as operating leases.

Where a lease covers both land and buildings, the land and buildings elements are considered separately for classification.

Arrangements that do not have the legal status of a lease but convey a right to use an asset in return for payment are accounted for under this policy where fulfilment of the arrangement is dependent on the use of specific assets.

The Council as Lessee

Finance Leases

Property, plant and equipment held under finance leases is recognised on the Balance Sheet at the commencement of the lease at its fair value measured at the lease's inception (or the present value of the minimum lease payments, if lower). The asset recognised is matched by a liability for the obligation to pay the lessor. Initial direct costs of the Council are added to the carrying amount of the asset. Premiums paid on entry into a lease are applied to writing down the lease liability. Contingent rents are charged as expenses in the periods in which they are incurred.

Lease payments are apportioned between:

- A charge for the acquisition of the interest in the property, plant or equipment – applied to write down the lease liability, and

- A financing charge (debited to the Financing and Investment Income and Expenditure line in the Comprehensive Income and Expenditure Statement).

Property, Plant and Equipment recognised under finance leases is accounted for using the policies applied generally to such assets, subject to depreciation being charged

over the lease term if this is shorter than the asset's estimated useful life (where ownership of the asset does not transfer to the Council at the end of the lease period).

The Council is not required to raise council tax to cover depreciation or revaluation and impairment losses arising on leased assets. Instead, a prudent annual contribution (Voluntary Revenue Provision - VRP) is made from revenue funds towards the deemed capital investment in accordance with statutory requirements. Depreciation and revaluation and impairment losses are therefore substituted by the VRP in the General Fund Balance, by way of an adjusting transaction with the Capital Adjustment Account in the Movement in Reserves Statement for the difference between the two.

Operating Leases

Rentals paid under operating leases are charged to the Comprehensive Income and Expenditure Statement as an expense of the service benefiting from use of the leased asset. Charges are made on a straight-line basis over the term of the lease, even if this doesn't match the pattern of payments.

The Council as Lessor

Finance Leases

Where the Council grants a finance lease over a property or an item of plant or equipment, the relevant asset is written out of the Balance Sheet as a disposal. At the commencement of the lease, the carrying amount of the asset in the Balance Sheet is written off to the Other Operating Expenditure line in the Comprehensive Income and Expenditure Statement as part of the gain and loss on disposal. A gain, representing the Council's net investment in the lease, is credited to the same line in the Comprehensive Income and Expenditure Statement also as part of the gain or loss on disposal (i.e., netted off against the carrying value of the asset at the time of disposal), matched by a long-term lease debtor in the Balance Sheet.

Lease rentals receivable are apportioned between:

- A charge for the acquisition of the interest in the property – applied to write down the lease debtor (together with any premiums received), and

- Finance income (credited to the Financing and Investment Income and Expenditure line in the Comprehensive Income and Expenditure Statement).

The gain credited to the Comprehensive Income and Expenditure Statement on disposal is not permitted by statute to increase the General Fund Balance and is required to be treated as a capital receipt. Where a premium has been received, this is posted out of the General Fund Balance to the Capital Receipt Reserve in the Movement in Reserves Statement. Where the amount due in relation to the leased asset is to be settled by the payment of rentals in future financial years, this is posted out of the General Fund Balance to the Deferred Capital Receipts Reserve in the Movement in Reserves Statement. When the future rentals are received, the element for the capital receipt for the disposal of the asset is used to write down the lease debtor. At this point, the deferred capital receipts are transferred to the Capital Receipts Reserve.

The written-off value of disposals is not a charge against council tax, as the cost of assets is fully provided for under separate arrangements for capital financing. Amounts are therefore appropriated to the Capital Adjustment Account from the General Fund Balance in the Movement in Reserve Statement.

Operating Leases

Where the Council grants an operating lease over a property or an item of plant or equipment, the asset is retained in the Balance Sheet. Rental income is credited to the Other Operating Expenditure line in the Comprehensive Income and Expenditure Statement. Credits are made on a straight-line basis over the life of the lease. Initial direct costs incurred in negotiating and arranging the lease are added to the carrying amount of the relevant asset and charged as an expense over the lease term on the same basis as rental income.

18. Overheads and Support Services

The cost of overheads and support services are charged to service segments in accordance with the Council's arrangements for accountability and financial performance.

19. Non-Current Assets – Property, Plant and Equipment

Assets that have physical substance and are held for use in the supply of services, for rental to others, or for administrative purposes and that are expected to be used during more than one financial year are classified as Property, Plant and Equipment.

Recognition

Expenditure on the acquisition, creation or enhancement of Property, Plant or Equipment is capitalised on an accrual's basis, provided that it is probable that the future economic benefits or service potential associated with the item will flow to the Council and the cost of the item can be measured reliably. Expenditure that maintains but does not add to an asset's potential to deliver future economic benefits or service potential (i.e., Repairs and maintenance) is charged as an expense when it is incurred.

Measurement

Assets are initially measured at cost, comprising:

- The purchase price.
- Any costs attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management.
- The initial estimate of the costs of dismantling and removing the item and restoring the site on which it is located.

The Council does not capitalise borrowing costs incurred whilst assets are under construction.

The cost of assets acquired other than by purchase is deemed to be its current value, unless the acquisition does not have commercial substance (i.e., it will not lead to a variation in the cash flows of the Council). In the latter case, where an asset is acquired via an exchange, the cost of the acquisition is the carrying amount of the asset given up by the Council.

Donated assets are measured initially at fair value. The difference between fair value and any consideration paid is credited to the Taxation and Non-Specific Grant Income line of the Comprehensive Income and Expenditure Statement, unless the donation has been made conditionally. Until conditions are satisfied, the gain is held in the Donated Assets Account. Where gains are credited to the Comprehensive Income and Expenditure Statement, they are reversed out of the General Fund Balance to the Capital Adjustment Account in the Movement in Reserves Statement.

Assets are then carried in the Balance Sheet using the following measurement bases:

- Infrastructure, community assets and assets under construction – depreciated historical cost.
- Dwellings – current value, determined using the basis of existing use value for social housing (EUV-SH)
- Investment properties and surplus assets – the current value measurement base is fair value, estimated at highest and best use from a market participant's perspective.
- All other assets – current value, determined as the amount that would be paid for the asset in its existing use (existing use value – EUV).

Where there is no market-based evidence of current value because of the specialist nature of an asset, depreciated replacement cost (DRC) is used as an estimate of current value.

For non-property assets that have short useful lives or low values (or both), depreciated historical cost basis is used as a proxy for current value.

Assets included in the Balance Sheet at current value are re-valued sufficiently regularly to ensure that their carrying amount is not materially different from their current value at the year-end, but as a minimum every five years. Increases in valuations are matched by credits to the Revaluation Reserve to recognise unrealised gains. However, in exceptional circumstances, gains may be credited to the Comprehensive Income and Expenditure Statement where they arise from the reversal of a loss previously charged to services.

When decreases in value are identified, they are accounted for as follows:

- Where there is a balance of revaluation gains for the asset in the Revaluation Reserve, the carrying amount of the asset is written down against that balance, up to the amount of the accumulated gains.

- Where there is no balance in the Revaluation Reserve or an insufficient balance, the carrying amount of the asset is written down against the relevant service lines in the Comprehensive Income and Expenditure Statement.

The Revaluation Reserve contains revaluation gains recognised since 1 April 2007 only, the date of its formal implementation. Gains arising before that date have been consolidated into the Capital Adjustment Account.

Impairment

Assets are reviewed at each year-end for evidence of reductions in value i.e., impairment. Where impairment is identified, the recoverable amount of the asset is estimated and, where this is less than the carrying amount of the asset, an impairment loss is recognised for the shortfall.

When impairment losses are identified, they are accounted for as follows:

- Where there is a balance in the revaluation gains for the asset in the Revaluation Reserve, the carrying amount of the asset is written down against that balance, up to the amount of the accumulated gains.

- Where there is no balance in the Revaluation Reserve or an insufficient balance, the carrying amount of the asset is written down against the relevant service line(s) in the Comprehensive Income and Expenditure Statement.

Where an impairment loss is reversed subsequently, the reversal is credited to the relevant service line in the Comprehensive Income and Expenditure Statement, up to the amount of the original loss, adjusted for depreciation that would have been charged if the loss had not been recognised.

Depreciation

Depreciation is provided for on all Property, Plant and Equipment assets by the systematic allocation of their depreciable amounts over their useful lives. An exception is made for assets without a determinable finite useful life (i.e., freehold land and certain Community Assets) and assets that are not yet available for use (i.e. assets under construction).

Depreciation is calculated on the following bases:

- Dwellings and Other buildings – straight-line allocation over the useful life of the property as estimated by the Valuer.
- Vehicles, plant, furniture and equipment – straight-line allocation over the useful life of each class of asset

Where an item of property, plant or equipment asset has major components whose cost is significant in relation to the total cost of the item, the components are depreciated separately.

In relation to Council Dwellings, depreciation is based on the Existing Use Social Housing Value (EU-SHV) on the components, deemed to be land and buildings.

Revaluation gains are also depreciated, with an amount equal to the difference between the current value depreciation charge on assets and the depreciation that

would have been charged based on their historical cost, being transferred each year from the Revaluation Reserve to the Capital Adjustment Account.

20. Heritage Assets

The Council holds a number of Heritage Assets, which can be grouped into the following categories:

- Civic Insignia
- Art and Sculptures
- Musical Instruments
- Vehicles
- Ancient Monuments and War Memorials
- Miscellaneous

These are not held in a single collection but in a number of appropriate locations, where they are considered to contribute to increasing the knowledge, understanding and appreciation of the Council's history and local area.

Heritage Assets are recognised and measured (including the treatment of revaluation gains and losses) in accordance with the Council's accounting policies on Property, Plant and Equipment. However, some of the measurement rules are relaxed in relation to heritage assets as detailed below.

- **Civic Insignia**

  The collection of civic insignia includes the Mayor's and Sheriff's badges and chains of office, mace and ceremonial swords. These items are reported in the Balance Sheet at insurance valuation which is based on market values. These insurance valuations are subject to periodic reviews by a specialist valuer. The civic insignia are deemed to have indeterminate lives and a high residual value; hence the Council does not consider it appropriate to charge depreciation.

- **Art and Sculptures**

  This category includes paintings and a number of public art works such as statues and sculptures. Where a valuation is available e.g., an insurance valuation, the asset is reported in the balance sheet at this valuation. However, for a number of public art sculptures and statues, no cost or valuation information is available and consequently, these assets are not recognised in the balance sheet. Where artworks are recognised, they are deemed to have indeterminate lives and the Council does not consider it appropriate to charge depreciation.

- **Musical Instruments**

  The Council holds a Steinway grand piano on loan to Lincoln College and a Stradivarius violin, which is on loan to the Halle orchestra. These items are not held on our balance sheet as they are deemed to be controlled by the loanee.

- **Vehicles**

  The Council holds one diesel locomotive as a heritage asset. This is reported in the Balance Sheet at insurance valuation which is based on market values. The insurance valuations are subject to periodic reviews by a specialist valuer. The vehicle is deemed to have indeterminate life as it is not in operation but is on display; hence the Council does not consider it appropriate to charge depreciation.

- **Ancient Monuments and War Memorials**

  This category includes various roman ruins and ancient structures and four war memorials. The Council does not consider that reliable cost or valuation information can be obtained for the items in this category. This is because of the nature of the assets held and the lack of market values. Consequently, these assets are not recognised in the Balance Sheet.

- **Miscellaneous**

  This category includes any other assets which are being held for their contribution to knowledge and culture but do not readily fall into the above categories. One example is the collection of Books of Remembrance held at the City crematorium. These items are reported in the Balance Sheet at either cost or insurance valuation where material. No depreciation is charged on these assets.

Heritage Assets – General

The carrying amounts of heritage assets are reviewed where there is evidence of impairment e.g., where an item has suffered physical deterioration or breakage or where doubts arise as to its authenticity. Any impairment is recognised and measured in accordance with the Council's accounting policies on impairment. The Council may occasionally dispose of heritage assets which are unsuitable for public display or to an appropriate body which will ensure the asset is maintained and displayed within a suitable collection e.g., to a museum or historical trust. The proceeds of such items are accounted for in accordance with the Council's accounting policy on disposal of Property, Plant and Equipment. Disposal proceeds are disclosed separately in the notes to the financial statements and are accounted for in accordance with statutory accounting requirements relating to capital expenditure and capital receipts.

21. Disposals and Non-Current Assets Held for Sale

When it becomes probable that the carrying amount of an asset will be recovered principally through a sale transaction rather than through its continuing use, it is reclassified as an Asset Held for Sale.

The asset is re-valued immediately before reclassification and then carried at the lower of this amount and fair value less costs to sell. Where there is a subsequent decrease to fair value less costs to sell, the loss is posted to the Other Operating Expenditure line in the Comprehensive Income and Expenditure Statement. Gains in fair value are recognised only up to the amount of any previously recognised losses in the Surplus and Deficit on Provision of Services. Depreciation is not charged on Assets Held for Sale.

If assets no longer meet the criteria to be classified as Assets Held for Sale, they are reclassified back to non-current assets and valued at the lower of their carrying amount before they were classified as held for sale; adjusted for depreciation, amortisation or revaluations that would have been recognised had they not been classified as Held for Sale, and their recoverable amount at the date of the decision not to sell.

Assets that are to be abandoned or scrapped are not reclassified as assets held for sale.

When an asset is disposed of or decommissioned, the carrying amount of the asset in the Balance Sheet (whether Property, Plant and Equipment or Assets Held for Sale) is written off to the Other Operating Expenditure line in the Comprehensive Income and Expenditure Statement as part of the gain or loss on disposal. Receipts from the disposal (if any) are credited to the same line in the Comprehensive Income and Expenditure Statement also as part of the gain or loss on disposal (i.e., netted off against the carrying value of the asset at the time of disposal). Any revaluation gains accumulated for the asset in the Revaluation Reserve are transferred to the Capital Adjustment Account.

Amounts received for a disposal in excess of £10,000 are categorised as capital receipts. A proportion of receipts relating to housing disposals (75% for dwellings, 50% for land and other assets, net of statutory deductions and allowances) is payable to the Government. The balance of receipts is required to be credited to the Capital Receipts Reserve and can then only be used for new capital investment or set aside to reduce the Council's underlying need to borrow. Receipts are transferred to the Reserve from the General Fund Balance in the Movement in Reserves Statement.

The written-off value of disposals is not a charge against council tax, as the cost of assets is fully provided under separate arrangements for capital financing. Amounts are transferred to the Capital Adjustment Account in the General Fund Balance in the Movement in Reserves Statement.

22. Provisions, Contingent Liabilities and Contingent Assets

Provisions

Provisions are made where an event has taken place that gives the Council a legal or constructive obligation that probably requires settlement by a transfer of economic benefits, and a reliable estimate can be made of the amount of the obligation. For instance, the Council may be involved in a court case that could eventually result in the making of a settlement or the payment of compensation.

Provisions are charged as an expense to the appropriate service line in the Comprehensive Income and Expenditure Statement in the year that the Council becomes aware of the obligation and are measured at the best estimate at the Balance Sheet date of the expenditure required to settle the obligation, taking into account relevant risks and uncertainties.

When payments are eventually made, they are charged to the provision carried in the Balance Sheet. Estimated settlements are reviewed at the end of each financial

year – where it becomes less than probable that a transfer of economic benefits will not now be required (or a lower settlement than anticipated is made), the provision is reversed and credited back to the relevant service.

Where some or all of the payment required to settle a provision is expected to be recovered from another party (e.g., from an insurance claim), this is only recognised as income for the relevant service if it is virtually certain that the reimbursement will be received if the Council settles the obligation.

Contingent Liabilities

A contingent liability arises where an event has taken place that gives the Council a possible obligation whose existence will only be confirmed by the occurrence or otherwise of uncertain future events not wholly within the control of the Council. Contingent liabilities also arise in circumstances where a provision would otherwise be made but either it is not probable that an outflow of resources will be required, or the amount of the obligation cannot be measured reliably.

Contingent liabilities are not recognised in the Balance Sheet but disclosed in a note to the accounts.

Contingent Assets

A contingent asset arises where an event has taken place that gives the Council a possible asset whose existence will only be confirmed by the occurrence or otherwise of uncertain future events not wholly within the control of the Council.

Contingent assets are not recognised in the Balance Sheet but disclosed in a note to the accounts where it is probable that there will be an inflow of economic benefits.

23. Reserves

The Council sets aside specific amounts as reserves for future policy purposes or to cover contingencies. Reserves are created by transferring amounts out of the General Fund Balance in the Movement in Reserves Statement. When expenditure to be financed from a reserve is incurred, it is charged to the appropriate service in that year to score against the Surplus or Deficit on the Provision of Services in the Comprehensive Income and Expenditure Statement. The reserve is then appropriated back into the General Fund Balance in the Movement in Reserves Statement so that there is no net charge against council tax for the expenditure.

Certain reserves are kept to manage the accounting processes for non-current assets, financial instruments, and retirement and employee benefits and do not represent usable resources for the Council – these reserves are explained in the relevant policies.

24. Revenue Expenditure Funded from Capital under Statute

Expenditure incurred during the year that may be capitalised under statutory provisions but that does not result in the creation of a non-current asset has been charged as expenditure to the relevant service in the Comprehensive Income and Expenditure Statement in the year. Where the Council has determined to meet the cost of this expenditure from existing capital resources or by borrowing, a transfer in

the Movement in Reserves Statement from the General Fund Balance to the Capital Adjustment Account then reverses out the amounts charged so that there is no impact on the level of council tax.

25. VAT

VAT payable is included as an expense only to the extent that it is not recoverable from HM Revenue and Customs. VAT receivable is excluded from income.

26. Fair Value

The Council measures some of its non-financial assets, such as surplus assets and investment properties, and some of its financial instruments at fair value at the end of each reporting period. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement assumes that the transaction to sell the asset or transfer the liability takes place either:

- In the principal market for the asset or liability or
- In the absence of a principal market, in the most advantageous market for the asset or liability.

The Council measures the fair value of an asset or liability on the same basis that market participants would use when pricing an asset or liability (assuming they were acting in their economic best interest).

When measuring the fair value of a non-financial asset, the Council takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The Council uses appropriate valuation techniques, which takes into account the three levels of inputs to valuations for fair value assets:

- Level 1 – quoted prices in active markets for identical assets or liabilities that the Council can assess at the measurement date.
- Level 2 – inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly.
- Level 3 – unobservable inputs for the asset or liability.

Note 2 – Accounting Standards Issued but Have Not Yet Been Adopted

The Code of Practice requires that the Authority discloses information relating to the impact of an accounting change that will be required by a new standard that has been issued but not yet adopted.

The standards introduced by the 2023/24 Code where disclosures are required in the 2022/23 financial statements in accordance with the requirements of paragraph 3.3.4.3 of the Code are:

a) IFRS 16 Leases (but only for those local authorities that have decided to voluntarily implement IFRS 16 in the 2023/24 year).

b) Where an authority adopted IFRS 16 in 2022/23 but chose to defer implementation of IFRS 16 to PFI/PPP arrangements until 2023/24 information on that more specific accounting change will be required in its 2022/23 statements of accounts.

c) Definition of Accounting Estimates (Amendments to IAS 8) issued in February 2021.

d) Disclosure of Accounting Policies (Amendments to IAS 1 and IFRS Practice Statement 2) issued in February 2021.

e) Deferred Tax related to Assets and Liabilities arising from a Single Transaction (Amendments to IAS 12) issued in May 2021. f) Updating a Reference to the Conceptual Framework (Amendments to IFRS 3) issued in May 2020.

These changes are not expected to have a material impact.

Note 3 – Critical Judgements in Applying Accounting Policies

In applying the accounting policies in Note 1, the Council has had to make certain judgements about complex transactions or those involving uncertainty about future events.

The critical judgements made in the Statement of Accounts are:

- **Local Government funding** - There is a high degree of uncertainty about the future levels of funding for local government. However, the Council has determined that this uncertainty is not yet sufficient to provide an indication that the assets of the Council might be impaired as a result of a need to close facilities or reduce levels of service provision. The provisions in the Code on the going concern requirements reflect the economic and statutory environment in which local authorities operate.

- **Group Boundaries** - The Council has a collaborative arrangement with Lincolnshire County Council, North Kesteven and West Lindsey District Council to provide the Central Lincolnshire Joint Planning Unit. This arrangement is hosted by North Kesteven District Council. The Council also has a collaborative arrangement with North Kesteven to provide a shared Revenues and Benefits Service. This shared service is hosted by the City of Lincoln Council. Both of these arrangements are governed through a Joint Committee representing each of the partner authorities. These arrangements are considered as a Joint Operation, where ventures use their own resources to undertake an activity subject to joint control, and as such do not require consolidation into the Council's accounts. The Council's proportion of activity is accounted for separately within the Core Financial Statements.

- **Leases** - The Council has examined its leases and classified them as either operational or finance leases. In some cases, the lease transaction is not always conclusive, and the Council uses judgement in determining whether the lease is a finance lease arrangement that transfers substantially all the risks and rewards incidental to ownership. In reassessing the lease, the Council has estimated the implied interest rate within the lease to calculate interest and principal payments.

Note 4 – Assumptions Made about the Future and Other Major Sources of Estimation Uncertainty

The Statement of Accounts contains estimated figures that are based on assumptions made by the Council about the future or that are otherwise uncertain. Estimates are made taking into account historical experience, current trends and other relevant factors. However, because balances cannot be determined with certainty, actual results could be materially different from the assumptions and estimates.

The items in the Council's Balance Sheet as at 31 March 2023 for which there is a significant risk of material adjustment in the forthcoming financial year are as follows:

Item	Uncertainties	Effect if Actual Results Differ from Assumptions
Business Rates (Balance Sheet 31 March 2023 – Provision for Business Rate Appeals £1.852m)	Since the introduction of the Business Rates Retention Scheme effective from April 2013, local authorities are liable for successful appeals against business rates charges to businesses in 2022/23 and earlier financial years in their proportionate share. Therefore, a provision has been recognised for the best estimate of the amount that businesses have been overcharged up to the 31st March 2023. A third-party independent specialist has been used to estimate the required provision using the latest Valuation Office ratings list of appeals and an analysis of successful appeals to date.	The Council's share (40%) of the balance of business rates appeals as at 31 March 2023 amounted to £1.852m, a decrease of £0.215m (10%) from the previous year. An increase or reduction of 10% of the estimated provision would increase/decrease the Council's share of NNDR appeals provision by £0.185m.
Property, Plant and Equipment (PPE) (Balance Sheet 31 March 2023 – PPE £444m)	Assets are depreciated over useful lives that are dependent on assumptions about the levels of repairs and maintenance that will be incurred in relation to individual assets. The current economic climate makes it uncertain that the Council will be able to sustain its current spending on repairs and maintenance, bringing into doubt the useful lives assigned to the assets. Operational property assets are valued at the Balance Sheet date in accordance with the Royal Institute of Chartered Surveyors valuation standards and guidance. This involves the use of a number of estimation techniques including various property indices. These estimates can fluctuate as property market values and prices change in response to events.	If the useful lives of the assets reduce, depreciation increases and the carrying amount of the assets falls. It is estimated that the annual depreciation charge for buildings would increase by £0.079m and for council dwellings £0.254m for every year that the useful lives had to be reduced. The Gross Book Value (GBV) of the Council's operational property assets is £471m at 31 March 2023. A 1% change in these asset valuations would result in a £4.71m change in their GBV.
Assets held for sale and investment properties	Assets classified as Held for Sale or as Investment Property are carried at fair value based on a recently observed	A 1% increase / decrease in the value of investment properties and assets held for sale would

(Balance Sheet 31 March 2023 - assets held for sale £1.5m - Investment properties £36.6m)	market price. Market prices can fluctuate considerably due to global events. The value of these assets was current at the Balance Sheet date, but it cannot be determined for how long this value will be correct.	result in a gain / charge to the Comprehensive Income & Expenditure Statement of £0.381m.
Arrears Balance Sheet 31 March 2023 - Debtors total of £20.559m includes £4.014m debtors (subject to arrears)	As at 31 March 2023, the Council had a balance on current debtors of £20.559m. A review of significant balances suggested that an impairment of doubtful debts of £4.014m was required.	If collection rates were to deteriorate by 5% the amount of the impairment of doubtful debts would require an additional £0.201m to be set aside as an allowance.
Pension Liability (Balance Sheet 31 March 2023 - pensions liability £7.796m)	Estimation of the net liability to pay pensions depends on a number of complex judgements relating to the discount rate used, the rate at which salaries are projected to increase, changes in retirement ages, mortality rates and the expected return on pension fund assets. A firm of consulting actuaries (Barnett Waddingham) is engaged to provide the Council with expert advice about the assumptions to be applied. For more information on the Defined Benefit Pension Scheme please refer to note 44.	The effects on the net pensions' liability of changes in individual assumptions can be measured. For instance, a 0.5% decrease in the discount rate assumption would result in an increase in the pension liability of £14.257m.
Investments (Balance Sheet 31 March 2023 Short Term - £36.932m Long Term - £0.824m)	At 31 March 2023, the Council held £36.932m of short-term investments. These include £14.685m invested in AAA-rated instant access Money Market Funds and £22m invested in A-rated UK institutions, all for periods of up to 1 year.	As most of the investments are either in AAA-rated MMF's or short-term deposits in A-rated UK banks, the risk of impairment is considered to be minimal.
Pension Fund Property Investment Assets Balance Sheet 31 March 2023 – Property Investment Assets £11.653m	The Council's net pension liability disclosed at note 44 includes an estimate of the total value of the Council's share of the Lincolnshire Pension Fund investment assets.	Less certainty and a higher degree of caution should be attached to the Council's share of these pension fund assets. The Council's actuary has estimated that the value of the Council's share of property investment assets as at 31 March 2023 was £11.653m.

Note 5 – Prior Period Adjustment

None

Note 6 – Events after the Balance Sheet Date

The Statement of Accounts was authorised for issue by the Chief Finance Officer on 31 May 2023. Events taking place after this date are not reflected in the financial statements or notes. Where events taking place before this date provided information about conditions existing at 31st March 2023, the figures in the financial statements and notes have been adjusted in all material respects to reflect the impact of this information.

Note 7 – Expenditure and Funding Analysis

2021/22					2022/23			
Net Expenditure Chargeable to General Fund and HRA Balances	Movement of Trading A/C's & Levies etc.	Adjustments Between the Funding and Accounting Basis	Net Expenditure in the Comprehensive Income and Expenditure Statement		Net Expenditure Chargeable to General Fund and HRA Balances	Movement of Trading A/C's & Levies etc.	Adjustments Between the Funding and Accounting Basis	Net Expenditure in the Comprehensive Income and Expenditure Statement
£'000	£'000	£'000	£'000		£'000	£'000	£'000	£'000
6,722	(1,032)	1,036	6,726	Chief Executive's Directorate	9,420	(3,113)	509	6,816
397	0	234	631	Housing and Regeneration	1,049	0	67	1,116
(1,600)	0	(20,005)	(21,605)	Housing Revenue Account (HRA)	(9,124)	0	(15,798)	(24,922)
6,556	0	3,498	10,054	Communities and Environment	8,602	0	213	8,815
689	0	178	867	Major Developments	4,037	0	108	4,146
(389)	871	0	482	Corporate Services	(471)	922	0	451
12,374	**(161)**	**(15,058)**	**(2,845)**	**Net Cost of Services**	**13,515**	**(2,191)**	**(14,901)**	**(3,578)**
(4,792)	161	(11,700)	(16,331)	Other Income and Expenditure	(8,992)	2,191	(14,938)	(21,739)
7,583	**0**	**(26,759)**	**(19,176)**	**(Surplus) or Deficit on Provision of Services**	**4,522**	**0**	**(29,839)**	**(25,317)**
	GF	**HRA**	**Total**			**GF**	**HRA**	**Total**
	(28,711)	**(1,074)**	**(29,785)**	**Opening Balance**		**(21,172)**	**(1,030)**	**(22,202)**
	7,539	44	7,583	**Less/ Plus Surplus or (Deficit) in Year**		4,684	(161)	4,523
	(21,172)	**(1,030)**	**(22,202)**	**Closing Balance at 31 March**		**(16,488)**	**(1,191)**	**(17,679)**

This analysis shows how annual expenditure is used and funded from resources (government grants, council tax and business rates) by Councils in comparison with those resources consumed or earned by Councils in accordance with generally accepted practices. The Expenditure and Funding Analysis also shows how this expenditure is allocated for decision making purposes between the Council's different categories of expenditure and income. Income and expenditure accounted for under generally accepted accounting practices is presented more fully in the Comprehensive Income and Expenditure Statement. Further analysis can be found in Note 8.

Note 7A – Note to the Expenditure and Funding Analysis

This note provides a reconciliation of the main adjustments to Net Expenditure Chargeable to the General Fund and HRA Balances to arrive at the amounts in the Comprehensive income and Expenditure Statement. The relevant transfers between reserves are explained in the Movement in Reserves Statement.

ADJUSTMENTS BETWEEN FUNDING AND ACCOUNTING BASIS								
2021/22					2022/23			
Adjustments for Capital Purposes	**Net Change for the Pensions Adjustments**	**Other Differences**	**Total Adjustments**	**Adjustments from General Fund to arrive at the Comprehensive Income and Expenditure Statement amounts**	**Adjustments for Capital Purposes**	**Net Change for the Pensions Adjustments**	**Other Differences**	**Total Adjustments**
£'000s	**£'000s**	**£'000s**	**£'000s**		**£'000s**	**£'000s**	**£'000s**	**£'000s**
278	782	(23)	**1,036**	Chief Executive's Directorate	272	320	(20)	**509**
0	240	(6)	**234**	Housing and Regeneration	0	112	(23)	**67**
(21,622)	1,654	(37)	**(20,005)**	Housing Revenue Account (HRA)	(16,568)	923	(29)	**(15,798)**
2,911	625	(37)	**3,498**	Communities and Environment	1,941	270	(11)	**213**
91	84	3	**178**	Major Developments	91	26	(3)	**108**
0	0	0	**0**	Corporate	0	0	0	**0**
(18,343)	**3,385**	**(101)**	**(15,058)**	**Net Cost of Services**	**(16,198)**	**1,384**	**(87)**	**(14,901)**
(5,484)	1,344	(7,560)	(11,700)	Other Income & Expenditure from the Funding Analysis	(11,079)	804	(4,663)	(14,938)
(23,827)	**4,729**	**(7,661)**	**(26,759)**	**Difference between General Fund Surplus/ Deficit and CIES Income & Expenditure Statement Surplus/ Deficit**	**(27,277)**	**2,188**	**(4,750)**	**(29,839)**

Note 7B – Segmental Income Analysis

Income received on a segmental basis is analysed below:

	Income from Services	Income from Services
Services	**2021/22**	**2022/23**
	£'000s	**£'000s**
Chief Executive's Directorate	(5,891)	(6,298)
Housing & Regeneration	(1,103)	(1,450)
Housing Revenue Account (HRA)	(29,593)	(31,243)
Communities & Environment	(11,818)	(12,459)
Major Developments	(621)	(596)
Corporate	0	0
Total Income analysed on a Segmental Basis	**(49,026)**	**(52,046)**

Note 8 – Expenditure and Income Analysed by Nature

The Authority's expenditure and income is analysed as follows:

	2021/22	2022/23
	£'000s	**£'000s**
Expenditure/ Income		
Expenditure		
Employee Benefit Expenses	27,188	27,732
Other Services Expenses	65,259	73,159
Depreciation, Amortisation and Impairment	(5,757)	(11,289)
REFCUS	1,677	4,461
Interest Payments	5,875	5,106
Precepts and Levies	871	923
Payments to Housing Capital Receipts Pool	529	0
Total Expenditure	**95,642**	**101,092**
Income		
Fees, Charges and other Service Income	(63,412)	(68,663)
Interest and Investment Income	(81)	(1,171)
Income from Council Tax and Non-Domestic Rates	(12,423)	(13,187)
Government Grants and Contributions	(37,969)	(42,783)
Gain/Loss on Disposal	(934)	(604)
Total Income	**(114,819)**	**(126,409)**
Surplus or Deficit on the Provision of Services	**(19,177)**	**(25,317)**

Note 9 – Adjustment between Accounting Basis and Funding Basis under Regulations

This note details the adjustments that are made to the total comprehensive income and expenditure recognised by the Council in year in accordance with proper accounting practice to the resources that are specified by statutory provisions as being available to the Council to meet future capital and revenue expenditure.

The following sets out a description of the reserves that the adjustments are made against.

General Fund Balance

The General Fund is the statutory fund into which all the receipts of an authority are required to be paid and out of which all liabilities of the Authority are to be met, except to the extent that statutory rules might provide otherwise. These rules can also specify the financial year in which liabilities and payments should impact on the General Fund Balance, which is not necessarily in accordance with proper accounting practice. The General Fund Balance therefore summarises the resources that the Council is statutorily empowered to spend on its services or on capital investment (or the deficit of resources that the Council is required to recover) at the end of the financial year (the balance is not available to be applied to funding HRA services).

Housing Revenue Account Balance

The Housing Revenue Account Balance reflects the statutory obligation to maintain a revenue account for local authority council housing provision in accordance with Part VI of the Local Government and Housing Act 1989. It contains the balance of income and expenditure as defined by the 1989 Act that is available to fund future expenditure in connection with the Council's landlord function or (where in deficit) that is required to be recovered from tenants in future years.

Major Repairs Reserve

The Authority is required to maintain the Major Repairs Reserve, which controls an element of the capital resources limited to being used on capital expenditure on HRA assets or the financing of historical capital expenditure by the HRA. The balance shows the capital resources that have yet to be applied at the year-end.

Capital Receipts Reserve

The Capital Receipts Reserve holds the proceeds from the disposal of land or other assets, which are restricted by statute from being used other than to fund new capital expenditure or to be set aside to finance historical capital expenditure. The balance on the reserve shows the resources that have yet to be applied for these purposes at the year-end.

Capital Grants Unapplied

The Capital Grants Unapplied Account (Reserve) holds the grants and contributions received towards capital projects for which the Council has met the conditions that would otherwise require repayment of the monies, but which have yet to be applied to meet expenditure. The balance is restricted by grant terms as to the capital

expenditure against which it can be applied and/or the financial year in which this can take place.

2022/23	Usable Reserves					
	General Fund Balance	Housing Revenue Account	Capital Receipts Reserve	Major Repairs Reserve	Capital Grants Unapplied	Movement In Unusable Reserves
	£'000	£'000	£'000	£'000	£'000	£'000
Adjustments to Revenue Resources						
Amounts by which income and expenditure included in the Comprehensive Income Statement are different from revenue for the year calculated in accordance with statutory requirements:						
Pensions costs (transferred to (or from) the Pensions Reserve)	1,389	799	0	0	0	**2,188**
Financial Instruments (transferred to the Financial Instruments Adjustments Account)	(2)	0	0	0	0	**(2)**
Council Tax and NNDR transfers to (or from) the Collection Fund Adjustment Account	(4,661)	0	0	0	0	**(4,661)**
Holiday Pay (transferred to the Accumulated Absences Reserve)	(58)	(29)	0	0	0	**(87)**
Reversal of entries included in the Surplus or Deficit on the Provision of Services in relation to capital expenditure (these items are charged to the Capital Adjustment Account)	(3,323)	(17,748)	0	7,862	9,941	**(3,291)**
Total Adjustments to Revenue Resources	**(6,679)**	**(16,978)**	**0**	**7,862**	**9,941**	**(5,853)**
Adjustments between Revenue and Capital Resources						
Transfer of non-current asset sale proceeds from revenue to the Capital Receipts Reserve		(3,239)	3,239	0	0	**0**
Admin costs of RTB	0	66	(66)	0	0	**0**
Payments to the Government Housing Receipts Pool (funded by a transfer from the Capital Receipts Reserve)	0	0	0	0	0	**0**
Posting of HRA resources to the Major Repairs Reserve	0	(1,459)	0	1,459	0	**0**
Statutory provision for the repayment of debt (transfer from the Capital Adjustment Account)	(824)	0	0	0	0	**(824)**
Capital expenditure financed from revenue balances (transfer to the Capital Adjustment Account)	(62)	(688)	0	0	0	**(750)**

2022/23	Usable Reserves					
	General Fund Balance	Housing Revenue Account	Capital Receipts Reserve	Major Repairs Reserve	Capital Grants Unapplied	Movement In Unusable Reserves
	£'000	£'000	£'000	£'000	£'000	£'000
Total Adjustments between Revenue and Capital Resources	**(863)**	**(5,320)**	**3,173**	**1,459**	**0**	**(1,551)**
Adjustments to Capital Resources						
Use of the Capital Receipts Reserve to finance capital expenditure	0	0	(1,934)	0	0	**(1,934)**
Use of the Major Repairs Reserve to finance capital expenditure	0	0	0	(6,778)	0	**(6,778)**
Application of Capital grants to finance capital expenditure	0	0	0	0	(10,330)	**(10,330)**
Total Adjustments to Capital Resources	**0**	**0**	**(1,934)**	**(6,778)**	**(10,330)**	**(19,042)**
Total Adjustments	**(7,542)**	**(22,298)**	**1,239**	**2,544**	**(390)**	**(26,446)**

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2021/22	Usable Reserves					
	General Fund Balance	Housing Revenue Account	Capital Receipts Reserve	Major Repairs Reserve	Capital Grants Unapplied	Movement In Unusable Reserves
	£'000	£'000	£'000	£'000	£'000	£'000
Adjustments to Revenue Resources						
Amounts by which income and expenditure included in the Comprehensive Income Statement are different from revenue for the year calculated in accordance with statutory requirements:						
Pensions costs (transferred to (or from) the Pensions Reserve)	3,075	1,654	0	0	0	**4,728**
Financial Instruments (transferred to the Financial Instruments Adjustments Account)	(2)	0	0	0	0	**(2)**
Council Tax and NNDR transfers to (or from) the Collection Fund Adjustment Account	(7,558)	0	0	0	0	**(7,558)**
Holiday Pay (transferred to the Accumulated Absences Reserve)	(64)	(37)	0	0	0	**(101)**
Reversal of entries included in the Surplus or Deficit on the Provision of Services in relation to capital expenditure (these items are charged to the Capital Adjustment Account)	1,026	(18,142)	0	7,425	7,892	**(1,799)**
Total Adjustments to Revenue Resources	**(3,524)**	**(16,525)**	**0**	**7,425**	**7,892**	**(4,732)**
Adjustments between Revenue and Capital Resources						
Transfer of non-current asset sale proceeds from revenue to the Capital Receipts Reserve	(30)	(3,257)	3,287	0	0	**0**
Payments to the Government Housing Receipts Pool (funded by a transfer from the Capital Receipts Reserve)	0	72	(72)	0	0	**0**
Admin Costs of RTB	529	0	(529)	0	0	**0**
Posting of HRA resources to the Major Repairs Reserve	0	(2,365)	0	2,365	0	**0**
Statutory provision for the repayment of debt (transfer from the Capital Adjustment Account)	(1,444)	0	(150)	0	0	**(1,594)**
Capital expenditure financed from revenue balances (transfer to the Capital Adjustment Account)	(194)	(21)	0	0	0	**(215)**
Total Adjustments between Revenue and Capital Resources	**(1,139)**	**(5,572)**	**2,537**	**2,365**	**0**	**(1,809)**

Adjustments to Capital Resources						
Use of the Capital Receipts Reserve to finance capital expenditure	0	0	(1,340)	0	0	**(1,340)**
Use of the Major Repairs Reserve to finance capital expenditure	0	0	0	(3,842)	0	**(3,842)**
Application of Capital grants to finance capital expenditure	0	0	0	0	(9,821)	**(9,821)**
Total Adjustments to Capital Resources	**0**	**0**	**(1,340)**	**(3,842)**	**(9,821)**	**(15,003)**
Total Adjustments	**(4,662)**	**(22,097)**	**1,196**	**5,949**	**(1,929)**	**(21,544)**

Note 10 – Movements in Earmarked Reserves

These amounts are held to meet expenditure in future financial years. The movements on these Revenue Reserve Accounts during the year have been as follows:

	Balance @ 31.03.21 £'000	Movements	Appropriations		Balance @ 31.03.22 £'000	Movements	Appropriations		Balance @31.03.23 £'000
			Transfers In £'000	Transfers Out £'000			Transfers In £'000	Transfers Out £'000	
General Fund									
Business Rates Volatility	13,376	0	3,856	(11,666)	5,566	0	0	(5,132)	434
Council Tax Hardship Fund	531	0	0	(319)	213	0	0	(213)	0
Budget Carry Forwards	482	0	298	(113)	667	0	219	(369)	518
Grants & Contributions	1,385	0	754	(206)	1,932	0	125	(613)	1,446
Invest to Save (GF)	453	0	60	(414)	100	0	1	(63)	37
Strategic Growth (GF)	17	0	0	(12)	5	0	0	(5)	0
Unused DRF	341	0	45	(182)	204	0	0	(40)	164
Funding for Strategic Priorities	174	0	0	(85)	89	0	0	(89)	0
HiMO CPN Appeals	0	0	47	0	47	0	141	(19)	169
Income Volatility Reserve	0	0	320	0	320	0	0	0	320
Inflation Volatility Reserve	0	0	150	0	150	0	316	0	466
IT Reserve	124	0	167	(72)	219	0	65	0	284
Revenues & Benefits	0	0	25	0	25	0	0	0	25
Tree Risk Assessment	97	0	19	(32)	84	0	50	(31)	102
Vision2025	204	0	809	(312)	701	0	45	(212)	533
Lincoln Lottery Reserve	9	0	0	0	9	0	0	0	9
Mayoral Car	27	0	0	0	27	0	0	(20)	7
Active Nation Bond Reserve	180	0	200	0	380	0	0	(200)	180
AGP Sinking Fund	2	0	50	0	52	0	0	0	52
Private Sector Stock	27	0	12	0	39	0	12	0	51
Corporate Training	60	0	0	0	60	0	0	0	60
Corporate Maintenance	0	0	0	0	0	0	100	0	100
Professional Trainee Scheme	0	0	0	0	0	0	90	0	90
Section 106 Interest	32	0	0	0	32	0	0	0	32
Christmas Decorations	14	0	0	0	14	0	0	0	14
Electric Van Replacement	19	0	4	0	24	0	4	(2)	27

	Balance @ 31.03.21 £'000	Movements	Appropriations Transfers In £'000	Appropriations Transfers Out £'000	Balance @ 31.03.22 £'000	Movements	Appropriations Transfers In £'000	Appropriations Transfers Out £'000	Balance @31.03.23 £'000
Air Quality Initiatives	11	0	6	0	16	0	6	0	22
Commons Parking	20	0	10	(29)	1	0	12	0	13
Tank Memorial	10	0	0	0	10	0	0	0	10
Mercury Abatement	317	0	0	(317)	0	0	0	0	0
City Hall Sinking Fund	60	0	0	0	60	0	0	0	60
City Hall Improvement	0	0	0	0	0	0	50	0	50
Birchwood Leisure Centre	46	0	20	0	66	0	20	0	86
Staff Wellbeing	0	0	0	0	0	0	28	0	28
Covid Recovery Reserve	1,047	0	0	0	1,047	0	0	0	1,048
Covid Response	354	0	0	0	354	0	0	0	354
CX Capacity Reserve	0	0	0	0	0	0	100	0	100
MSCP & Bus Station	60	0	44	0	104	0	45	0	149
Western Growth Corridor Plan	80	0	0	(30)	49	0	0	(49)	0
Total General Fund	**19,563**	**0**	**6,897**	**(13,792)**	**12,668**	**0**	**1,430**	**(7,057)**	**7,040**
Earmarked Reserves									
HRA									
De Wint Court	73	0	0	0	73	0	0	0	73
De Wint Court Sinking Fund	0	0	0	0	0	0	10	0	10
Capital Fees Equalisation	110	0	0	0	110	0	0	0	110
NSAP/RSAP Sinking Fund	0	0	0	0	0	0	9	0	9
HRA Strategic Priority Reserve	722	0	0	(140)	582	0	240	(58)	764
Disrepair Management	0	0	300	0	300	0	0	0	300
HRA Business Plan	0	0	77	0	77	0	100	0	177
Tenant Satisfaction Survey	0	0	0	0	0	0	22	0	22
HRA Survey Works	54	0	0	(54)	0	0	0	0	0
Stock Retention	22	0	0	(22)	0	0	0	0	0
HRA IT Reserve	0	0	0	0	0	0	135	0	135
Strategic Growth Reserve	26	0	0	(21)	5	0	0	0	5
Invest to Save (HRA)	133	0	160	(40)	253	0	240	(77)	416
HRA Repairs Account	1,351	0	0	0	1,351	0	0	0	1,351
Housing Repairs Service	126	0	0	0	126	0	11	0	137

	Balance @ 31.03.21 £'000	Movements	Appropriations		Balance @ 31.03.22 £'000	Movements	Appropriations		Balance @31.03.23 £'000
			Transfers In £'000	Transfers Out £'000			Transfers In £'000	Transfers Out £'000	
Total HRA Earmarked Reserves	**2,617**	**0**	**537**	**(277)**	**2,877**	**0**	**767**	**(135)**	**3,509**
Total Earmarked Reserves	**22,180**	**0**	**7,434**	**(14,069)**	**15,545**	**0**	**2,197**	**(7,192)**	**10,549**
Insurance Fund	3,862	0	0	(432)	3,431	0	417	(324)	3,523
Total Earmarked Reserves	**26,043**	**0**	**7,434**	**(14,501)**	**18,975**	**0**	**2,614**	**(7,516)**	**14,073**

Insurance Reserve

The insurance fund has been set up to ensure adequate funding for the insurance risk covered by the City of Lincoln Council. In **2022/23** the risk in respect of Public Liability Insurance had an excess of £100,000 (per claim) with no cap ceiling. The movements on the fund are as follows:

2021/22 £'000		2022/23 £'000
3,862	**Opening Balance**	3,430
(282)	Funding of claims/losses	(324)
(150)	Contributions from revenue	417
3,431	**Closing Balance**	**3,523**

Note 11 – Other Operating Expenditure

2021/22 £'000		2022/23 £'000
871	Levies	923
529	Payments to the Government Housing Capital Receipts Pool	0
(934)	(Gains)/losses on the disposal of non-current assets	(604)
467	**Total**	**318**

Note 12 – Financing and Investment Income and Expenditure

2021/22 £'000		2022/23 £'000
3,797	Interest payable and similar charges	3,840
2,077	Net interest on the net defined liability	1,266
(1,032)	Interest receivable and similar income	(3,112)
4,842	**Total**	**1,994**

Note 13 – Taxation and Non-Specific Grant Income

2021/22 £'000		2022/23 £'000
(7,047)	Council Tax income	(7,261)
(5,351)	Retained Business Rates income and expenditure	(5,927)
(1,328)	Non service related government grants	(899)
(23)	RSG	(24)
(7,892)	Capital grants and contributions	(9,941)
(21,641)	**Total**	**(24,051)**

Note 14 – Non-Current Assets including Property, Plant & Equipment, Investment Properties and Intangible Assets

The movement in the Council's Assets during the year was as follows:

Movements in 2022/23	Council Dwellings	Land & Buildings	Vehicles Plant & Equip	Community Assets	Surplus Assets	Assets Under Con-struction	Property Plant & Equip Subtotal	Intangible Assets	Investment Properties	TOTAL
	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Cost or Valuation										
At 1 April 2022	**299,437**	**79,721**	**11,157**	**6,692**	**21,490**	**5,705**	**424,202**	**2,074**	**36,016**	**462,292**
Additions	7,762	861	322	808	0	9,645	**19,399**	0	0	**19,399**
Revaluation increases/ (decreases) recognised in the Revaluation Reserve	16	1,166	0	0	(252)	0	**930**	0	0	**930**
Revaluation increases/ (decreases) recognised in the Surplus/Deficit on the Provision of Services	11,932	(44)	0	0	313	0	**12,201**	0	562	**12,763**
De-recognition and disposals	(2,611)	(23)	0	0	0	0	**(2,634)**	0	0	**(2,634)**
Other movements in cost or valuation	6,090	(891)	0	0	(402)	(4,797)	**0**	0	0	**0**
At 31 March 2023	**322,627**	**80,789**	**11,479**	**7,500**	**21,149**	**10,553**	**454,098**	**2,074**	**36,578**	**492,750**
Depreciation										
At 1 April 2022	**0**	**(1,824)**	**(5,780)**	**(119)**	**0**	**0**	**(7,723)**	**(1,868)**	**0**	**(9,591)**
Depreciation/amortisation for year	(7,543)	(1,638)	(762)	0	0	0	**(9,943)**	(119)	0	**(10,062)**
Depreciation written out to the Revaluation Reserve	0	50	0	0	0	0	**50**	0	0	**50**

Movements in 2022/23										
Depreciation written out to the Surplus/Deficit on the Provision of Services	7,458	137	0	0	0	0	**7,594**	0	0	**7,594**
Impairment losses/(reversals) recognised in the Revaluation Reserve	0	0	0	0	0	0	**0**	0	0	**0**
De-recognition – disposals	65	0	0	0	0	0	**65**	0	0	**65**
De-recognition – other	0	0	0	0	0	0	**0**	0	0	**0**
Other movements in cost or valuation	0	0	0	0	0	0	**0**	0	0	**0**
At 31 March 2023	**(20)**	**(3,276)**	**(6,542)**	**(119)**	**0**	**0**	**(9,956)**	**(1,986)**	**0**	**(11,943)**
Net book value of assets at 31.03.23	**322,607**	**77,513**	**4,937**	**7,381**	**21,149**	**10,553**	**444,141**	**88**	**36,578**	**480,807**
Net book value of assets at 31.03.22	**299,437**	**77,897**	**5,377**	**6,573**	**21,490**	**5,705**	**416,478**	**207**	**36,016**	**452,701**
Owned	322,607	77,513	4,937	7,381	21,149	10,553	444,141	88	36,578	480,807

Movements in 2021/22										
	Council Dwellings	Land & Buildings	Vehicles Plant & Equip	Community Assets	Surplus Assets	Assets Under Con-struction	Property Plant & Equip Subtotal	Intangible Assets	Investment Properties	TOTAL
	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Cost or Valuation										
At 1 April 2021	**274,502**	**81,265**	**9,169**	**5,918**	**20,967**	**8,241**	**400,062**	**1,992**	**34,203**	**436,256**
Additions	12,398	1,265	1,961	774	0	3,755	**20,153**	64	0	**20,218**
Revaluation increases/ (decreases) recognised in the Revaluation Reserve	(36)	(455)	0	0	2,174	0	**1,683**	0	0	**1,683**
Revaluation increases/ (decreases) recognised in the Surplus/Deficit on the Provision of Services	9,286	(1,433)	0	0	(286)	0	**7,567**	0	408	**7,974**
De-recognition and disposals	(2,340)	0	0	0	0	0	**(2,340)**	0	0	**(2,340)**
Other movements in cost or valuation	5,628	(922)	26	0	(1,365)	(6,291)	**(2,924)**	18	1,406	**(1,500)**
At 31 March 2022	**299,437**	**79,721**	**11,157**	**6,692**	**21,490**	**5,705**	**424,201**	**2,074**	**36,016**	**462,291**
Depreciation										
At 1 April 2021	**(33)**	**(1,484)**	**(5,291)**	**(119)**	**(10)**	**0**	**(6,938)**	**(1,801)**	**0**	**(8,739)**
Depreciation/amortisation for year	(7,159)	(1,604)	(488)	0	0	0	**(9,251)**	(66)	0	**(9,318)**
Depreciation written out to the Revaluation Reserve	33	1,271	0	0	3	0	**1,307**	0	0	**1,307**
Movements in 2021/22										
Depreciation written out to the Surplus/Deficit on the Provision of Services	7,101	0	0	0	0	0	**7,101**	0	0	**7,101**

Impairment losses/(reversals) recognised in the Revaluation Reserve	0	0	0	0	0	0	**0**	0	0	**0**
De-recognition – disposals	58	0	0	0	0	0	**58**	0	0	**58**
De-recognition – other	0	0	0	0	0	0	**0**	0	0	**0**
Other movements in cost or valuation	0	(7)	0	0	7	0	**0**	0	0	**0**
At 31 March 2022	**0**	**(1,824)**	**(5,780)**	**(119)**	**0**	**0**	**(7,723)**	**(1,868)**	**0**	**(9,590)**
Net book value of assets at 31.03.22	**299,437**	**77,897**	**5,377**	**6,573**	**21,490**	**5,705**	**416,478**	**207**	**36,016**	**452,701**
Net book value of assets at 31.03.21	**274,468**	**79,781**	**3,877**	**5,799**	**20,957**	**8,241**	**393,124**	**191**	**34,203**	**427,518**
Owned	299,437	77,897	5,377	6,573	21,490	5,705	416,478	207	36,016	452,701

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Valuation

The Council carries out a rolling programme that ensures that all Property, Plant and Equipment are to be measured at current value at least every five years.

The valuations of the Council's freehold and leasehold properties have been carried out in accordance with the Statements of Asset Valuation Practice and Guidance Notes of the Royal Institute of Chartered Surveyors. All valuations are either undertaken by Council Officers, by external valuers commissioned to value specific assets or by the District Valuer.

Principal Property Surveyor Mr P Clifton MRICS

The table below shows council owned assets re-valued in each accounting period:

	Council Dwellings	Land & Buildings	Community Assets	Vehicles, Plant & Equip.	Surplus Assets	Assets Under Construction
Valuation at historical cost			7,381	4,937		10,553
Valued at current value as at:						
31/03/2023	321,980	4,161			661	
31/03/2022	627	18,957			10,558	
31/03/2021		36,626			423	
31/03/2020		11,491			1,208	
31/03/2019		6,278			8,300	
Total cost or valuation	**322,607**	**77,513**	**7,381**	**4,937**	**21,149**	**10,553**

Depreciation

Tangible Assets

Depreciation, as stated in the Accounting Policies, is calculated on a straight-line basis. The following useful lives and depreciation rates have been used in the calculation of depreciation:

Category Of Asset	Useful Economic Life
Council Dwellings	60 years for new properties 30 years for properties over 30 years old
Other Land & Buildings	
- Council Buildings	50 years
- Car Parks	60 years
- Cemeteries	50 years
- Crematorium	21 years
- Community Centres	50 years
- Offices	50 years
- Depots & Workshops	50 years
- Public Conveniences	50 years
- Recreation Grounds	50 years
- Sports Centres	50 years
Vehicles, Plant & Equipment	
- Computers	5 years

Category Of Asset	Useful Economic Life
- Equipment	10 years
- Fixtures and Fittings	5 years
- Plant	7/10 years
- Vehicles	5/7 years

Intangible Assets

Intangible assets are amortised to service headings within cost of services as part of the Comprehensive Income and Expenditure Statement on a straight-line basis, as stated in the Accounting Policies. The standard useful life, used for amortisation purposes is:

Category Of Asset	Useful Economic Life
Intangible Asset	
- Software	5 years

Note 15 – Heritage Assets

Reconciliation of the Carrying Value of Heritage Assets Held by the Council

	Heritage Vehicles £'000	Musical Instruments £'000	Civic Insignia £'000	Other £'000	Total Assets £'000
Cost or Valuation					
At 1 April 2021	0	0	2,359	409	2,768
Additions	0	0	0	0	0
De-recognitions	0	0	0	0	0
At 31 March 2022	**0**	**0**	**2,359**	**409**	**2,768**
Cost or Valuation					
At 1 April 2022	0	0	2,359	409	2,768
Additions	0	0	0	0	0
De-recognitions	0	0	0	0	0
At 31 March 2023	**0**	**0**	**2,359**	**409**	**2,768**

Civic Insignia

The collection of civic insignia includes the Mayor's and Sheriff's badges and chains of office and mace. All items are on display at the Guildhall, Lincoln. It also includes four ceremonial and fighting swords of considerable historical significance, which together are valued at £2.4m. The Council's collection of civic insignia is reported in the Balance Sheet at insurance valuation which is based on market values. These

insurance valuations are reviewed annually and revalued during every ten-year period by an appropriately qualified external valuer. These were revalued at 31st March 2017 by external valuers Bamfords.

Other Heritage Assets

This category includes artwork and paintings and miscellaneous assets recognised in the Balance Sheet, such as the Books of Remembrance kept on display at the City Crematorium. These are reported at insurance valuation which is based on market values and are subject to periodic revaluation by an appropriately external qualified valuer. These were revalued at 31st March 2017 by external valuers Bamfords.

Heritage Assets not recognised in the Balance Sheet

In addition to the assets recognised in the Balance Sheet and disclosed in the above table, the Council holds a number of assets which are by their nature heritage assets but are not recognised in the Balance Sheet. The Council does not consider that reliable cost or valuation information can be obtained for these assets due to the nature of the assets and the lack of market values. Examples of this type of asset are ancient structures and ruins, War memorials and public art. These are listed below.

Scheduled Ancient Monuments	
St Paul in the Bail	Walls & Well
Saltergate Roman Wall and Posterngate	Wall & Gate
Mint Wall, West Bight	Wall
Pottergate	Arch
Lower West Gate & Wall, City Hall	Gate & Wall
St Marys Conduit	Conduit
Temple Gardens, Close Wall	Wall
Roman Wall, Mary Sookias House, Cecil Street	Wall
Memorials	
High Street	War memorial
Memorials	
Dixon Street	War memorial
Birchwood Avenue	War memorial
Newark Road/Maple Street	War memorial
Public Art	
The Chimes, Brayford Wharf North	Artwork
Empowerment, Waterside	Artwork
Exotic Cone I and II	Artwork
Lilies, Altham Terrace	Artwork
Lion, Arboretum	Artwork
Love Seat, The Lawn	Artwork
Dr Charlesworth Statue, The Lawn	Artwork
Mother and Child, The Lawn	Artwork
St Marks Obelisk	Artwork
Light Sculpture, Wigford Bridge	Artwork

Note 16 – Investment Properties and Surplus Assets

Movements in the value of Investment Properties are shown in note 14. The current value measurement base is fair value, estimated at highest and best use from a market participant's perspective.

The following items of income and expenditure have been accounted for in the Comprehensive Income and Expenditure Statement:

2021/22 £'000		2022/23 £'000
1,994	Rental income from investment property	2,191
(19)	Direct operating expenses arising from investment property	(7)
408	Fair value gains/(losses) on investment properties	562
0	Gains/(losses) on disposal of investment properties	0
2,383	**Net gain/(loss)**	**2,746**

There are no restrictions on the Council's ability to realise the value inherent in its investment property or on the Council's right to the remittance of income and the proceeds of disposal. The Council has no contractual obligations to purchase, construct or develop investment property or repairs, maintenance or enhancement.

The movements in the value of investment properties are analysed below:

2021/22 £'000		2022/23 £'000
34,203	**Balance at 1 April**	**36,016**
0	Additions	0
0	Disposals	0
408	Net gain/loss from Fair Value Adjustment	562
1,406	Transfers (to)/from Other Land and Buildings	0
36,016	**Balance at 31 March**	**36,578**

Fair Value Hierarchy

The Council's Investment Properties have been assessed as being Level 2 on the Fair Value Hierarchy (See Note 1 Accounting Policies, point 25 for an explanation of fair value levels).

Valuation Techniques Used to Determine Level 2 Fair Values for Investment Properties

An income-investment approach has been used to determine the fair value of Investment Properties. This technique involves an assessment of potential future net incomes flowing from the property. In the case of the majority of properties that are currently let, this reflects terms of the existing lease including passing rents and any scheduled rent reviews and, if later, ultimate reversion to full market rental value. In the case of properties that are currently vacant, it is assumed that a letting is immediately sought at full market rental value and otherwise on optimum letting terms from the perspective of a market participant. Potential future net income flows are

then capitalised using market all-risks term and reversionary yields to derive a present value, thus representing Market Value.

There has been no change in the valuation techniques used during the year for Investment Properties.

Highest and Best Use of Investment Properties

In estimating the fair value of the Council's investment properties, the highest and best use of the properties is deemed to be their current use.

Valuers

The Investment Properties that were valued at 31 March 2023 were valued in accordance with the methodologies and bases for estimation set out in the professional standards of the Royal Institute of Chartered Surveyors.

Surplus Assets

Movements in the value of Surplus Assets are shown in note 14.

The current value measurement base for surplus assets is fair value, estimated at highest and best use from a market participant's perspective. There have been no transfers between the levels of the hierarchy during the year. A transfer would occur when more detailed market information becomes available.

The inputs to the measurement techniques are categorised in accordance with the following three levels:

- Level 1 inputs – quoted prices (unadjusted) in active markets for identical assets that the Authority can access at the measurement date.
- Level 2 inputs – inputs other than quoted prices included within Level 1 that are observable for the asset, either directly or indirectly.
- Level 3 inputs – unobservable inputs for the asset.

The Council's surplus assets are all valued using level three inputs due to their latent value or specialist nature.

Note 17 – Intangible Assets

Movements in the value of Intangible Assets are shown in note 14. No internally generated intangible assets are recognised in the Balance Sheet. The carrying amount of intangible assets is amortised on a straight-line basis. Amortisation of £119k (£66k in 21/22) was charged to service headings in the Cost of Services.

Note 18 – Financial Instruments

The Council has the following investments at 31 March 2023:

Investments in Equity Instruments Designated at Fair Value through Other Comprehensive Income

Fair Value of Equity Instruments designated at fair value through other comprehensive income include the following:

	31/03/2022	31/03/2023
	£000	£000
Non-listed securities	504	504
Total	**504**	**504**

Reconciliation of Fair Value Measurements for Financial Assets Carried at Fair Value Categorised within Level 3 of the Fair Value Hierarchy for Financial Assets

31 March 2023

	Unquoted Shares	Other	Total
	£000	£000	£000
Opening Balance	312	0	312
Transfers into level 3	0	0	0
Transfers out of Level 3	(312)	0	(312)
Total gains or losses for the period			
- Included in Surplus or Deficit on the Provision of Services	0	0	0
- Included in Other Comprehensive Income and Expenditure	0	0	0
Additions	0	0	0
Disposals	0	0	0
Closing Balance	**0**	**0**	**0**

The borrowings and investments disclosed in the Balance Sheet are made up of the following categories of financial instruments:

Summary of Financial Instruments		**31/3/22**	**31/3/23**
		£000s	**£000s**
Financial Liabilities at amortised cost			
Long Term Borrowing	Level 1	(111,962)	(109,243)
Short Term Borrowing	Level 1	(14,931)	(14,394)
Long Term Creditors	Level 1	0	0
Short Term Creditors	Level 1	(12,408)	(11,481)
Cash and Cash Equivalents	Level 1	0	0
Total Financial Liabilities		**(139,302)**	**(135,118)**
Financial Assets at amortised cost			
Short Term Investments	Level 1	49,878	36,932
Long Term Debtors	Level 1	724	611
Short Term Debtors	Level 1	8,891	8,313
Cash and Cash Equivalents	Level 1	(103)	509
Total Financial Assets		**59,390**	**46,365**
Financial Assets at FVOCI*			
Long Term Investments	Level 2	816	824
Total Assets at FVOCI		**816**	**824**

*Fair Value through Other Comprehensive Income
** See table below for detail

Shares Held in Investors in Lincoln were transferred between levels in the hierarchy during 2022/23, from level 3 to level 2 making use of observable measures to produce a more appropriate valuation.

Under accounting requirements, the carrying value of the financial instrument value is shown in the balance sheet which includes the principal amount borrowed or lent and further adjustments for breakage costs or stepped interest loans (measured by an effective interest rate calculation) including accrued interest. Accrued interest is shown separately in short term debtors/creditors where the payments/receipts are due within one year. The effective interest rate is effectively accrued interest receivable under the instrument, adjusted for the amortisation of any premiums or discounts reflected in the purchase price.

Financial Instrument Gains/Losses

The gains and losses recognised in the Comprehensive Income and Expenditure Statement in relation to financial instruments are made up as follows:

2022/23	Financial Liabilities	Financial Assets		Total
	Amortised Cost		FVOCI	
	£000	£000	£000	£000
Interest Expense	3,840			3,840
Interest Income credited to services		(1,167)		(1,167)
Dividend Income			(40)	(40)
Surplus or deficit arising on revaluation of financial assets			(8)	(8)
Net (gain)/loss for the year	**3,840**	**(1,167)**	**(48)**	**2,625**

2021/22				
Interest Expense	3,721			3,721
Interest Income credited to services		(77)		(77)
Interest Income			(26)	(26)
Surplus or deficit arising on revaluation of financial assets			(63)	(63)
Net (gain)/loss for the year	**3,721**	**(77)**	**(89)**	**3,555**

Fair Value of Financial Assets

Some of the Authority's financial assets are measured at fair value on a recurring basis and are described in the following table, including the valuation techniques used to measure them. Assets measured at Fair value through other comprehensive income are classified in this way due to the business model under which they are being held and that they have features which are not usually found in a basic lending agreement.

Financial assets measured at fair value				
Recurring fair value measurements	**Input level in fair value hierarchy****	**Valuation technique used to measure fair value**	**As at 31/3/23**	**As at 31/3/22**
			£'000	**£'000**
Fair Value OCI				
Equity shareholding in Dunham Bridge Company	Level 2	Average price obtained during the last three share sales	504	504
Equity shareholding in Investors in Lincoln	Level 2	Share of Net Assets	320	312
Total			**824**	**816**

* The Authority's shareholding in Investors in Lincoln - the shares in this company are not traded in an active market and fair value of £319,882 has been based on the authorities share of net assets of the company.

**See Glossary for the definition of Fair Value Input Levels

Fair Values of Financial Assets and Financial Liabilities that are not measured at Fair Value (but for which Fair Value Disclosures are Required)

Except for the financial assets carries at fair value (described in the table above), all other financial liabilities and financial assets held by the authority are carried in the Balance Sheet at amortised cost:

- For loans from the Public Works Loan Board (PWLB) and other loans payable, premature repayment rates from the PWLB have been applied to provide the fair value under PWLB debt redemption procedures;
- For loans receivable prevailing benchmark market rates have been used to provide the fair value.
- No early repayment or impairment is recognised.
- Where an instrument has a maturity of less than 12 months, or is a trade or other receivable, the fair value is taken to be the carrying amount outstanding or the billed amount.
- The fair value of trade and other receivables is taken to be the invoiced or billed amount.

The fair values calculated are as follows:

Financial Liabilities

31/03/22				31/03/23	
Carrying Amount	**Fair Value**		**Fair Value hierarchy****	**Carrying Amount**	**Fair Value**
£'000	**£'000**			**£'000**	**£'000**
95,612	99,356	PWLB Debt	Level 2	95,394	75,156
16,174	25,339	Money Market Debt	Level 2	16,175	16,300
0	0	Bonds/Charity	Level 2	34	34
15,108	14,960	Other	Level 2/3	12,033	11,946
126,894	139,655	**Total Debt**		123,636	103,435

The fair value is greater than the carrying amount because the Council's portfolio of loans includes a number of fixed rate loans where the interest rate payable is higher than the rates available for similar loans in the market at the Balance Sheet date. This is to be expected given that the current rates of interest are at a historically low level.

**See Glossary for the Definition of Fair Value Input Levels.

Financial Assets

31/03/22			31/03/23	
Carrying Amount	**Fair Value**		**Carrying Amount**	**Fair Value**
£'000	**£'000**		**£'000**	**£'000**
49,878	49,878	Money Market Investments <1 year	36,932	36,932
0	0	Money Market Investments >1 year	0	0
724	724	Long Term Debtors	611	611
50,602	**50,602**	**Total Investments**	**37,543**	**37,543**

The fair value of Public Works Loan Board (PWLB) loans of £75.156m measures the economic effect of the terms agreed with the PWLB compared with estimates of the terms that would be offered for market transactions undertaken at the Balance Sheet date. The difference between the carrying amount and the fair value measures the additional interest that the Authority will pay over the remaining terms of the loans under the agreements with the PWLB, against what would be paid if the loans were at prevailing market rates.

However, the Council has a continuing ability to borrow at concessionary rates from the PWLB rather than from the markets, termed the PWLB Certainty Interest rates. A

supplementary measure of the fair value as a result of its PWLB commitments for fixed rate loans is to compare the terms of these loans with the new borrowing rates available from the PWLB. If a value is calculated on this basis, the carrying amount of £95.394m would be valued at £75.156m. But, if the Council were to seek to avoid the projected loss by repaying the loans to the PWLB, the PWLB would raise a penalty charge for early redemption in addition to charging a premium for the additional interest that will not now be paid. The exit price for the PWLB loans including the discounts available (due to increase in BOE base rate) would be £75.151m.

Trade debtors and creditors are carried at cost as this is a fair approximation of their value.

Note 19 – Inventories

In undertaking its work the Council holds reserves of inventories together with amounts of uncompleted work (work in progress).

	Consumable Stores	
	2021/22 £'000	2022/23 £'000
Balance outstanding at the start of the year	**138**	**104**
Purchases	11	57
Recognised as an expense in the year	(45)	(6)
Balance outstanding at the year-end	**104**	**155**

Note 20 – Debtors

Debtors listed under current assets are monies due which the Council expects to collect within one year of the Balance Sheet date and are analysed as follows:

31/03/22 £'000		31/03/23 £'000
12,713	Central Government Bodies	3,769
5,345	Other Local Authorities	5,563
4	NHS Bodies	4
10,987	Other Entities and Individuals	11,224
29,049	**Total Short-Term Debtors**	**20,559**
(4,133)	Less Impairment Loss Allowance	**(4,014)**
24,916	**Net Short-Term Debtors as per Balance Sheet**	**16,545**

Debtors for Local Taxation

The past due but not impaired amount for local taxation (council tax and non-domestic rates) can be analysed by age as follows:

31/03/22 £'000		31/03/23 £'000
115	Less than three months	158
186	Three to six months	296
3,521	Six months to one year	903
5,171	More than one year	7,321
8,993	**Total**	**8,678**

Note 21 – Cash and Cash Equivalents

The balance of Cash and Cash Equivalents is made up of the following elements:

31/03/22 £'000		31/03/23 £'000
1	Cash held by the Council	1
(104)	Bank Current accounts	508
(103)		**509**

The balance at 31/3/2023 shows the financial position which includes creditor payments awaiting clearance through the bank account.

Note 22 – Assets Held for Sale

The Authority had a piece of development land classified as an asset held for sale at the end of the year. The sale of the asset has been approved but was not completed as at 31st March 2023.

Current 2021/22 £000		Current 2022/23 £000
0	Balance at start of the year	1500
0	Additions	0
	Newly classified:	
1,500	- Property Plant & Equipment	0
0	Revaluation gain/(loss)	0
0	Transfers from AHFS	0
0	Disposals	0
1,500	**Closing Balance**	**1,500**

Note 23 – Creditors

Creditors shown as current liabilities are amounts payable by the Council within one year of the Balance Sheet date and are analysed as follows:

31/03/22 £'000		31/03/23 £'000
(28,327)	Central Government Bodies	(12,603)
(607)	Other Local Authorities	(2,122)
(14,995)	Other Entities and Individuals	(11,529)
(43,929)	**Total**	**(26,254)**

Note 24 – Provisions

These amounts are set aside to provide for potential liabilities relating to specific occurrences and comprise the following balances:

	Business Rates RV Reduction the Think Tank £'000	Compulsory Purchase Order £'000	Business Rates Appeals £'000
Balance at 1 April 2022	**(37)**	**(94)**	**(2,067)**
Additional Provisions made in 2022/23	0	0	(1,759)
Amounts used in 2022/23	0	0	114
Unused Amounts Reversed in 2022/23	0	0	1,859
Unwinding of Discounting in 2022/23	0	0	0
Interest Applied in 2022/23	0	(2)	
Balance at 31 March 2023	**(37)**	**(96)**	**(1,852)**

The provision for business rate appeals represents the Council's share (40% of £4.630m) of the total provision for appeals against the rateable valuation set by the Valuation Office Agency (VOA) not settled as at 31 March 2023. The total provision is accounted for in the Collection Fund. The amount and timing of outflows against the Business Rates Appeals provision is dependent on the processing and determination of business rates appeals by the Valuation Office.

Note 25 – Usable Reserves

Movements in the Council's usable reserves are detailed in the Movement in Reserves Statement and Note 10.

Note 26 – Unusable Reserves

The Council keeps a number of unusable reserves in the Balance Sheet. Some are required to be held for statutory reasons; some are needed to comply with proper accounting practice.

Reserve	Balance 31/03/22	Net Movement in Year	Balance 31/03/23	Purpose of Reserve	Further Details of Movements
	£'000	£'000	£'000		
Revaluation Reserve	31,542	457	32,227	Store of gains on revaluation of assets	a) below
Pensions Reserve	(80,999)	73,203	(7,796)	Balancing account to allow inclusion of Pensions Liability in the Balance Sheet	Note 44 to the financial statements
Capital Adjustment Account	282,571	24,178	306,748	Store of capital resources set aside to meet past expenditure	b) below
Deferred Capital Receipts	57	0	57	Expected future repayments from sales of assets received in instalments	c) below
Financial Instruments Adjustment Account	(48)	2	(46)	Balancing mechanism between the rates at which gains and losses are recognised under the Code of Practice	d) below
Financial Instruments Revaluation Reserve	801	8	809	Store of gains on revaluation of investments not yet realised through sales	e) below

Reserve	Balance 31/03/22	Net Movement in Year	Balance 31/03/23	Purpose of Reserve	Further Details of Movements
	£'000	£'000	£'000		
Collection Fund Adjustment Account – Council Tax	(29)	(94)	(123)	Store of Council's share of accumulated surpluses and deficits in relation to Council Tax on the Collection Fund	f) below
Collection Fund Adjustment Account – NNDR	(4,037)	4,754	717	Store of Council's share of accumulated surpluses and deficits in relation to NNDR on the Collection Fund	f) below
Accumulated Absences Account	(669)	91	(578)	Absorbs the differences that would otherwise arise on the General Fund balance from accruing for compensated absences earned but not taken in the year (i.e. annual leave entitlement carried forward at 31 March	g) below
	229,188	**102,827**	**332,015**		

a) Revaluation Reserve

The Revaluation Reserve contains the gains made by the Council arising from increases in the value of its Property, Plant and Equipment and Intangible Assets. The balance is reduced when assets with accumulated gains are:

- revalued downwards or impaired and the gains are lost
- used in the provision of services and the gains are consumed through depreciation, or
- disposed of and the gains are realised.

The Reserve contains only revaluation gains accumulated since 1 April 2007, the date that the Reserve was created.

2021/22 £'000		2022/23 £'000
(29,350)	**Balance 1 April**	**(31,543)**
(3,712)	Upward Revaluation of assets	(3,405)
722	Downward revaluation of assets and impairment losses not charged to the Surplus/Deficit on Provision of Services	2,425
(2,989)	Surplus or deficit on revaluation of non-current assets not posted to the Surplus or Deficit on the Provision of Services	(980)
136	Difference between fair value depreciation and historical cost depreciation	139
661	Amounts written out to the Capital Adjustment Account	157
(31,542)	**Balance 31 March**	**(32,227)**

b) Capital Adjustment Account

The Capital Adjustment Account absorbs the timing differences arising from the different arrangements for accounting for the consumption of non-current assets and for financing the acquisition, construction or enhancement of those assets under statutory provisions. The Account is debited with the cost of acquisition, construction or enhancement as depreciation, impairment losses and amortisations are charged to the Comprehensive Income and Expenditure Statement (with reconciling postings from the Revaluation Reserve to convert fair value figures to a historical cost basis). The Account is credited with the amounts set aside by the Council as finance for the costs of acquisition, construction and enhancement.

The Account contains accumulated gains and losses on Investment Properties, *gains and losses on Assets held for Sale* and gains recognised on donated assets that have yet to be consumed by the Council.

The Account also contains revaluation gains accumulated on Property, Plant and Equipment before 1 April 2007, the date that the Revaluation Reserve was created to hold such gains.

Note 9 provides details of the source of all the transactions posted to the Account, apart from those involving the Revaluation Reserve.

2021/22 £'000		2022/23 £'000
(263,163)	**Balance 1 April**	**(282,571)**
	Reversal of items relating to capital expenditure debited or credited to the Comprehensive Income and Expenditure Statement:	
9,318	Charges for depreciation and amortisation of non-current assets	10,062
0	Other movements of depreciation	0
(14,668)	Revaluation (gains)/losses and impairments on Property, Plant and Equipment	(19,795)
(408)	Fair value movements on Investment Properties	(562)
1,677	Revenue expenditure funded from capital under statute	4,461
2,282	Amounts of non-current assets written off on disposal or sale as part of the gain/loss on disposal to the Comprehensive Income and Expenditure Statement	2,411
0	Other adjustments	0
(1,799)		**(3,423)**
(797)	Adjusting amounts written out of the Revaluation Reserve	(139)
	Adjusting amounts written out of the Revaluation Reserve prior period adjustment	
(2,596)	Net written out amount of the cost of non-current assets consumed in the year	**(3,562)**
	Capital Financing applied in year:	
(1,340)	Use of Capital Receipts to finance new capital expenditure	(1,934)
(150)	Use of Capital Receipts to reduce capital financing requirement	0
(3,842)	Use of the Major Repairs Reserve to finance new capital expenditure	(6,778)
(215)	Capital expenditure charged against the General Fund and HRA balances	(750)
(9,821)	Application of Capital Grants to finance new capital expenditure	(10,330)
(1,444)	Statutory Provision for the financing of capital investment charged against the General Fund and HRA balances (MRP/VRP)	(824)
(16,812)		**(20,616)**
(282,571)	**Balance 31 March**	**(306,749)**

c) Deferred Capital Receipts

This account contains the expected future repayments of capital from sales of assets which will be received in instalments over an agreed period of time. They arise principally from mortgages on sold council houses. When made, these payments are regarded as being of a capital nature and transactions during the year were as follows:

2021/22 £'000		2022/23 £'000
(57)	**Balance 1 April**	**(57)**
0	Council's share of (surplus)/deficit for the year	0
(57)	**Balance 31 March**	**(57)**

d) Financial Instruments Adjustment Account

The Financial Instruments Adjustment Account provides a balancing mechanism between the rates at which gains and losses (such as premiums on the early repayment of debt) are recognised under the Code of Practice and are required by statute to be met from the General Fund and HRA balances.

2021/22 £'000		2022/23 £'000
51	**Balance 1 April**	**48**
0	Proportion of discounts incurred in previous financial years to be credited to the General Fund Balance in accordance with statutory requirements.	0
(2)	Proportion of premiums incurred in previous financial years to be charged against the General Fund Balance in accordance with statutory requirements.	(2)
48	**Balance 31 March**	**46**

e) Financial Instruments Revaluation Reserve

The Financial Instruments Revaluation Reserve contains the gains made by the authority arising from increases on the value of its investments measured at Fair Value through Other Comprehensive Income. The balance is reduced when investments with accumulated gains are either revalued downwards or impaired and the gains lost or disposed of and the gains are realised.

2021/22 £'000	Financial Instruments Revaluation Reserve	2022/23 £'000
(738)	**Balance 1 April**	**(801)**
0	Transfer from Available for Sale Financial Instruments Reserve	0
(63)	(Gain)/Loss on FVOCI revaluations in year	(8)
(801)	**Balance 31 March**	**(809)**

f) Collection Fund Adjustment Account – Council Tax

The Council Tax Adjustment Account was introduced on 1 April 2009 to comply with the new accounting requirements for the Collection Fund contained within the Statement of Recommended Practice 2009/10 (SORP 2009). The difference between accrued income for the year as shown in the Income and Expenditure Account and the amount required to be credited to the General Fund is taken to the Collection Fund Adjustment Account. The balance on the account represents the Council's share of the accumulated surpluses and deficits on the Collection Fund at the Balance Sheet date.

2021/22 £'000		2022/23 £'000
196	**Balance 1 April**	**29**
(167)	Amount by which council tax income credited to the Comprehensive Income and Expenditure Statement is different from council tax income calculated for the year in accordance with statutory requirements	94
29	**Balance 31 March**	**123**

g) Collection Fund Adjustment Account – NNDR

The NNDR Adjustment Account was introduced on 1 April 2013 to comply with the new regime for the collection of Business Rates and the resulting accounting requirements. The difference between accrued income for the year as shown in the Comprehensive Income and Expenditure Statement and the amount required to be credited to the General Fund is taken to the Collection Fund Adjustment Account. The balance on the account represents the Council's share of the accumulated surpluses and deficits on the Collection Fund at the Balance Sheet date.

2021/22 £'000		2022/23 £'000
11,428	**Balance 1 April**	**4,037**
(7,391)	Amount by which council non-domestic rates credited to the Comprehensive Income and Expenditure Statement is different from non-domestic rates income calculated for the year in accordance with statutory requirements	(4,754)
4,037	**Balance 31 March**	**(717)**

h) Accumulated Absences Account

The Accumulated Absences Account absorbs differences that would otherwise arise on the General Fund and HRA Balance from accruing for compensated absences earned but not taken in year, e.g. annual leave entitlement carried forward at 31 March. Statutory arrangements require that the impact on General Fund and HRA Balance is neutralised by transfers to or from this account.

2021/22 £'000		2022/23 £'000

	770	**Balance 1 April**		**669**
(770)		Settlement or cancellation of accrual made at the end of the preceding year	(669)	
669		Amounts accrued at the end of the current year	578	
	(101)	Amount by which officer remuneration charged in the Comprehensive Income and Expenditure Statement on an accruals basis is different from remuneration chargeable in the year in accordance with statutory requirements		(91)
	669	**Balance 31 March**		**578**

Note 27 – Cash Flow Statement - Operating Activities

The cash flows for operating activities include the following items:

2021/22 £'000		**2022/23 £'000**
62	Interest received	2,810
(3,786)	Interest paid	(4,129)
26	Dividends Received	40
(3,698)		**(1,279)**

Note 28 – Cash Flow Statement – Adjustment to surplus or deficit on provision of services for non-cash movements

2021/22 £'000		**2022/23 £'000**
9,252	Depreciation	10,062
(14,668)	Impairment and downward valuations	(19,916)
66	Amortisation	119
9,863	Increase/(decrease) in creditors	(22,167)
(7,732)	(Increase)/decrease in debtors	7,265
35	(Increase)/decrease in inventories	(46)
4,728	Movement in pension liability	2,188
2,282	Carrying amount of non-current assets and non-current assets held for sale, sold or derecognised	2,569
(851)	Other non-cash items charged to the net surplus or deficit on the provision of services	(774)
2,975		**(20,700)**

Note 29 – Cash Flow Statement – Adjustment to surplus or deficit on the provision of services for items that are investing & financing activities

2021/22 £'000		2022/23 £'000
(3,216)	Proceeds from sale of PPE, investment property and intangible assets	(3,173)
(7,892)	Any other items for which the cash effects are investing or financing cash flows	(9,941)
(11,108)		**(13,114)**

Note 30 – Cash Flow Statement - Investing Activities

2021/22 £'000		2022/23 £'000
(19,966)	Purchase of property, plant and equipment, investment property and intangible assets	(19,458)
(150,686)	Purchase of short-term and long-term investments	(249,659)
0	Other payments for investing activities	0
3,216	Proceeds from the sale of property, plant and equipment, investment property and intangible assets	3,173
134,736	Proceeds from short-term and long-term investments	263,028
7,892	Other receipts from investing activities	10,054
(24,808)	**Net cash flows from investing activities**	**7,138**

Note 31 – Cash Flow Statement - Financing Activities

2021/22 £'000		2022/23 £'000
0	Cash payments for the reduction of outstanding liabilities relating to finance leases	0
11,381	Cash receipts of short & long-term borrowing	6,640
0	Other receipts from financing activities	0
(9,643)	Repayments of short- and long-term borrowing	(9,895)
11,360	Other payments for financing activities	5,226
13,098	**Net cash flows from financing activities**	**1,971**

Note 32 – Trading Operations

The Council operates a Housing Repairs Service (HRS), which carries out day to day maintenance on council housing and other public buildings as well as environmental works, street furniture etc. It also manages a number of industrial estates and commercial properties.

2021/22				2022/23		
Exp. £'000	Inc. £'000	Net £'000		Exp. £'000	Inc. £'000	Net £'000
9,118	(7,760)	1,359	HRS	9,732	(9,139)	594
54	(395)	(341)	Industrial Estates	40	(408)	(368)
67	(2,000)	(1,932)	Lincoln Properties	71	(2,161)	(2,090)
9,240	**(10,154)**	**(914)**	**Total (Surplus)/Deficit**	**9,843**	**(11,708)**	**(1,865)**

Note 33 – Agency Services

In accordance with the Code, the collection and distribution of National Non-Domestic Rates (NNDR) and Council Tax is deemed to be an agency arrangement. The costs of collection of NNDR and the surplus or deficit on the Collection Fund for the year, are shown in the Collection Fund Statement.

Note 34 – Members' Allowances

The Local Authorities (Members' Allowances) (England) Regulations 2003 requires local authorities to publish the amounts paid to members under the members' allowance scheme.

The payments made to the City of Lincoln Council members during 2022/23 totalled £252,312 (£245,456 in 2021/22).

Payments are defined as:
i. Basic Allowance
ii. Special Responsibility Allowance
iii. Other allowances

Note 35 – Officers' Remuneration

The Accounts and Audit Regulations 2015 require the Council to disclose remuneration paid to senior employees.

For the purposes of the regulation senior employees are persons whose salary is in excess of £150,000 per year or whose salary is £50,000 or more and are deemed to have responsibility for the management of the Council to the extent that they have the power to direct or control the major activities. The remuneration paid to the Council's senior employees is as follows:

Officers' Emoluments – Senior Employees

2022/23						
Post Title	**Salary**	**Bonuses**	**Expense Allowances**	**Compen-sation for loss of office**	**Pension Contributions**	**Total**
	£	£	£	£	£	£
Chief Executive[1]	130,602	0	0	0	22,594	153,196
Strategic Director of Housing & Regeneration	101,101	0	0	0	17,456	118,557
Strategic Director of Communities & Environment	100,904	0	0	0	17,456	118,360
Strategic Director of Major Developments	100,904	0	0	0	17,456	118,360
Total	**433,512**	**0**	**0**	**0**	**74,963**	**508,473**

1) The salary costs for the Chief Executive include £3.2k relating to election expenses in 22/23.

2021/22						
Post Title	**Salary**	**Bonuses**	**Expense Allowances**	**Compen-sation for loss of office**	**Pension Contributions**	**Total**
	£	£	£	£	£	£
Chief Executive[1]	141,540	0	0	0	22,686	164,226
Strategic Director of Housing & Regeneration	100,973	0	0	0	17,123	118,096
Strategic Director of Communities & Environment	98,979	0	0	0	17,123	116,102
Strategic Director of Major Developments	98,979	0	0	0	17,123	116,102

Total	**440,470**	**0**	**0**	**0**	**74,056**	**514,525**

1) The salary costs for the Chief Executive include £16.1k relating to election expenses in 2021/22

The numbers of other Council employees receiving more than £50,000 remuneration for the year (excluding employer's pension contributions) were paid as follows:

Remuneration Band	**Number of Employees**	
£	**2022/23**	**2021/22**
50,000 - 54,999	13	6
55,000 - 59,999	4	3
60,000 - 64,999	3	2
65,000 – 69,999	3	5
70,000 – 74,999	3	0
75,000 – 79,999	1	1
80,000 – 84,999	1	1

For employees receiving remuneration of £85,000 or more for the year see previous table 'Officers' Emoluments – Senior Employees'.

The figure above for 2022/23 includes no employees for whom an exit package was agreed.

The numbers of exit packages with total cost per band and total cost of the compulsory and other redundancies are set out in the following table:

Exit package cost band (including special payments)	**Number of compulsory redundancies**		**Number of other departures agreed**		**Total number of exit packages by cost band [b + c]**		**Total cost of exit packages in each band**	
	2021/22	**2022/23**	**2021/22**	**2022/23**	**2021/22**	**2022/23**	**2021/22**	**2022/23**
							£	**£**
£0 - £20,000	0	0	4	8	4	8	32,934	57,313
£20,001 - £40,000	0	0	4	4	4	4	122,870	111,129
£40,001 - £60,000	0	0	4	1	4	1	176,082	54,569
£60,001 - £80,000	0	0	1	1	1	1	60,530	65,547
£80,001 - £100,000	0	0	0	0	0	0	0	0
£100,000 - £150,000	0	0	0	0	0	0	0	0
Total cost included in bandings							**392,416**	**288,558**
Add: Amounts provided for in CIES not							0	0

Exit package cost band (including special payments)	Number of compulsory redundancies		Number of other departures agreed		Total number of exit packages by cost band [b + c]		Total cost of exit packages in each band	
	2021/22	2022/23	2021/22	2022/23	2021/22	2022/23	2021/22	2022/23
							£	£
included in bandings								
Total cost included in CIES							**392,416**	**288,558**

None of the exit packages shown in the table above related to senior employees.

Note 36 – External Audit Costs

In 2022/23 the following fees relating to External Audit and Inspection were incurred and paid to Mazars, the Council's external auditors:

2021/22 £'000		2022/23 £'000
	Fees payable for statutory audit services	
60	Fees Payable with regard to external audit services carried out by the appointed auditor	57
60		**0**
	Fees payable for other audit services	
14	Fees payable for the certification of grant claims and returns	11
75	**Total fee payable to external auditors**	**69**

The fees relating to external audit services include the amount of £48,000 for the provision of the annual audit and £9,000 for advice relating to Value for Money and PPE/Pensions.

The fees relating to grant claims can vary from year to year depending on the number of claims to be audited. The figure for 2022/23 is an estimate, as the work will be carried out in the period July to September 2023.

Note 37 – Grant Income

The Council credited the following grants, contributions and donations to the Comprehensive Income and Expenditure Statement in 2022/23:

	Credited to Taxation and Non-Specific Grant Income	
2021/22 £'000		**2022/23 £'000**
(23)	Revenue Support Grant	(24)
(213)	New Homes Bonus	(421)

(8)	Transparency Code Setup Grant	(8)
(640)	COVID	0
(266)	Lower Tier Services Grant	(174)
0	Services Grant	(263)
0	Business rates levy surplus distribution	(32)
(201)	Local Council Tax Support Admin Subsidy	0
(1,351)	**Total Non-Ring-fenced Grants shown on CIES**	**(923)**
(852)	Disabled Facilities Grants	(852)
(173)	Section 106 agreement	(78)
(1407)	Lincolnshire County Council	0
(256)	Heritage Lottery Fund	(34)
(941)	Historic England	(1,019)
(13)	Department of Transport	0
(3,333)	Homes England	(931)
(498)	Towns Fund	(6,120)
(270)	Police & Crime Commissioner	0
0	Nottingham City Council	(12)
(150)	Other Capital Grants and Contributions	(896)
(7,892)	**Total Capital Grants and Contributions shown on CIES**	**(9,941)**
(5,211)	**S31 Grants included in Non-Domestic Rates Income on CIES**	**(3,192)**
(5,211)	**S31 Grants included in Non-Domestic Rates Income on CIES**	**(3,192)**
(14,455)	**Total Non-Ringfenced Grants included in CIES**	**(14,056)**

2021/22 £'000	Credited to Services	2022/23 £'000
(11,590)	Rent Allowances	(11,402)
(10,589)	Rent Rebates	(10,452)
(187)	Discretionary Housing Payments	(132)
(334)	Housing Benefit Administration	(340)
(789)	New Burdens Grant Determination	(446)
(48)	Historic England	(118)
(148)	Local Council Tax Support Admin Subsidy	(144)
(33)	Home Office	(167)

(11)	Towns Fund	(78)
(1,700)	Homeless Specific	(1,213)
0	Council Tax Energy Rebate Grant	(6,121)
(2,612)	COVID Business Support Grants	(494)
0	Homes England	(72)
(602)	Other Grants	(767)
(28,643)	**Total Grants and Contributions credited to Services**	**(31,947)**
(43,098)	**Total Grants, Contributions and Donated Assets**	**(46,003)**

Note 38 – Related Parties

It is a requirement for the Council to disclose any transactions with a related party, including non-financial transactions. A 'related party' is defined as being an organisation with which the Council has dealings and where Officers or Members of the Council have a controlling interest or influence in the activities of that organisation. The code requires local authorities to disclose material transactions with 'related parties'. The disclosure is required in order that the true and fairness of the accounts can be understood by the reader of the accounts having knowledge of any 'related parties' of the Council.

Members/Officers - For 2022/23 the Council sent a letter, dated 1 April 2023, to all Members, Chief Officers and Assistant Directors, requesting disclosure of any 'related party transactions'. All letters were returned, two Members and two Officers declared pecuniary interests in accordance with section 117 of the Local Government Act 1972.

In addition, the table below details both Member and Officer representation on the boards of levying bodies, assisted organisations with which the Council makes material financial assistance and Joint Ventures.

Name of Organisation	Member Representative	Officer Representative
Upper Witham – Drainage Board	Councillor G Hewson Councillor R Longbottom Councillor P Vaughan Councillor C Burke Councillor D Armiger Councillor C Watt Councillor R Metcalfe Councillor B Bushell Councillor D Nannestad	Chief Executive
Witham First – Drainage Board	Councillor G Hewson Councillor P Vaughan	Chief Executive

Name of Organisation	Member Representative	Officer Representative
Witham Third – Drainage Board	Councillor G Hewson Councillor P Vaughan Councillor D Nannestad Councillor B Bushell Councillor J Kik	Chief Executive
Lincoln Dial-a-Ride	Councillor G Hewson	Chief Executive
Lincoln Citizens Advice Bureau	Councillor S Burke	Chief Executive
Investors in Lincoln	Cllr Metcalfe Cllr Murray	Chief Executive/ Major Developments
Lincoln Business Improvement Group	Councillor C Burke Councillor R Metcalfe	Communities and Environment
Central Lincolnshire Joint Strategic Planning Partnership	Councillor R Metcafe Councillor C Burke Councillor N Tweddle Councillor G Hewson(Sub)	Communities & Environment
The Shared Revenues & Benefits Joint Committee	Councillor R Metcalfe Councillor Sue Burke Councillor D Nannestad(sub))	Chief Executive

None of the above Members or Officers took part in the decision making of any financial assistance awarded to any of the organisations.

UK Central Government - has significant influence over the general operations of the Council. It is responsible for providing the statutory framework within which the Council operates, provides the majority of its funding in the form of grants and prescribes the terms of many of the transactions that the Council has with other parties (e.g. housing benefits).

Details of transactions with government departments are set out in note 37.

Other Bodies - transactions with other bodies levying demands on the Council Tax - Levying bodies in 2022/23 were as follows:

2021/22 £'000		2022/23 £'000
464	Upper Witham Drainage Board	493
139	Witham 1st Drainage Board	148
268	Witham 3rd Drainage Board	282
871	**Total**	**923**

Assisted Organisations - the Council made material financial assistance to the following organisations during the year: -

2021/22 £'000		2022/23 £'000
20	Lincoln Dial-a-Ride	57
28	Citizens Advice Bureau	0
23	Brayford Trust	25

Collaborative Agreements – The Council holds 6.3% (£12,350) of the ordinary share capital of £196,000 of Investors in Lincoln Ltd (IIL).

The principal activity of the company is the promotion of economic regeneration and the development and expansion of industry, commerce and enterprise of all forms for the benefit of the community in and around the City of Lincoln.

The company's accounting year-end is 31st March and the latest (audited) accounts are for the year ended 31st March 2022, showing net assets of £4.478m and a loss of £4,875. The accounts of the company may be obtained from The Company Secretary, c/o The Managed Workspace, Greetwell Place, 2 Lime Kiln Way, Lincoln LN2 4US.

The previous funding and management agreement that existed between IIL and the Council ended in January 2022 and a new lease agreement is now in operation until 2036 with break clauses within it. The lease continues the operation of Greetwell Place as a managed office workspace with the Council's staff operating the facility in the same way as previously, so there are no material changes to the businesses or operational approach. The annual rent payable to IIL is 50% of the rents collected, which is paid at £9,000 per month with an end of year reconciliation with payments or repayments made accordingly. The Council use the remaining 50% of the rent to cover operational and maintenance costs retaining any surpluses or funding any deficit accordingly.

Collaborative Agreements - The Council has a collaborative arrangement with North Kesteven and West Lindsey District Councils to provide the Central Lincolnshire Joint Planning Unit. This arrangement is hosted by North Kesteven District Council. The Council also has a collaborative arrangement with North Kesteven to provide a shared Revenues and Benefits Service. This shared service is hosted by the City of Lincoln Council. Both of these arrangements are governed through a Joint Committee representing each of the partner authorities. These arrangements are considered as Jointly Controlled Operations, where ventures use their own resources to undertake an activity subject to joint control, and as such do not require consolidation into the Council's accounts. The Council's proportion of activity is accounted for separately within the Core Financial Statements.

Note 39 – Capital Expenditure and Capital Financing

The total amount of capital expenditure incurred in the year is shown in the table below (including the value of assets acquired under finance leases), together with the resources that have been used to finance it. Where capital expenditure is to be financed in future years by charges to revenue as assets are used by the Council, the expenditure results in an increase in the Capital Financing Requirement (CFR). The CFR is a measure of the capital expenditure incurred historically that has yet to be financed. The CFR is analysed in the second part of this note.

Total Capital expenditure and financing during the year:

2021/22 £'000		2022/23 £'000
	Capital investment	
20,154	Property, Plant and Equipment	19,399
0	Investment Properties	0
64	Intangible Assets	0
1,677	Revenue Expenditure Funded from Capital under Statute	4,461
21,895		**23,860**

2021/22 £'000		2022/23 £'000
	Sources of finance	
(1,340)	Capital Receipts	(1,934)
(9,821)	Government grants and other contributions	(10,330)
(215)	Revenue Contributions	(62)
(3,842)	Major Repairs Reserve	(7,465)
(15,218)	**Total sources of financing**	**(19,791)**
(6,677)	**Capital Financing Requirement**	**(4,069)**
	Capital Financing Requirement - Funded by:	
(6,677)	Unsupported Borrowing	(4,069)
(6,677)		**(4,069)**
137,776	Opening CFR	142,859
6,677	Unsupported borrowing	4,069
0	Adjustments in respect of leases disposed under finance lease	0
(1,444)	Minimum Revenue Provision/Voluntary Revenue Provision	(824)
(150)	Application of capital receipts to reduce CFR	0
142,859	**Closing CFR**	**146,104**

The Council has a five-year Housing Investment programme, of which £2.254m is contractually committed for delivery in 2023/24. This relates to a partnership arrangement to ensure all our properties continue to meet Decent Homes Standard and move towards achieving The Lincoln Standard. In addition to this the Council also has a five-year General Investment Programme, of which £1m is contractually committed in 2023/24 to complete the Central Market refurbishment.

Note 40 – Leases

Council as Lessee

Finance Leases

The Council does not have any finance leases as Lessee.

Operating leases

The Council has acquired the use of a number of assets, such as vehicles, under operating leases.

The future minimum lease payments due under non-cancellable leases in future years are:

31/03/2022 £'000		31/03/2023 £'000
170	Not later than one year	260
22	Later than one year and not later than five years	1,460
0	Later than five years	101
192		**1,820**

The expenditure charged to the Comprehensive Income and Expenditure Statement during the year in relation to these leases was:

2021/22 £'000		2022/23 £'000
193	Vehicles Plant & Equipment	234
193	**Minimum lease payments**	**234**

Council as Lessor

Finance Leases

The Council has granted a long-term lease to Lincolnshire County Council for the use of The Collection (City and County Museum) accounted for as a finance lease. Rental is at a peppercorn, meaning no rentals are receivable. There was no net investment in this asset in 2022/23.

Operating Leases

The Council leases out property under operating leases for the following purposes:

- for the provision of community services, such as sports facilities and community centres

- for economic development purposes to provide suitable affordable accommodation for local businesses

The future minimum lease payments receivable under non-cancellable leases in future years are:

2021/22		2022/23
£'000		£'000
2,746	Not later than one year	2,727
9,860	Later than one year and not later than five years	9,312
20,650	Later than five years	18,974
33,257		**31,013**

The minimum lease payments do not include rents that are contingent on events taking place after the lease was entered in to, such as rent reviews. In 2022/23, (£391k) contingent rents were foregone by the Authority (2021/22 £386k received).

Note 41 – Impairment Losses

There were no impairment losses during 2022/23.

Note 42 – Capitalisation of Borrowing Costs

As permitted by the code, the Council has adopted a policy of accounting for borrowing costs in the Comprehensive Income and Expenditure Statement as they arise. No borrowing costs are capitalised.

Note 43 – Termination Benefits

The Council terminated the contracts of a number of employees in 2022/23, incurring liabilities of £0.289m (£0.392m in 2021/22) – see note 35 for the number of exit packages and total cost per band. These costs exclude any ill health retirements or departures as they are not termination benefits in accordance with the requirements of the code.

Note 44 – Defined Benefit Pension Scheme

Participation in Pension Schemes

As part of the terms and conditions of employment of its officers, the Council makes contributions towards the cost of post-employment benefits. Although these benefits will not actually be payable until employees retire, the Council has a commitment to make the payments (for those benefits) and to disclose them at the time that employees earn their future entitlement.

The Council participates in the Local Government Pension Scheme, administered by Lincolnshire County Council. This is a funded scheme, meaning that the Council and employees pay contributions into a fund, calculated at a level intended to balance the pension's liability with investment assets.

The pension scheme is operated under the regulatory framework for the Local Government Pension Scheme and the governance of the scheme is the responsibility of the pensions committee of Lincolnshire County Council. Policy is determined in accordance with the Pensions Fund Regulations.

The principal risks to the Council of the scheme are the longevity assumptions, statutory changes to the scheme, structural changes to the scheme, changes to inflation, bond yields and the performance of the equity investments held by the scheme. These are mitigated to a certain extent by the statutory requirements to charge to the General Fund and Housing Revenue Account the amounts required by statute as described in the accounting policies note.

Transactions Relating to Retirement Benefits

The Council recognises the cost of retirement benefits in the Net Cost of Services when they are earned by employees, rather than when the benefits are eventually paid as pensions. However, the charge that is required to go against Council Tax is based on the cash payable in the year, so the real cost of retirement benefits is reversed out in the Movement in Reserves Statement. The following transactions have been made in the Comprehensive Income & Expenditure Statement and the General Fund Balance via the Movement in Reserves Statement during the year:

2021/22 £'000		2022/23 £'000
	Comprehensive Income & Expenditure Statement	
	Net Cost of Services:	
7,203	Current Service Cost	5,960
114	Administration Expenses	127
223	Past Service Costs (including curtailments)	122
	Financing and Investment Income and Expenditure:	
2,077	Net Interest Expense	1,266
9,617	**Total Post-Employment Benefits charged to the Surplus or Deficit on the Provision of Services**	**7,475**

2021/22 £'000		2022/23 £'000
	Re-measurement of the net defined benefit liability comprising:	
(14,956)	Return on plan assets (excluding the amount included in the net interest expense)	9,476
(11,625)	Actuarial gains and losses arising on changes in demographic assumptions	0
(7,348)	Actuarial gains and losses arising on changes in financial assumptions	(104,550)

2,925	Other Actuarial gains / losses on assets	2,851
1,135	Other	19,683
(29,869)	**Total re-measurements recognised in Other Comprehensive Income and Expenditure**	(75,391)
(20,252)	**Total Post-employment Benefits charged to the Comprehensive Income and Expenditure Statement**	**(67,916)**

2021/22 £'000		**2022/23 £'000**
	Movement in Reserves Statement	
(9,617)	Reversal of net charges made to the Surplus or Deficit on the Provision of Services for post-employment benefits in accordance with the Code	(7,475)
4,888	Actual amount charged against the General Fund Balance for pensions in the year:	5,287

Pension Assets and Liabilities Recognised in the Balance Sheet

The amount included in the Balance Sheet arising from the Council's obligation in respect of its defined benefit plan is as follows:

2021/22 £'000		**2022/23 £'000**
(252,895)	Present value of the defined obligations	(174,264)
171,896	Fair value of plan assets	166,468
(80,999)	**Net liability arising from defined benefit obligation**	**(7,796)**

Reconciliation of Movements in the fair value of the scheme assets:

2021/22 £'000		**2022/23 £'000**
158,769	Opening fair value of scheme assets	171,896
3,156	Interest Income	5,375
14,956	The return on plan assets, excluding the amount included in the net interest expense	(9,476)
(2,925)	Other actuarial gains / (losses)	0
4,888	Contributions from employer	5,287
1,017	Contributions from employees into the scheme	1,095
(7,851)	Benefits Paid	(7,582)
(114)	Administration Expenses	(127)
0	Settlement Prices received/(paid)	0
171,896	Closing Fair value of scheme assets	**166,468**

Reconciliation of Present Value of the scheme liabilities:

2021/22 £'000	**2022/23 £'000**

264,908	Opening balance at 1 April	252,895
7,203	Current Service Cost	5,960
5,233	Interest Cost	6,641
1,017	Contributions from scheme participants	1,095
	Re-measurement (gains) and losses:	
(11,625)	Actuarial gains/losses arising from changes in demographic assumptions	0
(7,348)	Actuarial gains/losses arising from changes in financial assumptions	(104,550)
1,135	Other	19,683
223	Past Service Cost	122
0	Liabilities assumed/(extinguished) on settlements	0
(7,662)	Benefits Paid	(7,394)
(189)	Unfunded pensions Payments	(188)
252,895	**Closing Balance at 31 March**	**174,264**

Local Government Pension Scheme assets comprised:

Quoted in Active Markets 2021/22 £'000	Unquoted in Active Markets 2021/22 £'000	Total 2021/22 £'000		Quoted in Active Markets 2022/23 £'000	Unquoted in Active Markets 2022/23 £'000	Total 2022/23 £'000
			Fixed Interest Government Securities:			
1,719	0	1,719	UK	1,665	0	1,665
0	0	0	Overseas	0	0	0
1,719	**0**	**1,719**	**Sub-total Fixed Interest Government Securities**	**1,665**	**0**	**1,665**
			Index Linked Government Securities:			
2,578	0	2,578	UK	1,665	0	1,665
0	0	0	Overseas	0	0	0
2,578	**0**	**2,578**	**Sub-total Index Linked Government Securities**	**1,665**	**0**	**1,665**
			Corporate Bonds:			
15,814	0	15,814	UK	14,982	0	14,982
0	0	0	Overseas	0	0	0
15,814	**0**	**15,814**	**Sub-total corporate bonds**	**14,982**	**0**	**14,982**
			Equities:			
26,988	0	26,998	UK	24,970	0	24,970
67,899	0	67,899	Overseas	68,251	0	68,251
94,887	**0**	**94,887**	**Sub-Total equities**	**93,221**	**0**	**93,221**
			Property:			
11,689	688	12,377	All	9,988	1,665	11,653
11,689	**688**	**12,377**	**Sub-Total Property**	**9,988**	**1,665**	**11,653**

			Others:			
344	4,813	5,157	Hedge Fund	0	6,659	6,659
516	12,033	12,548	Private Equity	0	11,653	11,653
1,031	5,844	6,876	Infrastructure	0	6,659	6,659
1,031	0	1,031	Commodities	0	0	0
0	0	0	Bonds	0	0	0
7,735	0	7,735	Credit – Diversified Income	8,323	0	8,323
0	1,719	1,719	Private Debt	0	3,329	3,329
2,407	172	2,578	Other Diversified Alternatives	0	1,665	1,665
0	172	172	Forward Current Contracts	0	0	0
6,532	0	6,532	Cash/Temporary Investments	4,994	0	4,994
19,596	**24,753**	**44,349**	**Sub-Total Others**	**13,320**	**29,965**	**43,285**
			Net Current Assets:			
172	0	172	Debtors	0	0	0
0	0	0	Creditors	0	0	0
172	**0**	**172**	**Sub-Total Net Current Assets**	**0**	**0**	**0**
146,455	**25,441**	**171,896**	**Total assets**	**134,838**	**31,630**	**166,468**

Basis for Estimating Assets and Liabilities

Liabilities have been assessed on an actuarial basis using the projected unit credit method, an estimate of the pensions that will be payable in future years dependent on assumptions about mortality rates, salary levels, etc.

The Local Government Pension Scheme has been assessed by Barnett Waddington, an independent firm of actuaries; estimates for the Lincolnshire Pension Fund are based on the latest full valuation of the scheme as at 31 March 2022.

The significant assumptions used by the actuary have been:

2021/22		**2022/23**
	Mortality assumptions:	
	Longevity (in years) at 65 for current pensioners:	
19.8	Men	19.8
22.9	Women	22.9
	Longevity (in years) at 65 for future pensioners:	
22.1	Men	21.1
24.3	Women	24.4
4.25%	Rate of increase in salaries	3.90%
3.25%	Rate of increase in pensions	2.90%
2.60%	Rate for discounting scheme liabilities	4.80%

The estimation of the defined benefit obligations is sensitive to the actuarial assumptions set out in the table above. The sensitivity analyses below have been

determined based on reasonably possible changes of the assumptions occurring at the end of the reporting period and assumes for each change that the assumption analysed changes while all other assumptions remain constant. The assumptions in longevity, for example, assume that life expectancy increases or decreases for men and women. In practice, this is unlikely to occur, and changes in some of the assumptions may be interrelated. The estimations in the sensitivity analysis have followed the accounting policies for the scheme, i.e. on an actuarial basis using the projected unit credit method. The methods and types of assumptions used in preparing the sensitivity analysis below did not change from those used in the previous period.

Sensitivity Analysis:	**Increase in Assumptions £'000s**	**Decrease in Assumptions £'000s**
Adjustment to Discount Rate (increase or decrease by 1%)		
Present Value of Total Obligation	(2,623)	(5,375)
Projected Service Cost	(106)	109
Adjustment to Long Term Salary (increase or decrease by 1%)		
Present Value of Total Obligation	254	(251)
Projected Service Cost	2	(2)
Adjustment to Pension/Revaluation (increase or decrease by 1%)		
Present Value of Total Obligation	2,486	(2,422)
Projected Service Cost	111	(107)
Adjustment to Life Expectancy (increase or decrease by 1 year)		
Present Value of Total Obligation	7,300	(6,972)
Projected Service Cost	114	(112)

Impact on the Council's Cash Flow

The objectives of the scheme are to keep employers' contributions at as constant a rate as possible. The County Council has agreed a strategy with the scheme's actuary to achieve a funding level of 100% over the next 20 years. Funding levels are monitored on an annual basis. The next triennial valuation is due to be completed on 31 March 2025.

The scheme will need to take account of the national changes to the scheme under the Public Pensions Act 2013. Under the Act, the Local Government Pension Scheme in England and Wales and the other main public service schemes may not provide benefits in relation to service after 31 March 2014. The Act provides for scheme regulations to be made within a common framework, to establish new career average revalued earnings schemes to pay pensions and other benefits to certain public servants.

Employer contributions payable to the scheme in 2023/24 are estimated to be £4.792m.

Note 45 – Contingent Liabilities

A contingent liability is a possible liability arising from past events whose existence will be confirmed only by the occurrence of one or more uncertain future events not wholly within the Council's control. Where a material loss can be estimated with reasonable accuracy a provision is accrued within the financial statements. If, however, a loss cannot be accurately estimated or the event is not considered sufficiently certain, a contingent liability will be disclosed in a note to the Balance Sheet. There is one contingent liability as at 31 March 2023.

As with other councils across the country a potential VAT liability exists in relation to an HMRC review of VAT treatment of market fees and the Council is liaising with their VAT advisor on this matter.

Note 46 – Contingent Assets

The Council has no Contingent Assets as at 31st March 2023.

Note 47 – Nature and Extent of Risks Arising from Financial Instruments

The Council's activities expose it to a variety of financial risks. The key risks are:

- ✓ Credit risk – the possibility that other parties might fail to pay amounts due to the Council.
- ✓ Liquidity risk – the possibility that the Council might not have funds available to meet its commitments to make payments.
- ✓ Market risk - the possibility that financial loss might arise for the Council as a result of changes in such measures as interest rates movements.

Overall Procedures for Managing Risk

The Council's overall risk management procedures focus on the unpredictability of financial markets and implementing restrictions to minimise these risks. The procedures for risk management are set out through a legal framework set out in the Local Government Act 2003 and the associated regulations. These require the Council to comply with the CIPFA Prudential Code, the CIPFA Treasury Management in the Public Services Code of Practice and Investment Guidance issued through the Act. Overall, these procedures require the Council to manage risk in the following ways:

- ✓ by formally adopting the requirements of the Code of Practice;
- ✓ by the adoption of a Treasury Management Policy Statement and treasury management clauses within its standing orders;
- ✓ by approving, annually in advance, prudential indicators for the following three years limiting:
    - The Council's overall borrowing.
    - Its maximum and minimum exposures to fixed and variable rates.

- Its maximum and minimum limits on the maturity structure of its debt.
- Its maximum annual exposures to investments maturing beyond a year.

✓ by approving an investment strategy for the forthcoming year setting out its criteria for both investing and selecting investment counterparties in compliance with the Government Guidance.

These are required to be reported and approved at or before the Council's annual Council Tax setting budget. These items are reported with the annual Treasury Management Strategy, which outlines the detailed approach to managing risk in relation to the Council's financial instrument exposure. Actual performance is also reported semi-annually to Members.

The annual Treasury Management Strategy, which incorporates the prudential indicators was approved by Council on 1st March 2022. The strategy is updated at the mid-year point and revised estimates calculated as below. It is available on the Council's website (www.lincoln.gov.uk). The key issues during 2022/23 were:

- The Authorised Limit for 2022/23 was forecast to be £158m (revised to £137m). This is the maximum limit of external borrowings or other long-term liabilities during the year.
- The original Operational Boundary was expected to be £149m (revised to £133m). This is the expected level of debt and other long-term liabilities during the year. The maximum amounts of fixed and variable interest rate exposure were set at £134m and £55.4m (mid year update) based on the Council's net debt.
- The maximum and minimum exposures to the maturity structure of debt are shown within this note.

These policies are implemented by the Treasury team in Financial Services. The Council maintains written principles for overall risk management, as well as written policies covering specific areas, such as interest rate risk, credit risk, and the investment of surplus cash through Treasury Management Practices (TMPs). These TMPs are a requirement of the Code of Practice and are reviewed regularly.

Credit risk

Credit risk arises from deposits with banks and financial institutions, as well as credit exposures to the Council's customers. This risk is minimised through the Annual Investment Strategy, which requires that deposits are not made with financial institutions unless they meet identified minimum credit criteria, in accordance with the Fitch, Moody's and Standard & Poors Ratings Services. The Annual Investment Strategy also imposes maximum amounts and time limits in respect of each financial institution. Deposits are not made with banks and financial institutions unless they meet the minimum requirements of the investment criteria outlined above. Details of the Investment Strategy are contained within the Treasury Management Strategy and can be found on the Council's website (www.lincoln.gov.uk).

The Investment Strategy is based on the creditworthiness service provided by Link Asset Services (treasury management advisors to the Council). This uses a wide range of market information to produce a list of investment counterparties with recommended maximum investment durations. Link uses credit ratings, support ratings and credit default swap prices to arrive at a recommended counterparty list.

The criteria used as a minimum within the Capita methodology are as follows:

- Short Term credit ratings of F1, Long Term A, Support 3 and viability rating BBB (Fitch or equivalent rating), using the lowest common denominator principle.
- Inclusion of part Government owned UK banks based on support assumptions.

The full Investment Strategy for 2022/23 was approved by full Council on 1st March 2022.

The following analysis summarises the Council's potential maximum exposure to credit risk, based on experience of default assessed by the Fitch credit rating agency and the Council's experience of its customer collection levels over the last five financial years, adjusted to reflect current market conditions:

	Carrying Values at 31/03/23	**Historical experience of default**	**Adjusted for market conditions at 31/03/23**	**Estimated maximum exposure to default**
	£'000	**%**	**%**	**£'000**
	a	b	c	(a * c)
Deposits with banks and financial institutions				
• AAA* rated counterparties (investments up to 1 year)	14,685	0.0000%	0.0000%	0
• AA-* rated counterparties (investments up to 1 year)	3,000	0.0110%	0.0110%	0
• A* rated counterparties (investments up to 1 year)	9,000	0.0105%	0.0105%	1
• A+* rated counterparties (investments up to 1 year)	8,000	0.0130%	0.0130%	1
• A- rated counterparties (investments up to 1 year)	2,000	0.0040%	0.0040%	0
Debtors	8,313	7.17%	7.17%	596
	44,998			**598**

*See Glossary for a definition of ratings
**based on historical experience – this may change in future years due to the effect of Covid 19.

No breaches of the Council's counterparty criteria occurred during the reporting period and the Council does not expect any losses from non-performance by any of its counterparties in relation to deposits and bonds.

Whilst the current credit crisis in international markets has raised the overall possibility of default, the Council maintains strict credit criteria for investment counterparties. As a result of these high credit criteria, historical default rates have been used as a good indicator under these current conditions.

Analysis of Investments by country of origin

		Short term		**Long term**	
	Principal invested	**Fixed rate**	**Variable rate**	**Fixed rate**	**Variable rate**
	£'000	**£'000**	**£'000**	**£'000**	**£'000**

UK Local Authorities					
London Borough of Barking and Dagenham	3,000	3,000	0	0	0
UK Banks & Building Societies					
Lloyds Bank plc	7,000	7,000	0	0	0
Goldman Sachs	3,000	3,000	0	0	0
National Westminster Bank Plc (RFB)	2,000	2,000	0	0	0
SMBC	2,000	2,000	0	0	0
Standard Chartered Bank	5,000	5,000	0	0	0
UK Money Market Funds					
Aberdeen Standard MMF	5,410	0	5,410	0	0
BlackRock MMF	4,600	0	4,600	0	0
BNP Paribas MMF	1,750	0	1,750	0	0
Federated Investors (UK) MMF	255	0	255	0	0
Goldman Sachs MMF	0	0	0	0	0
Morgan Stanley MMF	2,670	0	2,670	0	0
Total Investments	**36,685**	**22,000**	**14,685**	**0**	**0**

The Council allows credit for its trade debtors, such that £818,802 of the £3,014,903 balance is not past its due date for payment. The past due but not impaired amount can be analysed by age as follows:

31/03/22 £'000		31/03/23 £'000
269	Less than three months	425
399	Three to six months	251
521	Six months to one year	312
1,321	More than one year	1,208
2,510	**Total**	**2,196**

Collateral – During the reporting period the Council held no collateral as security.

Liquidity risk

The Council manages its liquidity position through the risk management procedures above (the setting and approval of prudential indicators and the approval of the Treasury Management and Investment Strategy reports), as well as through a comprehensive cash flow management system, as required by the Code of Practice. This seeks to ensure that cash is available when it is needed.

The Council has ready access to borrowings from the Money Markets to cover any day to day cash flow need, and whilst the PWLB provides access to longer term funds, it also acts as a lender of last resort to councils (although it will not provide funding to a council whose actions are unlawful). The Council is also required to provide a balanced budget through the Local Government Finance Act 1992, which ensures sufficient monies are raised to cover annual expenditure. There is therefore no

significant risk that it will be unable to raise finance to meet its commitments under financial instruments.

The maturity analysis of financial liabilities is as follows: -

31/03/22 £'000		31/03/23 £'000
14,931	Less than one year	14,394
2,720	Between one and two years	2,225
3,588	Between two and five years	4,104
105,654	More than five years	102,913
126,893	**Total**	**123,636**

Market risk

Interest rate risk - The Council is exposed to interest rate movements on its borrowings and investments. Movements in interest rates have a complex impact on the Council, depending on how variable and fixed interest rates move across differing financial instrument periods. For instance, a rise in variable and fixed interest rates would have the following effects:

- ✓ borrowings at variable rates – the interest expense charged to the Comprehensive Income and Expenditure Statement will rise;
- ✓ borrowings at fixed rates – the fair value of the borrowing liability will fall;
- ✓ investments at variable rates – the interest income credited to the Comprehensive Income and Expenditure Statement will rise; and
- ✓ investments at fixed rates – the fair value of the assets will fall.

Borrowings are not carried at fair value in the Balance Sheet, so nominal gains and losses on fixed rate borrowings would not impact on the Comprehensive Income and Expenditure Statement. However, changes in interest payable and receivable on variable rate borrowings and investments will be posted to the Comprehensive Income and Expenditure Statement and affect the General Fund Balance, subject to influences from government grants. Movements in the fair value of fixed rate investments will be reflected in Other Comprehensive Income and Expenditure, unless the investments have been designated as Fair Value through the Comprehensive Income and Expenditure Statement, in which case gains and losses will be posted to the Surplus/Deficit on Provision of Services.

The Council has a number of strategies for managing interest rate risk. The Annual Treasury Management Strategy draws together the Council's prudential indicators and its expected treasury operations, including an expectation of interest rate movements. From this Strategy a prudential indicator is set which provides maximum and minimum limits for fixed and variable interest rate exposure. The central treasury team will monitor market and forecast interest rates within the year to adjust exposures appropriately. For instance, during periods of falling interest rates, and where economic circumstances make it favourable, fixed rate investments may be taken for longer periods to secure better long-term returns, similarly the drawing of longer term fixed rate borrowing would be postponed.

If all interest rates had been 1% higher with all other variables held constant the financial effect would be:

2021/22 £'000		2022/23 £'000
(255)	Increase in interest receivable on variable rate investments	(671)
(255)	**Impact on Income and Expenditure Account**	**(671)**
(81)	Share of overall impact credited to the HRA	(342)
(174)	Share of overall impact credited to the General Fund	(329)
(255)	**Total**	**(671)**

The approximate impact of a 1% fall in interest rates would be as above but with the movements being reversed. These assumptions are based on the same methodology as used for Fair Value of Assets and Liabilities carried at Amortised Cost.

Price risk - The Council does not generally invest in equity shares but does have shareholdings to the value of £0.82m in a number of joint ventures and in local industry. Whilst these holdings are generally liquid, the Council is exposed to losses arising from movements in the prices of the shares.

As the shareholdings have arisen in the acquisition of specific interests, the Council is not in a position to limit its exposure to price movements by diversifying its portfolio. The majority of the shareholdings are in the Dunham Bridge Company (£0.504m) and Investors in Lincoln (£0.312m). A representative of the Council sits on the Investors in Lincoln Board, enabling the Council to monitor factors that might cause a fall in the value of specific shareholdings.

The shares are all held at Fair Value through Other Comprehensive Income, meaning that all movements in price will impact on gains and losses recognised in Other Comprehensive Income and Expenditure.

Foreign exchange risk - The Council has no financial assets or liabilities denominated in foreign currencies. It therefore has no exposure to loss arising from movements in exchange rates.

HRA INCOME AND EXPENDITURE STATEMENT FOR THE YEAR ENDING 31 MARCH 2023

2021/22		Notes	2022/23	2022/23
£'000			£'000	£'000
	Expenditure			
(8,436)	Repairs and Maintenance	5	(8,982)	
(7,786)	Supervision and Management		(8,746)	
(615)	Rents, rates, taxes and other charges		(905)	
8,648	Depreciation, impairment and other adjustments for non-current assets		11,936	
(1)	Debt management costs		(9)	
(284)	Movement in the allowance for bad debts		(300)	
(8,474)	**Total Expenditure**			**(7,007)**
	Income			
28,700	Dwelling rents		30,089	
352	Non-dwelling rents		405	
766	Other Income		892	
262	Charges for services and facilities		544	
30,080	**Total Income**			**31,929**
21,606	**Net Cost of HRA Services as included in the Comprehensive Income and Expenditure Statement**			**24,922**
(1,348)	Transfer from HRS			(558)
20,258	**Net Cost for HRA Services**			**24,364**
	HRA share of the operating income and expenditure included in the Comprehensive Income and Expenditure Statement			
904	Gain or (loss) on the sale of HRA assets			627
(2,425)	Interest payable and similar charges			(2,432)
24	Interest and investment income			614
(729)	Pensions interest income on plan assets and interest cost on defined benefit obligation	9		(462)
4,353	Capital grants and contributions receivable			496
22,384	**Surplus or (deficit) for the year on HRA services**			**23,207**

MOVEMENT ON THE HOUSING REVENUE ACCOUNT STATEMENT

2021/22 £'000		2022/23 £'000
1,075	**Balance on the HRA at the end of the previous year**	1,030
22,384	Surplus or (deficit) for year on the HRA Income and Expenditure Statement	23,207
(22,097)	Adjustments between accounting basis and funding basis under statute	(22,321)
287	**Net increase or (decrease) before transfers to or from reserves**	**886**
(331)	Transfers (to) or from reserves	(748)
(44)	**Increase or (decrease) in year on the HRA**	138
1,030	**Balance on the HRA at the end of the current year**	**1,168**

NOTES TO THE HOUSING REVENUE ACCOUNT

Note 1 – Assets

The number of dwellings in the Council's housing stock, as at 31 March 2023, totalled 7,795 properties. The type of properties and the period in which they were built, were as follows:

Property Type	<1945 No.	1945-64 No.	1965-74 No.	>1974 No.	TOTAL No.
Low Rise Flats					
(Blocks up to 2 Storeys)					
1 Bed	43	888	561	541	2,033
2 Bed	5	118	82	105	310
3 Bed	0	0	12	1	13
Sub-Total	48	1,006	655	647	2,356
Medium Rise Flats					
(Blocks of 3 up to 5 Storeys)					
1 Bed	0	50	235	268	553
2 Bed	0	215	110	148	473
3 Bed	0	15	4	1	20
4 Bed	0	0	0	0	0
Sub-Total	0	280	349	417	1,046
High Rise Flats					
(Blocks of 6 Storeys or more)					
1 Bed	0	56	138	0	194
2 Bed	0	30	70	0	100
Sub-Total	0	86	208	0	294
Houses / Bungalows					
1 Bed	156	142	32	25	355
2 Bed	708	751	97	343	1,899
3 Bed	780	529	68	308	1,685
4 or more Beds	96	24	1	30	151
Sub-Total	1740	1,446	198	706	4,090
Total Dwellings 31 March 2023	**1,788**	**2,818**	**1,410**	**1,770**	**7,795**

Note 2 – Housing Revenue Account Assets Valuation

The Council's in-house Valuation Officers, and the District Valuer, have valued the HRA dwellings, land, and other property in accordance with Royal Institute of Chartered Surveyor guidelines.

The Balance Sheet value of council dwellings is calculated by applying a Social Housing discount factor. This represents the market value for the Council's total housing stock adjusted to reflect the fact that the property is socially rented (this adjustment is currently 42%). The discount factor is then applied to the open market or vacant possession value as determined by the District Valuer, as shown below:

	£ 000
Vacant possession value of council dwellings at 31 March 2023	766,580
Balance sheet valuation applying the Social Housing discount factor	321,964

The Balance Sheet value of HRA Assets is as follows:

2021/22 £'000		2022/23 £'000
298,791	Council Dwellings	321,964
4,494	Other Operational Assets	4,432
18,015	Non-Operational Assets	16,750
321,300	**Total at 31 March**	**342,966**

Note 3 – Depreciation

The Depreciation of HRA Assets is as follows:

Depreciation:

2021/23 £'000	**Operational Assets:**	2022/23 £'000
7,145	Council Dwellings	7,523
278	Other Operational Assets	339
7,423	**Total at 31 March**	**7,862**

Note 4 – Major Repairs Reserve

The Major Repairs Reserve is an earmarked reserve to which the Council transfers an amount annually to finance capital expenditure on council dwellings. This amount includes annual depreciation, which is charged to the Housing Revenue Account and then transferred to the Major Repairs Reserve. This may be supplemented by additional revenue contributions from the HRA to support the HRA capital programme. The balance on the Major Repairs Reserve shows the amounts that have yet to be applied to financing.

2021/22 £'000		2022/23 £'000
(14,139)	**Balance on 1 April**	**(20,088)**
	Amount transferred from the HRA	
	- Depreciation	
(7,145)	Dwellings	(7,523)
(280)	Other Assets	(339)
(2,365)	- Other revenue contributions	(2,147)
(23,929)		**(30,097)**
	Used in Financing	
3,842	- HRA Capital Expenditure	6,778
	-DRF	688
(20,088)		**(22,631)**

Note 5 – Housing Repairs Account

The Housing Repairs Account was set up on 1 April 2001 in order to assist with the longer-term planning of repairs and maintenance expenditure. The following analysis details the movement on the Housing Repairs Account during the year.

2021/22 £'000		2022/23 £'000
(1,351)	Balance on 1 April	**(1,351)**
	Expenditure in year	
3,702	Tenant Notified Repairs	3,991
1,949	Void Repairs	1,938
1,762	Servicing Contracts	1,792
24	Painting Programme	0
107	Asbestos Removal/Surveys	190
3	Specialist Property Surveys	1
392	Aids & adaptations	617
17	Aids & adaptations (Non HRS)	16
89	Cleansing	80
0	Minor Works	0
58	Decoration Grants	68
0	Tenants Compensation	6
64	COVID Charges	0
99	Skip Recharges	143
27	Control Centre Recharge	36
0	Estate Shops	0
137	Other Expenditure	105
8,428		**8,983**
	Income in year	
(8,326)	Contribution from HRA	(8,909)
0	Contribution to HRA	0
(101)	Repairs Account Income	(74)
0	Contribution from Leaseholders	0
0	Interest Received in year	0
(8,428)		**(8,983)**
(1,351)	**Surplus Balance on 31 March**	**(1,351)**

Note 6 – Capital Expenditure in the year

The Housing Revenue Account capital expenditure and sources of funding during the financial year are detailed in the following table:

2021/22 £'000		2022/23 £'000
	Capital investment	
15,263	Property, Plant and Equipment – HRA	12,647
1	Property, Plant and equipment – GF used as council housing	0
0	Non-Current Assets held for sale	0
0	Intangible Assets	0
0	Revenue Expenditure funded from Capital under Statute	0
15,264		**12,647**
	Sources of funding	
(867)	Capital Receipts	(1,917)
(21)	Revenue Contributions	0
(3,842)	Major Repairs Reserve	(7,465)
(4,178)	Prudential Borrowing	(2,770)
(6,356)	Government grants and other contributions	(495)
(15,264)		**(12,647)**
0	**Balance unfunded at 31 March**	**0**

* REFCUS is created when expenditure has been incurred on items that are not capitalised as assets but have been financed from capital resources. It is written down to the Housing Revenue Account over an appropriate period, usually in the same year in which the expenditure has been incurred. The total amount of REFCUS is £0.000m for 2022/23 (£0.000m in 2021/22).

Prior to the implementation of HRA Self-financing on 1 April 2012, supported borrowing levels had been issued annually by Central Government, authorising the Council to borrow monies, which were funded by Central Government to cover capital expenditure. Additionally, the Council was able to take out unsupported or prudential borrowing, which must be financed from its own resources. Post self-financing implementation and the end of the housing subsidy system, all borrowing will be prudential borrowing. In 2022/23, there was £2,770m of prudential borrowing undertaken to fund the HRA capital investment.

Note 7 - Capital Receipts

The cash receipts from the disposal of land, houses and other property within the HRA in the year are summarised as follows:

2021/22 £'000		2022/23 £'000
	Council dwellings	
(3,156)	- Right to Buy	(3,239)
(102)	- Discounts repaid	0
	Other Receipts	
0	- Land Sales reimbursements	0
0	- Reimbursement of expenditure on	0
0	General Fund property on sale	0
	Land receipts	
(3,256)		(3,239)
529	Less Pooled (Paid to Central Government)	0
(2,727)	**Total**	**(3,239)**

Note 8 - Rent Arrears

During the year 2022/23 total rent arrears increased by £40k equal to 1.86%, to £2.165m. A summary of rent arrears and prepayments is shown in the following table:

2021/22 £'000		2022/23 £'000
1,165	Current Tenant Arrears @ 31 March	1,158
960	Former Tenant Arrears @ 31March	1,007
2,125	**Total Rent Arrears**	2,165
(242)	Prepayments @ 31 March	(280)
1,883	**Net Rent Arrears**	**1,885**

A provision for doubtful debts of £300,400 has been made in this year's accounts in respect of potentially non-collectable rent arrears, as detailed above, and associated miscellaneous debts. The value of the bad debt provision held in the Balance Sheet at 31 March 2023 is £2,160,656 (£2,016m at 31 March 2022).

Note 9 - Pension Costs

In line with the full adoption of IAS 19 'Employee Benefits' the Net Cost of Services includes the cost of retirement benefits when they are earned by employees, rather than when the benefits are eventually paid as pensions. However, the charge that is required when determining the movement on the HRA Balance for the year is based on the cash payable in the year, so the real cost of retirement benefits is reversed out of the HRA in the Movement on the Housing Revenue Account Statement. The following transactions have been made in the HRA during the year:

2021/22		2022/23
£'000		£'000
	HRA Income & Expenditure Statement	
2,605	Current Service Cost	2,268
0	Past Service Costs	0
729	Net interest expense	462
3,503	**Total**	**2,730**
(1,720)	Amount to be met from HRA	(1,931)
1,614	**Movement on Pension Reserve**	**799**

THE COLLECTION FUND STATEMENT FOR THE YEAR ENDED 31 MARCH 2023

2021/22 £'000 Total		2022/23 £'000 Council Tax	2022/23 £'000 NNDR	2022/23 £'000 Total	Note
	INCOME				
(47,853)	Council Tax Payers	(50,192)	0	(50,192)	2
(115)	Income from Ministry of Defence	(124)	0	(124)	
(33,168)	Income from Business Ratepayers	0	(40,286)	(40,286)	3
(81,136)		**(50,316)**	**(40,286)**	**(90,602)**	
	EXPENDITURE				
	Precepts:				
6,956	- City of Lincoln Council	7,360	0	7,360	
33,248	- Lincolnshire County Council	36,248	0	36,248	
6,491	- Police & Crime Comm. Lincolnshire	6,993	0	6,993	
	Business Rates:				
21,641	- Payments to Government	0	19,382	19,382	3
17,164	- Payments to City of Lincoln Council	0	15,501	15,501	3
4,291	- Payments to Lincs County Council	0	3,875	3,875	3
144	- Cost of Collection	0	142	142	
	Bad and Doubtful Debts				
342	- Provisions	242	112	354	
385	- Write Offs	149	26	175	
(952)	- Provision for appeals	0	(536)	(536)	
(28,175)	Transfer of Collection Fund Surplus	(37)	(10,110)	(10,147)	4
61,535		**50,955**	**28,392**	**79,347**	
(19,601)	**Deficit / (Surplus) for the year**	**639**	**(11,894)**	**(11,255)**	
	COLLECTION FUND BALANCE				
29,887	Balance brought forward at 1st April	192	10,093	10,285	
(19,601)	Deficit/(Surplus) for the year (as above)	639	(11,894)	(11,255)	
10,286	**Balance carried forward at 31st March**	**831**	**(1801)**	**(970)**	
	Allocated to:				
4,066	- City of Lincoln Council	122	(720)	(598)	
1,145	- Lincolnshire County Council	595	(180)	415	
27	- Police & Crime Comm. Lincolnshire	114	0	114	
5,048	- Government	0	(900)	(900)	
10,286		**831**	**(1,801)**	**(970)**	

NOTES TO THE COLLECTION FUND

Note 1 - General

The Collection Fund is an agent's statement that reflects the statutory obligation of billing authorities to maintain a separate Collection Fund. The statement shows the transactions of the billing authority in relation to the collection from taxpayers of Council Tax and National Non-Domestic Rates (NNDR) and its distribution to local government bodies and the Government.

The Council has a statutory requirement to operate a Collection Fund as a separate account to the General Fund. The purpose of the Collection Fund therefore, is to isolate the income and expenditure relating to Council Tax and National Non-Domestic Business Rates. The administrative costs associated with the collection process are charged to the General Fund.

Collection Fund surpluses declared by the billing authority in relation to Council Tax are apportioned to the relevant precepting bodies in the subsequent financial year. Deficits likewise are proportionately charged to the relevant precepting bodies in the following year. For the City of Lincoln, the Council Tax precepting bodies are Lincolnshire County Council (LCC) and the Police and Crime Commissioner for Lincolnshire (PCCL).

In 2013/14, the local government finance regime was revised with the introduction of the retained business rates scheme. The main aim of the scheme is to give councils a greater incentive to grow businesses in the City. It does, however, also increase the financial risk due to non-collection and the volatility of the NNDR tax base.

The scheme allows the Council to retain a proportion of the total NNDR received. For 2022/23, the City of Lincoln's proportionate share remained consistent with that of 2021/22, as follows:

	2022/23 'Pool'
City of Lincoln	40%
Lincolnshire County Council	10%
Central Government	50%

NNDR surpluses declared by the billing authority in relation to the Collection Fund are apportioned to the relevant precepting bodies in the subsequent financial year in their respective proportions. Deficits likewise are proportionately charged to the relevant precepting bodies in the following year.

The national code of practice followed by local authorities in England stipulates that a Collection Fund Income and Expenditure account is included in the Council's accounts. The Collection Fund Balance Sheet meanwhile is incorporated into the Council's Balance Sheet.

Note 2 - Council Tax Base

Council Tax derives from charges raised according to the value of residential properties, which have been classified into 9 valuation bands (A-H) for this specific purpose. Individual charges are calculated by estimating the amount of income required to be taken from the Collection Fund by the Council for the forthcoming year and dividing this by the Council Tax base (i.e. the equivalent numbers of Band D dwellings).

The Council Tax base for 2022/23 was 25,310.01 (24,372.38 in 2021/22). The increase between financial years is as a result of a combination of new builds and a reduction in the level of Council Tax Discounts and Exemptions. The tax base for 2022/23 was approved at the Executive on 21st February 2022 and was calculated as follows:

Band	Ratio	Dwellings	Equivalent Dwellings after discounts, exemptions and reliefs	Equivalent Band D Dwellings
A Reduced	5/9	48	42	23
A	6/9	28,070	23,360	15,573
B	7/9	9,053	7,961	6,192
C	8/9	4,893	4,382	3,895
D	9/9	2, 539	2,299	2,299
E	11/9	1,384	1,124	1,373
F	13/9	442	366	528
G	15/9	141	135	225
H	18/9	38	12	24
Total		**46,608**	**39,680**	**30,132**
Deduction for Non-Collection				(527)
Crown Properties Adjustment				60
Adjusted to Band D Equivalent				**29,665**
Council Tax Relief Scheme				(4,400)
Tax Base for the Calculation of Council Tax				**25,310**

Dwellings for residents entitled to 'disabled relief reduction' are reduced to the next lowest band for the calculation of Council Tax. As band 'A' is the lowest band, 'A reduced' has been introduced to give effect to this reduction for those who reside in Band 'A' properties.

Income received from Council Taxpayers in 2022/23 was £50,192m (£47.853m in 2021/22).

Note 3 - Income from Business Ratepayers

The Council collects National Non-Domestic Rates (NNDR) for its area based on local rateable values provided by the Valuation Office Agency (VOA) multiplied by a uniform business rate set nationally by Central Government. Historically the total amount due, less certain allowances, was paid to a central pool (the NNDR pool) administered by Central Government, which, in turn, paid to local authorities their share of the pool, such shares being based on a standard amount per head of the local adult population.

In 2013/14, the administration of NNDR changed following the introduction of a business rates retention scheme which aims to give councils a greater incentive to grow businesses but also increases the financial risk due to volatility and non-collection of rates. Instead of paying NNDR to the central pool, local authorities retain a proportion of the total collectable rates due. For 2022/23, the City of Lincoln's retained share remained consistent with that of the previous year as follows:

	2021/22 'Pool'	**2022/23 'Pool'**
City of Lincoln	40%	40%
Lincolnshire County Council	10%	10%
Central Government	50%	50%

The business rates shares payable for 2022/23 were estimated before the start of the financial year as **£19.376m** (£21.455m in 2021/22) to Central Government, **£3.875m** (£4.291m in 2021/22) to LCC and **£15.501m** (£17.164m in 2021/22) to the City of Lincoln Council. These sums have been paid in 2022/23 and charged to the Collection Fund in year.

When the scheme was introduced, Central Government set a baseline level for each authority identifying the expected level of retained business rates and a top up or tariff amount to ensure that all authorities receive their baseline amount. Tariffs due from authorities payable to Central Government or to Top-up authorities within an NNDR Pooling arrangement are used to finance the top ups to those authorities who do not achieve their targeted baseline funding. In 2022/23 the City of Lincoln made a tariff payment from the General Fund to the County Council to the value of **£13.094m** (£13.094m in 2021/22).

The total income from business rate payers collected in 2022/23 was **£40.286m** (£33.168m in 2021/22).

In addition to the top up/tariff, a 'safety net' figure is calculated at 92.5% of baseline amount which ensures that authorities are protected to this level of Business Rates income (either through support from Central Government if they are not in a NNDR Pool/Pilot or as first call on gains from pooling/pilot if authorities are members of an NNDR Pool/Pilot). For the City of Lincoln the value of the safety net figure (net of tariff) is **£3.528m** (£3.528m in 2021/22). The comparison of business rate income to the safety net uses the total income collected from business rate payers and adjusts for losses in collection, losses on appeal, transitional protection payments, the cost of collection and the revision to Small Business Rate Relief and other reliefs not allowed for when the safety net was set. The Council does not qualify for a safety net payment for 2022/23.

In addition to the local management of business rates, authorities are expected to finance appeals made in respect of rateable values as defined by VOA and hence business rates outstanding as at 31st March 2023. As such, authorities are required to make a provision for these amounts. Appeals are charged and provided for in proportion of the precepting shares. **The total provision withdrawn from the collection fund for 2022/23 has been calculated at £0.536m (£0.952m was withdrawn in 2021/22).**

For 2022/23, the total non-domestic rateable value at the year-end is **£111.7m** (£111.3m in 2021/22). The national multipliers for 2022/23 were **49.9p** for qualifying Small Businesses, and the standard multiplier being **51.2p** for all other businesses (49.9p and 51.2p respectively in 2021/22).

Note 4 - Contributions to Collection Fund Surpluses and Deficits

The Council has a statutory requirement to prepare an estimate each January of the surplus or deficit expected to arise at the end of the financial year. In January 2022 it was estimated that the Collection Fund would have a Council Tax deficit of **£37m** (£1.106m deficit in January 2021) and a Business Rates deficit of **£10.110m** (£27,665m deficit in January 2021), a combined Collection Fund deficit of **£10,147m** (£28.771m deficit in January 2021) and so the following amounts were due to or from the preceptors in 2022/23:

2021/22 £'000		2022/23 £'000
11,232	City of Lincoln Council	4,050
3,558	Lincolnshire County Council	1,038
149	Police & Crime Comm. Lincolnshire	4
13,833	Central Government	5,055
28,772	**Total**	**10,147**

INDEPENDENT AUDITORS' REPORT TO MEMBERS OF CITY OF LINCOLN COUNCIL

ANNUAL GOVERNANCE STATEMENT (AGS) 2022/23

1 The council's responsibility for sound governance

1.1 Scope of responsibility

City of Lincoln Council must ensure that its business is conducted in accordance with the law and proper standards, and that public money is safeguarded and used economically, efficiently and effectively. The Council also has a duty under the Local Government Act 1999 to secure continuous improvement in the way its functions are exercised.

Governance is about how we ensure that we are doing the right things, in the right way, for the right people, in a timely, inclusive, open, honest and accountable manner. In discharging this overall responsibility, we must put in place proper governance arrangements to manage our affairs. The Council must ensure that there is a sound system of governance (incorporating the system of internal control) based on the principles of CIPFA's "Delivering Good Governance in Local Government Framework 2016"

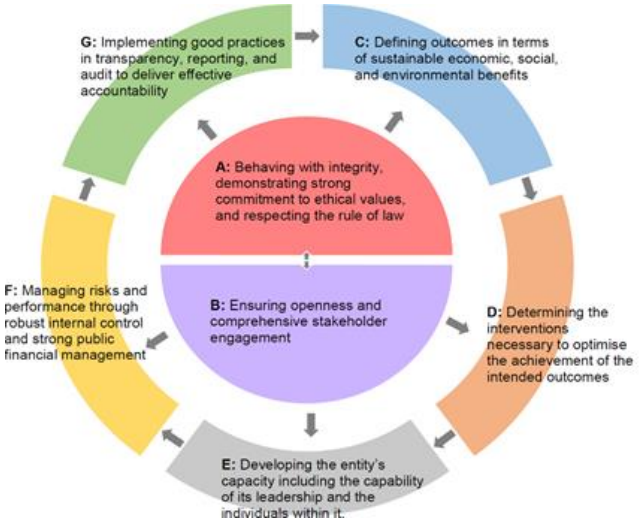
How we are meeting these defined responsibilities is detailed in the City of Lincoln's Code of Corporate Governance, which is available on our website at https://www.lincoln.gov.uk/policies-publications/financial-policies-publications.

The Council's Code of Corporate Governance was comprehensively reviewed in 2021, to account for the impact of the Covid-19 pandemic. Further minor changes have since been made, with the Code most recently updated in May 2023.

This Annual Governance Statement details how the City Council has complied with its own Code of Corporate Governance over the past year. The Statement meets all relevant statutory requirements, and continues to incorporate actions taken in response to the COVID-19 pandemic.

1.2 The Code of Corporate Governance sets out the documentation, systems and processes by which the authority transparently controls its activities and defines its cultures and values. It enables us to monitor achievement of our strategic objectives and to consider whether these have led to the delivery of appropriate value for money services.

The code is based on a set of seven core principles:



1.3 Responsibility rests within a range of areas – the key ones are detailed in the table below:

KEY ELEMENTS OF COUNCIL'S GOVERNANCE FRAMEWORK

Key elements of the governance framework at City of Lincoln Council are summarised below:

Council, Executive, Leader

- Provide leadership; set, develop and implement policy
- Ensure the Vision 2025 strategies are taken forward
- Develop, adopt and implement the budget framework
- Support the city's diverse communities and neighbourhoods to thrive

Leadership and decision making

- All decision meetings held in public (except those identified as 'part B')
- Decisions recorded on the Council's public website
- Resources directed according to priorities as set out in Vision 2025

Risk management

- Risk registers identify both operational and strategic risks
- Strategic risks are considered by CMT and Executive every quarter
- Internal audit provides independent objective assurance
- Council's arrangements comply with the requirements of the CIPFA Statement on the Role of the Head of Internal Audit

Scrutiny and review

- Scrutiny committees review council policy and can challenge decisions to hold Executive to account
- Audit and Performance committees review governance, costs vs budget, risk, internal control and delivery of agreed plans
- Ethics and Engagement Committee and/or Monitoring Officer deals with complaints about, or suspected breaches of member conduct
- Any two members can hold the Executive to account outside of scrutiny and review by requesting Call-In and reconsideration of an Executive decision

Corporate Management Team (CMT)

- The CX is the Head of Paid Service and is responsible for all council staff and for leading an effective Corporate Management Team (CMT)
- CMT ensures there is clear accountability for the use of resources in achieving desired outcomes for service users and the community
- The Chief Finance Officer (CFO) is the council's Section 151 Officer and is responsible for safeguarding the council's financial position and securing value for money. The council's financial management arrangements comply with the governance requirements of the CIPFA Statement on the role of Chief Financial Officer in Local Government
- The City Solicitor is the council's Monitoring Officer and is responsible for ensuring legality, good governance and promoting high standards of conduct

1.4 In the following sections, the AGS considers whether the Code has been applied effectively and provides commentary on how the framework itself has operated over the last 12 months. The first of these sections covers how the Council has continued to maintain good governance as it adapts to longer term impacts from the COVID-19 pandemic. Some of the activities mentioned in this first section are also mentioned under the 'Core Principles' sections that follow.

1.5 Impact of COVID-19 on maintaining good governance

The COVID-19 pandemic caused major disruption to the day-to-day work of the Council, and has had a lasting impact on how we continue to deliver services to our residents and local businesses. We have now taken steps to fully embed the enhanced business continuity procedures and renewed governance arrangements initiated during the pandemic, for the benefit of our residents, businesses and visitors.

Actions taken to address the impact of the COVID-19 pandemic in 2022/23:

- Reviewed business continuity plans following the Covid-19 pandemic.
- Developed a new IT Disaster Recovery Plan, including coverage of all risks highlighted throughout the pandemic
- Undertaken an initial review of the longer-term effects of Covid-19 within the City (including health) via the Lincoln City Profile.

Proposed activity for the coming year 2023/24:

- Undertake a further review of all business continuity plans, in order that they may be aligned with the new IT Disaster Recovery Plan.

1.6 CORE PRINCIPLE A: Behaving with integrity, demonstrating strong commitment to ethical values, and respecting the rule of law

Ethical values, standards and formal codes of conduct are defined in the Council's Constitution and form the basis for developing our policies, procedures, and the behaviour of our Members and employees. We have appropriate processes in place to ensure that Members and employees are not influenced by prejudice, bias or conflicts of interest when engaging and making decisions with stakeholders, as well as effective systems to protect the rights of employees. All Council decisions consider legal and equality implications with support from our Legal Services team.
Our Audit Committee includes an independent Member, and provides assurance on the adequacy of our internal control environment by ensuring high standards of conduct are embedded within the Council's culture. The Committee also monitors all governance issues raised, and oversees our internal and external audit arrangements.

Activity within Principle A in 2022/23:

- Undertook an annual update of the Code of Corporate Governance
- Reviewed the requirement to update our Members' Code of Conduct, which remains legally compliant
- Ensured we are compliant with the proposed Subsidy Control Bill

- Ensured we are compliant with the Electoral Integrity Bill
- Completed a successful Adults Safeguarding Audit (LAAF)
- Reviewed our Modern Slavery Charter and Statement
- Reviewed proposals contained within the new Planning Bill
- Reviewed our Money Laundering Policy
- Reviewed our Whistleblowing Policy and Guidance

Proposed activity for the coming year:

- Undertake scheduled annual update of our Code of Corporate Governance
- Continue to monitor our compliance with the Subsidy Control Act 2022 as projects commence
- Continue to review our compliance with the Elections Act 2022 as the commencement orders come into place
- Review updated CIPFA guidance for Audit Committees, including a review of the Terms of Reference of the Audit Committee to ensure they remain compliant with best practice

1.7 CORE PRINCIPLE B: Ensuring openness and comprehensive stakeholder engagement

The Council makes sure our partners, in the private, public and voluntary sector as well individual citizens and service users, are engaged in and have full access to information relating to decision making. We expect reports to decision makers to be open, to provide all the necessary material to ensure informed decisions in the best interests of the city and communities, and to have engaged stakeholders and service users in arriving at proposals under consideration.

Activity within Principle B in 2022/23:

- Commenced a review of the Lincoln Citizens' Panel
- Explored more effective forms of stakeholder engagement for budget consultations
- Commenced a review of Consultation and Engagement staff guidance
- Undertook consultations with service users relating to climate change

Proposed activity for the coming year:

- Finalise the review of our Consultation and Engagement staff guidance
- Complete a review of the Citizens Panel, and recruit new Panel members in a way that reflects the current makeup of the City
- Create a 'Community Development Toolkit' for local Ward Councillors to provide additional help and support within their community
- Explore further options for engaging with stakeholders on budget consultations
- Continue to develop more permanent and usable feedback systems for services.

1.8 CORE PRINCIPLE C: Defining outcomes in terms of sustainable economic, social, and environmental benefits

Vision 2025 is the Council's vision for the five years to 2025 and forms the second phase of our Vision from 2017 to 2030. As with previous strategic plans, Vision 2025 was developed using a robust evidence base including information

gained through consultation with local residents and businesses, and evidence from the Lincoln City Profile. The current priorities in Vision 2025 are:

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

The next corporate planning cycle to develop our 'Vision 2030' will commence towards the end of the current year.

Since the Covid-19 pandemic, progress has been made towards reinstating the five current Strategic Priority Boards. Meanwhile key strategic projects, including redevelopment of Central market/City Square and commencement of Western Growth Corridor, continue to be monitored through their respective MEGA Boards. All projects are also reported into the Portfolio Holders' annual reporting process.

A full mid-term evidence based review of the Vision 2025 was completed in 2022, and continues to be implemented.

Activity within Principle C in 2022/23:

- Re-energised implementation of the place strategy for Park Ward/Sincil Bank, highlighted as a priority area for regeneration following the Covid-19 pandemic, through progression of multiple contributing regeneration projects
- Progressed several projects set out in the Vision 2025 three year action plan including Central market/City Square, delivery of new homes at Rookery Lane, progression of our Climate Action Plan, and a range of projects within the High Street Heritage Action Zone
- Undertook promotion of the next phase of the three year Vision 2025 Delivery Plan
- Commenced a feasibility study for a 30-year Housing Business Plan, which will focus on regenerating our housing estates
- Advanced a detailed analysis of 2021 Census data, that will be incorporated into future Lincoln City Profile publications and used to support robust decision making

Proposed activity for the coming year:

- Further progress implementation of Phases 1a and 1b of Western Growth Corridor
- Progress further the implementation of the place strategy for Park Ward/Sincil Bank
- Finalise our 30-year Housing Business Plan for the period 2023 – 2053
- Complete our detailed analysis of 2021 Census data to support robust, evidence-based decision making

1.9 CORE PRINCIPLE D: Determining the interventions necessary to optimise the achievement of the intended outcomes

The Council clearly defines its priorities and plans to ensure delivery of their

intended outcomes. Service plans were completed for 2022/23, and plans for the coming year are currently underway. Work has continued to ensure robust management of the Council's services, and projects continue to utilise the Lincoln Project Management Model (LPMM), through which we continuously assess the risks of not fully delivering plans and ensure that there are mitigating actions in place to support the achievement of intended outcomes.

The Council's financial management arrangements ensure that there is adequate resource available to deliver our plans. The Council reviews progress against delivering those outcomes through its performance management framework.

Activity within Principle D in 2022/23:

- Commenced work on delivering a five year ICT Strategy
- Prepared and audited a new IT Disaster Recovery Plan
- Procured and delivered a replacement online, self service Council Tax and NNDR system
- Progressed improving customers' experience by continuing to move them away from our Customer Contact Centre towards online forms

Proposed activity for the coming year:

- Complete delivery of a five year ICT Strategy
- Formally adopt a new IT Disaster Recovery Plan
- Undertake a further review of our business continuity plans, in order that they may be aligned with the new IT Disaster Recovery Plan.
- Establish micro-sites for key services including Building Control, Visitor services and Lincoln Central Market.
- Identify further high volume interactions with customers in our Customer Contact Centre and move them to online forms where possible to take pressure off contact centre
- Review the Council's Risk Management Strategy and provide refresher training to Members and officers

1.10 CORE PRINCIPLE E: Developing the entity's capacity, including the capability of its leadership and the individuals within it

The Council ensures a management structure that provides leadership and creates the opportunity for staff to work effectively and efficiently to achieve our objectives. Under our One Council approach, we have in place an organisational development pillar that aims to ensure our workforce has the necessary skills and behaviours to deliver our Vision for the city, and is effectively engaged to champion the Council's corporate priorities. Partnership working extends capacity for key projects to be delivered beyond the Council's own resources and is embedded within our Vision 2025 objectives.

Activity within Principle E in 2022/23:

- Commenced a review of the Council's building assets including City Hall, Hamilton House and community centres etc
- Supported the relocation of Citizens' Advice into City Hall, to further strengthen City Hall's identity as a public service hub
- Reviewed our One Council organisational pillar, concluding that we have adapted new ways of working in response to all known issues arising from the Covid-19 pandemic

- Provided leadership development training to all service managers and team leaders

Proposed activity for the coming year:
- Continue to build on employee retention and professional training opportunities for our employees
- Review the Council's Our People Strategy
- Continue implementing our Organisational Development Action Plan, including a needs and skills gap analysis

1.11 CORE PRINCIPLE F: Managing risks and performance through robust internal control and strong public financial management

The Council recognises the need to implement an effective performance management system that will allow us to deliver services effectively and efficiently. We understand that risk management, internal control and strong financial management are essential for us to achieve our objectives and we have put appropriate arrangements in place.

Activity within Principle F in 2022/23:
- Reviewed our Financial Procedure Rules
- Implemented revised reporting requirements as required by the revised Prudential Code and Treasury Management Code
- Reinstated our monthly Vision priority meetings
- Reviewed our Contaminated Land Inspection Strategy
- Reported a new agreed action plan to ensure compliance with the CIPFA Financial Management Code
- Introduced a revised process for following up actions identified in Internal Audit reports, significantly improving internal controls for monitoring actions and reducing the time taken to address them.

Proposed activity for the coming year:
- Review Contract Procedure Rules upon enactment of the Procurement Act
- Undertake a benchmarking exercise to review our treasury management strategy and prudential indicators reporting against best practice
- Introduce quarterly reporting of our treasury management activities
  Fully implement all actions within our agreed action plan to ensure compliance with the CIPFA Financial Management Code
- Provide training to all officers with budget responsibility on revised Financial Procedure Rules and continue to develop a business partnering approach to financial management

1.12 CORE PRINCIPLE G: Implementing good practices in transparency, reporting, and audit to deliver effective accountability

The Council recognises that effective accountability is concerned not only with reporting on actions completed, but also ensuring stakeholders are able to understand and respond as the Council plans and carries out its activities in an open, transparent and proportionate manner. Performance is managed under the principles of the Performance Management Framework

Activity within Principle G in 2021/22:

- Commenced a review of the Lincoln Performance Management Framework
- Undertook an internal audit of our Performance Management function
- Reviewed a range of control measures associated with the Council's key performance indicators, including renewing control sheets and performance reporting

Proposed activity for the coming year:
- Complete a detailed review of the Lincoln Performance Management Framework and how this can best support Vision 2030
- Further develop our internal performance management system

2. Review of effectiveness of the governance framework

We undertook an assessment of the Council's governance framework during 2022/23, by reviewing our Code of Corporate Governance and the review process used to develop the AGS. Included in this review, we assessed how we identify and rate significant issues and other areas that may require monitoring. We also considered how all of the following governance information influenced the effectiveness of our overall governance framework:
- Internal and external audits
- Third party assurances and combined assurance
- Committee reports
- Risk management practices
- Performance management observations and issues
- Management of projects
- Partnership governance
- Financial management
- Feedback from our senior management team and statutory officers.

The Head of Internal Audit is required annually to provide an opinion on the overall effectiveness of the Council's governance, risk and control framework and the extent to which these can be relied upon. In 2022/23 the Council was noted as performing well across three areas (Governance, Risk and Financial Control) and performing adequately against Internal Control. The audit plan was again reduced due to a temporary shortfall in staffing resource. Two posts are currently going through the recruitment process.

Internal audits completed in 2022/23 include:
- Performance management
- Stores
- ICT Programme and Project Management
- Medium Term Financial Strategy
- Housing Benefit Subsidy
- Organisational Development
- Key Controls – General Ledger
- Key Controls – Bank
- Climate Change
- De Wint Court
- Key Controls – Property, Plant and Equipment

Of these internal audits, both Performance Management and Stores were rated as having 'limited assurance'. Significant progress has been made

against the action plan introduced in response to the Performance Management audit findings, with the remaining actions listed in Core Principle G of this AGS. Actions identified from the Stores audit will be monitored on a quarterly basis, with progress reported to the Audit Committee. Of the actions applicable to the areas rated 'limited assurance' none were considered significant enough to highlight as potential AGS significant governance issues.

The following internal audits remain in progress and are at draft report stage:-

- Staff Wellbeing
- IT Disaster Recovery
- IT Asset Management
- Follow-up of audit recommendations

As at April 2023 there were no high priority audit actions which were overdue.

3. Introduction of the CIPFA Financial Management Code 2019 (FM Code)

In December 2019, the Chartered Institute of Public Finance and Accountancy (CIPFA) published its Financial Management code (the FM Code), providing guidance for good and sustainable financial management in local authorities. The FM Code aims to assist local authorities to demonstrate their financial sustainability through a set of seventeen financial management standards.
CIPFA guidance issued in February 2021 requires Annual Governance Statements to now include an overall conclusion of the assessment of the organisation's compliance with these standards. An assessment against the FM Code was most recently undertaken and reported to the Audit Committee in March 2023, confirming an overall substantial level of compliance (65%), with six identified areas for improvement (35%).

It is not expected that there will be full compliance across all standards as continual improvement, routine revisions to policies and procedures, and assessment against best practice necessitate a need for new actions to be implemented following each annual assessment. The Council can be assured that it has achieved this level of substantial and reasonable assurance and that there are no areas of minimum compliance and no significant areas for improvement.

4. Level of assurance provided

We can provide a high level of assurance that the governance arrangements operating at City of Lincoln Council, in line with our Code of Corporate Governance are appropriate, fit for purpose and working well in practice.

5. Status of significant governance issues monitored from 2022/23

The Council has regularly monitored its 2021/22 significant governance issues through senior management and the Audit Committee during 2022/23.

The Disaster Recovery plan in place for IT arrangements: Substantial progress has been made over the last twelve months to put this plan in place. The final IT Disaster Recovery Plan is complete and is expected to be adopted in early 2023/24.

This is therefore no longer considered to be a significant governance issue.

6. Significant governance issues identified from 2022/23

No new significant governance issues have been identified during 2022/23.

7. Conclusion

The Council's governance arrangements are under continual review. No significant governance issues have been identified during 2022/23, however the Council will continue to monitor the effectiveness of its governance arrangements to enable the identification of new and emerging issues throughout the coming year.

Signed

Cllr R Metcalfe, Leader: Date: 31/05/2023

Angela Andrews, Chief Executive: Date: 31/05/2023

AGS - GLOSSARY OF TERMS USED

AGS	Annual Governance Statement
AD	Assistant Director
CPG	Capital Programme Group
CFO	Chief Finance Officer
CLT	Corporate Leadership Team
CMT	Corporate Management Team
CPR	Contract Procedure Rules
CS	City Solicitor
CX	Chief Executive
DCLG	Department for Communities and Local Government
DfT	Department for Transport
DR	Disaster Recovery
FPR	Financial Procedure Rules
GDPR	General Data Protection Regulation
GLLEP	Greater Lincolnshire Local Enterprise Partnership
H&S	Health & Safety
HB	Housing Benefit
HPS	High Performing Services
HR	Human Resources
ICT	Information, Communication Technology
PIMS	Performance & Management Information System
LGA	Local Government Authority
LPMM	Lincoln Project Management Model
MTFS	Medium Term Financial Strategy
PIR	Post Implementation Review
PVP	Protecting Vulnerable People (group)
RO	Responsible Officer
RSG	Revenue Support Grant
TFS	Towards Financial Sustainability
SM	Service Manager
VFM	Value for Money

GLOSSARY

AAA FITCH RATING

Highest credit quality - 'AAA' ratings denote the lowest expectation of credit risk. They are assigned only in case of exceptionally strong capacity for timely payment of financial commitments. This capacity is highly unlikely to be adversely affected by foreseeable events.

AA FITCH RATING

Very high credit quality - 'AA' ratings denote a very low expectation of credit risk. They indicate very strong capacity for timely payment of financial commitments. This capacity is not significantly vulnerable to foreseeable events. The modifier "+" or "-", may be appended to the rating to denote relative status within the category.

A FITCH RATING

High credit quality - 'A' ratings denote a low expectation of credit risk. The capacity for timely payment of financial commitments is considered strong. This capacity may, nevertheless, be more vulnerable to changes in circumstances or in economic conditions than is the case for higher ratings. The modifier "+" or "-", may be appended to the rating to denote relative status within the category.

ACCOUNTING PERIOD

The period of time covered by the accounts, normally a period of twelve months commencing on 1 April. The end of the accounting period is the Balance Sheet date.

ACCRUALS

Sums included in the final accounts to recognise revenue and capital income and expenditure earned or incurred in the financial year, but for which actual payment had not been received or made as at 31 March.

ACTUARIAL GAINS AND LOSSES

For a defined benefit pension scheme, the changes in actuarial surpluses or deficits that arise because:

- Events have not coincided with the actuarial assumptions made for the last valuation (experience gains and losses); or
- The actuarial assumptions have changed

ASSET

An item having value to the Council in monetary terms. Assets are categorised as either current or fixed:

- A current asset will be consumed or cease to have material value within the next financial year (e.g. cash and stock);
- A fixed asset provides benefits to the Council and to the services it provides for a period of more than one year and may be tangible e.g. a community centre, or intangible, e.g. computer software licences.

AUDIT OF ACCOUNTS

An independent examination of the Council's financial affairs.

BALANCE SHEET

A statement of the recorded assets, liabilities and other balances at the end of the accounting period.

BORROWING

Government support for capital investment is described as either Supported Capital Expenditure (Revenue) known as SCE(R) or Supported Capital Expenditure (Capital Grant) known as SCE(C). SCE can be further classified as either Single Capital Pot (SCP) or ring-fenced.

BUDGET

The forecast of net revenue and capital expenditure over the accounting period.

CAPITAL EXPENDITURE

Expenditure on the acquisition of a fixed asset, which will be used in providing services beyond the current accounting period, or expenditure which adds to and not merely maintains the value of an existing fixed asset.

CAPITAL FINANCING

Funds raised to pay for capital expenditure. There are various methods of financing capital expenditure including borrowing, leasing, direct revenue financing, usable capital receipts, capital grants, capital contributions, revenue reserves and earmarked reserves.

CAPITAL PROGRAMME

The capital schemes the Council intends to carry out over a specific period of time.

CAPITAL RECEIPT

The proceeds from the disposal of land or other assets. Proportions of capital receipts can be used to finance new capital expenditure, within rules set down by the Government but they cannot be used to finance revenue expenditure.

CIPFA

The Chartered Institute of Public Finance and Accountancy.

CLAW-BACK

Where average council house rents are set higher than the Government's prescribed average limit rent, used in the calculation of rent rebates, the percentage difference reduces the amount of rent rebate subsidy due to the Council, i.e. it is "clawed-back" by the Government.

COLLECTION FUND

A separate fund that records the income and expenditure relating to Council Tax and non-domestic rates.

COMMUNITY ASSETS

Assets that the Council intends to hold in perpetuity, that have no determinable useful life and that may have restrictions on their disposal. Examples of community assets are parks and historical buildings.

COMPREHENSIVE INCOME AND EXPENDITURE STATEMENT

The statement that shows the accounting cost in the year of providing services in accordance with generally accepted accounting practices, rather than the amount funded from taxation. The Council raises taxation to cover the cost of expenditure in accordance with regulations; this may be different from the accounting cost. The taxation position is shown in the Movement in Reserves Statement.

CONSISTENCY

The concept that the accounting treatment of like items within an accounting period and from one period to the next are the same.

CONTINGENT ASSET

A contingent asset is a possible asset arising from past events whose existence will be confirmed only by the occurrence of one or more uncertain future events not wholly within the Council's control.

CONTINGENT LIABILITY

A contingent liability is either:

- A possible obligation arising from past events whose existence will be confirmed only by the occurrence of one or more uncertain future events not wholly within the Council's control; or
- A present obligation arising from past events where it is not probable that a transfer of economic benefits will be required, or the amount of the obligation cannot be measured with sufficient reliability.

CORPORATE AND DEMOCRATIC CORE

The corporate and democratic core comprises all activities that local authorities engage in specifically because they are elected, multi-purpose authorities. The costs of these activities are thus over and above those which would be incurred by a series of independent single purpose, nominated bodies managing the same services. There is therefore no logical basis for apportioning these costs to services.

CREDITOR

Amount owed by the Council for work done, goods received or services rendered within the accounting period, but for which payment has not been made by the end of that accounting period.

CURRENT SERVICE COST (PENSIONS)

The increase in the present value of a defined benefits pension scheme's liabilities, expected to arise from employee service in the current period.

DEBTOR

Amount owed to the Council for works done, goods received or services rendered within the accounting period, but for which payment has not been received by the end of that accounting period.

DEFERRED CHARGES

Expenditure which can be properly deferred (i.e. treated as capital in nature), but which does not result in, or remain matched with, a tangible asset. Examples of deferred charges are grants of a capital nature to voluntary organisations.

DEFINED BENEFIT PENSION SCHEME

Pension schemes in which the benefits received by the participants are independent of the contributions paid and are not directly related to the investments of the scheme.

DEPRECIATION

The measure of the cost of wearing out, consumption or other reduction in the useful economic life of the Council's assets during the accounting period, whether from use, the passage of time or obsolescence through technical or other changes.

DISCRETIONARY BENEFITS (PENSIONS)

Retirement benefits, which the employer has no legal, contractual or constructive obligation to award and are awarded under the Council's discretionary powers such as the Local Government (Discretionary Payments) Regulations 1996.

EQUITY

The Council's value of total assets less total liabilities.

EVENTS AFTER THE BALANCE SHEET DATE

Events after the Balance Sheet date are those events, favourable or unfavourable, that occur between the Balance Sheet date and the date when the Statement of Accounts is authorised for issue.

EXCEPTIONAL ITEMS

Material items which derive from events or transactions that fall within the ordinary activities of the Council and which need to be disclosed separately by virtue of their size or incidence to give fair presentation of the accounts.

EXPECTED RETURN ON PENSION ASSETS

For a funded defined benefit scheme, this is the average rate of return, including both income and changes in fair value but net of scheme expenses, which is expected over the remaining life of the related obligation on the actual assets held by the scheme.

EXTRAORDINARY ITEMS

Material items, possessing a high degree of abnormality, which derive from events or transactions that fall outside the ordinary activities of the Council and which are not expected to recur. They do not include exceptional items, nor do they include prior period items merely because they relate to a prior period.

FAIR VALUE

The fair value of an asset is the price at which it could be exchanged in an arm's length transaction less, where applicable, any grants receivable towards the purchase or use of the asset.

FAIR VALUE INPUT LEVELS

Basis for recurring fair value measurements:

- Level 1 Inputs - quoted prices (unadjusted) in active markets for identical assets or liabilities that the authority can access at the measurement date. Level 2 Inputs - inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly.
- Level 3 Inputs - unobservable inputs for the asset or liability.

FINANCE LEASE

A lease that transfers substantially all of the risks and rewards of ownership of a fixed asset to the lessee.

GOING CONCERN

The concept that the Statement of Accounts is prepared on the assumption that the Council will continue in operational existence for the foreseeable future.

GOVERNMENT GRANTS

Grants made by the Government towards either revenue or capital expenditure in return for past or future compliance with certain conditions relating to the activities of the Council. These grants may be specific to a particular scheme or may support the revenue spend of the Council in general.

HOUSING BENEFITS

A system of financial assistance to individuals towards certain housing costs administered by authorities and subsidised by Central Government.

HOUSING REVENUE ACCOUNT (HRA)

A separate account to the General Fund, which includes the income and expenditure arising from the provision of housing accommodation by the Council.

IMPAIRMENT

A reduction in the value of a fixed asset to below its carrying amount in the Balance Sheet.

INCOME AND EXPENDITURE ACCOUNT

The revenue account of the Council that reports the net cost for the year of the functions for which it is responsible and demonstrates how that cost has been financed from precepts, grants and other income.

INTANGIBLE ASSETS

An intangible (non-physical) item may be defined as an asset when access to the future economic benefits it represents is controlled by the reporting entity. This Council's intangible assets comprise computer software licences.

INTEREST COST (PENSIONS)

For a defined benefit scheme, the expected increase during the period of the present value of the scheme liabilities because the benefits are one period closer to settlement.

INVESTMENTS (PENSION FUND)

The investments of the Pension Fund will be accounted for in the statements of that fund. However, authorities are also required to disclose, as part of the disclosure requirements relating to retirement benefits, the attributable share of the pension scheme assets associated with their underlying obligations.

LIABILITY

A liability is where the Council owes payment to an individual or another organisation.

- A current liability is an amount which will become payable or could be called in within the next accounting period, e.g. creditors or cash overdrawn.
- A deferred liability is an amount which by arrangement is payable beyond the next year at some point in the future or to be paid off by an annual sum over a period of time.

LIQUID RESOURCES

Current asset investments that are readily disposable by the Council without disrupting its business and are either:

- Readily convertible to known amounts of cash at or close to the carrying amount; or
- Traded in an active market

LONG-TERM CONTRACT

A contract entered into for the design, manufacture or construction of a single substantial asset or the provision of a service (or a combination of assets or services which together constitute a single project), where the time taken to substantially complete the contract is such that the contract activity falls into more than one accounting period.

MATERIALITY

The concept that the Statement of Accounts should include all amounts which, if omitted or mis-stated, could be expected to lead to a distortion of the financial statements and ultimately mislead a user of the accounts.

MINIMUM REVENUE PROVISION (MRP)

The minimum amount which must be charged to the revenue account each year in order to provide for the repayment of loans and other amounts borrowed by the Council.

NATIONAL NON-DOMESTIC RATES (NNDR)

The National Non-Domestic Rate is a levy on businesses, based on a national rate in the pound set by the Government and multiplied by the assessed rateable value of the premises they occupy. It is collected by the Council on behalf of Central Government and then redistributed back to support the cost of services.

NET BOOK VALUE

The amount at which assets are included in the Balance Sheet, i.e. their historical costs or current value less the cumulative amounts provided for depreciation.

NET DEBT

The Council's borrowings less cash and liquid resources.

NON-DISTRIBUTED COSTS

These are overheads for which no user now benefits and as such are not apportioned to services

NON-OPERATIONAL ASSETS

Assets held by the Council but not directly occupied, used or consumed in the delivery of services. Examples are investment properties, assets under construction or assets surplus to requirements pending sale or redevelopment.

OPERATING LEASE

A lease where the ownership of the fixed asset remains with the lessor.

OPERATIONAL ASSETS

Assets held and occupied, used or consumed by the Council in the pursuit of its strategy and in the direct delivery of those services for which it has either a statutory or discretionary responsibility.

PAST SERVICE COST (PENSIONS)

For a defined benefit pension scheme, the increase in the present value of the scheme liabilities related to employee service in prior periods arising in the current period as a result of the introduction of, or improvement to retirement benefits.

PENSION SCHEME LIABILITIES

The liabilities of a defined benefit pension scheme for outgoings due after the valuation date. Scheme liabilities measured during the projected unit method reflect the benefits that the employer is committed to provide for service up to the valuation date.

PRECEPT

The levy made by precepting authorities on billing authorities, requiring the latter to collect income from Council Tax on their behalf.

PRIOR YEAR ADJUSTMENT

Material adjustments applicable to previous years arising from changes in accounting policies or from the correction of fundamental errors. This does not include normal recurring corrections or adjustments of accounting estimates made in prior years.

PROVISION

An amount put aside in the accounts for future liabilities or losses which are certain or very likely to occur but the amounts or dates of when they will arise are uncertain.

PUBLIC WORKS LOAN BOARD (PWLB)

A Central Government Agency, which provides loans for one year and above to authorities at interest rates only slightly higher than those at which the Government can borrow itself.

RATEABLE VALUE

The annual assumed rental of a hereditament, which is used for NNDR purposes.

RELATED PARTIES

There is a detailed definition of related parties in FRS 8. For the Council's purposes related parties are deemed to include the Council's members, the Chief Executive, its Directors and their close family and household members.

RELATED PARTY TRANSACTIONS

The Code requires the disclosure of any material transactions between the Council and related parties to ensure that stakeholders are aware when these transactions occur and the amount and implications of such.

REMUNERATION

All sums paid to or receivable by an employee and sums due by way of expenses allowances (as far as those sums are chargeable to UK income tax) and the money value of any other benefits received other than in cash. Pension contributions payable by the employer are excluded.

RESERVES

The accumulation of surpluses, deficits and appropriations over past years. Reserves of a revenue nature are available and can be spent or earmarked at the discretion of the Council. Some capital reserves such as the fixed asset restatement account cannot be used to meet current expenditure.

RESIDUAL VALUE

The net realisable value of an asset at the end of its useful life.

RETIREMENT BENEFITS

All forms of consideration given by an employer in exchange for services rendered by employees that are payable after the completion of employment.

REVENUE EXPENDITURE

The day-to-day expenses of providing services.

REVENUE SUPPORT GRANT

A grant paid by Central Government to authorities, contributing towards the general cost of their services.

STOCKS

Items of raw materials and stores a Council has procured and holds in expectation of future use. Examples are consumable stores, raw materials and products and services in intermediate stages of completion.

TEMPORARY BORROWING

Money borrowed for a period of less than one year.

TRUST FUNDS

Funds administered by the Council for such purposes as prizes, charities, specific projects and on behalf of minors.

USEFUL ECONOMIC LIFE (UEL)

The period over which the Council will derive benefits from the use of a fixed asset.

WORK IN PROGRESS (WIP)

The cost of work performed on an uncompleted project at the Balance Sheet date, which should be accounted for.

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EXECUTIVE **20 NOVEMBER 2023**

SUBJECT:	**TREASURY MANAGEMENT AND PRUDENTIAL CODE UPDATE MID-YEAR REPORT – 30 SEPTEMBER 2023**
DIRECTORATE:	**CHIEF EXECUTIVE & TOWN CLERK**
REPORT AUTHOR:	**LAURA SHIPLEY, FINANCIAL SERVICES MANAGER**

1. Purpose of Report

1.1 This report summarises the Council's treasury management activity and the actual prudential indicators for the period 1st April 2023 to 30th September 2023.

2. Executive Summary

2.1 The Treasury Management Strategy for 2023/24 approved by council on 28th February 2023 outlines the Council's capital and investment priorities as follows;

- **Liquidity** of investments
- **Security** of capital / investments
- **Yield** earned on investments

2.2 The strategy includes indicators that help ensure that the Council's capital investment plans are affordable, prudent and sustainable. Setting an integrated Capital and Treasury Management Strategy is a requirement of the CIPFA Code of Practice.

2.3 The position and performance for the 6 months ended 30th September 2023 are set out in the body of this report.

2.4 **Investment Portfolio**

2.4.1 The Council held £41.145m of investments as at 30th September 2023. The investment profile is shown in Appendix A.

2.4.2 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 6 months to 30th September on average 93% of the portfolio was held in low risk specified investments and an average of 7% of the portfolio was held in non-specified investments (with other local authorities).

2.4.3 Liquidity – The Council seeks to maintain liquid short-term deposits of at least £5 million available with a week's notice. The weighted average life (WAL) of investments for the year was expected to be 0.11 years (40 days). At 30th September 2023 the Council held liquid short term deposits of £17 million and the WAL of the investment portfolio was 0.21 years (75 days). The WAL of the investment portfolio is higher than expected.

2.4.4 Security - The Council's maximum security risk benchmark for the portfolio as at 30th September 2023 was 0.022%. 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 £0.005m on an investment portfolio of £41m. This represents a very low risk investment portfolio.

2.4.5 Yield – The Council achieved an average return of 4.73% on its investment portfolio for the 6 months ended 30th September 2023. This compares favourably with the prior year's equivalent figure of 1.3% and is in-line with the target SONIA rate at 30th September 2023 of 4.73%.

2.5 **External Borrowing**

2.5.1 As at 30th September 2023, the Council held £114.353m of external borrowing, of which 100% were fixed rate loans (Appendix A).

2.5.2 As at 30th September 2023, the average rate of interest paid during the first half of the financial year on external borrowing was 3.14%. This is lower than the budgeted rate set in the MTFS 2022-27 of 4.25%; there has been a reduction in external borrowing during the first 6 months of the year as some borrowing has been repaid and internal balances used to fund expenditure.

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 30th September 2023. The Treasury Management Strategy and Prudential Indicators were previously reported to and approved by Council on 28th 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. Prudential Indicators

4.1 This part of the report is structured to provide an update on:

- The Council's capital expenditure plans;
- How these plans are being financed;
- The impact of the changes in the capital expenditure plans on the prudential indicators and the underlying need to borrow; and

- Compliance with the limits in place for borrowing.

4.2 Capital Expenditure

The table below shows the revised estimates for capital expenditure that have been approved by or are subject to Executive approval since Council approved the original budget in February 2023.

4.3

Capital Expenditure	2023/24 Original Estimate (MTFS) £000	Original Estimate inc. Year End Adjustments £000	2023/24 Revised Estimate £000
General Fund	14,114	21,252	24,784
HRA	16,462	22,174	16,862
Total	**30,576**	**43,426**	**41,646**

4.4 Financing of the Capital Programme

The table below draws together the main strategy elements of the capital expenditure plans (above) and the expected financing arrangements for this capital expenditure. The borrowing element of the table increases the underlying indebtedness of the Council in the Capital Financing Requirement (CFR), although this will be reduced in part by revenue charges for the repayment of debt.

4.5

Indicators 1&2 Capital Expenditure and Financing	2023/24 Original Estimate £000	2023/24 Revised Estimate £000
Capital Expenditure		
General Fund	14,114	24,784
HRA (including New Build)	16,462	16,862
Total Expenditure	**30,576**	**41,646**
Financed by (General Fund):		
Capital receipts	-	-
Capital grants & contributions	10,484	18,490
Revenue/Reserve Contributions	-	165
Borrowing need (GF)	**3,631**	**6,129**
Financed by (HRA):		
Capital receipts	1,438	2,004
Capital grants & contributions	-	727
Depreciation (HRA only)	9,092	7,601
Revenue/Reserve Contributions	5,152	5,240
Borrowing need (HRA)	**779**	**1,290**

4.6 The principal changes in the financing, from the original estimates approved in February 2023 are a result of the re-profiling of expenditure and budget increases for the Western Growth Corridor and Better Care Fund (DFG's) funded by grants.

4.7 The Capital Financing Requirement (CFR), External Debt and the Operational Boundary

4.7.1 The table below 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, which is termed as the Operational Boundary.

4.7.2 We are on target to achieve the original forecast Capital Financing Requirement. There have been no significant changes.

Indicators 3 & 4 Capital Financing Requirement (CFR)	**2023/24 Original Estimate £000**	**2023/24 Revised Estimate £000**
General Fund – CFR	74,148	74,143
HRA - CFR	78,803	78,511
Total CFR	**152,952**	**152,654**
Net movement in CFR	3,644	6,551

Indicator 5 External Borrowing	**2023/24 Original Estimate £000**	**2023/24 Revised Estimate £000**
Borrowing	109,897	109,897
Other long term liabilities *	0	0
Total Debt 31 March	**109,897**	**109,897**

* Other long term liabilities includes Finance leases- a change in accountancy practice is currently estimated to result in finance liabilities in 24/25 onwards which will be reported in the Treasury Management Strategy

4.7.3 The Council is currently under-borrowed against the CFR and will utilise cash balances / internal resources until cash flow forecasts indicate the need for additional borrowing. PWLB borrowing rates have increased and forecasts show that they will remain elevated for some little while. No short term borrowing has been undertaken during the period. Over £12m of borrowing is maturing in 2023/24 with a view to not being replaced in the current climate whilst balances and interest rates remain high.

4.7.4 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.

4.8 Limits to Borrowing Activity

4.8.1 The first key control over the Council's borrowing activity is a prudential indicator to ensure that over the medium term, net borrowing will only be for a capital purpose. Gross external borrowing should not, except in the short term, exceed the total of CFR in the preceding year plus the estimates of any additional CFR for 2022/23 and next two financial years. This allows some flexibility for limited early borrowing for future years. The Council has approved a policy for borrowing in advance of need, which will be adhered to if this proves prudent.

Indicator 6 – Gross Debt and the CFR	2023/24 Original Estimate £000	2023/24 Revised Estimate £000
Gross Borrowing	109,897	109,897
CFR	152,952	152,654
Net borrowing is below CFR	**43,055**	**42,757**

4.8.2 Due to changes in accounting practice the CFR in future years will include lease liabilities that are currently not recognised on the balance sheet. The council is engaged in establishing the amounts of these liabilities (previously treated as operating leases and treated as rental expenditure) and estimates will be made in the Treasury Management Strategy.

4.8.3 The Chief Finance Officer reports that no difficulties are envisaged for the current or future years. This view takes into account current commitments, existing plans, and the proposals in the budget report.

4.8.4 A breakdown of the loans and investments profile is provided in Appendix A.

A further two prudential indicators control the overall level of borrowing. These are:

1. 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.

2. 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.

Indicator 7 – Authorised limit for external debt*	2023/24 Original Estimate £000	2023/24 Current Position £000	2023/24 Revised Estimate £000
Borrowing	124,262	114,353	124,005
Other long-term liabilities**	1,380	0	1,380
Total Authorised limit	**125,642**	**114,353**	**125,385**

Indicator 8 – Operational boundary for external debt*	2023/24 Original Estimate £000	2023/24 Current Position £000	2023/24 Revised Estimate £000
Borrowing	119,897	114,353	119,897
Other long-term liabilities**	1,200	0	1,200
Total Operational Boundary	**121,097**	**114,353**	**121,097**

* The highest level of external debt during the first half of 2023/24 was £121.962m.

** Other long-term liabilities include Finance leases.

4.8.5 There have been revisions to the capital programme since the Medium-Term Financial Strategy was set in February 2023 which have impacted on authority's capital financing requirement and as a result, to the figures calculated for the operational boundary for borrowing. The limits for the Operational Boundary allow for previous use of internal borrowing to be replaced by external borrowing should the Chief Finance Officer decide that it is appropriate and prudent to do so.

4.9 **Other Prudential Indicators**

Appendix B details the updated position on the remaining prudential indicators and the local indicators.

5. Economic Update

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

5.2 Interest Rate Forecast

Current medium term interest rate forecasts are shown below:

Link Group Interest Rate View	25.09.23												
	Dec-23	Mar-24	Jun-24	Sep-24	Dec-24	Mar-25	Jun-25	Sep-25	Dec-25	Mar-26	Jun-26	Sep-26	Dec-26
BANK RATE	5.25	5.25	5.25	5.00	4.50	4.00	3.50	3.00	2.75	2.75	2.75	2.75	2.75
3 month ave earnings	5.30	5.30	5.30	5.00	4.50	4.00	3.50	3.00	2.80	2.80	2.80	2.80	2.80
6 month ave earnings	5.60	5.50	5.40	5.10	4.60	4.10	3.60	3.10	2.90	2.90	2.90	2.90	2.90
12 month ave earnings	5.80	5.70	5.50	5.20	4.70	4.20	3.70	3.20	3.00	3.00	3.00	3.00	3.00
5 yr PWLB	5.10	5.00	4.90	4.70	4.40	4.20	4.00	3.90	3.70	3.70	3.60	3.60	3.50
10 yr PWLB	5.00	4.90	4.80	4.60	4.40	4.20	4.00	3.80	3.70	3.60	3.60	3.50	3.50
25 yr PWLB	5.40	5.20	5.10	4.90	4.70	4.40	4.30	4.10	4.00	3.90	3.80	3.80	3.80
50 yr PWLB	5.20	5.00	4.90	4.70	4.50	4.20	4.10	3.90	3.80	3.70	3.60	3.60	3.60

6. Borrowing

6.1 The Council's capital financing requirement (CFR) for 2023/24 is £152.952m. The CFR denotes the Council's underlying need to borrow for capital purposes. If the CFR is positive the Council may borrow from the PWLB or the market (external borrowing), or from internal balances on a temporary basis (internal borrowing). The balance of external and internal borrowing is generally driven by market conditions. The Council has projected borrowing at the end of 2023/24 of £109.897 million and has utilised £43.055m of cash flow funds in lieu of borrowing. This is a prudent and cost-effective approach in the current economic climate but will require ongoing monitoring if further upside risk to gilt yields prevails.

6.2 Due to increases in interest rates the Council has employed a policy of utilising internal resources to reduce the overall debt liability, choosing not to renew loans ending during the financial year (£12m). The capital programme is being kept under regular review due to the effects of inflationary pressures and shortages of materials and labour. The borrowing strategy will therefore also be regularly reviewed and revised, to achieve optimum value and risk exposure in the long-term.

6.3 It is anticipated that further borrowing will not be undertaken during this financial year.

6.4 Debt rescheduling opportunities have increased over the course of the past six months and will be considered if giving rise to long-term savings. However, no debt rescheduling has been undertaken to date in the current financial year.

7. Strategic Priorities

7.1 <u>One Council</u>

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.

8. Organisational Impacts

8.1 Finance (including whole life costs where applicable)

The financial implications are covered in the main body of the report.

8.2 Legal Implications including Procurement Rules

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

8.3 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 required.

9. Risk Implications

9.1 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.

10. Recommendation

10.1 It is recommended that Executive note the Prudential and Local Indicators and the actual performance against the Treasury Management Strategy 2023/24 for the half-year ended 30th September 2023.

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

Borrowing Profile at 30th September 2023

	Long term borrowing	
	Fixed rate	**Variable rate**
	£ 000	**£ 000**
PWLB loans	91,353	0
Other Market loans	16,000	0
Local Authority loans	7,000	0
TOTAL	**114,353**	**0**

Investment Profile at 30th September 2023

	Total Principal Invested	**Short term**	
		Fixed rate	**Variable rate**
	£ 000	**£ 000**	**£ 000**
UK Banks & Building societies (including Call accounts)	**21,000**	21,000	0
UK Money Market Funds	**17,145**	0	17,145
Local Authority	**3,000**	3,000	
TOTAL	**41,145**	**24,000**	**17,145**

Updated Position on the Remaining Prudential and Local Indicators

Affordability Prudential Indicators

Actual and estimates of the ratio of financing costs to net revenue stream – This indicator identifies the trend in the cost of capital (borrowing costs net of interest and investment income) against the net revenue stream.

Ratio of Financing Costs to Net Revenue Stream

Indicators 9 & 10	2023/24 Original Estimate £000	2023/24 Current Position £000
General Fund	14.4%	15.4%
HRA	28.3%	30.8%

The ratios are broadly in line with expectations.

Treasury Management Prudential Indicators

The first treasury indicator requires the adoption of the CIPFA Code of practice on Treasury Management. This Council adopted the Code of Practice on Treasury Management on 1st March 2011 (revised 2021), and as a result adopted a Treasury Management Policy & Practices statement.

There are two further indicators:

Upper Limits On Variable Rate Exposure – This indicator identifies a maximum limit for variable interest rates based upon the debt position net of investments.

Upper Limits On Fixed Rate Exposure – Similar to the previous indicator this covers a maximum limit on fixed interest rates.

These indicators are complemented by four local indicators:

- Limit on fixed interest rate investments
- Limit on fixed interest rate debt
- Limit on variable rate investments
- Limit on variable rate debt

During the first half of the year the highest and lowest exposure to fixed and variable rates were as follows:

Indicators 11 & 12	2023/24 Limit (Upper) £million	2023/24 Max Q1 & Q2 £million	2023/24 Min Q1 & Q2 £million
Upper limits on interest rate exposures			
Upper limits on fixed interest rates	116.9	100	86
Upper limits on variable interest rates	48.0	(24)	(9)

*Indicators are negative as they relate to investments only – the council has no variable rate debt

	2023/24 Limit %	2023/24 Max Q1 & Q2 %
Local indicator limits based on debt only		
Limits on fixed interest rates	100%	100%
Limits on variable interest rates	40%	0%
Local indicator limits based on investments only		
Limits on fixed interest rates	100%	75%
Limits on variable interest rates	75%	56%

The 75% limit on variable rate investments was exceeded on nil days between April and September.

Maturity Structures Of Borrowing – These gross limits are set to reduce the Council's exposure to large fixed rate loans (those instruments which carry a fixed interest rate for the duration of the instrument) falling due for refinancing.

Indicator 13	**2022/23 Original Estimate £000**	**2022/23 Revised Estimate £000**
Maturity Structure of fixed borrowing (Upper Limits)		
Under 12 months	40%	40%
12 months to 2 years	40%	40%
2 years to 5 years	60%	60%
5 years to 10 years	80%	80%
10 years and above	100%	100%
Maturity Structure of fixed borrowing (Lower Limits)		
Under 12 months	0%	0%
12 months to 2 years	0%	0%
2 years to 5 years	0%	0%
5 years to 10 years	0%	0%
10 years and above*	10%	10%

As at 30th September 2023 the maturity structure of borrowing during the first half of the year was as follows:

Indicator 13 **Maturity Structure of fixed borrowing**	**At 30/9/2023** **%**	**At 31/3/2024** **%**
Under 12 months	4%	2%

12 months to 2 years	3%	1%
2 years to 5 years	4%	5%
5 years to 10 years	10%	11%
10 years and over	78%	82%

Total Principal Funds Invested – These limits are set to reduce the need for early sale of an investment, and are based on the availability of investments after each year-end.

Indicator 14	**2023/24 Original Estimate £000**	**2023/24 Revised Estimate £000**	**2024/25 Original Estimate £000**	**2024/25 Revised Estimate £000**	**2025/26 Original Estimate £000**	**2025/26 Revised Estimate £000**
Maximum principal sums invested > 1 year	£7m	£0m	£7m	£0m	£7m	£0m

As at 30th September 2023, there were no principal funds invested over 1 year.

Local Prudential Indicators

In addition to the statutory and local indicators listed above the Chief Finance Officer has set four additional local indicators aimed to add value and assist in the understanding of the main indicators. These are:

1. Debt – Borrowing rate achieved against SONIA rate

	2023/24 Target %	**2023/24 Actual – 30th September %**
Debt – borrowing rate achieved (i.e. temporary borrowing of loans less than 1 year)	Less than SONIA rate	No temporary loans taken

2. Investments – Investment rate achieved against SONIA rate

2023/24 Target %	**2023/24 Average Actual – 30th September %**	**2023/24 Investment Interest Earned – 30th September £'000**
Greater than SONIA rate	Achieved average 4.73% compared to 4.73% SONIA rate	939

The interest rate achieved on investments compares favourably to the SONIA rate due to the use of fixed term, fixed rate investments, plus the greater use of semi-fixed rate call accounts and money market funds.

3. Average rate of interest paid on the Council's debt during the year (this will evaluate performance in managing the debt portfolio to release revenue savings).

	2023/24 Target %	**2023/24 Average Q1&Q2 %**
Average rate of interest paid on Council debt	4.25%	3.14%

4. The amount of interest on debt as a percentage of gross revenue expenditure. The results against this indicator will be reported at the year-end.

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

The first half of 2023/24 saw:

- Interest rates rise by a further 100bps, taking Bank Rate from 4.25% to 5.25% and, possibly, the peak in the tightening cycle.
- Short, medium and long-dated gilts remain elevated as inflation continually surprised to the upside.
- A 0.5% m/m decline in real GDP in July, mainly due to more strikes.
- CPI inflation falling from 8.7% in April to 6.7% in August, its lowest rate since February 2022, but still the highest in the G7.
- Core CPI inflation declining to 6.2% in August from 7.1% in April and May, a then 31 years high.
- A cooling in labour market conditions, but no evidence yet that it has led to an easing in wage growth (as the 3myy growth of average earnings rose to 7.8% in August, excluding bonuses).

The 0.5% m/m fall in GDP in July suggests that underlying growth has lost momentum since earlier in the year. Some of the weakness in July was due to there being almost twice as many working days lost to strikes in July (281,000) than in June (160,000). But with output falling in 10 out of the 17 sectors, there is an air of underlying weakness.

The fall in the composite Purchasing Managers Index from 48.6 in August to 46.8 in September left it at its lowest level since COVID-19 lockdowns reduced activity in January 2021. At face value, it is consistent with the 0.2% q/q rise in real GDP in the period April to June, being followed by a contraction of up to 1% in the second half of 2023.

The 0.4% m/m rebound in retail sales volumes in August is not as good as it looks as it partly reflected a pickup in sales after the unusually wet weather in July. Sales volumes in August were 0.2% below their level in May, suggesting much of the resilience in retail activity in the first half of the year has faded.

As the growing drag from higher interest rates intensifies over the next six months, we think the economy will continue to lose momentum and soon fall into a mild recession. Strong labour demand, fast wage growth and government handouts have all supported household incomes over the past year. And with CPI inflation past its peak and expected to decline further, the economy has got through the cost-of- living crisis without recession. But even though the worst of the falls in real household disposable incomes are behind us, the phasing out of financial support packages provided by the government during the energy crisis means real incomes are unlikely to grow strongly. Higher interest rates will soon bite harder too. We expect the Bank of England to keep interest rates at the probable peak of 5.25% until the second half of 2024. Mortgage rates are likely to stay above 5.0% for around a year.

The tightness of the labour market continued to ease, with employment in the three months to July falling by 207,000. The further decline in the number of job vacancies from 1.017m in July to 0.989m in August suggests that the labour market has loosened a bit further since July. That is the first time it has fallen below 1m since July 2021. At 3.0% in July, and likely to have fallen to 2.9% in August, the job vacancy rate is getting closer to 2.5%, which would be consistent with slower wage growth. Meanwhile, the 48,000 decline in the supply of workers in the three months to July offset some of the loosening in the tightness of the labour market. That was due to a 63,000 increase in inactivity in the three months to July as more

people left the labour market due to long term sickness or to enter education. The supply of labour is still 0.3% below its pre-pandemic February 2020 level.

But the cooling in labour market conditions still has not fed through to an easing in wage growth. While the monthly rate of earnings growth eased sharply from an upwardly revised +2.2% in June to -0.9% in July, a lot of that was due to the one-off bonus payments for NHS staff in June not being repeated in July. The headline 3myy rate rose from 8.4% (revised up from 8.2%) to 8.5%, which meant UK wage growth remains much faster than in the US and in the Euro-zone. Moreover, while the Bank of England's closely watched measure of regular private sector wage growth eased a touch in July, from 8.2% 3myy in June to 8.1% 3myy, it is still well above the Bank of England's prediction for it to fall to 6.9% in September.

CPI inflation declined from 6.8% in July to 6.7% in August, the lowest rate since February 2022. The biggest positive surprise was the drop in core CPI inflation, which declined from 6.9% to 6.2%. That reverses all the rise since March and means the gap between the UK and elsewhere has shrunk (US core inflation is 4.4% and in the Euro-zone it is 5.3%). Core goods inflation fell from 5.9% to 5.2% and the further easing in core goods producer price inflation, from 2.2% in July to a 29-month low of 1.5% in August, suggests it will eventually fall close to zero. But the really positive development was the fall in services inflation from 7.4% to 6.8%. That also reverses most of the rise since March and takes it below the forecast of 7.2% the Bank of England published in early August.

In its latest monetary policy meeting on 20 September, the Bank of England left interest rates unchanged at 5.25%. The weak August CPI inflation release, the recent loosening in the labour market and the downbeat activity surveys appear to have convinced the Bank of England that it has already raised rates far enough. The minutes show the decision was "finely balanced". Five MPC members (Bailey, Broadbent, Dhingra, Pill and Ramsden) voted for no change and the other four (Cunliffe, Greene, Haskel and Mann) voted for a 25bps hike.

Like the US Fed, the Bank of England wants the markets to believe in the higher for longer narrative. The statement did not say that rates have peaked and once again said if there was evidence of more persistent inflation pressures "further tightening in policy would be required". Governor Bailey stated, "we'll be watching closely to see if further increases are needed". The Bank also retained the hawkish guidance that rates will stay "sufficiently restrictive for sufficiently long".

This narrative makes sense as the Bank of England does not want the markets to decide that a peak in rates will be soon followed by rate cuts, which would loosen financial conditions and undermine its attempts to quash inflation. The language also gives the Bank of England the flexibility to respond to new developments. A rebound in services inflation, another surge in wage growth and/or a further leap in oil prices could conceivably force it to raise rates at the next meeting on 2nd November, or even pause in November and raise rates in December.

The yield on 10-year Gilts fell from a peak of 4.74% on 17th August to 4.44% on 29th September, mainly on the back of investors revising down their interest rate expectations. But even after their recent pullback, the rise in Gilt yields has exceeded the rise in most other Developed Market government yields since the start of the year. Looking forward, once inflation falls back, Gilt yields are set to reduce further. A (mild) recession over the next couple of quarters will support this outlook if it helps to loosen the labour market (higher unemployment/lower wage increases).

The pound weakened from its cycle high of $1.30 in the middle of July to $1.21 in late September. In the first half of the year, the pound bounced back strongly from the Truss debacle last autumn. That rebound was in large part driven by the substantial shift up in UK interest rate expectations. However, over the past couple of months, interest rate expectations have dropped sharply as inflation started to come down, growth faltered, and the Bank of England called an end to its hiking cycle.

The FTSE 100 has gained more than 2% since the end of August, from around 7,440 on 31st August to 7,608 on 29th September. The rebound has been primarily driven by higher energy prices which boosted the valuations of energy companies. The FTSE 100's relatively high concentration of energy companies helps to explain why UK equities outperformed both US and Euro-zone equities in September. Nonetheless, as recently as 21st April the FTSE 100 stood at 7,914.

Item No. 9

EXECUTIVE **20 NOVEMBER 2023**

SUBJECT:	**HEALTH SAFETY AND WELFARE POLICY 2023**
DIRECTORATE:	**COMMUNITIES & ENVIRONMENT**
REPORT AUTHOR:	**PAUL ROHOWSKY - HEALTH & SAFETY COMPLIANCE OFFICER**

1. Purpose of Report

1.1 To present the revised Council's Health, Safety & Welfare Policy to Executive.

2. Report

2.1 The Council's Health, Safety & Welfare Policy has been reviewed and consulted upon and once approved by Executive, will supersede the existing policy agreed in July 2019. To assist, all revisions to the policy and the tree of responsibility are shown in ***bold and italics.***

2.2 The Health, Safety and Welfare policy is required to be reviewed every four years and is undertaken by Corporate Health and Safety (CHS). Following the review, Managers and Assistant Directors are requested to review the revised document and forward any comments regarding the content of the document.

2.3 CHS provided the revised Health, Safety and Welfare policy to trade union safety representatives from Unison, Unite and GMB. The draft Health, Safety & Welfare Policy and Appendix 1, Tree of Responsibility was sent out to the Trade Union Safety Representatives during May/August 2023. Any comments from the Unions have been answered and no specific meeting was requested by the Unions to discuss the updated Health, Safety and Welfare policy.

2.4 The Council's Health, Safety and Welfare policy is one of the essential building blocks in contributing to an effective and successful health and safety management system. It comprises of four sections and sets out clearly the responsibilities for health and safety across the organisation and the arrangements in place to manage health and safety.

2.5 **Section 1 – General Policy Statement**

This sets out the Council's commitment towards health and safety and is signed by the Chief Executive, Leader & Deputy Leader and Corporate Health & Safety Champion and by a Safety Representative from each of the employee trade unions.

There are no revisions to this part of the policy.

2.6 **Section 2 - Organisation for Health & Safety**

This section sets out those health and safety responsibilities according to the role across the organisation.

2.3. Health and Safety champions' have been added to the policy. This group meets four times a year with the Health & Safety Champion – nominated Director or nominated portfolio holder, Corporate Health & Safety representatives, Assistant Director – Housing Investment, Corporate Property Representative, Other Directorate Assistant Directors, Service Managers or Team Leaders as considered appropriate, to discuss the relevant health and safety matters. The group considers health and safety issues, legislation and guidance that may have strategic, business and reputational implications for the Council and to provide a steer on how these should be responded to and managed.

2.4. The Safety Matters review group has been replaced by the Service Managers forum. The forum meets on a regular basis and Safety Matters is a recurring agenda item to ensure managers are consulted on existing and emerging safety related matters.

2.7 **Section 3 – Arrangements for Health & Safety**

This section details the arrangements for the following areas:

3.2. Supplementary Policies

The 2023 revision of the Health, Safety and Welfare policy contains changes to the following supplementary polices:-

3.2.2. Fire policy statement – to reflect the changes following the implementation of the Building Safety Act 2023

3.2.4. Homeworking Policy – to reflect the changes in working practices post-pandemic.

3.2.6. Managing Stress Policy – amended following an internal audit.

There are no proposed changes to sections 3.3, 3.4, 3.6, 3.7, 3.8, and 3.9.

3.10. Employees Health has an additional paragraph stating the Councils strategic aims.

2.8 **Section 4 - Monitoring & Review of the Health & Safety Policy**

The are no proposed changes to Section 4 of the Health Safety and Welfare policy.

2.9 **Appendix 1 – Tree of Responsibility**

The Tree of Responsibility incorporates a colour coded system, intended to assist all individuals to identify their health and safety duties and responsibilities. It is recommended within the Policy that this colour coded system is applied to each Directorate's organisational structure chart to enable all individuals within the Council to have clarity as to their own health duties and responsibilities.

There has been two revisions made to the TOR 2023. One relates to the specific duties placed on the landlord by the Building Safety Act 2023 (Accountable person

and principle accountable person) and clarifying that the City of Lincoln Council is the Landlord.

The second revision relates to AD responsibilities for RO's and premises they may have under their management control.

3. Organisational Impacts

3.1 Finance

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

3.2 Legal Implications including Procurement Rules

None arising.

3.3 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.

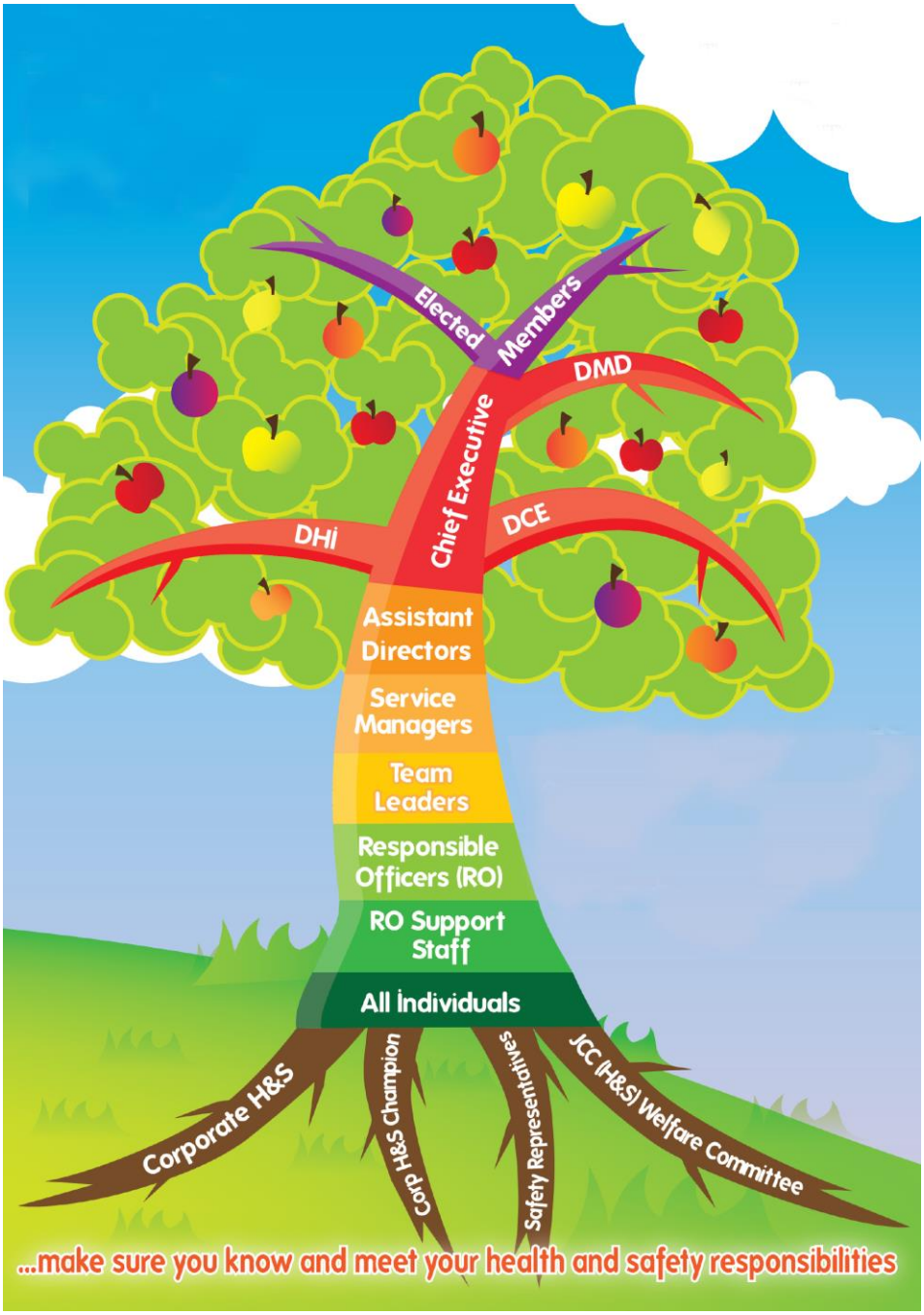
3.4 Human Resources

The Council has a number of ways for employees to access to support and services where appropriate/if needed following an incident/traumatic event.

4. Recommendation

4.1 To approve the Health, Safety & Welfare Policy June 2023.

Is this a key decision?	No
Do the exempt information categories apply?	No
Does Rule 15 of the Scrutiny Procedure Rules (call-in and urgency) apply?	No
How many appendices does the report contain?	Three
List of Background Papers:	Nil
Lead Officer:	Paul Rohowsky - Health and Safety Compliance Officer Email Address: paul.rohowsky@lincoln.gov.uk



Health, Safety & Welfare Policy

June 2023

Document Control

Organisation	City Of Lincoln Council
Title	Corporate Health Safety & Welfare Policy
Date	***1st February 2023***
Consultation Required	Joint Consultative Committee (Health, Safety & Welfare) Executive – ***2nd October 2023***
Approval Required	Executive –
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HEALTH AND SAFETY AT WORK etc. ACT 1974

1. GENERAL POLICY STATEMENT

City of Lincoln Council, as a corporate body and employer, recognises and accepts its responsibility to provide a safe and healthy working environment for their employees, and non-employees, who may be affected by the Council's work activities.

The Council will take necessary steps to fulfil its statutory duties under the Health and Safety at Work etc., Act 1974, and associated legislation made under the Act, paying particular attention to the provision and maintenance of:-

(a) Safe plant and equipment in conjunction with safe systems of work.

(b) Safe arrangements for the use, handling, storage and transport of monies, articles and substances.

(c) Sufficient information, instruction, training and supervision to enable all employees to avoid hazards and contribute positively to their own health and safety at work.

(d) A safe place of work including safe access and egress.

(e) A healthy working environment.

(f) Adequate welfare facilities.

(g) Suitable and sufficient risk assessments to identify work hazards present and ensure satisfactory implementation of control measures to protect the health and safety of employees, and non-employees who may be affected by such work;

(h) Adequate procedures to ensure all contractors and others where we have a duty of care are fully compliant with this policy and health and safety legislation.

(i) Competent technical advice on health and safety matters.

The Council will co-operate fully in the appointment of safety representatives by recognized trade unions and will comply with the requirements of the Safety Representatives and Safety Committees Regulations 1977, Approved Code of Practice & Guidance. Staff with a specific responsibility for health and safety will be provided with sufficient facilities and training to carry out their tasks. The Council will consult with employees and safety representatives directly and via Joint Consultative Committee (Health, Safety & Welfare).

The Council expects every employee to comply with its agreed policies, standards and procedures and to take all possible care for their own health and safety and that of others who may be affected by their acts or omissions.

The Council is committed to continuous improvement and will implement a Health & Safety Annual Development Plan.

Signed……. Dated……..

Angela Andrews.

Chief Executive and Town Clerk.

Signed……..... Dated……..

Councillor Ric Metcalfe.

Leader of the Council.

Signed…… Dated……..

Councillor Donald Nannestad.

Deputy Leader of the Council.

Signed……. Dated……

Simon Walters.

Corporate Director Health & Safety Champion &

Director of Communities and Environment.

Signed…… Dated……

Unison Health and Safety Representative.

Signed……... Dated……..

Unite Health and Satey Representative.

Signed…….. Dated……

GMB Health and Safety Representative.

2. ORGANISATION FOR HEALTH AND SAFETY

2.1 INDIVIDUAL RESPONSIBILITIES

All Council employees have a legal responsibility to meet the statutory requirements of the Health and Safety at Work etc. Act 1974. At all levels of the organisation, our people will be:

- Responsible for the safety and wellbeing of themselves, those people they manage and the people they work for.
- Aware of their responsibility for health and safety issues and their effects on people within the activities they control; and
- Aware of the influence that their action or inaction can have on the effectiveness of our safety management and performance.

The ultimate responsibility for health and safety within the City of Lincoln Council lies with the Chief Executive, as the head of paid service.

The Strategic director nominated to be the Health and Safety Champion is the Strategic Director of Communities Development & Environment. The Health and Safety Champion has a critical role in providing strategic direction and support to ensure health and safety risks are properly managed.

The role of the Health & Safety Champion does not, however detract from the responsibility of other Directors and members of the Corporate Management Team in accepting their responsibilities for specific areas of health and safety risk management under their control.

2.2 TREE OF RESPONSIBILITY – APPENDIX 1

The Tree of Responsibility (TOR) sets out those health and safety responsibilities according to role across the organisation. It identifies generic roles within the Council, such as,

- Elected Members
- Strategic Directors
- Assistant Directors
- Service Managers
- Team Leaders
- Responsible Officers
- Responsible Officer Support Staff, and
- Individuals

And identifies specific roles that have additional health and safety responsibilities to those listed above, such as, but not exclusively:-

- Chief Executive
- Director of Directorate of Communities and Environment
- Corporate Management Team
- Assistant Director – (Growth and Regeneration)

- Assistant Director –(Housing)
- Assistant Director – (Investment)
- Assistant Director – (Strategy)
- Assistant Director – (Health & Environmental Services)
- Chief Financial Officer
- Property Services Manager
- Corporate FM Officer (Corporate Property)
- Environmental Health and Corporate Safety Manager
- Corporate Health & Safety Service and
- Trade Union Safety Representatives

The guiding principle in the application of the tree of responsibility is to ensure that where a restriction exists, financial or otherwise, which prevents a health and safety action from being implemented that this failure is reported up through the organisation.

The Tree of Responsibility ***(appendix 1)*** incorporates a colour coded system intended to assist all individuals to identify their role and their health and safety duties and responsibilities. It is recommended that this system is applied to each directorate organisational structure chart to enable all individuals within the Council to have clarity as to their own health and safety duties and responsibilities.

2.3 HEALTH AND SAFETY CHAMPIONS

Champions are to promote the values, attitudes and behaviours for a positive safety culture to thrive within the council.

- ***To consider health and safety issues, legislation and guidance that may have strategic, business and reputational implications for the Council and to provide a steer on how these should be responded to and managed.***
- ***To promote the principles of health and safety risk management so as to encourage Directorate Management Teams to consider health and safety in relevant business decisions.***
- ***To be advised on matters of evident concern and reportable injuries, diseases and dangerous occurrences.***
- ***To oversee the delivery of actions agreed at the Council's Asbestos Compliance Team (ACT) and Fire Safety Compliance Team.***
- ***To agree and oversee the Council's Health & Safety Development Plan.***

2.4 Service managers Forum – Safety Matters Review

This forum meets on a regular basis and safety matters is a recurring agenda item to ensure that Service Managers are consulted on existing and emerging safety related matters. Often a whole council approach is required to implement health & safety controls or systems and this forum provides an essential platform in maintaining the implementation of the Council's Health & Safety Management System.

2.5 JOINT CONSULTATIVE COMMITTEE (HEALTH, SAFETY & WELFARE)

The main purpose of the committee is to:-

a. Establish negotiations between the Council and its employees on matters relating to the health, safety and welfare of its employees. In doing so the committee will recommend, instigate, develop, monitor and review actions to safeguard the health, safety and welfare of all persons affected by the activities of the Council.

b. To review the policies of the Council in relation to the health and safety of its employees and to make recommendations there to.

c. To make recommendations to the Executive of the Council as to the application and implementation of the Corporate Health Safety & Welfare Policy.

A copy of the policy and constitution of the Joint Consultative Committee (Health, Safety & Welfare) can be found in Authority Wide – Corporate Health & Safety – JCC or by contacting your Safety Representative or the Council's Corporate Health and Safety or Human Resources.

2.6 NON-COUNCIL EMPLOYEES' RESPONSIBILITIES

2.5.1 CONTRACTORS OR OTHER SUCH PERSONS

Only competent contractors or other such persons will be permitted to undertake services for the Council.

The Council needs to ensure that contractors or other such persons they engage have the skills, knowledge, and competency to carry out the service to the required standards without risks to health and safety. The contractor selection and monitoring procedure should be followed this requires a health and safety competency assessment form completed by the contractor (or other such person) and associated documentation supplied. An assessment as to the contractor's competency to carry out work on behalf of the Council will be made and a record kept. All documents provided by the contactor will be retained as evidence.

Contractors or other such persons will be required to conform to all relevant Health and Safety legislation or Council instructions that are applicable and to ensure that their employees and sub-contractors also conform.

Any health and safety concerns or issues arising from the health and safety competency assessment or monitoring of contractors, or other such persons will be referred to the Corporate Health and Safety.

No Contractor or other such person shall work for the Council unless the Control of Contractors procedures have been adhered to. A copy of the procedures can be found on Authority Wide Corporate Health & Safety – Control of Contractors or by contacting the Corporate Health and Safety.

2.5.2 MANUFACTURERS AND SUPPLIERS

The Health and Safety at Work etc. Act 1974 requires that all plant, machinery, equipment, appliances and materials are so designed and constructed so as to be safe and without risks to health.

Manufacturers and suppliers must provide adequate operating and/or handling instructions and information about any conditions necessary to ensure that their products will be safe and without risks to health when properly used. This information must be made available to all relevant employees.

2.5.3. VOLUNTEERS

The Council recognises the immense benefits that volunteers bring and the bridges that they build between the Council and the local community. In return the Council hopes to give its volunteers an opportunity to exercise their skills in a different environment and to undertake new experiences.

The council has volunteers carrying out activities within a range of environments which exposes them to risks to their health and safety. These risks will be effectively managed through the application of all relevant health, safety and welfare policies, processes and procedures by the councils' managers.

Volunteers will not be used as substitutes for employees and an established post will not be used to recruit volunteers, i.e., there will be no job substitution done through volunteer placements.

2.5.4. PARTNERSHIPS

Defined as any management with one or more external organisations where the council is providing or receiving a function or service with or without payment. This includes arrangements such as service levels agreements, shared services, statutory partnerships, contractual arrangements and informal working groups.

All partnership arrangements will ensure that the health and safety roles and responsibilities are clearly defined between all parties involved. The Council will take the necessary steps to fulfil its statutory duties under the Health and Safety at Work etc., Act 1974, and associated legislation made under the Act.

3. ARRANGEMENTS FOR HEALTH & SAFETY

3.1 General

The following arrangements supplement the policy but are not intended to be exhaustive. Constant observance of the policy, adherence to rules and maintenance of good practices and procedures will prevent employees suffering an injury and in some cases property and equipment damage.

3.2 Supplementary Policies

3.2.1 Asbestos Management Policy

The Council will take all necessary steps to fulfil its statutory duties under the Health and Safety at Work etc., Act 1974, and in particular the Control of Asbestos Regulations and have regard to Approved Codes of Practice and Health & Safety Executive guidance.

The Council recognises that it has a responsibility to protect employees and others who may be affected by its operations against the risk of asbestos exposure arising from the use of equipment or work-related activities, or from the deterioration of Asbestos Containing Materials (ACMs) in its domestic, non-domestic city of Lincoln Council buildings/land, owned, leased and/or managed by the Council. The following policy statements and at Annex 1 – the Asbestos Management Plan, will be in place and continually updated and monitored quarterly.

The Council will:-

- Work towards, as far as is reasonably practicable, zero exposure to hazards associated with ACMs.
- before undertaking work in maintenance, demolition, refurbishment and where appropriate any other work which is liable to expose employees to asbestos, carry out a suitable and sufficient risk assessment and determine whether asbestos is present and if so, what type, contained in what material and in what condition. (All survey work will be undertaken in accordance with HSG 264 – Asbestos the Survey Guide)
- Approach the management of all properties on the basis that ACMs are present unless there is evidence to prove otherwise.
- Only allow appropriately trained employees to undertake non licenced work on ACMs following consultation and agreement with the appropriate unions, employees and Joint Consultative Committee (JCC) Safety Representatives has taken place.
- Monitor where appropriate known ACMs by periodic inspections undertaken by either trained in-house staff or by a competent contractor.
- Undertake suitable and sufficient risk assessments to protect employees from any potential risk or hazard associated with their work activity on known ACMs or from the unexpected disturbance of ACMs.
- Ensure safe systems of work are employed so that work is carried out safely and any risk is minimised.
- Ensure emergency procedures are in place to deal with the unexpected release or disturbance of ACMs.
- If any employee or occupant of council controlled domestic or non-domestic premises considers that they have been exposed to asbestos fibre, this will be reported and investigated as appropriate through the Council's incident reporting procedure on the Council's internal incident report form. The appropriate Trade Union Health and Safety Representative(s) will be notified of the incident and an investigation will be carried out by Corporate Health & Safety. Trade unions may undertake their own investigation.
- Produce a resourced asbestos training programme, the level and frequency of training delivered will be determined by roles and responsibilities.
- Provide the level of personal protective equipment appropriate to the task to be undertaken to every employee free of charge.

- Maintain an Asbestos Register for all domestic, non-domestic city of Lincoln Council buildings/land, owned, leased and/or managed by the Council and update the Asbestos Register on the basis of any re-inspection, treatment and/or removal works undertaken.

- Conduct ongoing surveys of residential council properties in relation to ACMs so as to reduce the number of 'cloned' properties on the Council Housing Asbestos Register year-on-year.

- Ensure that where asbestos information has been cloned from other similar council housing archetypes to another that a risk assessment will be carried out and the appropriate survey will be undertaken dependant on the maintenance or refurbishment works required.

- Ensure annual surveys of Council allotments are undertaken.

- Use suitably qualified, experienced and competent contractors in accordance with HSE and CAR requirements (including UKAS accredited for sample analysis or air sampling) where it is a requirement for the work with ACMs.

- Follow the Council's Control of Contractors procedures in assessing and monitoring the health and safety competency of contractors.

- Ensure contractors engaged to carry out work on any of the Council's buildings are provided with information on the location of known ACMs advised of the appropriate precautions and procedures to be followed.

- Keep domestic, non-domestic city of Lincoln Council buildings/land, owned, leased and/or managed by the Council tenants, leaseholders informed if asbestos is discovered in a property or if their property forms part of the asbestos survey programme. The method of communicating this information should be documented in the Asbestos Management Action Plan.

- Where appropriate, label all known ACMs.

- Consult with Trade Union Safety Representatives and the Corporate Health and Safety Team on policy, procedural changes and the outcome of investigations into incidents reported.

- Advise Trade Union Safety Representatives, as soon as possible of an incident relating to employee exposure to an unexpected release of ACMs

- Upon request provide relevant information to the emergency services on the location and condition of any known or presumed ACM in Council managed properties.

The Asbestos Management Plan details how the council ensures the effective management of asbestos and can be found on the Teams channel - 'Asbestos Compliance Team Files section, 'Asbestos Management Plan 2023'.

3.2.2. Fire Policy.

The City of Lincoln Council recognises that fire is a significant hazard to the safety of both buildings and their occupants. The Council will comply with its statutory fire duties and meet its responsibilities under current fire legislation. The Council will provide the appropriate fire precautions and fire management systems and ensure that those systems are operating effectively.

In order to comply with current fire legislation, the Council will:

- ***Provide buildings in which fire precautions appropriate for their intended use are taken into account during design and construction.***
- ***Manage all fire precautions within its buildings, ensuring that the safety of all occupants is maintained.***
- ***Monitor changes in fire legislation and implement any additional requirements.***
- ***Ensure competent persons, who have sufficient knowledge and training are available to implement the fire safety procedures.***

3.2.3. Unacceptable Behaviour Policy

The council has a responsibility to provide a safe, healthy, and civil working environment for its employees and people visiting its premises. It recognises that it has an obligation to strive to eliminate the distress/danger posed by unacceptable behaviour and will be fully supportive of those who are affected by unacceptable behaviour encountered as a result or during the course of their work.

The Council will:

- Endeavour to prevent unacceptable behaviour to employees occurring out of or as a result of their work.
- Ensure the implementation of this Unacceptable Behaviour Policy and the associated procedures and any relevant guidance.
- Ensure adequate resource such as training and support is available to meet the obligations of this policy and the procedures.
- Ensure that all relevant risk assessments include a consideration of unacceptable behaviour as part of work activities.
- Ensure that employees have correct means to report incident(s) of unacceptable behaviour.
- Ensure that where unacceptable behaviour incidents are either physical assault or threatening behaviour where the potential could result in physical assault these are reported to the police.
- Advise the employee and any other person(s) relevant of the correct course of action to be taken appropriate to the level and nature of the incident.
- Provide suitable support to any employee who becomes a victim of unacceptable behaviour not only regarding their welfare and any criminal investigations but also if the employee wishes to make a formal complaint or pursue civil action against an individual.

Further guidance can be found on the Hub, health and safety, unacceptable behaviour or by contacting Corporate Health and Safety

3.2.4. Homeworking Policy

Under the Health and Safety at Work Act 1974, employers have a duty to ensure, so far as reasonably practicable, the health, safety and welfare at work of all their employees, including both physical and mental wellbeing. In addition, the Management of Health and Safety at Work Regulations 1999 impose a requirement on employers to assess the health and safety risks to which their employees are exposed.

Employees must also take reasonable care of their own health and safety and the safety of others who may be affected by what they do or do not do and must cooperate with their employer on health and safety and use work items and equipment correctly. Employees who work from home have a responsibility to report all employment related hazards to their own or to others health to the Authority.

The authority is also required to carry out a suitable and sufficient risk assessment of all the work activities undertaken and this includes those who work from home. In some cases, this risk assessment can be carried out by the employee themselves. Alternatively, the employee will be asked to allow a Health and Safety Officer to undertake the risk assessment. Risk assessments are likely to be especially relevant in respect of Display Screen Equipment regulations and, in appropriate cases, new and expectant mothers.

Employees who work from home are required to report any work-related accidents, injuries, diseases and dangerous occurrences and subject to prior notification to and permission from the employee the council may undertake an inspection or investigation into any such reported incidents".

3.2.5. Smoke Free Policy

This policy aims to make sure that all people who use our facilities are not put at risk from second hand smoke, it seeks to encourage a healthier workforce that recognises the benefits of a non-smoking environment.

This policy is applicable to all employees, agency workers, councillors and contractors who undertake activities on behalf of the Council on any of our premises. This policy is also applicable to visitors and customers attending at any council premises.

Council employees and contractors who undertake any work activity at council tenanted properties should not be exposed to the effects of secondhand smoke. If during a visit, a client refuses not to smoke, the organisation will support any member of staff who leaves the premises on the grounds of health and safety.'

Smoking is strictly prohibited on Council premises, including entrances and anywhere on within its grounds including car parks. Any vehicle used for Council business will be smoke free. A copy of the policy on the intranet within the Human Resources Policy Handbook and further advice can be obtained by contacting HR or Corporate Health and Safety.

3.2.6. *Managing Work Related Stress Policy statement.*

The Health and Safety Executive defines stress as:

"The adverse reaction people have to excessive pressure or other types of demand placed on them."

The Health and Safety Executive makes an important distinction between reasonable pressure, which can be a positive if managed correctly to motivate employees, improve job performance, and job satisfaction, however stress can be a natural reaction to demands or pressures that an individual cannot cope with. Adverse reactions to stress can be detrimental to both mental and physical health.

Under the Health and Safety at Work Act 1974, employers have a duty to ensure, so far as reasonably practicable, the health, safety, and welfare at work of all their employees, including both physical and mental wellbeing.

The Management of Health and Safety at Work Regulations 1999 impose a requirement on employers to assess the health and safety risks to which their employees are exposed.

The Equality Act 2010 places a duty on employers not to discriminate against employees on account of a disability as defined under the Act and requires reasonable adjustments to be made to the workplace. Ill health arising from, or exacerbated by, stress at work may, in some cases, constitute a disability under the Act.

The aims of this policy are:-

- ***To proactively tackle workplace stress by providing appropriate and effective tools to managers and employees to identify and reduce workplace stress***
- ***To monitor rates of sickness absence relating to stress and mental health issues***
- ***To signpost managers and employees to further support and information on stress related health matters.***

For further guidance and practical support please refer to the Managing Stress Guidance on net. Consent.

3.2.7. Flexible Working Policy

The Council is committed to the implementation of work-life balance and flexible working policies to support improved organisational productivity and performance whilst helping employees to improve the quality of their working life and/or more effectively combine work with their other responsibilities. Further details can be found on the intranet within the Human Resources Policy Handbook.

3.2.8. Driving Policy

The Council will ensure that its duties under Road Traffic law are met, have suitable health and safety arrangements in place to manage its fleet activities, and as far as reasonably practicable that its employees and others will not be put at risk by the Councils work related driving activities.

Due to the nature of some tasks, it may be necessary to drive for work purposes, (this does not include driving to and from the normal place of work). Road Safety legislation will take precedence over any work procedures however, if it is necessary for individuals to drive as part of their work procedures to exist to identify risks and reduce these by all reasonably practicable means. Full details and guidance can be found on Authority Wide Corporate Health & Safety – Guidance of Use of Own Vehicles.

3.2.9. Health Surveillance Policy

City of Lincoln Council are fully committed to ensuring the effective management of health, safety and wellbeing and provide a programme of health surveillance where it allows for the early identification of occupationally linked ill health or disease.

Medical issues not relating to a statutory duty remains private and confidential between employee and OH provider unless the employee gives consent.

Health surveillance helps identify any corrective action required, after all other reasonable precautions and control measures have been implemented.

Health surveillance is provided to those employees who are exposed to noise, vibration, dusts and some other substances hazardous to health.

As a responsible employer, the council has a duty to monitor the health of their employees when a risk assessment identifies that there is a specific known risk to their health or well-being; for example, carrying out hearing tests on employees who work in noisy environments.

The council uses a specialist health surveillance provider, through its' occupational health service.

The results of health surveillance are confidential and are collected and stored by our occupational health provider, Health Management. They will treat it as confidential medical information which legally has to be stored for 40 years. These medical records cannot be accessed by anyone else without the written consent of the employee.

Concerns may be raised as a consequence of the initial health surveillance and the CMO will often need to take instruction from the councils HR or Corporate Health and Safety Team to investigate the case further fully, to come to a formal diagnosis. ***All information will be directly sent to employees and employers at the same time.***

Where any reportable diseases are identified from the health surveillance, they will be reported as required by RIDDOR and all relevant risk assessments and safe systems of work and control measures will be reviewed to ensure full legal compliance and effective controls are being used.

3.2.10. General Data Protection Regulations

All data will be held in accordance with the Data Protection Act 1998 and the General Data Protection Regulation (EU) 2016/679 (GDPR).

Safeguards will ensure the security of the data and will comply with Article (1) (f) of the GDPR.

All personal information:

1. Shall be processed fairly and lawfully and, in particular, shall not be processed unless at least one of the specific conditions in Schedule 2 to the DPA are met.

2. Shall be obtained only for one or more specified and lawful purposes and shall not be further processed in any manner incompatible with that purpose or those purposes.

3. Shall be adequate, relevant and not excessive in relation to the purpose or purposes for which it is processed.

4. Shall be accurate and, where necessary, kept up to date.

5. Shall not be kept for longer than is necessary for that purpose or those purposes.

6. Shall be processed in accordance with the rights of data subjects under the DPA.

7. Shall be kept secure i.e., protected by appropriate technical and organisational measures against unauthorised or unlawful processing of personal data and against accidental loss or destruction of, or damage to personal data; and

8. Shall not be transferred to a country or territory outside the European Economic Area unless that country or territory ensures an adequate level of data protection.

The DPA provides rules for the processing of any personal data. It also makes a distinction between personal data and "sensitive" personal data (see glossary for definitions). Sensitive personal data requires stricter processing rules, as at least one of the conditions in Schedule 3 to the DPA need to be met, in addition to at least one condition in Schedule 2 to the DPA.

3.2.11. Construction Design Management

The City of Lincoln Council as the client for whom the construction project is being carried out must ensure suitable arrangements are in place for managing a project. The Council will appoint the other duty holders (principal designers and principal contractors). The council will also ensure that sufficient time and resources are allocated to the project.

The Council will ensure that the relevant information is prepared and provided to other duty holders. The Council as the Client will make sure that the principal designer and principal contractor carry out their duties under CDM and that welfare facilities are provided for the project.

When the City of Lincoln Council takes on the role of more than one duty holder (client, principal designer and principal contractor), it will ensure that those within the organisation undertaking the relevant duties, have the skills, knowledge and organisational capability and capacity to meet the applicable statutory duties and provisions set out in the Construction, Design and Management Regulations.

3.3 Communication, Co-operation and Consultation

No safety policy is likely to be successful unless it actively involves all employees.

Employees will be consulted on health and safety matters either communicating directly through line management at team meetings, team briefings, intranet Safety Matters or directly by Trade Union Safety Representatives.

Employees can raise concerns directly to Corporate Health and Safety or by making use of the Council's W*histle Blowing Procedure*, further details of which can be found on the Intranet within the Human Resources Policy Handbook.

Safety Representatives appointed by the recognised trade unions have an important role in consulting and communicating with staff on health, safety and welfare related issues. Therefore, it is to be accepted by Directors, Assistant Directors, Service Managers and Team Leaders that the Council will provide safety representatives, with reasonable facilities, assistance, attendance

at TUC, union specific training and any other council delivered training appropriate for the purpose of carrying out their functions as defined by the Safety Representatives and Safety Committees Regulations 1977. Functions of the safety representatives include: -

a. the investigation of potential hazards, dangerous occurrences and causes of accidents at the workplace.

b. The investigation of employee complaints relating to that employee's health, safety or welfare at work.

c. Making representations to the management on matters arising out of (a) and (b) above.

d. Making representations to the employer on general matters affecting the health, safety or welfare at work of the employees at the workplace.

e. carrying out inspections

None of the functions undertaken by Safety Representatives are imposed upon them by the Council, however, reasonable time off without loss of earnings will be given whilst undertaking health and safety functions.

3.3.1 Co-operation with Regulatory Authorities

Any contact, including correspondence from any regulatory authority, in particular, the Health and Safety Executive (HSE), the Fire Authority and the Environment Agency must be notified to Corporate Health and Safety by the quickest possible means. Corporate Health and Safety will provide those services with appropriate support and advice.

3.4 Training, Instruction and Supervision

All employees regardless of position, length of service or role will be provided with appropriate health and safety training. Training needs will be determined by a number of mechanisms, including, assessment of the individuals job role and activities expected to be undertaken, risk assessment controls, appraisals, or in some circumstances as part of professional or self-improvement.

It is recognised that the funding of essential health and safety training will be prioritised against the corporate training budget.

Employees must co-operate, by ensuring that all health and safety training and instruction as is deemed necessary is completed.

A copy of the Training and Development Policy can be found on the intranet within the Human Resources Policy handbook. Further advice can be obtained by contacting HR or corporate Health and Safety compliance officer.

3.5 Risk Assessment

Risk assessment is the foundation in building an effective health and safety management system and its purpose is to make sure that appropriate workplace precautions are implemented and kept in place to safeguard employees, elected members and the public alike.

The responsibility for ensuring that suitable and sufficient risk assessments are carried out, recorded and that staff are aware of and comply with health and safety requirements is set out within the Tree of Responsibility in Appendix 1.

(a) The responsibility for ensuring the implementation of the control or precautionary measures is set out within the Tree of Responsibility in Appendix 1.

(b) Risk assessments will be carried out by trained Risk Assessors. The views of employees and their safety representatives should be considered as part of the process in identifying hazards, evaluating risks and deciding upon the appropriate control or precautionary measures to eliminate or minimise risks.

(c) The authorisation of risk assessments will be carried out only by those who have been trained, as the process of authorising a risk assessment requires the evaluation that the control or precautionary measures defined within the risk assessment are reasonable and effective in either eliminating or minimising risk.

(d) Corporate Health & Safety will provide framework risk assessments where it is appropriate to do so. Generally, it will be those that apply to a group of workers as a whole over several locations i.e. lone working, such framework risk assessments must be adapted to be service specific.

(e) Risk assessments will be recorded and held on a central database.

The Management of Health & Safety at Work Regulations 1999 sets out the general requirement for risk assessments to be carried out, recorded and control measures implemented, however there are a number of specific regulations that require risk assessments to be undertaken and the Council, as an employer must have regard to:-

3.5.1 Working at Height

Falls from height are the largest cause of fatality and serious injury in the construction industry, accounting for around 50% of all construction fatalities including low level falls and falls through fragile material. They also account for a significant proportion of fatalities and injuries within other sectors.

The CoLC therefore requires that full precautions are put in place to prevent falls, or where this is not possible, that measures are put into place to minimise the risk of injury from a fall. This applies to all staff and contractors who carry out WAH.

What is work at height?

The Work at Height Regulations 2005 define work at height as all tasks or activities where a person or materials could fall any distance liable to cause injury, including falls into excavations etc. from ground level or below. It also includes falls from ladders, steps and hop ups, which are widely used within many of the council's workplaces.

Suitable and sufficient risk assessments of all work at height must be carried out before any WAH takes place to ensure that all control measures to prevent the risk from falls are in place.

Duties of managers/team leaders

All managers/team leaders must:

- Carry out detailed, suitable and sufficient, task specific risk assessments on all work at height before it is undertaken.
- Ensure that adequate arrangements are in place for the provision and safe use of suitable and sufficient equipment for work at height.
- Provide equipment for work at height that is suitable for the task and is sufficient to enable the task to be completed safely, as far as reasonably practicable.
- Ensure employees are adequately trained to enable safe selection and use of the Appropriate equipment.
- Ensure adequate hazard management is carried out to ensure the correct access Equipment is selected and used, and hazards are adequately controlled.
- Where work at height is deemed to be high risk, ensure that a documented safe system of work (SSW) is developed from the RA, detailing the specific control measures to be implemented to eliminate or minimise the risk of falls and include emergency/rescue arrangements.
- Ensure that all persons undertaking WAH are competent and receive a recorded task briefing /toolbox talk on the agreed SSW before work is allowed to commence.
- Ensure that all WAH is supervised, regularly monitored and reviewed by competent persons.
- Ensure that where contractors are engaged to carry out WAH, they are on the CoLC Control of Contractors Register and that they have submitted suitable and sufficient risk assessments and method statements.

The hierarchy of measures and options which MUST be implemented when planning WAH are as follows:

- Avoid working at height completely.
- Prevent falls using a safe place to carry out work.
- Prevent falls using collective equipment.
- Use personal protective equipment (PPE): Fall restraint.
- Minimise the distance the worker could fall.
- Minimise the impact of a fall.
- Use PPE: Fall arrest.

Where specialist access equipment is to be used, such as a mobile elevated working platform (MEWP) suitable and sufficient risk assessments and method statements along with specialist training must be in place before work is carried out.

3.5.2 Control of Exposure to Vibration

CoLC will ensure that systems and procedures are implemented to effectively manage employee exposure to vibration.

The Council also operates a corporate procedure for the selection, evaluation and monitoring of contractors which is used to ensure that all significant health and safety risks to the employees of contractors and sub-contractors, such as exposure to hand arm vibration are effectively managed.

The council will ensure that:

- Employee exposure to hand arm vibration is reduced to a minimum and kept below the Exposure Limit Value (ELV) (5.0m/s2 A (8)).
- Employee exposure to hand arm vibration is reduced to a minimum and so far as is reasonably practicable, kept below the Exposure Action Value (EAV) (2.5m/s2 A (8).
- Information and training is provided to all affected employees.
- Exposure levels are assessed.
- A programme of measures to reduce exposure and provide appropriate health surveillance when exposure reaches the exposure action value (2.5m/s2 A (8)) is implemented.

Employees who are exposed to vibration will receive adequate information, instruction and training through briefing sessions and HSE guidance to enable them to fully understand the risks from exposure and the measures required to prevent unsafe levels of exposure.

The council will implement safe systems of work which ensure that all employees are not put at unnecessary risk. These safe systems of work will be documented and effectively communicated to all relevant employees.

3.5.3 Control of Noise

CoLC recognises and accepts that it is responsible for the health, safety and welfare of its employees when at work.

Some employees may have to carry out work which exposes them to noise. The council therefore has a duty to ensure that employee exposure to noise is eliminated, or where this is not possible, the noise levels are assessed and that measures are implemented to control exposure and lower it as far as possible.

Exposure to noise can cause distraction, increase the likelihood of accidents through hindering effective communication, make warnings harder to hear and can cause Tinnitus and noise induced hearing loss.
CoLC will ensure that systems and procedures are implemented to effectively manage employee exposure to noise and to ensure compliance with the Control of Noise at Work Regulations 2005.

We will assess and identify measures to eliminate or reduce risks from exposure to noise so that we protect the hearing of our employees.

The Council also operates a corporate procedure for the selection, evaluation and monitoring of contractors which is used to ensure that all significant health and safety risks to the employees of contractors and sub-contractors, such as exposure to noise, are effectively managed.

CoLC will ensure that:

- Employee exposure to noise is eliminated wherever possible or if this is not possible, reduce the risks from exposure to noise.
- Provide employees with hearing protection if we cannot reduce the noise exposure enough by using other methods.
- Make sure the legal limits on noise exposure are not exceeded.
- Information and training is provided to all affected employees.
- Exposure levels are assessed.
- We provide appropriate health surveillance (hearing checks) for all our employees who are likely to be regularly exposed above the upper exposure action values, or are at risk for any reason, e.g., they already suffer from hearing loss or are particularly sensitive to damage.

The council will implement safe systems of work which ensure that all employees are not put at unnecessary risk. These safe systems of work will be documented and effectively communicated to all relevant employees.

3.5.4 Manual Handling

All manual handling tasks with a significant risk of injury will be suitably risk assessed, and control measures implemented where required and practicable, in accordance with the Manual Handling Operations Regulations 1992.

3.5.5 Hazardous Substances

All substances hazardous to health used within the workplace will be suitably assessed in accordance with the requirements of the Control of Substances Hazardous to Health Regulations 2002. Where possible, hazardous materials will be substituted by non-hazardous or less hazardous substances.

Material Safety Data Sheets will be requested by management from manufacturers or suppliers of substances, and all relevant details will be made available for users of the substance, prior to use.

3.5.6 Control of Legionella

The Council will ensure, so far as is reasonably practicable, that no occupant of, or visitor to a council-controlled premises could be exposed to a risk arising from Legionella bacteria.

The Council recognizes and accepts its legislative obligations, including the Health and Safety at Work etc. Act 1974, the Control of Substances Hazardous to Health Regulations 2002 and the HSE Approved Code of Practice and guidance - The Control of Legionella Bacteria in Water Systems 2013 (L8), HSG 274 part 2 control of legionella bacteria in hot and cold-water systems, and part 3 control of legionella bacteria in other risk systems.

In particular, the Council will:-

- Appoint a competent contractor to advise and assist in assessing and managing risk from water systems in council-controlled premises. All relevant water systems will have a suitable and sufficient risk assessment and a written scheme for preventing or controlling the risk from legionella bacteria.

- Provide responsible officers and other relevant staff with adequate information, instruction and training in order that they may manage and implement the above scheme and undertake and record local water hygiene tasks and checks as required.

- Ensure that contractors delivering services within a non-domestic building on the Council's behalf, such as leisure centres, have effective water hygiene management arrangements and are meeting the requirements of the above Code of Practice and guidance L8.

3.5.7 Display Screen Equipment

All display screen equipment and 'users' as defined within the Health and Safety (Display Screen Equipment) Regulations 1992 will be assessed.

3.5.8. Pregnant workers

Procedures are in place to protect new and expectant mothers from possible ill health effects at work. The Council is committed to ensuring a safe environment for all new and expectant mothers throughout employment and will ensure appropriate arrangements are in place regardless of the type of work carried out by the individual.

All expectant mothers should inform their line manager, Human Resources and Corporate Health & Safety as soon as they are aware they are pregnant to ensure protective measures, if necessary, can be taken to ensure the safety, health and welfare of the individual and their unborn child.

3.5.9. Young Persons

Regulation 19 of Management of Health and Safety at Work Regulations 1999 requires that young persons employed by him are protected at work from any risks to their health or safety which are a consequence of their lack of experience, or absence of awareness of existing or potential risks or the fact that young persons have not yet fully matured.

The Council will not employ any person paid or not in work situations unless a risk assessment has been carried out. Further advice can be obtained by contacting a member of Human Resources or the Corporate Health and Safety.

Regulation 16 of Management of Health and Safety at Work Regulations

3.6 Personal Protective Equipment

Some tasks will require the wearing or use of RPE/PPE including hand, foot or eye protection, protective clothing or respiratory equipment. All tasks will be thoroughly assessed, and RPE/PPE will be used as a 'last resort' when controlling or reducing risks.

Employees who are required to wear PPE will receive this free of charge. RPE/PPE will be replaced immediately, if it has become damaged, lost or no longer provides the protection intended. Appropriate training, information and instruction in its limitation, use and care will be provided with health monitoring as necessary. Further information can be obtained by contacting the Corporate Health and Safety.

3.7. Incident Reporting

The incident reporting system covers all employees employed by the City of Lincoln Council, Council Members, and members of the public, visitors, and contractors whilst they are within the property of the Council or grounds owned by the Council, or those which are under the Council's managerial responsibility.

An Incident Form must be completed through the online incident reporting system in respect of all incidents (accidents, near misses, unacceptable behaviour, damage and occupational diseases). Managers are responsible for investigation, analysis and corrective action. Managers should also ensure staff are given appropriate feedback.

Incident report forms can be found on the front page of City People (under report an incident) employees who do not have access to the intranet must report an incident to their team leader or service manager.

Corporate Health and Safety will assess all internally reported incidents and will be the 'responsible person' for notifying all reportable events as defined by the Reporting of Injuries,

Diseases and Dangerous Occurrences Regulations 1995 to the Health & Safety Executive's Incident Contact Centre.

Incidents, relative to each Directorate, will be discussed at Directorate Management Team (DMT) meetings.

3.8 Property Management

The Council recognises the importance in maintaining property standards and safety and has processes in place to ensure that repair and maintenance is assessed and carried out and that fire, electrical, gas and legionella safety is managed.

The responsibility for ensuring that property standards and safety are maintained within operational properties and land (excluding Council Housing) are set out within the Tree of Responsibility in Appendix 1 and within the Responsible Officer Guidance Notes, a copy of which can be found on Authority Wide – Corporate Buildings R & M and within the site-specific matrix detailed on the Council's dedicated property management software P2 system. Further information can also be obtained by contacting Corporate Property Services.

3.9 First Aid

The Council will ensure that there are sufficient number of trained first aiders, appointed persons, suitable equipment and facilities to enable adequate first aid to be carried out across the Council's workplaces.

3.10 Employees Health

The Council takes a proactive and engaging approach to enhance the health and wellbeing of our employees. The Health and Wellbeing Strategy sets clear targets and objectives introducing wellbeing initiatives and activities and promoting awareness of the importance of health and wellbeing.

The aims of the strategy include:-

- ***Promoting healthier lifestyles, provide prevention, intervention, and rehabilitation***
- ***Supporting employees to assess and take personal responsibility for their own health and wellbeing***
- ***Providing managers with the knowledge and skills to support their staff, manage attendance and reduce stressors in the workplace***
- ***Ensuring the workforce has every opportunity to be healthy and well at all stages of their employment.***

The Council takes its responsibility for the health and wellbeing of its workforce seriously and will deal with health issues under the Management of Sickness Policy, Capability policy and Redeployment policy.

The Council reserves the right to refer employees to an Occupational Health provider, where there is a belief that the employee may not be fit to undertake their duties. If having been referred, a medical report confirms that a medical condition may pose a potential risk to the employee or others in the workplace, the Council reserves the right to suspend an employee

on full pay, in line with the Management of Sickness policy, in order to identify a collaborative way forward.

The Council will refer employees with a disability to an occupational health provider to ensure that we are meeting our obligations under the Equality Act 2010 to provide reasonable adjustments in the workplace.

4.0 Monitoring and Review of the General Policy Statement

4.1 Monitoring of the Policy

The monitoring of this Policy will be carried out by Corporate Health & Safety, actively through health and safety auditing and reactively by the investigation of incidents and collation of accident, near miss, violent incident and ill health statistics produced and reported on a regular basis. It is anticipated that appointed Trade Union Health & Safety Representatives will also assist by the carrying out of inspections of the workplace.

4.2 Review

This safety policy will be reviewed every four years, and when agreed, added to or modified as necessary within that period.

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Health, Safety & Welfare Policy
Appendix 1
Tree Of Responsibility – June 2023

The Tree of Responsibility sets out a general framework for how health, safety and welfare is organised within the City of Lincoln Council.

The guiding principle in the application of the Tree of Responsibility is to ensure that where a restriction exists, which maybe, for example, a change in service level provision, lack of resources financial or otherwise, which prevents a health and safety action from being implemented, that this restriction is reported through the organisation.

A number of corporate health and safety policies and procedures define and expand on the roles and responsibilities set out in the tree of responsibility, these include:-

- *Management of Asbestos Policy and procedures*
- *Unacceptable Behaviour Policy and procedures*
- *Control of Contractors procedures*
- *Control of Legionella procedures*
- *City Hall Emergency Evacuation procedures*
- *Risk Assessment procedures*

APPENDIX 1 – *June 2019*
City of Lincoln Council – Health, safety and welfare - Tree of Responsibility

Elected Members

	Responsible for	Responsible to
The Executive	The conduct of the Council's undertakings to ensure the health, safety and welfare, of the Council's employees, the public, and other persons who may be affected by its activities. Ensuring there are adequate resources available to meet the requirements of the Corporate Health, Safety & Welfare Policy.	*Full Council*
Leader of the City Council	The Leader of the Council is identified as the elected member with specific responsibility for Corporate Management which includes corporate health and safety. Being the Elected Member Health and Safety Champion.	The Executive

Officers

	Responsible for	Responsible to
Chief Executive	(These responsibilities are in addition to those set out for Directors) Giving overall effect to the implementation of the Corporate Health, Safety & Welfare Policy, and will, as necessary review the effectiveness of the policy, and of the employees under her control, to whom various aspects of health and safety will be delegated. Being the City's Emergency Controller (CEC) for a declared emergency.	The Executive
Corporate Management Team (CMT)	(These responsibilities are in addition to those set out for Directors) Supporting the CX and DCE in meeting their additional health and safety responsibilities. Policy at a strategic level they will preserve, develop, promote and maintain the Council's Health & Safety Management System. Identifying and allocating resources where this is not either the responsibility of a specific Director, Assistant Director or Service Manager or where adequate resources are not available within a nominated budget. Overseeing the delivery of the annual Corporate Health and Safety Development Plan Making sure that health & safety matters are taken into account when making organisational decisions. (City of Lincoln Council) responsible as the Accountable Person, Building Safety Act 2022.	The Executive

	Responsible for	Responsible to
Directors	Implementing the Corporate Health, Safety & Welfare Policy within the Directorate of their control, ensuring that adequate safety management systems are in place at all levels within their Directorate so as to provide the Council with the assurance that all parts of the organisation is adequately meeting its legal obligations. Establishing structures and strategies to implement policy and integrating these into service activities. Making sure to fully consider the resources needed across their directorate for putting an effective health and safety management system into practice. Ensuring that there is a standing item on the Directorate Management Team meetings to consider health and safety matters of evident concern and incident reports. In the absence of the CX, being the City's Emergency Controller (CEC) for a declared emergency.	Corporate Management Team (CMT)
Director of Communities & Environment	(These responsibilities are in addition to those set out for Directors) Being the Director with the role of Health and Safety Champion and as such agreeing the annual Health & Safety Development Plan and ensure that appropriate resources are allocated to deliver plan. Providing strategic direction for ensuring the effectiveness of the Authority's health and safety organisation and arrangements. Informing, and alerting CMT to, health and safety matters of evident concern and initiatives that have or may have an impact on the health and safety of employees, contractors or the public. Being the sponsor of the annual review of health and safety performance.	CMT
Director of Housing & Investment	(These responsibilities are in addition to those set out for Directors) (City of Lincoln Council) responsible as the Principle Accountable Person, Building Safety Act 2022.	CMT

	Responsible for	Responsible to
Assistant Directors	Having overall responsibility for health and safety in their service area. Ensuring sufficient resources, financial and otherwise, are available to meet health and safety obligations throughout the service and informing the relevant Director as appropriate, when not. Ensuring that the legal obligation of consulting with staff directly and with Trade Union safety representatives on relevant health and safety matters takes place in good time and that their views are recorded and duly considered. Ensuring that adequate health and safety management systems are in place within their service area. Deciding on appropriate action to be taken to protect health, safety and welfare at work in the event of a system failure or the failure to carry out maintenance or repair work. Ensuring that there are suitable number of risk assessors, authorisers, fire marshals and incident reporters. Informing the Corporate Health and Safety Service of matters of evident concern that could impact on health, safety and welfare of employees, contractors or the public. Ensuring RO's (and ROSS where necessary) are appointed, and where not appointed the responsibility duties of an RO sits with them.	**Strategic Director**
Assistant Director (Health & Environmental Services)	(These responsibilities are in addition to those set out for Assistant Directors) To ensure through effective management the provision of a corporate resource for all issues affecting health & safety across the organisation. To manage staff and resources in relation to Emergency Planning and to support the Chief Executive (or Directors as nominated officers) in the role of City's Emergency Controller Planning Officer and deputy Emergency Planning Officer .	***Director of Communities & Environment***
Assistant Directors (Housing & Investment) (Investment) (Strategy)	(These responsibilities are in addition to those set out for Assistant Directors) Taking responsibility for the Council's housing landlord function ensuring it is effectively managed and actively promotes risk management in relation to all aspects of the housing maintenance, investment & tenancy service delivery.	***Director of Housing & Investment***

Responsible for

Responsible to

Chief Finance Officer

(These responsibilities are in addition to those set out for Assistant Directors)

Holding the budget for repair and maintenance of the Council's Corporate Assets i.e. Council buildings and is responsible for ensuring that repair or maintenance work necessary to address health and safety issues are carried out.

Ensuring the effective asset management and maintenance of the Council's property portfolio as the lead policy advisor on all property related matters.

Ensuring the delivery of the corporate asset management plan.

Chief Executive

Strategic Property Services Manager

(These responsibilities are in addition to those set out for Service Managers)

Implementing the Council's Asset Management Plan.

Managing the budgets for planned and responsive repair and maintenance of Corporate Assets.

Implementing the repair and maintenance strategy of the Councils Assets (land and property) and prioritising resource, having regard to health and safety priority matters, across the authority and coordinating respective bids.

Managing the Service Level Agreement for responsive repairs.

Reporting to Assistant Director (Chief Finance Officer) where adequate resource is not available to address a health and safety priority matters.

Ensuring co ordination between the council policies in respect of land and property.

Overseeing the role of the Facilities Management Officer.

Chief Finance Officer.

Responsible for

Responsible to

Facilities Manager (Corporate Property)

(These responsibilities are in addition to those set out for Service Managers)

Engaging in the processes of maintaining property standards and safety for the Councils corporate land and premises (other than that managed as Council housing) and ensuring a positive culture and practice of Health and Safety, Risks and Standards (H&S, R&S) Management in relation to that property

Informing, supporting and monitoring service areas, Responsible Officers and Responsible Support Officers to ensure that necessary actions and works are identified and undertaken to ensure compliance with statutory obligations in respect to property and to ensure that land and premises are generally safe for their designated use. To organise and implement, within corporate budget provision, responsive, planned and preventative maintenance programmes

Consult with Service Managers and Responsible Officers to ensure that necessary actions are taken and that works of responsive repair and maintenance are identified and ordered and cyclical contract maintenance works are carried out.

Oversee, support and monitor the performance of health and safety, risks and standards management of property by service areas and 'responsible officers' and to ensure that the responsibilities and tasks relating to this are detailed in guidance notes issued to Responsible Officers.

In conjunction with the Corporate Health and Safety Team to monitor contractors to ensure that principles are carried forward into a regime of working practices and procedures on-site including suitable and sufficient compliance audits and inspections.

To monitor that appropriate records are kept including incident reports, inspection and maintenance logs and risk assessment papers, method statements, health and safety files and building and service plans etc and that relevant H&S information is passed to contractors, emergency personnel and other relevant persons involved in carrying out works, inspections or the like.

To maintain relevant records in a central electronic property database and ensure access to such records by relevant personnel of the Council.

Strategic Property Services Manager

Responsible for

Responsible to

Safety Assurance Manager (Housing)

The following responsibilities are in relation to Council's function as a council housing landlord. (These responsibilities are in addition to those set out for Service Managers)

Assessing and reviewing changes to government policy, legislation and regulation to identify implications for policy and procedure. Reporting any failings and non compliance within the service areas.

Managing the control of asbestos for the Council Housing ensuring full compliance with current regulatory and other such requirements that impact on Health and Safety in relation to asbestos and property improvements.

Investigating and monitoring incidents of unplanned disturbances of asbestos containing materials (ACM) in conjunction with the service management.

Managing and monitoring of Council employees and contractors in particular those involved with asbestos surveying, sampling and asbestos removal/encapsulation and to ensure the safe disposal of ACM waste.

Ensuring the Council's Health, Safety & Welfare Policy and all other policies and procedures are embedded within the Maintenance and Investment Teams.

Providing assistance and guidance in the development of risk assessments to other housing services.

Ensuring compliance of the Maintenance and Investment Teams in following the Council's control of contractors procedures and develop assurance processes.

Ensuring that all teams are aware of their obligations under the CDM Regulations.

Ensuring property requirements as to general standards comply with the Council's insurance requirements.

Managing and monitoring the delivery of fire risk assessments and associated action plans to ensure compliance with recommendations.

Liaising with Responsible Officers, to produce a Fire Safety and Emergency Plan and associated written procedures for each property clearly identifying fire hazards and precautionary measures required.

Identifying any training, particularly in relation to health and safety and construction required for the council housing service areas and ensure that training is monitored and training records are kept up to date.

Assistant Director Housing Investment

Responsible for

Responsible to

Service Managers

(Each Directorate will need to consider if the delegation of any of the numbered functions below will be to Team Leaders (where this role exists within a Service.) If a Service Manager responsibility is specifically delegated this MUST be recorded listing which of the numbered functions the Team Leader is responsible for and for what period of time. (It is recommended that this is recorded as part of the Council's appraisal process.) Where the is no written record of delegation, all responsibilities will assumed to be delivered by the Service Manager.

Assistant Director

1. Managing health and safety across service specific activities this will require developing, implementing, monitoring and reviewing service related health and safety systems.

2. Ensuring work-related risks are identified and suitable and sufficient risk assessments are recorded, actions identified are implemented and risk assessments reviewed, as appropriate.

3. Ensuring sufficient resources, financial and otherwise, are available to meet health and safety obligations throughout the service and informing the relevant Assistant Director as appropriate, when not.

Agree & make a written record of functions allocated

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4. Ensuring staff and safety representatives are involved and consulted on relevant health and safety matters, for example, risk assessment, safe working methods, workplace inspections, incident investigation and changes in working practices, in good time and ensure that their views are recorded and considered.

5. Ensuring staff within their area of responsibility have adequate levels of competence, supervision, instruction, training and information to complete their work tasks safely.

6. Authorising risk assessments and monitoring the implementation of risk assessment actions .

7. Reporting and investigating health and safety incidents, ensuring management and remedial actions are identified, recorded and carried out.

8. Ensuring that unacceptable behaviour at work incidents which are either physical assault or threatening behaviour where the potential could result in a physical assault be reported to the police.

Team Leaders

9. Ensuring that all employees are aware of and comply with health and safety requirements;

Service Managers

10. Ensuring that contractors or service providers engaged within the service are have the required competencies and that a robust framework for selection, monitoring and reviewing their health and safety practice and performance is in place.

12. Informing both the relevant Assistant Director and the Corporate Health and Safety Service of matters of evident concern that could impact on health, safety and welfare of employees, elected members, contractors or the public.

	Responsible for	Responsible to
Responsible Officers	(These responsibilities are in addition to those set within the tree of responsibility and determined by each Departmental Structure Chart. The responsibilities and tasks ***relating to corporate properties*** are detailed in the Guidance Notes for Responsible Officers.) Having responsibility for the day-to-day management and safety of designated properties and (or) land. Ensuring that inspection, sampling and monitoring work is carried out at the designated premises, and that the necessary paperwork is completed and certification obtained, where required. Where appropriate, reporting to the Assistant Director any failure to carry out any of the above	Assistant Director, Service Manager or Team Leader
Responsible Officer Support Staff	Supporting the designated Responsible Officer in the day to day safety, management and maintenance of operational properties and/or land.	Nominated Responsible Officer

Responsible for

Responsible to

Individuals

Work with due regard to the health and safety of themselves and others.

To understand and follow all health and safety rules and procedures.

Co-operate with and support managers in meeting their health and safety responsibilities.

To use any protective clothing and safety equipment provided by the Council for their personal protection.

Inform their line manager if the working conditions are considered to be unhealthy and/or unsafe and of the existence of any hazards or defects to plant, equipment, machinery or building.

Not misuse or interfere with any means or appliance provided for their Health and Safety.

Attend all Health and Safety training sessions arranged on their behalf.

Report any accident or near miss incident involving themselves to their line manager as soon as it happens, and ensure that any absence from work as a consequence of a work-related injury or disease is reported to the Nominated Person on the first day of absence.

→ Service Manager or Team Leader

Health & Safety Assistance

Environmental Health & Corporate Safety Manager

(These responsibilities are in addition to those set out for Service Managers)

Planning, overseeing and monitoring the work of the Council's Health and Safety Service.

Assisting in the development and application of policies, procedures and protocols that, in turn, enable the Council to discharge its responsibilities under the provisions of the Health and Safety at Work Act and subordinate legislation.

Drafting the annual Health and Safety Development plan, overseeing and reporting progress on the delivery of actions.

Informing, and alerting Corporate Health & Safety Champion – Director Communities & Environment (or other CMT member), to health and safety matters of evident concern and initiatives that have or may have an impact on the health and safety performance of the Council or on the health and safety of employees, contractors or the public.

→ Corporate Health & Safety Champions & Assistant Director (Health & Environment)

Responsible for

Responsible to

- ***Corporate Health & Safety Service***
- ***Health & Safety Compliance Officer (Corporate & Enforcement)***
- ***Health & Safety Compliance Officer (Housing)***

Fulfilling the role of 'competent person' as required by Regulation 7 of the Management of health & Safety at Work Regulations 1999 across all Directorates of the Council.

Provide clear, consistent, proportionate and timely expert health & safety technical advice, support, guidance and information on which the Corporate Health & Safety Champions, Directors, Assistant Directors and Managers thereunder, can rely upon to make decisions regarding service delivery arrangements and all work activities.

Promoting, developing and co-coordinating the Council's Health and Safety Policy.

Determining in conjunction with Management, the appropriate action for implementation to provide a safe and healthy working environment for City Council employees, and non-employees, who may be affected by the Council's work activities.

Being the Council's point of contact with Health & Safety Executive, with responsibility for recording, distributing and responding to Prohibition and Improvement Notices from the HSE; advising both the Corporate Health & Safety Champion (DCE) and the Director with responsibility for the work activity area to which the notice relates and determining in conjunction with Management the appropriate course of action to remove or mitigate the risk.

Undertaking high level health and safety audits and monitoring progress against audit recommendations, and reporting on failure to make satisfactory progress to the relevant Service Manager, Assistant Director or Director.

Producing an annual health and safety training plan to identify training needs and facilitate the training delivery.

Investigating certain accidents and incidents, this does not detract from the responsibility of Service Managers to investigate all accidents and incidents.

Reporting incidents in accordance with the Reporting of Injuries, Diseases and Dangerous Occurrence Regulations 1995.

Monitoring the Council's risk assessment database and reporting on as to whether recorded task or area risk assessments are 'suitable and sufficient', any risk gaps identified, unauthorised risk assessments, outstanding remedial actions.

Taking the lead in developing the annual corporate health and safety development plan and be responsible, as directed, for the delivering and updating plan against agreed timescales.

Managing and monitoring internally reported health & safety related incidents to ensure that the management actions have been identified are proportionate.

Corporate H & S Champions & Environmental Health & Corporate Safety Manager

Responsible for

Responsible to

Health & Safety Representatives

(Functions of Safety Representatives - Regulation 4 Safety Representatives & Safety Committees Regulations 1977 -'no function given to a Safety Representative shall be construed as imposing any duty on him')

Representing employees in consultation with Directors, Assistant Directors, Service Managers and Team Leaders, as appropriate on matters affecting their health, safety and welfare at work.

Attending meetings of JCC (Health, Safety & Welfare) committee.

Carrying out inspections of the workplace.

Investigating complaints relating to health safety and welfare at work.

Examining the causes of accidents in the workplace.

Informing the Corporate Health and Safety Service of matters of evident concern that could impact on health, safety and welfare of employees, contractors or the public

JCC (Health, Safety & Welfare) committee

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Appendix 2

EXTRACT FROM COMMITTEE

City of Lincoln Council and Employee Joint Consultative (Health, Safety and Welfare) Committee	**3 October 2023**

7. Exclusion of the Press and Public

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

8. Confirmation of Minutes - 6 June 2023

RESOLVED that the minutes of the meeting held on 6 June 2023 be confirmed as a true record.

9. Declarations of Interest

No declarations of interest were received.

10. Health, Safety & Welfare Policy 2023

Sara Boothright, Food Health and Safety Manager:

a) presented a report to request comments from Members on the Council's revised Health, Safety and Welfare Policy, as detailed within the report, prior to progression to Executive for formal approval

b) advised that the revised policy would supersede the existing policy agreed in July 2019

c) summarised the proposed policy revisions as seen at paragraphs 2.5-2.9 of the report, respectively

d) confirmed that Health, Safety and Welfare policy was reviewed every four years and was undertaken by Corporate Health & Safety (CHS)

e) outlined the HR implications as detailed at paragraph 3.4 to the report

f) stated that the proposed revisions had been discussed with Unions

g) invited comments and questions from Members of the Committee

RESOLVED that the proposed revisions to Council's Health, Safety and Welfare Policy, as set out in the report, be supported for formal approval of the Executive.

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Item No. 10

EXECUTIVE **20 NOVEMBER 2023**

SUBJECT:	**HR POLICY CHANGE – MANAGEMENT OF CHANGE**
DIRECTORATE:	**CHIEF EXECUTIVE AND TOWN CLERK**
REPORT AUTHOR:	**ALI THACKER (HR AND PAYROLL TEAM LEADER)**

1. Purpose of Report

1.1 To provide Executive with an overview of the proposed changes the Councils Management of Change Policy, and to request that Executive formally approve the revised policy.

2. Background

2.1 Recently HR have reviewed the above policy in conjunction with Trade Unions, and this report provides a summary of the proposed changes.

3. Summary of Management of Change Policy Changes

3.1 Below is an overview of the changes proposed:

Section 4.4 has been added to include Trade Unions responsibilities as part of the Management of Changes processes.

Section 5.1 – Preparation – Bullet Point 2 the following wording has been inserted "(prior to the start of any processes)."

Section 5.3 – Job Descriptions – The following wording has been re-worded:
"However as a check, prior to commencing formal consultation, the Manager should review the job descriptions of affected employees and if the manager and/or effected employee feel any updates are required prior to the formal consultation process, these should be discussed however ultimately it would be for the manager to determine if the job description is up to date."

Section 5.4 – Has been re-worded as follows:
"It is recommended that Managers do not commence any formal consultation with employees until the manager is satisfied that current job descriptions are up to date and have been evaluated under the Council's Job Evaluation Scheme to ensure that employees are not adversely affected during the Management of Change process."

Section 5.5 – The following wording has been inserted:
"Where minor changes are proposed, the Director/ Chief Executive can formally approve the changes without the need to take reports to JCC and the Executive. These proposals should be discussed with HR prior to any processes commence.

Examples of minor changes may include (but not limited to):

- Proposed minor modifications to a Job Description.
- Proposals where there are no changes to employees pay.

- Proposals where posts are transferring to another team/department but where the role, duties and responsibilities remain the same/similar.
- Line management change"

Section 5.7 – The following wording has been inserted:
"In the event that a grievance or complaint has been raised prior to the commencement of a Management of Change process, which directly relates or impacts on the proposals, the grievance or complaint should be concluded before the commencement of any management of changes processes where possible."

Section 6.1 – The following wording has been inserted:
"Prior to any consultation processes commencing, Managers in conjunction with HR, must determine who is affected and indirectly affected by proposals."

Section 8.2 and 8.3 – The following wording has been re-worded in to take account of changes made to the Councils Acting up and Secondment Policies:
"Employees seconded or acting up into posts in the current (old) structure, will have rights against their substantive posts only, unless the secondment is greater than 11 months in which case, in accordance with the Council's Secondment Policy, the secondee will lose automatic rights to return to their substantive post or be in competition for their substantive post if the role has been filled with a fixed term contract (where necessary).

However, in accordance with the Secondment and Acting Up Policies, in exceptional circumstances where the employee has been seconded or undertaking acting up duties to another post for over two years, the Assistant Director/ Director has the discretion to give an employee rights to post(s) based upon their acting up duties/ grade and/or based upon the post/ duties/ grade of the position they have been seconded to. (This however does not apply to employees acting up into Chief Officer positions – including Assistant Directors as in line with the Constitution appointments to permanent Chief Officer positions are to be made following member appointment panels)."

Section 8.4 – The following wording has been changed to take account of the above change.
"During a management of change process, it is the managers responsibility to determine an employees proposed rights to any post. However, in the event where an employee has been seconded/acting up, in accordance with 8.3 the manager will be required to liaise with the Assistant Director/Director to determine the proposed rights (in accordance with 8.3)."

Section 16 – Excess Travel – This section has been inserted into this policy and this will replace the Councils current Disturbance Policy.

4. Organisational Impacts

4.1 Finance (including whole life costs where applicable)
There are no financial implications associated with this report.

4.2 Legal Implications including Procurement Rules

There are no legal implications associated with this report.

4.3 Equality, Diversity and Human Rights

There are no Equality, Diversity and Human Right implications arising from this report.

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

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

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

4.4 Human Resources

The proposed changes have been discussed with Unions during local HR and Trade Union meetings, and Unions are supportive of the changes.

This Policy was also taken to JCC in October 2023, where it was agreed that the proposed changes should progress to Executive for consideration/formal approval.

5. Risk Implications

5.1 (i) Options Explored

NA

5.2 (ii) Key Risks Associated with the Preferred Approach

NA

6. Recommendation

6.1 To request that Executive consider the proposed policy changes for formal approval.

Is this a key decision?	No
Do the exempt information categories apply?	No
Does Rule 15 of the Scrutiny Procedure Rules (call-in and urgency) apply?	No
How many appendices does the report contain?	2 (MOC Policy) (Extract JCC)
List of Background Papers:	None
Lead Officer:	Ali Thacker HR and Payroll Team Leader **ali.thacker@lincoln.gov.uk**

Appendix A

Management of Change incorporating Redeployment and Pay Protection

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Management of Change Policy and Procedures

1. The Purpose of the Policy

1.1 The Council requires the flexibility to respond to change. Changes in the delivery of services, legislative changes and budget restrictions can all have an impact on the composition and structure of the Council's workforce. It is important that the Council manages such change in a responsible manner and recognises the difficulties that can sometimes face employees in such circumstances.

1.2 The aims of this policy are:

- to ensure that change is managed fairly and consistently;
- to provide a clear procedure for the management of change for both Managers and employees;
- to ensure a consultative approach to change that engages affected employees and their Trade Union representatives;
- to recognise the Council's responsibilities for making reasonable efforts to offer suitable alternative employment to affected employees and take all reasonably practicable steps to avoid compulsory redundancy;
- to recognise the need for flexible deployment of employees throughout the Council and provide training and other support for this purpose;
- to treat employees in a fair and consistent manner with sensitivity to individual circumstances;
- to follow good employment practice and duties embodied in employment law.

2. Principles

2.1 This policy is based on the following principles:

- change is necessary to ensure continuing operational effectiveness and continuity of service delivery;
- it is important to minimise the destabilising effect of placing employees 'at risk';
- fair and equitable arrangements that will safeguard the interests of employees affected by change and ensure equality of opportunity are important in securing effective change;
- the Council's recognised Trade Unions have an important role in the development and application of this and related policies;
- consultation at key stages in the change process is critical to ensuring employees and their Trade Union representatives are effectively involved and engaged;
- to give assistance, as far as is reasonably practicable, to any employees who are under notice of redundancy with the aim of maximising their chances of obtaining alternative employment;

- the transfer of employees from current to new structures should give priority to maximising employment opportunities to directly affected employees over opportunities for personal advancement;
- the term “Manager” is used throughout this document. It is a generic term that incorporates a wide range of job titles in practice;
- a written record of key consultation events will help to support the change process;
- this policy is one of a number of Council policies that may apply in management of change situations. Such policies are designed to complement each other. Advice and further information on this is available from HR.

3. Eligibility

3.1 This policy applies to all employees of the Council.

4. Responsibilities:

4.1 Directors, Assistant Directors and Heads of Service

- To provide effective leadership and support to Managers and employees involved in the change process.

4.2 Managers

- To know, understand and apply the policy and procedures.

- To release Trade Union Representatives and/or employee representatives in order to enable them to fully engage in the Management of Change process as required.

4.3 HR

- To advise on the application of the policy and procedures.

- To review and maintain the policy, ensuring it complies with legal requirements and is fit for purpose.

- To advise and support Managers and employees affected by the application of this policy.

- To ensure Managers are appropriately trained

4.4 Trade Union

- To support affected employees (where applicable) in order to enable them to fully engage in the Management of Change process as required.
- To attend consultation meetings with employees where requested/required.

- To act on an employees behalf and represent their interests during the consultation period where this is specifically requested by the employee(s).

5. Manager's responsibility prior to commencing formal consultation

5.1 Preparation

- The Manager must notify the HR Manager and Trade Unions of any potential staffing structural changes in their service areas at the earliest opportunity and an HR Associate will be allocated to advise the Manager on HR procedures during the Management of Change process.

- The Manager should give due consideration as to whether the proposed structure changes should seek the views of CMT and/or "Towards Financial Sustainability Group" (TFS) at an early stage (prior to the start of any processes).

- The Manager should consider whether or not he/she needs to liaise at the outset with:

    - Procurement;
    - Health and Safety;
    - Finance;
    - Democratic Services;
    - Legal Services.

- It is the Manager's responsibility to inform HR of all employees who could be either directly or indirectly affected by any proposed changes. Employees who may be indirectly affected by any proposed changes must also be included in the consultation, e.g. any other employees who may, as a result of the Management of Change process, be expected to undertake amended and/or additional duties.

- The Manager should seek advice from HR on arrangements for employees on maternity, paternity, or adoption leave and for employees on career break leave or other non standard working arrangements prior to formal consultation commencing and before any draft proposals are presented for consultation.

- Managers must contact HR to clarify the minimum consultation period required as that will depend upon what other reviews have taken place/are taking place within the Council as a whole.

- If a Trade Union representative could be directly impacted by any proposed changes, e.g. because he/she works in the Service area or has relations working in that area, the Manager should liaise with that Trade Union to request another Trade Union representative from outside the Service area represent employees in order to avoid any potential conflict of interest arising.

- It is the Manager's responsibility to appoint an administrative officer to prepare correspondence and/or documents required for the consultation process and to take minutes of consultation meetings. HR can advise and provide template letters to assist.

5.2 Voluntary Redundancy Criteria

If any early proposals could result in a redundancy situation if approved, Managers should consider at the outset what criteria they will apply to voluntary redundancy applications. HR will provide advice on objective selection criteria and any such criteria should be agreed with the appropriate Trade Union(s) during the formal consultation period.

5.3 Job Descriptions

It is expected that Managers will annually review job descriptions as part of the employee's appraisal process and therefore job descriptions should always be up to date. However as a check, prior to commencing formal consultation, the Manager should review the job descriptions of affected employees and if the manager and/or effected employee feel any updates are required prior to the formal consultation process, these should be discussed however ultimately it would be for the manager to determine if the job description is up to date. Job Description should be reviewed prior any formal consultation process because matching, slotting and prior consideration rights will be based on job descriptions and grading and not on current duties being carried out by individual employees.

5.4 It is recommended that Managers do not commence any formal consultation with employees until the manager is satisfied that current job descriptions are up to date and have been evaluated under the Council's Job Evaluation Scheme to ensure that employees are not adversely affected during the Management of Change process.

5.5 Decision Making

It is the Manager's responsibility to understand the Council's decision making authority and to be responsible for submitting any proposals through the appropriate channels in accordance with the Council's Constitution. Advice can be sought from HR and/or Legal/Democratic Services where required.

Where minor changes are proposed, the Director/ Chief Executive can formally approve the changes without the need to take reports to JCC and the Executive. These proposals should be discussed with HR prior to any processes commence.
Examples of minor changes may include (but not limited to):

- Proposed minor modifications to a Job Description.
- Proposals where there are no changes to employees pay.
- Proposals where posts are transferring to another team/department but where the role, duties and responsibilities remain the same/similar.

- Line management change

5.6 Where decisions are made by Executive, any proposals submitted should summarise the consultation comments submitted by employees and by the recognised Trade Unions. The Joint National Council for Chief Officers includes additional representation rights and Managers need to be aware of these if appropriate.

5.7 In the event that a grievance or complaint has been raised prior to the commencement of a Management of Change process, which directly relates or impacts on the proposals, the grievance or complaint should be concluded before the commencement of any management of changes processes where possible.

6. Formal Consultation

6.1 The Manager must formally consult affected and indirectly affected employees and the appropriate Trade Unions on all proposals involving changes to staffing levels and/or structure changes at the earliest opportunity and certainly whilst the proposals are in a formative stage and before any formal decisions have been made. Prior to any consultation processes commencing, Managers in conjunction with HR, must determine who is affected and indirectly affected by proposals.

6.2 A “formative” stage is at an early enough stage for employees to provide feedback that could enhance/change/modify/dismiss the changes proposed.

6.3 Managers should consider appropriate methods to achieve meaningful consultation with all relevant employees depending on the nature of the proposed changes e.g. size of the workforce affected, scope, complexity of the proposed change etc, as what consultation period is required may vary depending upon the nature of the proposals but is expected to be a minimum of 10 working days.

6.4 Once formal consultation has commenced, Managers must not hold any “informal” meetings relating to any ongoing Management of Change issues with any employee unless their Trade Union representative(s) has been invited (if applicable).

6.6 Employees on maternity/sick or other leave

Where an employee is absent from work for any reason and could be affected by any proposed changes, the Manager must ensure that they communicate with the employee on a weekly basis (unless both parties agree in writing otherwise) to keep them appraised/informed of developments. All meetings/discussions must be documented and the employee should be given copies of all consultation correspondence and documents.

6.7 The employee can if they wish nominate a Trade Union representative and/or work colleague to act on their behalf and represent their interests during the consultation period. This should be confirmed in writing by the employee.

6.8 Consultation Periods

A minimum 10 working day consultation period should apply. HR can clarify the consultation period required as that will depend upon what other reviews have taken place/are taking place within the Council as a whole. In all cases affected employees should be invited to attend or be represented at consultation meetings at which details of proposed changes will be presented.

6.9 Where any initial proposals could result in a redundancy situation for 19 or less employees, e.g. where the closure of a Service is being proposed or where a proposed restructure would result in the need for fewer employees, the Manager must additionally invite affected employees to individual one to one meetings, at which the employee can be accompanied by their Trade Union representative and/or work colleague. The HR Associate will also be in attendance at this meeting.

6.10 Following any individual consultation meeting, the Manager should write to the employee giving a summary of the meeting and detailing the steps to be taken and the timetable for the decision-making making process to be completed.

6.11 Where 20 or more employees are to be made redundant within a 90 day period, the following consultation time line must be complied with:

- consultation must begin at least 30 days (45 days if more than 100 employees) before the first dismissal takes effect; and,
- formal notification must be issued to the Council's Trade Unions as required by the Trade Union and Labour Relations (Consolidation) Act 1992 (TULR(C)A).

6.12 The Council will consider a range of options to help mitigate the effect on employees. These include:

- natural wastage;
- retraining and redeployment of employees who are at risk, where this is practicable and reasonable;
- consideration of requests for secondment;
- retention of employees in the short term on their existing terms and conditions, where it is anticipated that suitable employment will become available in the near future;
- invitations of requests for early access to pension with employers consent and/or voluntary redundancy subject to the necessary decision making process.

6.13 The HR Manager will, at least 45 days before the any first dismissal could take effect, notify the Secretary of State at the Department of Business, Enterprise

and Regulatory Reform on form HR1 of proposed redundancies involving twenty or more employees at any one establishment in a 90 day period. A copy of the HR1 form should also be given to the Trade Union(s) or other employee representatives who are to be consulted (s.193(6) TULR(C)A).

6.14 In cases of 20 or more redundancies at one establishment, notice of dismissal for reasons of redundancy will be issued at least 30 days before the first dismissal takes effect or 45 days before in the case of 100 or more employees.

6.15 In cases of 20 or more redundancies at one establishment, collective consultation will have been carried out through the Council's Trade Unions, and there will not be a requirement for individual meetings to take place.

7. Formal Consultation Procedure

7.1 At the first consultation meeting, the Manager should give affected employees and Trade Unions as much information as possible. Managers should cover the following:

- reasons for the proposals;
- a draft business case setting out proposed changes and/or draft structure changes and/or draft job descriptions with preliminary grading;
- the time line for the consultation process, including dates of JCC and Executive meetings, proposed matching/slotting/prior consideration time line and proposed implementation date if changes approved;
- details on any options to avoid redundancy, such as reduced working hours, voluntary redundancy or early access to pension options, providing information as to the selection criteria for such applications and advising on the deadline date for applications. Managers should remind employees that there is no legal nor contractual right to having any application for redundancy accepted by the Council;
- advice to employees on how and by when to provide written feedback on the proposals, advising that such feedback can be submitted by an individual, group of employees and/or from Trade Unions;
- the proposed method of selecting employees for redundancy (if applicable);
- the proposed method of carrying out the dismissal, if applicable, including the period over which the dismissals are to take effect; and
- options there are for suitable alternative work.

7.2 Consultation with the Trade Unions

Where any proposals could result in dismissal by reason of redundancy, the Manager should consult with employees and Trade Union(s) with a view to reaching agreement about ways to:

- avoid the proposed dismissals;
- reduce the numbers of employees to be dismissed;
- mitigate the consequences of the dismissals on the individuals concerned.

7.3 Steps to be taken once employee feedback received

The Manager should consider any feedback received and make any revisions to the proposal if appropriate. The Manager should then notify employees and the relevant Trade Union(s) of the final proposal to be put before JCC and Executive (where applicable) which should include a summary of the feedback received.

7.4 Agreement is the Council's preferred goal. However, Management reserves the right to implement its proposals where agreement has not been reached after meaningful consultation has taken place and where the process is considered to have been exhausted.

7.5 Job Description Amendments during Consultation

Where job descriptions are amended during the consultation process, they should be submitted for job evaluation either prior to or at the early stages of the consultation period to ensure that Managers can accurately cost any changes proposed and to ensure that employees have the opportunity of being consulted on any proposed changes, that they have clarity of grading moving forward and that they can understand the role their job descriptions will have on their matching, slotting and/or prior consideration rights.

7.6 The Manager will be responsible for producing draft new structures /job descriptions and circulating these to employees (and their representatives where requested).

7.7 Draft Assimilation Rights

Once jobs have been assessed via job evaluation, managers may (where applicable) assign draft matching, slotting and prior consideration proposals and communicate these to affected employees at any time during the consultation period for their consideration and feedback. Letters to employees must confirm that their rights are draft rights only and could be subject to change as the consultation and decision making process proceeds. This letter should include how employees can comment on their draft rights and encourage this to be done prior to any formal decision being made. Further details regarding assimilation rights can be found in the next section.

8. Implementing changes once formal decision making process complete

8.1 Assimilating and transferring employees to the new structure

Following a formal decision by Executive and after the call-in period has expired, written confirmation must be given to all affected employees notifying them of their final matching, slotting and/or prior consideration rights under the new structure. This letter will set out appeal rights as per section 10 of this policy.

8.2 Employees seconded or acting up into posts in the current (old) structure, will have rights against their substantive posts only, unless the secondment is greater than 11 months in which case, in accordance with the Council's Secondment Policy, the secondee will lose automatic rights to return to their substantive post or be in competition for their substantive post if the role has been filled with a fixed term contract (where necessary).

8.3 However, in accordance with the Secondment and Acting Up Policies, in exceptional circumstances where the employee has been seconded or undertaking acting up duties to another post for over two years, the Assistant Director/ Director has the discretion to give an employee rights to post(s) based upon their acting up duties/ grade and/or based upon the post/ duties/ grade of the position they have been seconded to. (This however does not apply to employees acting up into Chief Officer positions – including Assistant Directors as in line with the Constitution appointments to permanent Chief Officer positions are to be made following member appointment panels).

8.4 Matching, Slotting and Prior Consideration

During a management of change process, it is the managers responsibility to determine an employees proposed rights to any post. However, in the event where an employee has been seconded/acting up, in accordance with 8.3 the manager will be required to liaise with the Assistant Director/Director to determine the proposed rights (in accordance with 8.3).

Matching, slotting and prior consideration rights will ordinarily be based on the employee's current (old) job description (With the exception outlined in 8.3) as follows:

8.4.1 Matching

Matching is where jobs are substantially unchanged in the new structure to the employee's existing job. In order for matching status to apply, it must be possible to evidence, from the employee's current job description, that the proposed job role meets **all** of the following criteria:

- has the same responsibilities as the employee's current role, **and**
- that there are no more employees with the same rights than posts available, **and**
- that the new post is at the same grade as the current post, **and,**
- that the job description of the new role reflects 90% or more of the duties set out in the employee's current job description.

8.4.2 Slotting

Slotting is where jobs are sufficiently similar in the new structure to the employee's existing job so as to be deemed 'equivalent'. In order for slotting status to apply, it must be possible to evidence from the employee's current job description that the proposed job role meets **all** of the following criteria:

- is within one grade of the employee's existing job role, **and**,
- that there are no more employees with the same rights than posts available, **and**,
- that the new post has similar responsibilities to the employee's current post, **and**,
- that the job description of the new role reflects 70% or more of the duties set out in the employee's current job description.

8.4.3 Prior consideration

Prior consideration is where jobs in the new structure may contain elements of an employee's current job but which are not sufficient to meet matching or slotting status or where there are fewer posts in the proposed new structure than people to fill them.

In order for prior consideration status to apply, it must be possible to evidence from the employee's current job description that the proposed job role meets **all** the following criteria:

- is within two grades of the employee's existing job role; **and**,
- reflects a similar level of responsibility; **and**,
- that the job description of the new role reflects 50% or more of the duties set out in the employee's current job description.

Or there are more employees that have match or slot rights than posts available.

Eligible candidates who are assessed as being the most suitable for each job based on the person specification shall fill prior consideration vacancies. All candidates will be interviewed by an appointment panel in accordance with the Council's Recruitment Policy.

Additional documented evidence that has previously been discussed between the employee and the Manager and that can be used in a fair, reasonable and non-discriminatory way, may be taken into account in the appointment decision, covering a relevant period (e.g. appraisal and performance records, conduct and absence information).

Where different employees claim different levels of rights against the same post, then priority will be determined in the following order:

1 Matching;
2 Slotting;
3 Prior consideration.

Therefore first priority will be given to employees who meet the criteria for matching. Where an employee is matched to a role and other employees claim lesser rights (slotting or prior consideration rights), the employee who matches the role will be offered the position. If no employee meets the criteria for

matching then priority will be given to the employee who has slotting rights over an employee who has prior consideration rights.

8.4.4 Vacancies

Where employees are matched or slotted, they will be advised that they are no longer eligible to apply for posts in the revised structure until any remaining vacant posts are advertised more widely in accordance with the Council's Recruitment Policy.

Where an employee is interviewed for a role under prior consideration rights but is unsuccessful in obtaining that role, and where that role is then subsequently subject to the Council's redeployment policy, that employee will not be eligible to apply for that role a second time if the advertising of the role takes place within six month period of the original application and/or interview taking place.

Depending on the business need, a joint internal and external recruitment exercise may apply in line with the Council's Recruitment Policy.

9. Employees "at risk" of redundancy following decision of Executive

9.1 No employee will be deemed officially "at risk" of redundancy until after any final decision is made by Executive and the call in period has expired.

9.2 Employees may, in some circumstances, be issued with earlier 'at risk' notification and thereby be entitled to be entered into redeployment. This will normally be subject to agreement with management where available redeployment opportunities may be evaluated against service continuity needs and the wider interests of employees already in redeployment.

9.3 Where an employee(s) has prior consideration rights against a post(s) in a restructure, those affected employee(s) will not be deemed "at risk" of redundancy until after interviews have taken place and a decision made. Once those roles have been filled, any employee not successful in obtaining a role will then be deemed at risk and will be entered into redeployment.

9.4 The redeployment process will be controlled and co-ordinated by HR.

9.5 Consultation Meeting

Any employee who is deemed at risk of redundancy following a decision by the Executive and after the call in period has expired will be asked to attend a meeting with the Manager and an HR representative to discuss their position. The employee must be notified of their right to be accompanied to that meeting by a Trade Union representative or work colleague.

9.6 At the meeting, the Manager must:

- discuss ways of mitigating the employee risk of redundancy;

- discuss individual preferences in relation to future employment opportunities, without any obligation on either side;
- discuss any steps that can be taken to assist the employee;
- issue formal notice to terminate the employment contract;
- confirm effective date of termination;
- provide details of the employee's redundancy and notice payment;
- notify the employee that they have been entered into redeployment as of the date this meeting takes place.

9.7 The meeting shall be formally recorded in a letter sent to the employee confirming formal notification of redundancy, timescales, additional help to be given, including redeployment and support that will be available (see below).

9.8 Voluntary Redundancy

Acceptance of voluntary redundancy/early access to pension with employers consent will be at the total discretion of the Council and will be made in line with the Council's Constitution. As a general rule, applications for voluntary redundancy/early retirement will be considered against service continuity and delivery needs, the need to retain a balance of skills and experience and cost implications.

9.9 Full details of the financial options will be provided in writing to the employee before a final decision is made in order to ensure that the employee fully understands the financial implications of any such application.

10. Objections to assimilation/employee transfer and/or redundancy

10.1 Following receipt of formal assimilation and/or transfer proposals and/or redundancy selection, employees have a right to raise objections. The procedure for objecting to such is as follows.

10.2 Appeal Procedure - Stage 1

The employee must set out their objections in a letter to their Line Manager to be received within 5 working days of the assimilation proposals/notice of redundancy being issued to them. The letter should state:

- what their objection is;
- why the employee disagrees with the assimilation rights/notice of redundancy;
- what the employee wants to happen as a result of their objection being heard.

10.3 The Manager will forward an acknowledgement of objection letter to the employee within 5 working days of receipt of the employee's objection letter, forwarding at that time a copy of this policy. The Manager will confirm a meeting date with the employee and will notify them of their right to be accompanied by their Trade Union representative or work colleague.

10.4 If notice of redundancy has already been issued, the Manager will confirm in writing that the notice period will continue to run pending any final decision on the objection received.

10.5 The meeting should be heard within 5 working days of the acknowledgement of objection letter being issued, where possible, and in any event not later than within 10 working days of the acknowledgement of objection letter being issued.

10.6 It is the Manager's responsibility to arrange for a Minute taker to be present at that meeting. An HR representative will attend the meeting with the Manager to provide HR advice.

10.7 At this meeting, the Manager will explain their proposals and the employee will explain their objection. The Manager will consider the employees objection and either at the end of the meeting, or within 5 working days of the meeting taking place, will announce their decision. The decision must be confirmed in writing within 5 working days of the date of the meeting taking place and must advise the employee of his/her right of appeal. The letter must also enclose copy Minutes of the meeting.

10.8 Appeal Procedure – Stage 2

The employee should submit an appeal, in writing, to the HR Manager within 5 working days of the date of the decision letter referred above.

10.9 The HR Manager will acknowledge receipt of the appeal and arrange for the appeal to be heard by a Director, Assistant Director or Head of Service (herein referred to as the Presiding Officer).

10.10 The HR Manager will confirm in that letter that the notice of redundancy period will continue to run pending the outcome of any appeal.

10.11 At least 48 hours prior to the appeal hearing taking place, the Presiding Officer or their Administrative Assistant will forward to the employee and the HR Associate copies of the following:

- the employee's original objection letter submitted at Stage 1;
- the Manager's Stage 1 decision letter;
- minutes of the Stage 1 meeting;
- the employee's Stage 2 appeal letter;
- any other information requested and/or deemed relevant to the appeal issues.

10.12 The Appeal will be heard within 5 working days of the acknowledgement of appeal being issued, where possible, and in any event not later than within 10 working days of the appeal being acknowledged.

10.13 The letter of appeal should include the following information:-

- what the employee's objection is;
- why they are not satisfied with the decision of the Manager at Stage 1;
- what they expect to happen as a result of their appeal being heard.

10.14 The employee may be accompanied to an appeal hearing by their Trade Union representative or work colleague. The Manager originally making the decision at stage 1 above will also be in attendance.

10.15 People attending the appeal hearing will be:

- the Presiding Officer;
- HR or legal service officer to advise the Presiding Officer on procedure and policy;
- the employee;
- their representative ;
- the Manager initially making the decision at stage 1;
- an Administration Assistant to take notes/tape the proceedings.

10.16 At this meeting everyone will be given the opportunity to state their case, starting with the employee raising the appeal. The employee will present their appeal and the Manager will explain their decision from the previous hearing.

10.17 At the end of the appeal meeting, or within 5 working days thereafter, the Presiding Officer will announce their decision. The decision should be confirmed in writing within 5 working days of the hearing taking place. The letter will confirm that the employee has no further right of appeal.

10.18 Employee illness or other absence

10.19 It is the responsibility of everyone involved in objection of assimilation procedures/notice of redundancy to try to resolve matters as quickly as possible and therefore the Council has set a limit of holding a meeting or hearing within 20 working days of submitting their objection to assimilation/dismissal at Stage 1 or appeal at Stage 2.

10.20 Where an employee is unfit to attend a hearing, their Trade Union representative or work colleague should attend the Hearing to represent the Employee's interests. The employee can elect to additionally submit written representations for consideration.

10.21 Alternatively, the employee can elect not to have a representative, in which instance a decision will be made by the Presiding Officer based on the available information at the time of the Hearing. The employee should be encouraged to submit written submissions for consideration in such instances.

10.22 The Presiding Officer will consider the submissions and will confirm their decision in writing within 5 working days of a hearing taking place.

10.23 If the matter was considered at Stage 1, the letter will confirm the employee's right of appeal. If the matter was considered at Stage 2, the letter will confirm there is no further right of appeal.

11. Suitable alternative work

11.1 HR may request that the employee apply for a position on the basis of its being considered suitable alternative employment. Any employee who unreasonably refuses an offer of suitable alternative employment will not be entitled to a redundancy payment.

11.2 Suitability for a role will depend on the relationship between the employee's current and new job based on an assessment of the following factors:

- grade and remuneration;
- skill requirements;
- job location;
- working environment;
- hours and /or pattern of work.

11.3 If, after the interview, it is agreed that the employee meets the essential person specification criteria, they should be offered the job on the terms stated.

11.4 If the employee is deemed to have potential to meet the essential requirements of the post within a reasonable timeframe, they may be offered an initial trial period. This is normally for a period of one calendar month.

11.5 The trial period can be varied by agreement, taking into account

- the requirements of the job,
- the training needs of the employee,
- allowing the directorate more time to assess the employee's suitability.

It is not expected that a trial period will extend beyond 6 months and the payroll responsibility transfers to the employing directorate with effect from the start of the trial period.

11.6 If there is a dispute as to job suitability, e.g. if an employee does not meet the essential criteria for the role, but believes that the job would be suitable alternative employment, the dispute resolution procedure set out in section 10 of this Policy should be followed.

11.7 All offers of alternative employment must be made in writing and are subject to the requirements of the appropriate legislation for trial periods.

12. Pay Protection

12.1 The aim of pay protection is to maintain an employee's continuous employment with the Council at the same level of earnings, where reasonably practical.

12.2 Pay Protection applies in the following situations;

- Where as a result of restructuring they transfer or are redeployed to a new 'suitable alternative employment' post that is of one grade lower than their current substantive post (or their contractual pay is less than their current contractual pay)

- In a redundancy situation where an employee accepts alternative employment (not necessarily suitable) as an alternative to being made redundant and it is in the financial, legal and/or wider business interests of the Council to apply protection

- Where as a result of a job evaluation review their substantive post is downgraded

- Where a reasonable adjustment is made to their job role under the terms of Equality legislation.

The policy does not apply in the following situations:

- Where an employee requests a change in job

- Where an employee unreasonably refuses other suitable alternative employment at a higher grade

- Where, under a redundancy situation, an employee accepts alternative employment (not necessarily suitable) as an alternative to being made redundant and it is not in the financial, legal and/or wider business interest of the Council to apply protection

- Where an employee receives more than one offer of suitable alternative employment and does not accept the highest graded offer without reasonable grounds

- Where an employee is medically certificated as not being fit to carry out their substantive role and the cause is not solely attributable to actions taken by the Council and is placed on the redeployment register for the relevant period and are successful in obtaining alternative employment.

12.3 Employees will be protected for a period of up to 2 years. During this period they will receive the equivalent of the pay for the grade in their old job at the time of moving to their new job without any increments or pay awards that may be applied to the old job during the period of protection. The difference between this and their actual pay for their new job will be the protected sum. Any increments and /or pay awards during the protected period will be received against their new job with the balance (i.e. the protected sum) reducing accordingly. Protection will end after the maximum period of protection or earlier if agreed pay awards and increments erase the need for protection or if

the employee successfully applies for and moves to another job within the Council.

13. Redeployment rights

13.1 Any employee who does not have a post after the matching/slotting/prior consideration recruitment process has been finalised and is not in receipt of voluntary redundancy/early access to pension with employer consent will be entered onto the Council's Redeployment register on the date they are deemed officially 'at risk". As such the employee will have prior consideration rights for suitable available jobs unless having already been interviewed for the post within six month period of the original application and/or interview taking place.

13.2 HR will forward to the employee details of all available jobs and an employee must confirm their interest in a position to HR within 48 hours of receipt.

13.3 Employees with less than one year's continuous service will receive a period of one calendar month on the redeployment register. All other employees will receive a period of three calendar months on the redeployment register. Periods may be extended and these arrangements will be subject to the discretions on duration on the redeployment register as set out in the Council's Redeployment Policy.

13.4 Redeployment when granted Voluntary Redundancy

The primary purpose of the redeployment register is to avoid compulsory redundancies and preserve employee's continuity of employment.

13.5 An employee will not be placed on the redeployment register if their request for early access to their pension has been granted or:

- they have made a formal written request confirming that they wish to leave employment by reason of voluntary redundancy; and
- a formal decision has been made by the Executive that there is a redundancy situation; and,
- formal consent by the Executive has been given agreeing to the voluntary redundancy application.

13.6 If the above criteria are not satisfied the employee will be entered onto the redeployment register if he/she has not already been matched or slotted or given prior consideration rights.

14. Redundancy payments

14.1 Employees who are made redundant (voluntary or compulsory) and qualify under statutory regulations are entitled to receive a redundancy payment. The details of entitlement to payments are contained in the Council's Redundancy Payments Scheme.

14.2 Under the Redundancy Payments (Continuity of Employment in local Government) (Modification) order 1999, employees who receive an offer of employment in local government or a related service, to commence immediately or within 4 weeks of the date of termination of their contract will not be entitled to redundancy payments.

15. Assistance to employees under notice of redundancy

15.1 Employees under notice of dismissal for reasons of redundancy have the right to a reasonable amount of time off work with pay to look for a new job or arrange job training. What is reasonable depends upon the circumstances of each individual employee and will be a matter for the Manager to determine, taking into account that all best endeavours should be made for the employee to maximise their chances of finding alternative employment.

15.2 Employees should liaise with their Manager and/or HR to ascertain what additional assistance can be given to them during this period. All requests for assistance will be considered and will be accommodated where considered reasonable by the Manager. Such assistance could be training, (internal or external), time off, CV preparation, financial/benefits advice etc. The Council also operates an interest free loan scheme to provide opportunities for employees who have been issued with a redundancy notice to build a career away from the Council. More details are appended to this policy.

15.3 Where an employee has been offered external employment, to begin prior to the expiry of their notice period, every consideration will be given to allowing them to leave before that date if the needs of the Service will not be detrimentally impacted upon, without prejudice to their rights to redundancy payments.

16. Excess Travel

16.1 Employees will be eligible for an Excess Travel allowance where they are required to permanently change their place of work if their new place of work requires the employee to travel additional miles each day from their current home address to their new place of work as compared to travel from their current home address to their current place of work.

This may be as a result of a Management of change proposal and/or TUPE that requires an immediate permanent change of workplace or as a result of economic, technical or organisational reason linked to TUPE).

16.2 Excess Travel allowance will be for a period of two years or up to a maximum of £2500 in total (whichever comes first).

16.3 Excess Travel provisions do not cover employees that request a change of location or if an employee applies for a role at another location outside of the management of change procedure, or if the employee is requested by the Council to change to a location that is closer to their current home address.

16.4 This will not apply to an employee with a mobility clause in their contract or if an employee uses a council vehicle to travel to the workplace.

16.5 Employees meeting the criteria for the Excess Travel allowance will be able to choose one of the following options:

Option 1:

The amount of an annual season ticket for a standard train, or bus ticket for the route between the previous and new place of work, using the most direct route. This should not exceed an additional 30 minutes each day. For example, it would not be reasonable to expect an employee to have to travel to Nottingham in order to get a train to Sleaford, both in terms of travel distance and time. If no reasonable route is available, then option 2 will apply automatically.

Option 2:

The difference between the previous place of work and the new place of work calculated as from the employee's current home address, to be based on the HMRC mileage rates at the time.

The payment will be made directly to the employee as part of their monthly salary and will be fixed at the start of the protection period.

The distance will be calculated using "google maps" (Shortest route) from the postcode of the employee and the place of work.

If the employee moves house during the two year pay protection period, the excess travel payments will cease as from the first date the employee moves to the new address, and no further payments will be made.

16.6 When a proposal is made to change the place of work, employees will be consulted as part of the management of change process and employees will be given information regarding these provisions as part of that process (where necessary).

16.7 Following the formal decision making, employees will be written to confirming the final decision and a meeting will be arranged to discuss the two options to the employee, if applicable. Any disagreement over the application of the allowance may be raised as an appeal to an Assistant Director who will review the employees objection, and why they are not satisfied with the decision in terms of excess travel allowances and make a final decision; no further rights of appeal are available.

17. Review of Policy

17.1 This policy will be reviewed at intervals of three years, or earlier at the request of either the management or staff side.

Human Resources
Reviewed May 2023

Appendix 1

CITY OF Lincoln COUNCIL

Appendix A - Redeployment and Pay Protection Policy

1. The Purpose of the Policy

1.1 The purpose of this policy is to actively maintain an employee's continuous employment with the Council, when that continued employment is put at risk.

1.2 Redeployment can occur for a number of reasons including:

- departmental reorganisation or restructuring;
- redundancy;
- competence and capability, including medical capability;
- a reasonable adjustment under the Equality legislation;
- end of a temporary or fixed term contract of employment.

1.3 Occasionally an employee may need redeployment following disciplinary proceedings, or as a result of a harassment/discrimination complaint. In these cases, they will be placed on the redeployment register only with the approval of the HR Manager

1.4 When an employee's continued employment is under threat they are entitled to be considered for redeployment to suitable alternative employment with the Council.

2. Eligibility

2.1 This policy applies to all employees

3. Responsibilities

3.1 Responsibility of Managers

- It is the responsibility of Managers to ensure this Policy is followed.

- Before asking for an employee to be placed on the Redeployment Register, directorates must make every effort to redeploy within their own directorate.

- Managers must consider redeployees for jobs in their area.

3.2 Responsibility of HR

- The HR Manager has overall responsibility for making sure that this procedure is applied effectively and consistently.
- HR will maintain the redeployment register.
- HR will monitor all vacancies to identify suitable redeployment opportunities.
- It is also HR's responsibility to review and update this policy in line with new legislative requirements.

3.3 Responsibility of employees

Employees involved in redeployment also share a responsibility to actively identify possible redeployment opportunities. Employees must be reasonable and flexible when considering alternative jobs.

3.4 Responsibility of Trade Unions

An employee has the right to be accompanied by their trade union representative at any meeting connected with the redeployment process.

4. Timescales for Redeployment

4.1 Employees on permanent, temporary or fixed term contracts of employment, with less than one years service, will have access to redeployment for a minimum one calendar month prior to their contract expiry date. This period of redeployment will be the last calendar month of their contract. This means if an employee's notice period is a calendar month, the period of time they are on the redeployment register will be served as their notice period.

4.2 Employees on a permanent, temporary or fixed term contract of employment, with one year or more service, will have access to redeployment for three calendar months from the date they are formally notified that their jobs are at risk following an Executive decision and the required call in period has expired. This period of redeployment will include the employee's contractual notice period.

4.3 Employees may, in some circumstances, be issued with earlier 'at risk' notification and thereby be entitled to be entered onto the redeployment register. This will normally be subject to agreement with management where available redeployment opportunities may be evaluated against service continuity needs and the wider interests of employees already on the redeployment register.

4.4 In some cases, agreement will be given to extend the period of redeployment by a maximum of six weeks, if it means an employee can secure suitable alternative employment. Extension periods are with pay.

5. Procedure

5.1 Directors must consider the individual needs of the employees, and should liaise immediately with HR for advice and information about the availability of

any support services. If the employee has a disability and redeployment to another job is being considered as a reasonable adjustment, advice should also be sought from HR.

5.2 HR will:

- explain the redeployment process,
- share redeployment opportunities;
- assist (upon request) the employee with matters such as:
  - counselling;
  - welfare support;
  - application form completion;
  - interview skills;
  - access to training.

5.3 HR will forward to the employee details of all available jobs and an employee must confirm their interest in a position to HR within 48 hours of receipt. Where employees do not have access to a computer, alternative arrangements will be put in place.

5.4 The employees on the redeployment register will get prior consideration for identified suitable vacancies and will be assessed using the Council's Recruitment Policy.

5.5 If the employee is not appointed to a job, The appointing officer is responsible for giving feedback to the redeployee.

6. Suitable Alternative Employment

6.1 HR may request that the employee apply for a position on the basis of its being considered suitable alternative employment. Any employee who unreasonably refuses an offer of suitable alternative employment will not be entitled to a redundancy payment.

6.2 Suitability for a role will depend on the relationship between the employee's current and new job based on an assessment of the following factors:

- grade and remuneration;
- skill requirements;
- job location;
- working environment;
- hours and /or pattern of work.

6.3 If, after an interview, it is agreed that the employee meets the essential person specification criteria, they should be offered the job on the terms stated.

6.4 If the employee is deemed to have potential to meet the essential requirements of the post within a reasonable timeframe, they may be offered an initial trial period. This is normally for a period of one calendar month.

6.5 The trial period can be varied by agreement, taking into account

- the requirements of the job,
- the training needs of the employee,
- allowing the directorate more time to assess the employee's suitability.

6.6 It is not expected that a trial period will extend beyond 6 months and the payroll responsibility transfers to the employing directorate with effect from the start of the trial period.

6.7 There must be regular reviews during the trial period between the line manager and the redeployee. If problems are identified these must be recorded and agreed then a meeting will be arranged with the manager, HR, the employee and their trade union representative. The purpose of the meeting will be to try and resolve these problems.

6.8 If the redeployment is not successful, the HR Manager, Manager, the employee and their trade union representative will discuss the situation before any action is taken.

6.9 Employees must consider the suitability of any job offered. The provisions of the Redeployment Policy will be withdrawn if an employee refuses to attend an interview or to accept an offer of suitable alternative employment without good reason. The employee may also lose their entitlement to redundancy pay. We will consult with the employee and their trade union representative before the Council takes any action.

6.10 Employees must consider temporary vacancies as they may allow them to develop skills and experience. If an employee is placed in a temporary or fixed term job, the redeployment notice period will be frozen until the end of the temporary job. The employee and HR will continue to search for suitable alternative employment. At the end of the temporary or fixed term job, if no other employment has been secured, the employee will return to the balance of their redeployment notice period.

6.11 All offers of alternative employment must be made in writing and are subject to the requirements of the appropriate legislation for trial periods.

7. Medical

7.1 The sickness absence of employees redeployed on medical grounds needs to be monitored. The redeploying Directorate must continue to protect the health, safety and welfare of these employees. Therefore, the line manager needs to monitor any sickness absence to assess whether it is related to the redeployment. If the absence is related, the line manager must consult HR.

7.2 If a medical redeployee starts a period of long-term absence while they are seeking redeployment or during the trial period of suitable alternative employment, the redeployment process will stop. The employee will be referred back to HR to deal with the issue using the Sickness Absence Procedure.

7.3 In all cases of potential medical redeployment advice must be obtained by the manager from HR.

7.4 Where an employee declares they have a disability any reasonable adjustments must apply to a post they are redeployed to.

8. Pay Protection

8.1 The aim of pay protection is to maintain an employee's continuous employment with the Council at the same level of earnings, where reasonably practical.

8.2 Pay Protection applies in the following situations;

- Where as a result of restructuring they transfer or are redeployed to a new 'suitable alternative employment' post that is of one grade lower than their current substantive post (or their contractual pay is less than their current contractual pay).

- In a redundancy situation where an employee accepts alternative employment (not necessarily suitable) as an alternative to being made redundant and it is in the financial, legal and/or wider business interests of the Council to apply protection.

- Where as a result of a job evaluation review their substantive post is downgraded.

- Where a reasonable adjustment is made to their job role under the terms of the Equality Act.

The policy does not apply in the following situations:

- Where an employee requests a change in job

- Where an employee unreasonably refuses other suitable alternative employment

- Where, under a redundancy situation, an employee accepts alternative employment (not necessarily suitable) as an alternative to being made redundant and it is not in the financial, legal and/or wider business interest of the Council to apply protection

- Where an employee receives more than one offer of suitable alternative employment and does not accept the highest graded offer without reasonable grounds

- Where an employee is medically certificated as not being fit to carry out their substantive role and the cause is not solely attributable to actions taken by the Council and is placed on the redeployment register for the relevant period and are successful in obtaining alternative employment.

8.3 Employees will be protected for a period of up to 2 years. During this period they will receive the equivalent of the pay for the grade in their old job at the time of moving to their new job without any increments or pay awards that may be applied to the old job during the period of protection. The difference between this and their actual pay for their new job will be the protected sum. Any increments and /or pay awards during the protected period will be received against their new job with the balance (i.e. the protected sum) reducing accordingly. Protection will end after the maximum period of protection or earlier if agreed pay awards and increments erase the need for protection or if the employee successfully applies for and moves to another job within the Council.

8.4 **Calculating 'pay'**

As a rule contractual payments attached to a specific post will only be recognised for protection purposes and where pay includes contractual payments in addition to basic pay, the amount of pay to be protected will be based on the average contractual payments received over the relevant previous pay period.

8.5 If redundancy or restructuring is the reason for redeployment, the directorate, to which the employee may be redeployed, is responsible for paying any protection of earnings.

8.6 Employees who are on pay protection, will be given the opportunity to have their case reviewed at least every six months, with the employing directorate. This review will consider the actions taken by the Council and the individual in securing redeployment, and to jointly consider any reasonable training needs. This includes additional skills training, or training that will allow the employee to maintain their existing grade.

9. Review of Policy

9.1 This policy will be reviewed at intervals of three years, or earlier at the request of either the management or staff side.

Appendix 2

CITY OF Lincoln COUNCIL

Appendix B - Application for the request of support for training and development during a notice period leading to redundancy.

1 The Purpose of the Scheme.

1.1 The Council wishes to support any employee who leaves the authority because of redundancy to build a career away from the council. To aid this process the Council will make an interest free loan to an employee, who has been issued with a redundancy notice, which will be paid direct to the provider, to cover specific outplacement or training costs.

2. Eligibility

2.1 Any Council employee who has been issued with a formal at risk notification following an Executive decision and subsequent call-in period has expired.

2.2 **Limitations**
Because the Council does not want to place employees into financial difficulties, there will be a maximum limit on the loan of £3000 or 25% of the redundancy payment due.

2.3 The employee will be responsible for selecting and arranging any training, development or out placement support and the Council will accept no liability for the failure or otherwise of any arrangement made between the employee and an external organisation.

2.4 The employee will be granted reasonable time away from the workplace to attend any training development or outplacement support, however this must be agreed in advance with the line manager prior to any funds being made available.

3 Process (Appendix A and B include required paperwork)

3.1 An employee who wishes to access such funds must provide the evidence of the training and outplacement support with an invoice. The employee will enter into a formal agreement which will allow the Council to either:

- Deduct the amount paid from the final redundancy payment
- Deduct the amount from future salary payments if the employee retains employment at the council after successfully applying for another role.

3.2 The Council will pay the provider direct; however the loan will remain the responsibility of the employees.

3.3 Repayments

Where an employee leaves under redundancy the amount owing will be deducted from their final redundancy payment.

3.4 Where the employee retains employment with the council the normal repayment time will be 12 months, however this may be varied in the following circumstances:

- Deduction over a 12 month period would reduce an employee's income to below the living wage;
- A fixed term contract has been entered into of less than a year's duration.

4. Review of Policy

4.1 This policy will be reviewed at intervals of three years, or earlier at the request of either the management or staff side.

Appendix A

Application for Funding

Name

Job Title

Service Area

Directorate

Reason for application (please provide copies of costs and invoice)

Amount requested (maximum amount £3000 or 25% of redundancy figure)
Please quote figure including VAT.

Details of any leave required to attend training, development or outplacement support

Signed _____ Date _____
Employee

Appendix B

Agreement for the Repayment Support Funding

T H I S A G R E E M E N T is made the day of Two Thousand and Thirteen **B E T W E E N [NAME]** of **[ADDRESS]** (hereinafter called "the Borrower") of the one part and **CITY OF LINCOLN COUNCIL** (hereinafter called "the Council") acting by **REBECCA ANN GUY** their Legal & Democratic Services Manager of the other part

W H E R E A S the Borrower is in the employment of the Council and has requested the Council to lend him the sum of **[AMOUNT IN WORDS ([£])]** to assist him/her to [details of training and outplacement support requested] during a notice period leading to redundancy (hereinafter called "the loan") which the Council have agreed to do upon the terms and conditions hereinafter contained

N O W IT IS HEREBY AGREED as follows:-

1. In consideration of the promise of repayment hereinafter contained the Council hereby lend unto the Borrower the sum of **[AMOUNT IN WORDS]** (the receipt whereof is hereby acknowledged by the Borrower) on an interest free basis and such sum to be used by the Borrower to purchase of training and outplacement support during a notice period leading to redundancy

2. In consideration of the foregoing loan the Borrower hereby agrees that he will repay to the Council the principal sum of **[AMOUNT]** such repayment to be made in accordance with the Schedule of Repayments annexed hereto

3. **IT IS HEREBY AGREED** that if the Notice of Redundancy is withdrawn before the whole of the loan hereby granted as aforesaid shall have been repaid then in such event the Borrower shall be liable from the date of such termination to repay the balance of the loan outstanding at such date due to the date of actual repayment

4. The Borrower hereby undertakes with the Council that he will utilise the loan solely for the purpose of training and outplacement support and that an invoice will be

provided by the Borrower to the Council upon request. The Council will pay the provider of the training and outplacement support directly and the Council will then be entitled to either:

- Deduct the amount paid from the final redundancy payment or
- Deduct the amount from future salary payments if the employee retains employment at the Council after successfully applying for another role

8. **IT IS HEREBY AGREED** that the Borrower may on any of the days on which payment of principal hereunder is due repay the whole of the principal outstanding at such date and in such event this agreement shall cease and determine forthwith

9. In this Agreement when the context so admits the expression "the Borrower" includes the Borrower's heirs executors administrators and assigns

IN WITNESS whereof the Borrower and the said Legal & Democratic Services Manager have hereunto set their hands the day and year first before written

SIGNED by the said]
BORROWER]
in the presence of:-]
Witness :
Address :
Occupation :

SIGNED by the said]
LEGAL & DEMOCRATIC SERVICES MANAGER]
in the presence of:-]
Witness :
Address :
Occupation :

CITY OF LINCOLN COUNCIL

SCHEME FOR AN INTEREST FREE LOAN FOR THE PURPOSE OF OBTAINING TRAINING AND OUTPLACEMENT SUPPORT DURING A NOTICE PERIOD LEADING TO REDUNDANCY

SCHEDULE OF REPAYMENTS

Recipient : Name : **[NAME]**

Directorate: **[TO BE INSERTED]**

Details of training/outplacement support:

Amount of Loan: £

Method of repayment:

(* Delete as appropriate)

(1) If repayment by way of final redundancy payment: *

Date payment to be made in full: **[DATE]**

(2) If repayment by way of deduction from salary: *

Date first payment due: **[DATE]**

Total number of monthly instalments due: **[NUMBER]**

DATE	**MONTHLY PAYMENT**	**BALANCE OUTSTANDING**
TOTAL		

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Appendix C

EXTRACT FROM COMMITTEE

City of Lincoln Council and Employee Joint Consultative Committee	**3 October 2023**

10. Exclusion of Press and Public

RESOLVED that the press and public be excluded from the meeting during consideration of the following item(s) of business because it is 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.

14. HR Policy Change - Management of Change

Ali Thacker, HR and Payroll Team Leader:

a) presented a report to request comments from Members on the proposed changes to the Councils Management of Change Policy, as detailed within the report, prior to progression to Executive for formal approval

b) advised that a summary of the changes to the policy could be viewed at paragraph 3.1 of the report

c) summarised that HR had reviewed the policy in conjunction with Trade Unions and Trade Unions were supportive of the changes

d) invited comments and questions from Members of the Committee.

RESOLVED that:

1. the proposed changes to the HR Policy – Management of Change, as set out in the report, be supported for formal approval of the Executive.

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Item No. 11

EXECUTIVE **20 NOVEMBER 2023**

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 second 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 Members in August 2023 and contained fourteen strategic risks.

2.2 Since reporting to Members in August, the Strategic Risk Register has been refreshed and updated by the Risk Owners and Corporate Management Team and has identified that there have been some positive movement in the Risk Register.

2.3 This updated register is contained with Part B of this agenda, it contains fourteen strategic risks which are listed below, along with details of relevant mitigations.

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 Each risk includes a number of control measures in order to avoid, seek, modify, transfer or retain the risks, these include actions already in place and further actions required with the relevant timescales for implementation. These control actions continue to be implemented and the risks managed accordingly.

3.3 Each risk is evaluated in terms of the level of assessed risk (likelihood and impact), taking into consideration any changes in control measures and the wider environment in which the Council operates. While there has been some positive movements in terms of the implementation of control measures, this has resulted in there being any change to the assessed level or likelihood of any of the risks.

3.4 The assessed level of each of these fourteen risks remains as follows:

Risk No.	Risk Rating	Likelihood	Impact
1.	Medium	Possible	Minor
2.	High	Almost Certain	Critical
3.	Medium	Probable	Major
4.	Medium	Probable	Major
5.	Medium	Probable	Major
6.	Medium	Possible	Major
7.	High	Almost Certain	Critical
8.	High	Almost Certain	Critical
9.	Medium	Probable	Major
10.	High	Almost Certain	Critical
11.	Medium	Possible	Critical
12.	High	Probable	Critical
13.	High	Almost Certain	Critical
14.	Medium	Probable	Major

3.5 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 Medium Term Financial Strategy.

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 register that supports these are included within the Medium Term Financial Strategy and are reviewed as part of financial planning/management processes.

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 2 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
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Item No. 12

SUBJECT:	**EXCLUSION OF THE PRESS AND PUBLIC**
DIRECTORATE:	**CHIEF EXECUTIVE & TOWN CLERK**
REPORT AUTHOR:	**CAROLYN WHEATER, MONITORING OFFICER**

1. Purpose of Report

1.1 To advise members that any agenda items following this report are considered to contain exempt or confidential information for the reasons specified on the front page of the agenda for this meeting.

2. Recommendation

2.1 It is recommended that the press and public be excluded from the meeting at this point as it is likely that if members of the press or public were present there would be disclosure to them of exempt or confidential information.

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