

## EXECUTIVE

**Monday, 20 June 2022**

**6.00 pm**

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

Membership: Councillors Ric Metcalfe (Chair), Donald Nannestad (Vice-Chair), Chris Burke, Sue Burke, Bob Bushell and Neil Murray

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

## A G E N D A

<b>SECTION A</b>	<b>Page(s)</b>
1. Confirmation of Minutes -11 April 2022	<b>3 - 4</b>
2. Declarations of Interest	
<p>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.</p>	
<hr/>	
<b>OUR PEOPLE AND RESOURCES</b>	
3. Financial Performance - Outturn 2021/22	<b>5 - 46</b>
4. Strategic Risk Register - Quarterly Review	<b>47 - 50</b>
5. Treasury Management Stewardship and Actual Prudential Indicators Report 2021/22 (Outturn)	<b>51 - 74</b>
6. Operational Performance Report Quarter Four 2021/22	<b>75 - 118</b>
7. Regulation of Investigatory Powers Act (2000) (RIPA) Update	<b>119 - 156</b>
<hr/>	
<b>QUALITY HOUSING</b>	
8. Revised Tenant Involvement Strategy 2022-2025	<b>157 - 180</b>
<hr/>	
<b>REMARKABLE PLACE</b>	
9. Contaminated Land Inspection Strategy	<b>181 - 206</b>
10. Exclusion of the Press and Public	<b>207 - 208</b>

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**

11. Strategic Risk Register Quarterly Review

**[Exempt Para 3]**

**209 - 228**

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

**Apologies for Absence:** Councillor Neil Murray

**110. Confirmation of Minutes - 21 March 2022**

RESOLVED that the minutes of the meeting held on 21 March 2022 be confirmed and signed by the Chair as a correct record.

**111. Declarations of Interest**

No declarations of interest were received at this stage in proceedings.

**112. Long Service Awards**

Purpose of Report

To seek approval on the proposed changes to the Councils Long Service Award Policy, following consideration by Employee Joint Consultative Committee (JCC).

Decision

That the proposed changes to the Long Service Award Policy be approved.

Alternative Options Considered and Rejected

If the Council adopted the approach that continuous service dates were used for long service awards (for Transfer into the Council (TUPE'd) employees where they had transferred to City of Lincoln Council (CoLC) terms and conditions.), this could result in other employees feeling that they were being treated differently, as employees with continuous service from other organisations (who did not TUPE) would not be eligible for an award until they reached a milestone based upon their start date with the Council. However, the proposed changes were for employees who TUPE transferred (where they did not necessarily transfer to the Council voluntarily)

Reasons for the Decision

The HR team were required to continually review the Council's policies and procedures as and when necessary to ensure they were clear, cohesive, fit for purpose, and legally compliant.

In 2015 the Council introduced a Long Service Award Policy. This policy aimed to recognise and reward long serving employees and showed appreciation for individuals with more than 20 years' service with the Council.

The current policy only applied to continuous service at the City of Lincoln Council. Service built up from other Councils would not apply towards long service awards.

The change to the policy in relation to employees who TUPE Transferred into the Council (where they transferred onto COLC Terms and Conditions), allowed their continuous service date to be used for long service awards, as opposed to their service date with the Council. (This would take immediate affect and would be back dated for those employees to the start date of the original policy – April 2014).

**113. 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.

No representations had been received in relation to the proposal to consider these items in private.

**114. Staffing Update**

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.

**115. Review of Resources for the Legal Services Team**

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.

<b>SUBJECT:</b>	<b>FINANCIAL PERFORMANCE – OUTTURN 2021/22</b>
<b>REPORT BY:</b>	<b>CORPORATE MANAGEMENT TEAM</b>
<b>LEAD OFFICER:</b>	<b>COLLEEN WARREN, FINANCIAL SERVICES MANAGER</b>

## **1. Purpose of Report**

- 1.1 To present to Members the provisional 2021/22 financial outturn position on the Council's revenue and capital budgets, including:
- General Fund
  - Housing Revenue Account
  - Housing Repairs Service
  - Capital Programmes
- 1.2 This report will provide Members with a summary of actual income and expenditure compared to revised budget and how any surpluses have been allocated to reserves
- 1.3 Members should note that the financial outturn is still subject to Audit by Mazars, the Council's external auditors.

## **2. Executive Summary**

- 2.1 This report covers the General Fund Revenue, Housing Revenue Account budgets and Investment Programmes for the current financial year and sets out the provisional financial outturn position.
- 2.2 Following the unprecedented impact of Covid19 on the Council's finances in 2020/21, budgets for 2021/22 were revised as part of the MTFS 2021-26 based on a number of assumptions around the speed and extent of the national and local recoveries particularly in relation to income budgets. Whilst in the majority of cases these assumptions reflect the actual position achieved, and there in fact a number of areas that have exceeded assumptions, there are still some areas where the rate of recovery is impacting adversely on the Council's finances. In addition, the impact of Covid19 is still being felt throughout the authority in relation to service delivery both in terms of backlogs of outstanding work but also due to the current economic operating conditions in terms of supply chain issues, escalating costs and availability of labour etc, whilst these issues are being addressed, they are likely to continue in the medium term and impact on the Council's finances. Coupled with the current economic conditions of spiralling inflation, the Council will continue to face a number of significant financial challenges in 2022/23 and must ensure that it's general balances and reserves are sufficient to respond to such pressures.
- 2.3 The table below sets out a summary of the financial position of the Council for the financial year 2021/22, based on the provisional outturn:

	<b>2021/22</b>		
	<b>Budget £'000</b>	<b>Actual £'000</b>	<b>Variance £'000</b>
<b>Revenue Accounts</b>			
General Fund – Contribution to/(from balances)	(477)	(467)	(9)
Housing Revenue Account (HRA) (Surplus)/Deficit in year	69	49	(19)
Housing Repairs Service (surplus)/deficit	0	0	0
<b>Capital Programmes</b>			
General Fund Investment Programme	6,631	6,631	0
Housing Investment Programme	15,264	15,264	0
<b>Capital Receipts</b>			
General Fund	1,650	30	(1,620)
HRA	500	2,656	2,156
<b>Reserves &amp; Balances</b>			
General Fund Balances	(2,193)	(2,203)	9
HRA Balances	(1,006)	(1,025)	19
HRS Balances	0	0	0
General Fund Earmarked Reserves	19,563	(6,896)	12,668
HRA Earmarked Reserves	2,617	259	2,876

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

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

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

3.2 The financial performance quarterly monitoring report for the 3<sup>rd</sup> quarter predicted a underspend against the revised budget of £57,063. The provisional outturn for 2021/22 now indicates that this underspend has decreased by £47,707, resulting in an overall budget underspend of £9,356 (including proposed transfers to/from earmarked reserves and carry forward requests). This represents a variance against the revised budget of 0.4%.

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

	<b>Forecast £'000</b>
2021/22 national pay award implications	150
Housing Benefit reduction in overpayments (offset by a reduction in the HB bad debt provision)	148
In year losses at Yarborough Leisure Centre	144
Additional contribution to reserves for anticipated pressures in 22/23	520
Proposed carry forward contributions to reserves as outlined in paragraph 3.7 & 3.8	544
Sales, Fees & Charges income gains	(854)
Government Grants (New Burdens, Test & Trace & Covid Management support)	(522)
Release of Contingencies	(155)
Reduction in loan charges	(167)
Net other variances	183
<b>Overall Budget Shortfall/(Surplus)</b>	<b>(9)</b>

The most significant movements from Q3 to provisional outturn includes:

	<b>£'000</b>
Increased Housing Benefit overspend (less reduction in bad debt provision)	98
Increased Sales, Fees & Charges Income, primarily car parking and development control	(259)
Reduction in loan charges	(167)
Proposed carry forward contributions to reserves	544

3.4 The most significant of the provisional outturn variations is in relation to sales, fees and charges income which shows an increase in income of £854,128. This increase has mainly arisen as a result of significant improvements, predominantly within car parking income, with a much quicker than anticipated recovery in quarter three and four following vastly reduced income levels in the first half of the year. In addition, there has been a significant increase within Development Control and the Visitor Information Centre income against budget along with a new income stream from the enforcement of Civil Penalty Notices on HiMO properties.

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

Despite these positive provisional outturn figures, the MTFS 2022-27 includes a stepped increase in a number of fees and charges budgets, as they are expected to improve further in line with the national recovery. However, given the volatility in the levels of income, as demonstrated in 21/22, there is a need for a proportion of this overachievement in 2021/22 to be contributed to an earmarked reserve to provide

resilience in future years. This was proposed, and provisionally approved, at £320,000 in the quarter three financial monitoring report.

- 3.5 In addition to the increase in income, the other most significant variance, £521,944, is in relation to income received from Government to compensate for the additional work that the Council has had to undertake to deliver a range of Government initiatives, primarily in response to the impact of Covid19 on households and businesses but also more recently in response to the escalating cost of living crisis. These additional areas of work have included the delivery of Business Support Grants, Business Rates Reliefs, Test & Trace Support Payments, Household Support Fund and Outbreak Prevention. Whilst the Council has incurred direct costs to delivery these initiatives, the primary cost has been the diversion of a significant level of resource away from operational service delivery. This has in many cases impacted on service levels and performance indicators and a proportion of this income has been contributed to reserves to provide capacity to support service backlogs in future years.

### 3.6 Earmarked Reserves

The provisional outturn of a £9,356 budget underspend includes a number of proposed transfers to/from earmarked reserves in addition to those transfers to/from earmarked reserves already approved and budgeted for. These further contributions to/from earmarked reserves are set out below:

Directorate	Reserve	£
<b>Contributions to Reserves (primarily grants, external funding and existing reserves)</b>		
CX-CFINOFF	Revenues & Benefits Community Projects fund – contribution to reserves to support ongoing schemes following rebate on court costs	(25,447)
CX-STRATDEV	IT Reserve – outturn contribution utilising service underspend	(16,370)
DCE-ADHENV	YLC - fund to support ongoing impact of YLC pool closures ( <b>provisionally approved at Q3 subject to outturn</b> )	(200,000)
DCE-ADHENV	Birchwood Leisure Centre – contribution to R&M reserve.	(20,000)
DCE-ADHENV	AGP Sinking Fund – contribution to reserve for future replacement/maintenance of pitches.	(50,000)
DCE-ADCOMSS	Income Volatility Reserve – utilise in year over-achievement of income to support volatility of income streams in future years ( <b>provisionally approved at Q3 subject to outturn</b> )	(320,000)
DCE-ADCOMSS	Boutham Park Lake Lottery Heritage Grant – grant funding for ongoing works in 22/23	(34,144)
DCE-ADCOMSS	Arboretum Play Area – contribution from Grounds Maintenance budget	(20,000)
DCE-ADPLAN	Biodiversity Grant – contribution of grant funding for use in 22/23	(10,047)
DCE-ADPLAN	Land Charges Transitional NB Payments – funding towards income losses in 22/23 and beyond	(20,000)
DCE-ADPLAN	HAZ Grant – Redundancy cost funding	(1,871)

GF HSG	Preventing Homelessness Grant – residual grant contribution to reserves	(137,330)
GF HSG	Rough Sleeping Grant – residual grant contribution to reserves	(200,752)
GF HSG	Support for Vulnerable Renters Grant – residual grant contribution to reserves	(71,732)
DMD	Levelling Up Grant – reserve contribution for use in 21/22	(125,000)
BRATES	Business Rates S31 Grant funding – contribution to reserves to fund deficit in 22/23 (grant funding received in advance).	(3,855,590)
<b>Contributions from Reserves</b>		
CX-STRATDEV	Invest to Save Reserve – M365 rollout	92,398
CX – STRATDEV	Lincoln Lottery – Outturn contribution for utilisation of lottery funding in year	519
CX – CFINOFF	Townsfund Grant – Project Accountant funding 21/22	9,338
CX-CFINOFF	Council Tax Hardship Fund – allocation of hardship payments in 21/22	318,756
DCE-ADHENV	Section 106 Grant – funding balance on adult goal post scheme	223
DCE-ADCOMS	Tree Risk Reserve – 20/21 works carried out less planned contribution	13,453
DCE-ADCOMS	Commons Parking – 21/22 works carried out	19,170
DCE-ADCOMS	Parks Funding Grant – 21/22 funded expenditure	2,475
DCE-ADPLAN	Levelling Up Grant – 21/22 funded expenditure	11,000
DCE-ADPLAN	Custom Build Grant – 21/22 funded expenditure	6,000
DCE-ADPLAN	WGC Planning Reserve – 21/22 funded expenditure	30,364
GF HSG	Community Chest Grant – 21/22 funded expenditure	7,140
GF HSG	Controlling Migration Grant – 21/22 funded expenditure	14,950
DMD	Townsfund Capacity Reserve – Revenue expenditure 21/22	15,384
DMD	Strategic Growth Reserve (WGC) – 20/21 Capital expenditure	11,901
<b>TOTAL</b>		<b>(4,555,212)</b>

All of the above proposed transfers to/from reserves are reflected in the provisional outturn position.

### 3.7 Carry Forward Requests

Financial Procedure Rules state that Assistant Directors are able to carry forward any budget provision not utilised during the financial year, subject to their Directorate as a whole not being overspent. As at quarter 3 monitoring there was one carry forward proposal, totalling £52,400:

Directorate	Reason for Carry Forward	Amount £
DMD	The Terrace Roof Repairs – utilise in year underspends to fund R&M required in 22/23	(52,400)
	<b>Total additional reserve contribution required:</b>	<b>(52,400)</b>

3.8 Following confirmation of the final cash limited outturn for each Directorate in 2021/22, a further list of requests (which will be transferred from the surplus to earmarked reserves for drawdown in future years) is shown below totalling £491,350:

Directorate	Reason for Carry Forward	Amount £
CORP	Countywide Devolution – to provide resources for ongoing project work	(20,000)
CORP	Invest to Save Reserve – to fund further upfront costs of implementing future TFS Programme costs and/or in addition to provide resources to support the work of the four pillar working groups as part of the One Council programme of works	(45,000)
CORP	Inflation Volatility Reserve – to provide capacity to respond to increased costs arising from escalating inflation in 2022/23, ahead of the refresh of the underlying assumptions for the MTFS 2023-28	(150,000)
CX-CITYSOL	HR Investigations – to provide resources for ongoing requirements	(50,000)
CX-CITYSOL	V2025 Projects - to provide capacity within Legal team for ongoing requirements	(50,000)
CX-STRATDEV	IT Reserve – contribution from underspend on staffing within IT & Systems Team	(50,270)
DCE-ADHENV	St Mary's Guildhall – to provide match funding for external grants	(10,000)
DCE-ADHENV	Licensing – contribution from ringfenced income surplus to support future IT requirements	(22,610)
DCE-ADHENV	Central Market – to fund one off revenue costs associated with the business case	(72,270)
GF HSG	Housing Solutions Agency – contribution from outturn underspend to support ongoing pressures	(21,200)
	<b>Total additional reserve contribution required:</b>	<b>(491,350)</b>

3.9 All of the proposed carry forward requests within paragraphs 3.7 and 3.8 are reflected in the provisional outturn of £9,356 budget underspend.

3.10 The remaining underspend of £9,356 will result in a contribution of £467,884 from balances (£477,240 budgeted), with balances as at 31<sup>st</sup> March 2022 of £2,202,715, this is £9,356 more than the balance assumed in the MTFS and is within prudent levels.

3.11 The level of each of the current earmarked reserves, as at 31<sup>st</sup> March 2022 is attached at Appendix G. The appendix takes account of the contributions to earmarked reserves and the drawdown of funding to cover expenditure as per budget approvals and the additional transfers set out in paragraph 3.7 and 3.8 above.

### 3.12 Towards Financial Sustainability Programme

The savings target included in the MTFS for 2021/22 was originally £850,000. Progress against this target, based on the provisional outturn performance shows that secured savings total £877,960. This results in an over achievement of the target in 2021/22 by £27,960. A summary of the specific reviews that have contributed to this target are shown in Appendix M.

## 4. Housing Revenue Account

4.1 For 2021/22 the Council's Housing Revenue Account (HRA) net revenue budget was set at £14,910, resulting in an estimated level of general balances at the year-end of £1,059,743

4.2 The financial performance quarterly monitoring report for the 3rd quarter predicted an underspend of £31,226. The provisional outturn for 2021/22 now indicates an underspend of £19,339. This would result in HRA balances as at 31<sup>st</sup> March 2022 of £1,025,202.

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

	<b>Provisional Outturn £'000</b>
Reduced repairs and maintenance expenditure	(1,216)
Reduced Major Repairs Reserve contribution	(708)
Increased Depreciation	688
Increased rental income arising from Buy-Backs	(258)
Decreased rental income as a result of increased voids	537
HRS Repatriation	428
Reduction in admin fee income	293
Additional Contributions to Reserves	447
Vacancy savings	(343)
Net other variances	113
<b>Overall Budget Shortfall/(Surplus)</b>	<b>(19)</b>

Whilst the movement from Q3 to provisional outturn position is not significant, there have been a number of significant movements, which include:

	<b>£'000</b>
Final outturn position in the HRS – repatriation reduction	(289)
Increase cost of repairs and maintenance following completion of billing process for HRS	226
Proposed contribution to the Invest to Save Reserve to enable to continuation funding for fixed term employee posts	160

Proposed contribution to the Disrepair Management Reserve to enable further works to reduce the increase in disrepair claims the Council is currently receiving.	300
Reduction in loan charges interest	225

- 4.4 The largest variance for HRA is the underspend on repairs and maintenance. This is as a result of the ongoing impact of Covid19 affecting the ability to carry out repairs, the current reduction in charges from HRS (detailed in section 5 below) and the lack of tradespeople to carry out the repairs required. HRA and HRS are continuing to work hard to address these issues, which has been demonstrated with a reduction in this underspend from £1.394m at quarter 2.

In part this underspend on repairs and maintenance is offset by large overspend, £428k, by HRS due to a reduction in rechargeable works and inability to recover the overhead costs of HRS (details of which are contained within section 5.2).

- 4.5 In addition, there has been a reduction in dwelling rental income of £537k, due to increased voids, a reduction in leasing income and lost rents from RTB sales. Void properties increased during the year due to a lack of labour force in the HRS and as a result of the designated voids contractor entering into administration at short notice leaving the service without a key resource to respond to growing void numbers. In addition, void numbers had increased due to a backlog created over 2020/21 as national restrictions were imposed. This was then compounded by a high level of tenancies ending as a result of; people seeking to move post pandemic. Furthermore, as a result of the successful bids for the Next Steps and Rough Sleeping Accommodation Programmes, the HRA has acquired a number of units of move-on accommodation across the city to alleviate the pressure on temporary accommodation and negate the use of bed and breakfast facilities. Whilst this has been successful and consequently saved the general fund huge costs the pressure has fallen on HRS to bring these units up to letting standards before they can be occupied. This has added to the numbers being managed through the void process. At budget setting voids were budgeted at 1% of the current housing stock, the outturn position for voids was closer to 1.1% of the current housing stock, this is a continued improvement in the position, from a high of 1.7% at quarter 2, however due to the higher than budgeted levels during the year the loss of income was unable to be recovered. This improvement will though ensure that 2022/23 void levels start at a level in line with the budget assumptions.

- 4.6 The provisional outturn of a £19,339 budget underspend includes two proposed transfers to earmarked reserves, in addition to those transfers to/from earmarked reserves already approved and budgeted for. These further contributions to/from earmarked reserves are set out below:

- Invest to Save Reserve - £160,000, to provide resources to meet future fixed term posts.
- Disrepair Management - £300,000, to enable further work to reduce the number of disrepair claims being received.

These proposed transfers to reserves are reflected in the provisional outturn position.

- 4.7 Subject to approval of the proposed transfers to earmarked reserves the underspend of £19,339 would result in HRA general balance of £1,025,202 as at 31<sup>st</sup> March 2022, remaining within prudent levels.
- 4.8 The level of each of the current earmarked reserves, as at 31<sup>st</sup> March 2022 is attached at Appendix G. The appendix takes account of the contributions to earmarked reserves agreed as part of the revised budget and the drawdown of funding to cover expenditure and the additional transfers set out in para. 4.6 above.

## 5. Housing Repairs Service

- 5.1 For 2021/22 the Council's Housing Repairs Service (HRS) net revenue budget was set at zero, reflecting its full cost recovery nature.
- 5.2 The financial performance quarterly monitoring report for the 3rd quarter predicted a £713,876 deficit outturn for 2021/22. The provisional outturn for 2021/22 shows a trading deficit of £427,757, a movement of £286,119. The movement is as a result of the delay in billing of void jobs as highlighted at Quarter 3, which made forecasting the outturn position difficult.
- 5.3 The net trading deficit of £427,757 is the result of several year-end variations in income and expenditure against the approved budget. The main over and underspends included within the provisional outturn are detailed in Appendix F, while the key variances are summarised below:

	<b>£'000</b>
Reduction of jobs carried out by CoL workforce – reduced income	205
Reduction in material costs due to less jobs being carried out by CoL staff – reduced expenditure	(538)
Staff vacancies not recruited for within the year – reduced expenditure	(407)
Sub-contractor costs have increased due to CoL staff vacancies and increases in prices – additional expenditure	1066
Net other variances	102
<b>Overall Budget Shortfall/(Surplus)</b>	<b>428</b>

- 5.4 The main contributory factor for this deficit is the ongoing impact of Covid19; the loss of one of the main sub-contractors locally (due to administration) and the inability to recruit to the workforce has caused problems with repairs scheduling and void turnarounds, leading to a loss of rechargeable work and in increase in costs through the use of subcontractors.

Repairs numbers are down, at a time of high demand, as a result of this lower recharges are being made to the HRA due to less work being carried out by the Council's workforce. Although the reduction in staffing costs offsets the reduction in income recharged to the HRA, the overhead cost of the repairs service, which is ordinarily charged in addition to the service hourly rate is not being recovered due to the reduction in internal jobs. In addition, to try and fill the productivity gap, local sub-contractors are being utilised however, they are struggling with the same labour shortages. Any contracts awarded to help alleviate the system are now at hugely inflated prices, this reflects the sector as a whole. This use of more expensive

subcontractors has increased costs, which are not reflected in the service hourly rate, and therefore also contributes to the deficit position.

- 5.5 In response to the financial and service delivery challenges that the HRA/HRS are facing the Housing Management Team have instigated a range of measures aimed at combating the areas and issues that the Council has some control or influence over. Whilst the primary reason for the improvement in the deficit position from quarter 3 to provisional outturn was due to a delay in billing of works, the measures instigated are also contributing to a reduction in the deficit position. These measures will continue to be monitored during 2022/23 to ensure the HRS works towards a breakeven position.
- 5.6 The deficit of £427,757 has been recharged to the HRA, which is the major service user. This is reflected in the HRA outturn within this report.

## 6. Earmarked Reserves

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

	<b>Opening Balance</b>	<b>Increase</b>	<b>Decrease</b>	<b>Closing Balance</b>
	<b>01/04/21</b>			<b>31/03/22</b>
	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>
<b>General Fund</b>	19,563	6,897	(13,792)	12,668
<b>HRA</b>	2,617	465	(201)	2,880
<b>Capital Resources</b>	22,584	20,559	(15,367)	27,776

## 7. Capital Programme

### 7.1 General Investment Programme

- 7.2 The last quarterly report approved a General Fund Investment Programme for 2021/22 of £11,328,427. Movements in the programme since revised budget approval decreased actual capital expenditure in 2021/22 to £6,631,409. A summary of the budget changes is shown below:

	<b>2021/22</b>	<b>2022/23</b>	<b>2023/24</b>	<b>2024/25</b>	<b>2025/26</b>
	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>
Approved Q3 Budget	11,328	19,407	1,872	683	500
Budget changes approved under CFO delegated authority:					
- Changes	(2)	355	(8)	0	0
- Reprofilling	(5,536)	5,848	(312)	0	0
Budget changes in Qtr to be approved by Executive	574	247	0	0	0
Budget changes in Qtr approved by Executive/Towns Fund Board	267	5,056	3,664	660	109
<b>Revised Budget</b>	<b>6,631</b>	<b>30,913</b>	<b>5,216</b>	<b>1,343</b>	<b>609</b>

A detailed breakdown of the Programme is attached at Appendix K.

7.3 The Chief Finance Officer has delegated authority to approve financial changes up to an approved limit as set out under Financial Procedure Rules. Primarily these changes in the final quarter are reprofiles of budgets between financial years. These changes are detailed in Appendix I.

7.4 All changes over the approved limit require approval by the Executive. The changes for the final quarter are summarised in the table below:

	2021/22 - Q4 Budget Increase	2022/23 Q4 Budget Increase
	£'000	£'000
<b>Community Services</b>		
Boultham Park Lake Restoration	91	0
Safer Streets App & works	86	0
<b>Major Developments</b>		
Central Markets (All Funding Streams)	202	0
Towns Fund	186	0
<b>Planning</b>		
Heritage Action Zone (HAZ)	0	14
St Mary's Guildhall (HAZ)	9	233
	<b>574</b>	<b>247</b>

#### Budget Increases 2021/22

- **Boultham Park Lake Restoration** – An additional budget of £91,532 has been allocated to this scheme for additional works that were identified during the contract. These works are being financed from Section 106 monies.
- **Safer Streets App and Works** – 2021/22 budget increased by £85,558 to match the grant funding allocation from the Police and Crime Commissioner Lincolnshire.
- **Central Markets** - An additional £201,810 budget has been added to match grants awarded and not previously included (HAZ, Towns Fund etc).
- **Towns Fund, Cornhill Development** – £186,308 additional funding from of the Towns Fund Accelerated Fund to cover costs relating to this element of the Market and Cornhill initial projects.
- **St Mary's Guildhall (HAZ)** - £9k has been added to the St Mary's Guildhall budget due to reallocation of grant between revenue and capital.

## Budget Increases 2022/23

- **Heritage Action Zone** - £13,770 for shop fronts from the reallocation of HAZ grant previously allocated to revenue.
- **St Mary's Guildhall (HAZ)** – A Repair Grant was awarded from Historic England to complete urgent structural repairs and re-roofing at St Mary's Guildhall for £228,130 with matched funding of £5,000.

7.5 All new projects are subject to Executive approval. There have been no new projects approved by the Executive during quarter 4. However, there have been new projects arising from the Lincoln Town Deal which have been approved by the Town Deal Board, under a separate governance framework, and are now included within the capital programme as the Council is the Accountable Body for the grant funding.

Where there are financial implications for the Council through match funding, these have been previously approved by the Executive. The Towns Deal projects included in the capital programme in quarter 4 are:

	2021/22 Q4 Budget Increase	2022/23 Q4 Budget Increase	2023/24 Q4 Budget Increase	2024/25 Q4 Budget Increase	2025/26 Q4 Budget Increase
	£'000	£'000	£'000	£'000	£'000
Barbican Production & Maker Hub	0	1,600	1,300	0	0
Greyfriars	0	313	227	0	0
Hospitality & Events & Tourism Institute	0	1,120	0	0	0
Lincoln Connected	33	433	356	124	50
Sincil Bank	53	795	1,656	460	0
Store of Stories	10	155	0	0	0
Wigford Way	11	300	0	0	0
Tentercroft Street	50	240	50	0	0
Towns Deal Prog Mgmt	110	100	75	76	59
	<b>267</b>	<b>5,056</b>	<b>3,664</b>	<b>660</b>	<b>109</b>

Detail of the individual project's budgets are included in Appendix K.

7.6 The table below provides a summary of the provisional outturn position for the General Investment Programme at 31<sup>st</sup> March 2022:

	2021/22 Budget Approved at Q3	Q4 Budget Movemen t between Schemes	Q4 Budget Increase / Decrease	Year End Reprofiles	2021/22 Revised Budget	Outtur n	Variance to last approved budget Q3
	£'000	£'000	£'000	£'000	£'000	£'000	£'000
CX -CFO	597	0	0	(407)	190	190	407
CX - STRATDEV	4	0	0	(2)	2	2	2
DCE- ADHENV	4,557	0	(2)	(1,396)	3,159	3,159	1,398

DCE - ADCOMM	642	0	177	(69)	750	750	(108)
DHI - HSG	320	0	0	(318)	2	2	318
MDD	3,301	10	548	(2,196)	1,663	1,663	1,638
DCE - ADPLAN	545	(10)	9	90	634	634	(89)
<b>SubTotal</b>	<b>9,966</b>	<b>0</b>	<b>732</b>	<b>(4,298)</b>	<b>6,400</b>	<b>6,400</b>	<b>3,566</b>
Externally Delivered Towns Deal Schemes	1,362	0	107	(1,238)	231	231	1,131
<b>TOTAL GIP</b>	<b>11,328</b>	<b>0</b>	<b>839</b>	<b>(5,536)</b>	<b>6,631</b>	<b>6,631</b>	<b>4,697</b>

7.7 The overall spending on the General Investment Programme (GIP) excluding externally delivered schemes for 2021/22 was £6,399,908.43 which is 64.21% (Total GIP £6,631,408, 58.54%) of the revised 2021/22 programme as per the MTFS 2022-27.

Although this would appear to be low, the following points should be taken into consideration: -

- Slippage on the Central Market during the procurement phase, of £1.3m.
- £1.2m Disabled Facilities Grant works are now expected to be completed in 2022/23. This high slippage was a result of Covid19 working practices impacting the number of referrals from Occupational Therapists and the number of applicants shielding. There was also a shortage of materials impacting contractors.

## 7.8 Housing Investment Programme

7.9 The last quarterly report approved a Housing Investment Programme for 2021/22 of £19,667,939. Movements in the programme since approval of the revised budget decreased actual capital expenditure to £15,263,968 in 2021/22.

	2021/22	2022/23	2023/24	2024/25	2025/26
	£'000	£'000	£'000	£'000	£'000
Approved Budget Q3	19,668	21,721	12,918	12,673	11,328
Budget changes approved under CFO delegated authority:					
- Changes	(25)	(113)	0	0	0
- Reprofiling	(4,379)	4,771	(177)	(105)	(110)
Budget changes for Executive approval at Outturn	0	(3,212)	(308)	1,548	(386)
<b>Revised Budget</b>	<b>15,264</b>	<b>23,167</b>	<b>12,433</b>	<b>14,116</b>	<b>10,832</b>

A detailed breakdown of the Programme is attached at Appendix L.

7.10 The Chief Finance Officer has delegated authority to approve financial changes up to an approved limit as set out under Financial Procedure Rules. Changes in the final

quarter approved by the CFO under delegated authority are detailed in Appendix J, these are primarily reprofiles of budgets between financial years.

7.11 All changes over the approved limit require approval by the Executive. The changes for the final quarter are summarised in the table below:

	2021/22 Budget Changes	2022/23 Budget Changes	2023/24 Budget Changes	2024/25 Budget Changes	2025/26 Budget Changes
	£'000	£'000	£'000	£'000	£'000
<b><u>Decent Homes and Lincoln Standard</u></b>					
Bathrooms & WCs	0	(337)	0	0	0
DH Central Heating Upgrades	0	382	0	0	0
Door Replacement	0	(648)	0	0	0
Kitchen Improvements	0	(625)	0	0	0
LS Window Replacement	0	(585)	0	0	0
Re-roofing	0	(769)	(308)	(344)	(386)
Rewiring	0	(187)	0	0	0
Structural Defects	0	(118)	0	0	0
Thermal Comfort Works	0	(96)	0	0	0
Over bath showers (10 year programme)	0	(150)	0	0	0
<b><u>Other Schemes</u></b>					
Garages	0	(229)	0	0	0
<b><u>New Build</u></b>					
Hermit Street Regeneration	0	150	0	0	0
De Wint Court	0	(1,000)	0	0	0
Unallocated New Build	0	1,000	0	0	0
New Build Programme (141 eligible)	0	0	0	757	0
New Build Programme (Borrowing for 141 eligible)	0	0	0	1,135	0
<b>TOTAL CHANGES</b>	<b>0</b>	<b>(3,212)</b>	<b>(308)</b>	<b>1,548</b>	<b>(386)</b>

Delivery of the Housing Investment Programme has been impacted by delays appointing contractors, therefore budgets have accumulated. The programme will be delivered in future years following the development of an achievable plan, however at this point £4.2m has been removed from the programme, primarily in 2022/23 and returned to available balances.

Additional budget in the New Build Programme in 2024/25 represents an adjustment for higher than expected 141 receipts and the borrowing to match these to deliver New Build projects. These budgets will be allocated to specific schemes at the time they are bought forward for specific approval.

7.12 The table below provides a summary of the final outturn position:

	2021/22 Budget at Q3	Q4 Budget Changes	Reprofiles to/(from) 2021/22	2021/22 Revised Budget	Outturn	Variance
	£'000	£'000	£'000	£'001	£'000	£'000
Decent Homes	4,560	0	(1,039)	3,521	3,521	(1,039)
Lincoln Standard	5	0	(5)	0	0	(5)
Health and Safety	438	0	(287)	151	151	(287)
New build programme	14,174	0	(2,751)	11,423	11,423	(2,751)
Other Schemes	137	23	(86)	74	74	(63)
IT/Infrastructure Schemes	136	0	(41)	95	95	(41)
Contingency	218	(48)	(170)	0	0	(218)
<b>Total</b>	<b>19,668</b>	<b>(25)</b>	<b>(4,379)</b>	<b>15,264</b>	<b>15,264</b>	<b>(4,404)</b>

7.13 The overall spending on the Housing Investment Programme for 2021/22 was £15,263,968 which is 77.61% of the revised 2021/22 programme as per MTFS 2022-27.

The following points should be taken into consideration: -

- Due to Covid19 various scheduled work programmes have slipped or been delayed into 2022/23.
- There was £2.75m slippage within the New Build Programme. This included:
  - £1.5m on De Wint, £500k of which has been reprofiled in to 2022/23, with the remaining £1m being reallocated to unallocated New Build budgets.
  - Budgets of £812k have been reprofiled into 2022/23 for Rookery Lane and Western Growth Corridor.
  - The remaining slippage relates largely to housing purchases (£245k) that did not complete in the year.

## 8. Strategic Priorities

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

## 9. Resource Implications

9.1 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.

General Balances, on both the General Fund and HRA, are the only resource not earmarked 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 provisional outturn the level of balances as at 31<sup>st</sup> March 2022 will be maintained within these ranges, with the General Fund slightly higher.

Although this report sets out the financial outturn, which for the General Fund and HRA has resulted in a positive position, this does not mean that the financial issues for the Council are resolved. Beyond 2021/22 the Council is set to face ongoing pressures from the escalating inflation impacts, service demands arising from the cost-of-living crisis and the legacy of impacts of Covid19. The Council will continue to face financial challenges in 2022/23 as it responds to these issue as well as ensuring that it delivers the ongoing reductions in the net cost base that are already assumed in the MTFS 2022-27.

## 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, no specific Equality Impact Analysis is required.

## 10. Risk Implications

- 10.1 A full financial risk assessment is included in the Medium Financial Strategy, this is continually reviewed in light of changes in the underlying financial assumptions. The most critical of these is the current escalating level of inflation, this will have financial implications for the Council and the cost of service provision in 2022/23 and in future years. Further details will be provided in the first quarters financial monitoring report for 2022/23.

## 11. Recommendations

The Executive are recommended to:

- 11.1 Note the provisional 2021/22 financial outturn for the General Fund, Housing Revenue Account, Housing Repairs Service and Capital Programmes as set out in sections 3 – 7, and in particular the reasons for any variances;
- 11.2 Approve the proposed transfer to General Fund and HRA earmarked reserves detailed in paragraph 3.6, 3.7 and 4.6;
- 11.3 Approve the new General Fund carry forward requests, not requested at Q3, as detailed in paragraph 3.8;
- 11.4 Note the financial changes to both the General Investment Programme and the Housing Investment Programme (paragraphs 7.4 and 7.11) that are above the 10% budget variance limit delegated to the Chief Finance Officer.

**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

**List of Background Papers:** Medium Term Financial Strategy 2022-2027

**Lead Officer:** Colleen Warren, Financial Services Manager  
Telephone 01522 873361.

**GENERAL FUND SUMMARY – OUTTURN 2021/22**

	Ref	Revised Budget £'000	Outturn £'000	Variance £'000
Strategic Development	A	1,940	1,933	(7)
Chief Finance Officer (S.151)	B	(179)	(110)	69
Major Developments	C	195	155	(40)
City Solicitor	D	1,516	1,500	(16)
Housing	E	445	395	(49)
Communities and Street Scene	F	2,764	2,780	16
Health & Environmental Services	G	1,328	1,809	481
Planning	H	1,024	836	(187)
		<b>9,032</b>	<b>9,298</b>	<b>266</b>
Corporate Expenditure	I	1,857	1,744	(113)
<b>TOTAL SERVICE EXPENDITURE</b>		<b>10,889</b>	<b>11,043</b>	<b>154</b>
Capital Accounting Adjustment	J	3,180	3,013	(167)
Specific Grants	K	(1,320)	(1,328)	(8)
Contingencies	L	(67)	0	67
Savings Targets	M	28	0	(28)
Earmarked Reserves	N	(6,896)	(6,896)	0
Insurance Reserve	O	(478)	(504)	(26)
<b>TOTAL EXPENDITURE</b>		<b>5,337</b>	<b>5,328</b>	<b>(9)</b>
<b>CONTRIBUTION TO/(FROM) BALANCES</b>		<b>(477)</b>	<b>(468)</b>	<b>9</b>
<b>NET REQUIREMENT</b>		<b>4,859</b>	<b>4,859</b>	<b>0</b>
Retained Business Rates Income	P	(17,649)	(17,664)	(15)
Tariff	Q	13,094	13,094	0
Section 31 Grant	R	(5,166)	(5,211)	(45)
Levy	S	698	758	60
Revenue Support Grant	T	(23)	(23)	0
Council Tax	U	(6,956)	(6,956)	0
Council Tax Section 31 Grant		0	0	0
Council Tax Surplus	V	76	76	0
NNDR Deficit	W	11,066	11,066	0
<b>TOTAL RESOURCES</b>		<b>(4,859)</b>	<b>(4,859)</b>	<b>0</b>
<b>BALANCES B/F 1ST APRIL</b>		<b>(2,671)</b>	<b>(2,671)</b>	<b>0</b>
USE OF/(CONTRIBUTION) TO BALANCES		477	468	(9)
<b>BALANCES C/F 31ST MARCH 2022</b>		<b>(2,193)</b>	<b>(2,203)</b>	<b>(9)</b>

Please note the above is now shown on an Expenditure Funding Analysis (EFA) basis. This means all charges which are reversed out under statute are now **not** shown in the above figures. Examples of this are depreciation and capital grants. This means the above only includes items which are a call on the general fund balance.

**General Fund Forecast Variances - Outturn 2021/22**

The variances analysed in the table below exclude any technical adjustments and only cover the true under or over spends. Figures in brackets indicate an under spend of expenditure or additional income.

Ref	<b><u>Additional Expenditure</u></b>	£	Reason for variance
A	Call Monitoring	27,570	Additional telephone systems resulting from working from home arrangements.
B	Property Management	33,940	Agency costs incurred to cover vacant post and external fees for asset appraisals/schemes.
C	Legal Services	30,350	Outsourcing of legal work due to vacant posts.
D	Housing Solutions	61,260	Agency pressures as a result of vacancies, ineligible for grant funding.
F	Car Parks	175,550	Additional costs on overtime, equipment maintenance and deep cleaning at Central car park (offset by income below).
F	Waste	60,300	Additional Contract costs.
G	Other Housing Issues	72,330	Administrative costs associated with Civil Penalty Notices on HiMO properties (offset by income below).
G	Yarborough Leisure Centre	169,550	Estimated losses as a result of pool closure.
L	Pay Award	150,000	The 2021/22 budget assumed an in year pay freeze in line with the Government Autumn Statement that public sector pay would face a pay freeze. Final pay award was agreed at 1.75%.
M	Annual Vacancy Savings Target	151,500	Vacancy savings target, offset by savings in service areas.
N	Earmarked Reserves	200,000	Proposed contribution to reserve for anticipated income losses at Yarborough Leisure Centre, as a result of pool closure, in 22/23.
N	Earmarked Reserves	543,750	Proposed carry forward contributions to reserves to support increased costs in future years, as outlined in paragraph 3.7 & 3.8

<b>Ref</b>		<b>£</b>	<b>Reason for variance</b>
	<b><u>Reduced Income</u></b>		
B	Housing Benefits	317,924	Reduction in overpayments funded through housing subsidy due to overall reduction in overpayments raised and improved collection of arrears, offset by reduction Bad Debt provision below.
C	CX Workbased Learning	42,430	Reduced income through national scheme due to lower apprenticeship numbers during Covid19 (offset by reduced expenditure on CoLC Apprentices below).
G	Crematorium	53,660	Reduced income as a result of ongoing refurbishment works.
G	Yarborough Leisure Centre	25,000	Loss of school swimming income due to pool closures.
G	Christmas Market	62,800	Reduced income from stall holders and park and ride.
N	Earmarked Reserves	320,000	Proposed transfers to Earmarked reserves for Car Parking Income Volatility.
	<b><u>Reduced Expenditure</u></b>		
A	Business Dev & IT Manager	(52,700)	Additional vacancy savings after proposed contribution towards the TFS savings target, offset against corporate vacancy savings target
B	City Hall	(30,790)	Reduced premises running costs as a result of lower occupancy.
B	CX Business Management	(27,280)	Vacancy savings after proposed contribution towards the TFS savings target, offset against corporate vacancy savings target
C	Civic	(28,120)	Underspend due to a reduction in civic activities as a result of ongoing Covid19 restrictions.
C	CoLC Apprentices	(100,430)	Underspend, after agreed contribution to TFS, as a result of a reduced number of Apprentices in year due to ongoing impact of Covid19.
D	Community Leadership & Sustainability	(60,102)	Underspends on Specialist Miscellaneous expenditure and vacancy savings offset against corporate vacancy savings target.
E	DMD Director	(30,520)	Vacancy savings offset against corporate vacancy savings target.

<b>Ref</b>		<b>£</b>	<b>Reason for variance</b>
E	The Terrace	(39,080)	Vacancy savings, proposed for carry forward for future years maintenance works.
E	Major Development Team	(55,370)	Vacancy savings plus underspends on supplies and services, predominantly consultancy fees.
F	Bus Station	(70,800)	Underspend on repairs & maintenance and cleaning as a result of reduced wear and over lockdown restrictions.
G	Health & Safety	(43,550)	Vacancy savings and Outbreak Prevention recharges, offset against corporate vacancy savings target.
G	Food Health & Safety	(125,450)	Vacancy savings and Outbreak Prevention recharges, offset against corporate vacancy savings target.
G	Housing Regeneration	(28,870)	Vacancy savings offset against corporate vacancy savings target.
H	DCE Management	(38,910)	Vacancy savings and Outbreak Prevention recharges, offset against corporate vacancy savings target.
I	Policy & Resources Other	(51,820)	Reduction in anticipated heritage costs for City of Lincoln's Collection.
I	Bad Debt Provision	(169,371)	Reduction in the required contribution to the bad debt provision for housing benefits and general fund debtor balances.
J	Capital Accounting Adjustments – Interest	(122,000)	Reduction in external interest payable.
J	Capital Accounting Adjustments – MRP	(44,000)	Reduction in Minimum Revenue Provision (MRP) charges.
M	Contingencies – Covid Mitigation	(154,900)	Contingency budget set aside to mitigate in year pressures resulting from in-year impacts of Covid19 on the local recovery.
<b><u>Additional Income</u></b>			
B	City Hall	(55,470)	Increased income as a result of in year rent and service charges reviews.
B	Test & Trace Support	(114,230)	New Burdens funding to compensate for work associated with administering the Test & Trace Support Payment grants.

<b>Ref</b>		<b>£</b>	<b>Reason for variance</b>
B	Lincoln Properties	(26,550)	Increased income as a result of in year rent reviews.
F	Car Parks	(531,800)	Overachievement on Car Parking income as a result of easing of covid restrictions.
F	Car Parks	(85,210)	SFC Income Compensation Scheme in excess of budget assumptions, offsets loss of car parking income in Q1 only.
G	Other Housing Issues	(84,880)	Income related to Civil Penalty Notices on HiMO properties, partially offset by a contribution to reserves for CPN's still subject to appeal.
G	Visitor Information Centre	(34,840)	Over-achievement of income due to increased visitors throughout summer and over the festive period.
H	Development Control	(176,100)	Additional income from major applications received in year, less reduction in SFC Income Compensation.
I	Corporates Services	(143,080)	New Burdens funding to compensate for work associated with administering the business support grants.

**HOUSING REVENUE ACCOUNT FUND SUMMARY – OUTTURN 2021/22**

<b>HRA PROVISIONAL OUTTURN – 2021/22</b>				
		<b>Revised Budget £'000</b>	<b>Outturn £'000</b>	<b>Variance £'000</b>
Gross Rental Income	A	(29,441)	(29,052)	389
Charges for Services & Facilities	B	(312)	(262)	50
Contribs towards Expenditure	C	(50)	(10)	40
Supervision & Management (Income)	D	(912)	(642)	270
Repairs Account Income	D2	0	(82)	(82)
Repairs & Maintenance	E	9,574	8,436	(1,138)
Supervision & Management:	F	8,079	7,984	(95)
Rents, Rates and Other Premises	G	334	455	121
Increase in Bad Debt Provisions	H	305	284	(21)
Insurance Claims Contingency	I	164	0	(164)
Contingencies	J	3	0	(3)
Depreciation	K	6,735	7,423	688
Impairments	L	0	0	0
Debt Management Expenses	M	12	1	(11)
HRS Trading Deficit/(Surplus)	N	0	428	428
<b>Net Cost of Service</b>	<b>O</b>	<b>(5,509)</b>	<b>(5,037)</b>	<b>472</b>
Loan Charges Interest	P	2,650	2,425	(225)
Investment/Mortgage Interest	Q	(20)	(24)	(4)
<b>Net Operating Inc/Exp</b>	<b>R</b>	<b>(2,879)</b>	<b>(2,637)</b>	<b>242</b>
Capital Accounting Adjustments	S	0	0	0
Major Repairs Reserve Adjustment	T	3,063	2,355	(708)
Transfers to/from reserves	U	(115)	331	446
<b>(Surplus)/Deficit in Year</b>		<b>69</b>	<b>49</b>	<b>(19)</b>
Pension Reserve	W	0	0	0
<b>Balances b/f @ 1st April</b>	<b>X</b>	<b>(1,075)</b>	<b>(1,075)</b>	<b>0</b>
(Increase)/Decrease in Balances	Y	69	49	(19)
<b>Balances c/f @ 31st March</b>	<b>Z</b>	<b>(1,006)</b>	<b>(1,025)</b>	<b>(19)</b>

**Housing Revenue Account Variances - Outturn 2021/212**

The variances analysed in the table below exclude any technical adjustments and only cover the true under or overspends. Figures in brackets indicate an under spend of expenditure or additional income.

Ref		£	Reason for variance
<b><u>Increased Expenditure</u></b>			
N	HRS Trading Deficit -Repatriation	427,757	HRS deficit repatriated to the HRA (see HRS for detail).
U	Transfers to/from Reserves	300,000	Contributions to the Disrepair Reserve (£300k) to enable further work to reduce the number of disrepair claims being received.
E2	Repairs & Maintenance	232,908	Increased expenditure predominantly due to unbudgeted HRS skip charge (£98.8k), electrical testing including unforeseen PAT testing costs (£70k) and COVID19 on-costs (£63.6k).
F2	Supervision & Management	211,603	Increased expenditure predominantly due to void works orders (£65.9k), agency staff payments and additional contract termination costs (£79.3k).
U	Transfers to/from Reserves	160,000	Contributions to the Invest to Save Reserve (£160k) re continued funding of fixed term posts
G	Rents, Rates and Other Premises	121,015	Addition Council Tax liability for void properties and an increase in electricity costs.
E2	Repairs & Maintenance	78,642	Increased costs for additional ad hoc HRS works.
A	Garage Rent – VAT Payment	56,558	Payment to HMRC relating to previous years over-recovered VAT element of private rented garage income
<b><u>Increased Income</u></b>			
A	Rental Income	(258,151)	Dwelling social & affordable rent higher than budget due to additional properties coming online from NSAP & Purchase and Repair properties.

## Appendix D

D	Supervision & Management	(47,636)	Additional rechargeable income relating to void garden works undertaken.
---	--------------------------	----------	--

### **Reduced Expenditure**

E	Repairs & Maintenance	(1,449,039)	Underspends predominantly on Responsive Repairs and Painting/pre-Painting. Savings due to Covid19 delaying repairs, with savings incurred during lockdown and recovery period, as well as timing issue due to procurement priorities and resource.
---	-----------------------	-------------	--

F	Supervision & Management	(343,606)	Vacancy savings across HRA.
---	--------------------------	-----------	-----------------------------

### **Reduced Income**

A	Dwelling Rents	537,269	Reduction in rental income due to an increase in void properties and delays in voids being relet due to ongoing contractor issues.
---	----------------	---------	--

C	Supervision & Management	293,770	Reduction in Admin Fee income from contractors due to termination in contract.
---	--------------------------	---------	--

A	Dwelling Rents	73,906	Reduction of leasing income as lease properties now returned to HRA.
---	----------------	--------	--

C	Court Costs	39,636	Reduction in Court Cost income due to Covid19 delaying court cases.
---	-------------	--------	---

**HOUSING REPAIRS SERVICE SUMMARY - OUTTURN 2021/22**

	<b>Revised Budget £'000</b>	<b>Outturn £'000</b>	<b>Variance £'000</b>
Employees	3,351	2,944	(407)
Premises	55	91	36
Transport	333	344	11
Materials	1,415	877	(538)
Sub-Contractors	1,969	3,035	1,066
Supplies & Services	272	390	118
Central Support Costs	569	503	(66)
Capital Charges	0	2	2
<b>Total Expenditure</b>	<b>7,965</b>	<b>8,187</b>	<b>223</b>
Income	(7,965)	(7,760)	205
<b>(Surplus)/Deficit</b>	<b>0</b>	<b>428</b>	<b>428</b>

**Housing Repairs Service Variances - Outturn 2021/22**

The table below provides a summary of the provisional outturn position.

	£	Reason for Variance
<b><u>Reduced Income</u></b>		
Income - Other	204,955	Reduced Income due to fewer jobs being carried out by directly employed workforce.
<b><u>Reduced Expenditure</u></b>		
Central Support Charges	(66,138)	Reduction in Central Support Services recharges from General Fund and HRA, due to reduced service costs.
Materials	(537,924)	Reduced material costs due to fewer jobs being carried out by directly employed workforce, as sub-contractors have been utilised more to cover vacancies.
Employees	(407,119)	Due to vacancies within the red book staff, due to difficulties recruiting tradesman.
<b><u>Increased Expenditure</u></b>		
Supplies & Services	118,386	Additional equipment hire costs and an increase in IT costs following the purchase of tablets for red book staff.
Sub-Contractors	1,065,723	Increased use of sub-contractors due to a large number of vacancies within the red book staff. Also an increase in the price of sub-contractors following the pandemic.

**EARMARKED RESERVES – OUTTURN 2021/22**

<b><u>General Fund</u></b>	<b>Revised Opening Budget £000's</b>	<b>Budgeted Contribution £000's</b>	<b>In Year Movements £000's</b>	<b>Closing Balance £000's</b>
Grants & Contributions	1,385	754	(206)	1,932
Carry Forwards	482	299	(113)	667
Active Nation Bond	180	200	0	380
AGP Sinking Fund	2	50	0	52
Air Quality Initiatives	11	6	0	16
Asset Improvement	0	0	0	0
Backdated rent review	0	0	0	0
Birchwood Leisure Centre	46	20	0	66
Boston Audit Contract	0	0	0	0
Business Rates Volatility	13,376	3,856	(11,666)	5,566
Christmas Decorations	14	0	0	14
City Hall Sinking Fund	60	0	0	60
Commons Parking	20	10	(29)	1
Corporate Training	60	0	0	60
Council Tax Hardship Fund	531	0	(319)	213
Covid-19 Recovery	1,047	0	0	1,047
Covid-19 Response	354	0	0	354
DRF Unused	341	45	(182)	204
Electric Van replacement	19	4	0	24
Funding for Strategic Priorities	174	0	(85)	89
HiMO CPN Appeals	0	47	0	47
Income Volatility Reserve	0	320	0	320
Inflation Volatility Reserve	0	150	0	150
Invest to Save (GF)	453	60	(414)	100
IT Reserve	124	167	(72)	219
Lincoln Lottery	9	0	(1)	9
Mayoral car	27	0	0	27
Mercury Abatement	317	0	(317)	0
MSCP & Bus Station Midlife Refurb - Sinking Fund	60	44	0	104
Private Sector Stock Condition Survey	27	12	0	39
Property Searches	0	0	0	0
Revenues & Benefits Community Fund	0	25	0	25
Revenues & Benefits Shared Service	0	0	0	0
Section 106 interest	32	0	(0)	32
Strategic Growth Reserve	17	0	(12)	5
Strategic Projects - revenue costs	2	0	(2)	0
Tank Memorial	10	0	0	10
Tree Risk Assessment	97	19	(32)	84

## Appendix G

Vision 2025	204	809	(312)	701
WGC Planning	80	0	(30)	49
<b>Total General Fund Reserves</b>	<b>19,563</b>	<b>6,897</b>	<b>(13,792)</b>	<b>12,668</b>

<b>HRA</b>	<b>Revised Opening Budget £000's</b>	<b>Budgeted Contribution £000's</b>	<b>In Year Movements £000's</b>	<b>Closing Balance £000's</b>
Capital Fees Equalisation Reserve	110	0	0	110
De Wint Court Reserve	73	0	0	73
Disrepairs Management Reserve	0	300	0	300
Housing Business Plan Reserve	77	0	0	77
Housing Repairs Service	126	0	0	126
HRA DRF	0	0	0	0
HRA Repairs Account	1,351	4	0	1,354
HRA Strategic Priority Reserve	722	0	(140)	582
HRA Survey Works	0	0	0	0
Invest to Save (HRA)	133	160	(40)	253
Stock Retention Strategy	0	0	0	0
Strategic Growth Reserve	26	0	(21)	5
<b>Total HRA Reserves</b>	<b>2,617</b>	<b>465</b>	<b>(201)</b>	<b>2,880</b>

<b>Total Earmarked Reserves</b>	<b>22,180</b>	<b>7,362</b>	<b>(13,993)</b>	<b>15,548</b>
---------------------------------	---------------	--------------	-----------------	---------------

### Insurance Reserves

General Fund Insurance Reserve	1,996	100	(604)	1,492
HRA Insurance Reserve	1,866	250	(178)	1,938
<b>Total Insurance Reserves</b>	<b>3,862</b>	<b>350</b>	<b>(782)</b>	<b>3,430</b>

**CAPITAL RESOURCES – OUTTURN 2021/22**

	Opening Balance	Contributions	Used in Financing/ Adjustments	Forecast Balance
	01/04/2021			31/03/2022
	£'000	£'000	£'000	£'000
Capital Grants/Contributions	1,748	3,539	(3,465)	1,822
Capital Grants/Contributions (HRA)	2,025	4,331	(6,356)	0
Capital Receipts	623	30	(623)	30
Capital Receipts (HRA)	3,888	2,657	(867)	5,678
Major Repairs Reserve	7,763	7,425	(3,842)	11,346
DRF	161	191	(193)	159
DRF (HRA)	6,376	2,386	(21)	8,741
<b>Total Capital Resources</b>	<b>22,584</b>	<b>20,559</b>	<b>(15,367)</b>	<b>27,776</b>

## GENERAL INVESTMENT PROGRAMME SUMMARY OF EXPENDITURE AS AT 31 MARCH 2022

	2021/22 Approved Budget at Q3 £'000	Q4 Budget Movements between Schemes £'000	Q4 Budget Increase / Decrease £'000	Year End Reprofiling £'000	Revised Budget £'000	Actual £'000	Variance to last approved budget Q3 £'000	% Spend to last approved budget Q3 %
<b>CE Chief Finance Officer</b>								
40 Michaelgate Structural works	2	0	0	(2)	0	0	2	0%
Brayford Viewing Platform	3	0	0	0	3	3	0	100%
Broadgate Fire Alarm	8	0	0	0	8	8	0	100%
Canwick Rd Cemetery Railings	10	0	0	(10)	0	0	10	0%
City Hall Lightning Protection	6	0	0	(6)	0	0	6	0%
Grandstand Terracing Improvements	15	0	0	(3)	12	12	3	78%
Greyfriars	174	0	0	(56)	118	118	56	68%
Greyfriars Roof Improvements	4	0	0	(4)	0	0	4	0%
Guildhall Walkway/ Access Improvements.	12	0	0	(12)	0	0	12	0%
Guildhall Works	18	0	0	(18)	0	0	18	0%
High Bridge Café	50	0	0	(50)	0	0	50	0%
Long Leys Road Drainage	10	0	0	(3)	7	7	3	69%
Monks Abbey Bowls Pavilions External Timber/ Fascia Board Improvements	11	0	0	(2)	9	9	2	80%
Planned Capitalised Works	58	0	0	(58)	0	0	58	0%
Play Area Surfacing Works	21	0	0	(5)	16	16	5	76%
St Nicholas Church - Wall	11	0	0	0	11	11	0	100%
Stamp End Demolition	139	0	0	(138)	1	1	138	1%
West Common External Rendering Improvements	5	0	0	0	5	5	0	100%
YLC Diving Boards	40	0	0	(40)	0	0	40	0%
<b>CE Chief Finance Officer Total</b>	<b>597</b>	<b>0</b>	<b>0</b>	<b>(407)</b>	<b>190</b>	<b>190</b>	<b>407</b>	<b>32%</b>
<b>CE Strategic Development</b>								
New Telephony System	4	0	0	(2)	2	2	2	60%
<b>CE Strategic Development Total</b>	<b>4</b>	<b>0</b>	<b>0</b>	<b>(2)</b>	<b>2</b>	<b>2</b>	<b>2</b>	<b>60%</b>
<b>Community and Environment</b>								
Artificial Grass Pitches (AGP)	88	0	0	(88)	0	0	88	0%
Crem - remodelling	2,488	0	0	(23)	2,465	2,465	23	99%
Disabled Facilities Grant	1,849	0	0	(1,229)	620	620	1,229	34%
New Software- Crem	2	0	(2)	0	0	0	2	0%
Whittons Park	130	0	0	(56)	74	74	56	57%
<b>Community and Environment Total</b>	<b>4,557</b>	<b>0</b>	<b>(2)</b>	<b>(1,396)</b>	<b>3,159</b>	<b>3,159</b>	<b>1,398</b>	<b>69%</b>

## Appendix I

	2021/22 Approved Budget at Q3	Q4 Budget Movements between Schemes	Q4 Budget Increase / Decrease	Year End Reprofiling	Revised Budget	Actual	Variance to last approved budget Q3	% Spend to last approved budget Q3
<b>Community Services</b>								
Boultham Park Lake Restoration	272	0	91	21	384	384	(112)	141%
Boultham Park Masterplan	50	0	0	(22)	28	28	22	56%
Car Park Improvements - CCTV in MSCPs	6	0	0	0	6	6	0	100%
EV Charge Points	44	0	0	0	44	44	(0)	100%
Flood Alleviation Scheme - Hartsholme Park	56	0	0	(40)	16	16	40	28%
Safer Streets App & works	184	0	86	0	270	270	(86)	146%
Traveller deterrent	30	0	0	(28)	2	2	28	8%
<b>Community Services Total</b>	<b>642</b>	<b>0</b>	<b>177</b>	<b>(69)</b>	<b>750</b>	<b>750</b>	<b>(108)</b>	<b>117%</b>
<b>Housing Management</b>								
Housing Renewal Area Unallocated	320	0	0	(318)	2	2	318	1%
<b>Housing Management Total</b>	<b>320</b>	<b>0</b>	<b>0</b>	<b>(318)</b>	<b>2</b>	<b>2</b>	<b>318</b>	<b>1%</b>
<b>Major Developments</b>								
Central Markets	163	(161)	0	(2)	0	0	163	0%
Central Markets (All Funding Streams)	0	1,699	202	(1,284)	617	617	(617)	
LAD 2 - Green Homes Grant Local Authority Delivery Scheme	480	0	0	(460)	20	20	460	4%
Tentercroft Street	0	0	50	(50)	0	0	0	
Towns Deal - Lincoln Central Market and Vibrant Public Realm	1,650	(1,650)	0	0	0	0	1,650	0%
Towns Deal Programme Management	0	0	110	19	129	129	(129)	
Towns Fund	169	122	186	0	477	477	(308)	282%
WGC Housing Delivery	0	31	0	0	31	31	(31)	
WGC Planning Support	0	45	0	0	45	45	(45)	
WGC Pre-planning	839	(76)	0	(419)	344	344	495	41%
<b>Major Developments Total</b>	<b>3,301</b>	<b>10</b>	<b>548</b>	<b>(2,196)</b>	<b>1,663</b>	<b>1,663</b>	<b>1,638</b>	<b>50%</b>
<b>Planning</b>								
Heritage Action Zone	436	(10)	0	85	511	511	(75)	117%
St Mary's Guildhall (HAZ)	109	0	9	5	123	123	(14)	113%
<b>Planning Total</b>	<b>545</b>	<b>(10)</b>	<b>9</b>	<b>90</b>	<b>634</b>	<b>634</b>	<b>(89)</b>	<b>116%</b>
<b>Externally Delivered Towns Deal Schemes</b>								
Drill Hall	1,000	0	0	(1,000)	0	0	1,000	0%
Lincoln City FC and Foundation	300	0	0	(300)	0	0	300	0%
Lincoln Connected	0	0	33	0	33	33	(33)	
Sincil Bank	33	0	53	13	99	99	(67)	300%
Store of Stories	0	0	10	0	10	10	(10)	

## Appendix I

	2021/22 Approved Budget at Q3	Q4 Budget Movements between Schemes	Q4 Budget Increase / Decrease	Year End Reprofiling	Revised Budget	Actual	Variance to last approved budget Q3	% Spend to last approved budget Q3
Wigford Way	29	0	11	49	89	89	(60)	305%
<b>Externally Delivered Towns Deal Schemes</b>	<b>1,362</b>	<b>0</b>	<b>107</b>	<b>(1,238)</b>	<b>231</b>	<b>231</b>	<b>1,131</b>	<b>17%</b>
<b>Grand Total</b>	<b>11,328</b>	<b>0</b>	<b>839</b>	<b>(5,536)</b>	<b>6,631</b>	<b>6,631</b>	<b>4,697</b>	<b>59%</b>

## HOUSING INVESTMENT PROGRAMME SUMMARY OF EXPENDITURE AS AT 31 MARCH 2022

	2021/22 Approved Budget at Q3	Q4 Budget Movements between Schemes	Q4 Budget Increase / Decrease	Year End Reprofiling	Revised Budget	Actual	Variance to last approved budget Q3	% Spend to last approved budget Q3
	£	£	£	£	£	£	£	
<b>Housing Investment</b>								
<b>Decent Homes</b>								
Bathrooms & WCs	15	0	0	(14)	1	1	(14)	7%
DH Central Heating Upgrades	2,060	0	0	(219)	1,841	1,841	(219)	89%
Door Replacement	600	0	0	(334)	266	266	(334)	44%
Fire Doors	5	0	0	(5)	0	0	(5)	0%
Kitchen Improvements	15	0	0	(15)	0	0	(15)	0%
Lincoln Standard Windows Replacement	295	0	0	(295)	0	0	(295)	0%
New services	25	0	0	(8)	17	17	(8)	68%
Re-roofing	10	0	0	(10)	0	0	(10)	0%
Rewiring	35	0	0	(12)	23	23	(12)	66%
Void Capitalised Works	1,500	0	0	(127)	1,373	1,373	(127)	92%
<b>Decent Homes Total</b>	<b>4,560</b>	<b>0</b>	<b>0</b>	<b>(1,039)</b>	<b>3,521</b>	<b>3,521</b>	<b>(1,039)</b>	<b>77%</b>
<b>Lincoln Standard</b>								
Over bath showers (10 year programme)	5	0	0	(5)	0	0	(5)	0%
<b>Lincoln Standard Total</b>	<b>5</b>	<b>0</b>	<b>0</b>	<b>(5)</b>	<b>0</b>	<b>0</b>	<b>(5)</b>	<b>0%</b>
<b>Health and Safety</b>								
Asbestos Removal	196	0	0	(140)	56	56	(140)	29%
Asbestos Surveys	167	0	0	(107)	60	60	(107)	36%
Fire Alarms	40	0	0	(5)	35	35	(5)	88%
Renew stair structure	10	0	0	(10)	0	0	(10)	0%
Replacement Door Entry Systems	25	0	0	(25)	0	0	(25)	0%
<b>Health and Safety Total</b>	<b>438</b>	<b>0</b>	<b>0</b>	<b>(287)</b>	<b>151</b>	<b>151</b>	<b>(287)</b>	<b>34%</b>
<b>Other Schemes</b>								
CCTV	47	0	0	(47)	0	0	(47)	0%
Communal Electrics	10	0	0	(2)	8	8	(2)	80%
Communal TV Aerials	5	0	0	(3)	2	2	(3)	40%
Environmental works	50	0	0	(9)	41	41	(9)	82%
Garages	25	0	0	(25)	0	0	(25)	0%
HRA Buildings	0	0	23	0	23	23	23	
<b>Other Schemes Total</b>	<b>137</b>	<b>0</b>	<b>23</b>	<b>(86)</b>	<b>74</b>	<b>74</b>	<b>(63)</b>	<b>54%</b>
<b>Contingency Reserve</b>								
Contingency	218	0	(48)	(170)	0	0	(218)	0%
<b>Contingency Reserve Total</b>	<b>218</b>	<b>0</b>	<b>(48)</b>	<b>(170)</b>	<b>0</b>	<b>0</b>	<b>(218)</b>	<b>0%</b>

## Appendix J

	2021/22 Approved Budget at Q3	Q4 Budget Movements between Schemes	Q4 Budget Increase / Decrease	Year End Reprofiling	Revised Budget	Actual	Variance to last approved budget Q3	% Spend to last approved budget Q3
<b>IT/Infrastructure Schemes</b>								
Housing Support Services Computer Fund	50	0	0	(26)	24	24	(26)	48%
Operation Rose	82	0	0	(13)	69	69	(13)	84%
Telephony	4	0	0	(2)	2	2	(2)	50%
<b>IT/Infrastructure Schemes Total</b>	<b>136</b>	<b>0</b>	<b>0</b>	<b>(41)</b>	<b>95</b>	<b>95</b>	<b>(41)</b>	<b>70%</b>
<b>Total Housing Investment Programme</b>	<b>5,494</b>	<b>0</b>	<b>(25)</b>	<b>(1,628)</b>	<b>3,841</b>	<b>3,841</b>	<b>(1,653)</b>	<b>70%</b>
<b>Housing Strategy and Investment</b>								
<b>New build programme</b>								
New Build Programme	0	1,000	0	(1,000)	0	0	0	
New Build Programme (141 eligible)	0	18	0	(18)	0	0	0	
New Build Programme (Borrowing for 141 eligible)	0	26	0	(26)	0	0	0	
New Build Site - Queen Elizabeth Road	27	0	0	(27)	0	0	(27)	0%
New Build Site - Rookery Lane	3,369	0	0	(552)	2,817	2,817	(552)	84%
New Build Site - Searby Road	63	0	0	(63)	0	0	(63)	0%
Acquisition Buy Back Programme	2,414	(44)	0	(244)	2,126	2,126	(288)	88%
Acquisition - NSAP properties	591	0	0	0	591	591	0	100%
Acquisition - RSAP properties	280	0	0	0	280	280	0	100%
New Build Capital Salaries	43	0	0	0	43	43	0	100%
New Build- De Wint Court	7,127	(1,000)	0	(582)	5,545	5,545	(1,582)	78%
Western Growth Corridor	260	0	0	(239)	21	21	(239)	8%
	<b>14,174</b>	<b>0</b>	<b>0</b>	<b>(2,751)</b>	<b>11,423</b>	<b>11,423</b>	<b>(2,751)</b>	<b>81%</b>
<b>Total Housing Strategy and Investment Programme</b>	<b>14,174</b>	<b>0</b>	<b>0</b>	<b>(2,751)</b>	<b>11,423</b>	<b>11,423</b>	<b>(2,751)</b>	<b>81%</b>
<b>Total Housing Investment Programme</b>	<b>19,668</b>	<b>0</b>	<b>(25)</b>	<b>(4,379)</b>	<b>15,264</b>	<b>15,264</b>	<b>(4,404)</b>	<b>78%</b>

## GENERAL INVESTMENT PROGRAMME 2021-2026

	2021/22 Actual £'000	2022/23 Revised Budget £'000	2023/24 Revised Budget £'000	2024/25 Revised Budget £'000	2025/26 Revised Budget £'000
<b>CE Chief finance Officer</b>					
40 Michaelgate Structural works	0	2	0	0	0
Allotments Asbestos Sheds	0	34	0	0	0
Brayford Viewing Platform	3	0	0	0	0
Broadgate Fire Alarm	8	0	0	0	0
Canwick Rd Cemetery Railings	0	10	0	0	0
City Hall Lightning Protection	0	6	0	0	0
Grandstand Terracing Improvements	12	3	0	0	0
Greyfriars	118	56	0	0	0
Greyfriars Roof Improvements	0	4	0	0	0
Guildhall Walkway/ Access Improvements.	0	12	0	0	0
Guildhall Works	0	18	0	0	0
High Bridge Café	0	50	0	0	0
Long Leys Road Drainage	7	3	0	0	0
Monks Abbey Bowls Pavilions External Timber/ Fascia Board Improvements	9	2	0	0	0
Planned Capitalised Works	0	280	200	200	200
Play Area Surfacing Works	16	5	0	0	0
St Nicholas Church - Wall	11	0	0	0	0
Stamp End Demolition	1	138	0	0	0
The Terrace Heat Mitigation Works	0	247	0	0	0
West Common External Rendering Improvements	5	0	0	0	0
YLC Diving Boards	0	40	0	0	0
<b>CE Chief Finance Officer Total</b>	<b>190</b>	<b>910</b>	<b>200</b>	<b>200</b>	<b>200</b>
<b>CE Strategic Development</b>					
New Telephony System	2	83	0	0	0
<b>CE Strategic Development Total</b>	<b>2</b>	<b>83</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Community and Environment</b>					
Artificial Grass Pitches (AGP)	0	88	0	0	0
Crem - remodelling	2,465	131	0	0	0
Disabled Facilities Grant	620	1,529	300	300	300
Skate Park	0	0	0	183	0
Whittons Park	74	56	22	0	0
<b>Community and Environment Total</b>	<b>3,159</b>	<b>1,804</b>	<b>322</b>	<b>483</b>	<b>300</b>
<b>Community Services</b>					
Boultham Park Lake Restoration	384	17	0	0	0
Boultham Park Masterplan	28	22	0	0	0
Car Park Improvements - CCTV in MSCPs	6	0	0	0	0
EV Charge Points	44	0	0	0	0
Flood Alleviation Scheme - Hartsholme Park	16	319	0	0	0
Safer Streets App & works	270	0	0	0	0
Traveller deterrent	2	28	0	0	0
<b>Community Services Total</b>	<b>750</b>	<b>386</b>	<b>0</b>	<b>0</b>	<b>0</b>

## Appendix K

	2021/22 Actual £'000	2022/23 Revised Budget £'000	2023/24 Revised Budget £'000	2024/25 Revised Budget £'000	2025/26 Revised Budget £'000
<b>Housing Management</b>					
Housing Renewal Area Unallocated	2	338	20	0	0
<b>Housing Management Total</b>	<b>2</b>	<b>338</b>	<b>20</b>	<b>0</b>	<b>0</b>
<b>Major Developments</b>					
Central Markets	0	2	0	0	0
Central Markets (All Funding Streams)	617	6,984	966	0	0
Home Upgrade Grant	0	105	0	0	0
LAD 2 - Green Homes Grant Local Authority Delivery Scheme	20	460	0	0	0
LAD 3 - Green Homes Grant Local Authority Delivery Scheme	0	2,203	0	0	0
LAD 3 Top Up BEIS	0	440	0	0	0
Tentercroft Street	0	290	50	0	0
Towns Deal Programme Management	129	80	75	76	59
Towns Fund	477	0	0	0	0
WGC COLC	0	500	0	0	0
WGC Housing Delivery	31	6,766	0	0	0
WGC Planning Support	45	0	0	0	0
WGC Pre-planning	344	42	0	0	0
WGC Shared Infrastructure	0	2,160	0	0	0
<b>Major Developments Total</b>	<b>1,663</b>	<b>20,033</b>	<b>1,091</b>	<b>76</b>	<b>59</b>
<b>Planning</b>					
Heritage Action Zone	511	190	44	0	0
St Mary le Wigford (HAZ)	0	50	0	0	0
St Mary's Guildhall (HAZ)	123	349	0	0	0
<b>Planning Total</b>	<b>634</b>	<b>589</b>	<b>44</b>	<b>0</b>	<b>0</b>
<b>Externally Delivered Towns Deal Schemes</b>					
Barbican Production & Maker Hub	0	1,600	1,300	0	0
Drill Hall	0	1,000	0	0	0
Greyfriars	0	313	227	0	0
Hospitality & Events & Tourism Institute	0	1,120	0	0	0
Lincoln City FC and Foundation	0	800	0	0	0
Lincoln Connected	33	434	356	124	50
Sincil Bank	99	781	1,656	460	0
Store of Stories	10	155	0	0	0
Wigford Way	89	252	0	0	0
<b>Externally Delivered Towns Deal Schemes Total</b>	<b>231</b>	<b>6,455</b>	<b>3,539</b>	<b>584</b>	<b>50</b>
<b>Schemes Currently Under Review</b>					
Capital Contingencies	0	8	0	0	0
Compulsory Purchase Orders	0	151	0	0	0
Compulsory Purchase Orders	0	82	0	0	0
IT Reserve	0	74	0	0	0
<b>Schemes Currently Under Review Total</b>	<b>0</b>	<b>315</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Grand Total</b>	<b>6,631</b>	<b>30,913</b>	<b>5,216</b>	<b>1,343</b>	<b>609</b>

	2021/22 Actual £'000	2022/23 Revised Budget £'000	2023/24 Revised Budget £'000	2024/25 Revised Budget £'000	2025/26 Revised Budget £'000
<b>Decent Homes</b>					
Bathrooms & WCs	1	264	609	567	595
DH Central Heating Upgrades	1,842	2,319	1,628	1,657	1,740
Door Replacement	266	1,350	1,562	1,627	1,708
Fire Compartment works	0	5	5	5	5
Fire Doors	0	95	47	47	50
Kitchen Improvements	0	765	1,362	1,422	1,493
Lincoln Standard Windows Replacement	0	500	790	790	830
New services	17	38	55	57	60
Re-roofing	0	60	500	500	500
Rewiring	23	42	203	212	222
Structural Defects	0	10	62	64	67
Thermal Comfort Works	0	10	176	111	116
Void Capitalised Works	1,373	1,508	1,350	1,412	1,482
<b>Decent Homes Total</b>	<b>3,522</b>	<b>6,966</b>	<b>8,348</b>	<b>8,471</b>	<b>8,870</b>
<b>Lincoln Standard</b>					
Over bath showers (10 year programme)	0	80	275	286	301
<b>Lincoln Standard Total</b>	<b>0</b>	<b>80</b>	<b>275</b>	<b>286</b>	<b>301</b>
<b>Health and Safety</b>					
Asbestos Removal	56	291	190	199	209
Asbestos Surveys	61	256	129	134	140
Fire Alarms	35	30	0	0	0
Renew stair structure	0	10	40	42	44
Replacement Door Entry Systems	0	200	51	53	56
<b>Health and Safety Total</b>	<b>151</b>	<b>787</b>	<b>410</b>	<b>427</b>	<b>449</b>
<b>New build programme</b>					
Acquisitions	2,126	245	0	0	0
Acquisition - NSAP properties	591	0	0	0	0
Acquisition - RSAP properties	280	0	0	0	0
Hermit Street Regeneration	0	150	0	0	0
New Build Capital Salaries	42	44	46	47	48
New Build- De Wint Court	5,544	582	0	0	0
New Build Programme	0	3,532	360	0	0
New Build Programme (141 eligible)	(0)	791	420	1,415	0
New Build Programme (Borrowing for 141 eligible)	(0)	1,186	629	2,122	0
New Build Site - Queen Elizabeth Road	0	27	0	0	0
New Build Site - Rookery Lane	2,817	4,161	0	0	0
New Build Site - Searby Road	0	62	0	0	0
Western Growth Corridor	21	1,260	0	0	0
<b>New build programme Total</b>	<b>11,422</b>	<b>12,040</b>	<b>1,455</b>	<b>3,584</b>	<b>48</b>

	2021/22 Actual £'000	2022/23 Revised Budget £'000	2023/24 Revised Budget £'000	2024/25 Revised Budget £'000	2025/26 Revised Budget £'000
<b>Other Schemes</b>					
CCTV	0	47	0	0	0
Communal Electrics	8	100	70	101	77
Communal TV Aerials	2	60	33	16	16
Environmental works	41	1,490	1,422	856	690
Garages	0	70	75	78	82
HRA Buildings	23	108	46	47	49
<b>Other Schemes Total</b>	<b>74</b>	<b>1,874</b>	<b>1,645</b>	<b>1,097</b>	<b>915</b>
<b>IT/Infrastructure Schemes</b>					
Housing Support Services Computer Fund	24	903	0	0	0
Operation Rose	68	14	0	0	0
Telephony	2	83	0	0	0
<b>IT/Infrastructure Schemes Total</b>	<b>95</b>	<b>1,000</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Contingency</b>					
Contingency Reserve	0	420	299	250	250
<b>Contingency Total</b>	<b>0</b>	<b>420</b>	<b>299</b>	<b>250</b>	<b>250</b>
<b>Grand Total</b>	<b>15,264</b>	<b>23,167</b>	<b>12,433</b>	<b>14,116</b>	<b>10,832</b>

## Appendix M

### TFS Phase7 programme: progress at Q4 - 2021/2022

Service	Summary of project	Dir.	Total savings in 2021/22 £000's	GF savings in 2021/22 £000's	HRA savings in 2021/22 £000's	Comments
<b>ACTIONS COMPLETED AS OF END Q4 2021/22</b>						
Major Developments	Carry forward of new burdens funding	DMD	35	35	0	Complete for 21/22 – future business case required
Revenues & Benefits Shared Service	Deletion of vacant hours/post	CX	35	35	0	Complete
Sports, Leisure & City Services	Review of Recreational Services	DCE	21	21	0	Executive 17.03.21
Development Control	Review of Development Control	DCE	32	32	0	Executive 17.03.21
Development Control	Reinstatement	DCE	(36)	(36)	0	Complete
Business Development & IT	Review of Systems & Info Team	CX	27	26	1	Executive 17.03.21
Council-Wise	Mutually Agreed Resignation Scheme	ALL	254	194	59	Executive 22.02.21
Property Services	Transfer of HRA shops to General Fund	CX	117	117	0	Executive 17.03.21
Corporate	Review of funding support to The Network	CORP	4	4	0	Complete
Facilities Management	Deletion of vacant post	CX	10	10	0	Complete
Community Services	Review or public conveniences	DCE	38	38	0	Executive 26.08.21
Parking Services	Deletion of vacant posts	DCE	39	39	0	Complete
Workbased Learning	Apprentice savings	CX	53	37	16	Complete
CCTV	Transfer to alternative provider	DCE	49	49	0	Executive 26.10.21

BDIT	Business Analyst Vacancy	CX	34	23	11	Complete for 21/22
CX Management	AD Strategic Development (less Transformation Manager)	CX	28	28	0	Complete for 21/22
Policy	Various vacant posts less temp arrangements	CX	65	49	16	Complete for 21/22
Grants to External Bodies	LADAR & CAB grant less loss in Rental Income	CX	55	55	0	Complete
Grounds Maintenance	Release duplicate budget on GM	CX	68	68	0	Complete
Major Developments	Capitalisation of Major Development Officer	DMD	54	54	0	Complete
<b>TOTAL SAVINGS</b>			<b>981</b>	<b>878</b>	<b>104</b>	

<b>SUBJECT:</b>	<b>STRATEGIC RISK REGISTER – QUARTERLY REVIEW</b>
<b>DIRECTORATE:</b>	<b>CHIEF EXECUTIVE AND TOWN CLERK</b>
<b>REPORT AUTHOR:</b>	<b>JACLYN GIBSON, CHIEF FINANCE OFFICER</b>

**1. Purpose of Report**

1.1 To provide the Executive with a status report of the revised Strategic Risk Register as at the end of the fourth quarter 2021/22.

**2. Background**

2.1 An update of the Strategic Risk Register developed under the risk management approach of 'risk appetite', was last presented to the Executive in February 2022 and contained thirteen strategic risks.

2.2 Since reporting to the Executive in February, the Strategic Risk Register has been refreshed and updated by the Corporate Leadership Team. The Strategic Risk Register reflects the significant change in circumstances in which the Council has been operating since the onset of Covid19 and the different challenges and opportunities it now faces. This review has identified that there have been some positive movements in the register.

2.3 The updated Register is contained with Part B of this agenda, it contains thirteen strategic risks which are listed below, along with details of relevant mitigations.

**3. Strategic Risks**

3.1 The Strategic Risk Register now contains twelve existing risks, as follows:

- 1) Failure to engage & influence effectively the Council's strategic partners, council staff and all stakeholders to deliver against the Council's Vision 2025
- 2) Failure to deliver a sustainable Medium-Term Financial Strategy (that supports delivery of Vision 2025).
- 3) Failure to deliver the Towards Financial Sustainability Programme whilst ensuring the resilience of the Council.
- 4) Failure to ensure compliance with statutory duties/functions and appropriate governance arrangements are in place.
- 5) Failure to protect the local authority's vision 2025 due to changing structures and relationships in local government and impact on size, scale and scope of the Council.

- 6) Unable to meet the emerging changes required in the Council's culture, behaviour and skills to support the delivery of the council's Vision 2020/2025 and the transformational journey to one Council approach.
- 7) Insufficient levels of resilience and capacity exist in order to deliver key strategic projects & services within the Council.
- 8) Decline in the economic prosperity within the City Centre.
- 9) Failure to deliver key strategic projects.
- 10) Failure of the Council's key contractors and partners to remain sustainable and continue to deliver value for money
- 12) Failure to protect the vulnerable in relation to the Council's PREVENT and safeguarding duties.
- 13) Failure to mitigate against the risk of a successful cyber-attack against the council

Risk No 11. Failure to put in place safe working practices and social distancing measures to protect officers and service users, has now been removed from the register as it has been at Green status for over 6 months.

3.2 A number of control actions have now been progressed or completed and the key movements are outlined as follows:

- Risk No 1. Failure to engage & influence effectively the Council's strategic partners, council staff and all stakeholders to deliver against the Council's Vision 2025 – The refreshed and refocused interim review of Vision 2025, with a greater focus on health inequalities, has now been approved by Full Council and published on the Council's website. This followed internal scrutiny with members and consultation with stakeholders. Work on delivering the year 3-5 delivery plans is now underway.
- Risk No 2. Failure to deliver a sustainable Medium-Term Financial Strategy (that supports delivery of Vision 2025) – following public consultation, alongside the review of Vision 2025, and after member scrutiny, the MTF5 2022-27 was approved by Full Council in March 2022. This demonstrated a sustainable financial position over the medium term. However, the current economic climate and escalating inflation rates are likely to bring additional financial pressures.
- Risk No 3. Failure to deliver the Towards Financial Sustainability Programme whilst ensuring the resilience of the Council – the target saving of £850,000 for 2021/22 was overachieved, savings of £877,060 being delivered in year. Significant progress has already been made towards achieving the 2022/23 target, however inflationary pressures may require additional savings.
- Risk No 8. Decline in the economic prosperity of the City Centre – Utilising the Government's Welcome Back Fund a range of successful events and

initiatives, working alongside Lincoln BIG and Visit Lincoln, have now been delivered. The Safer Streets funding has also enabled the completion of new CCTV cameras and app, designed to support the night-time economy. Towns Deal schemes continue to be delivered e.g., the reopening of The Drill. Work is now focussing on funding bids/investment plans to seek funding under Levelling Up 2 and the UK Shared Prosperity Fund.

- Risk No 13. Failure to mitigate against the risk of a successful cyber-attack against the council with significant / critical impact – work continues to deliver improvements, with new back up arrangements implemented, training completed in ICT/DR Plans and a suite of new ICT Policies have been considered by Scrutiny and approved by the Executive. Work is also in progress in replacing unsupported legacy systems with the focus on housing IT systems.

3.3 Despite the positive movement in control actions this hasn't resulted in a change to the assessed levels of likelihood and impact of the risks.

The levels of assessed risks for all risks are summarised as follows:

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

Control actions continue to be implemented and risks managed accordingly.

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

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

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

#### **5. Organisational Impacts**

5.1 Finance - There are no direct financial implications arising as a result of this report. The Council's Strategic Risk Register contains two specific risks in relation to the Medium Term Financial Strategy and the Towards Financial Sustainability Programme, the risk registers that support these are also being reviewed in light of the current financial challenges the Council is facing.

5.2 Legal Implications including Procurement Rules - The Council is required under the Accounts and Audit Regulations 2011 to have a sound system of Internal Control which facilitates the effective exercise of the Council's functions, and which includes arrangements for the management of risk. The maintenance of a Strategic Risk

Register and the control actions which the Council undertakes are part of the way in which the Council fulfils this duty.

### 5.3 Equality, Diversity and Human Rights

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

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

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

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

## 6. Risk Implications

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

## 7. Recommendation

- 7.1 Executive are asked to note and comment on the Council's strategic risks as at the end of Quarter 4 2021/22.

**Is this a key decision?** No

**Do the exempt information categories apply?** No

**Does Rule 15 of the Scrutiny Procedure Rules (call-in and urgency) apply?** No

**How many appendices does the report contain?** None

**List of Background Papers:** None

**Lead Officer:** Jaclyn Gibson, Chief Finance Officer  
Telephone (01522) 873258

<b>SUBJECT:</b>	<b>TREASURY MANAGEMENT STEWARDSHIP AND ACTUAL PRUDENTIAL INDICATORS REPORT 2021/22 (OUTTURN)</b>
<b>DIRECTORATE:</b>	<b>CHIEF EXECUTIVE AND TOWN CLERK</b>
<b>LEAD OFFICER:</b>	<b>COLLEEN WARREN – FINANCIAL SERVICES MANAGER</b>

## 1. Purpose of Report

- 1.1 The annual Treasury Management stewardship report is a requirement of the Council's reporting procedures under regulations issued under the Local Government Act 2003. It covers the treasury management activities and the actual prudential and treasury indicators for 2021/22. This report meets the requirements of both the CIPFA Code of Practice on Treasury Management (the Code) and the CIPFA Prudential Code for Capital Finance in Local Authorities (the Prudential Code).

## 2. Executive Summary

- 2.1 During 2021/22 the Council complied with its legislative and regulatory requirements. The key prudential indicators for the year, with comparators, are as follows:

<b>Actual Prudential Indicators</b>	<b>2021/22 £000</b>	<b>2020/21 £000</b>
Actual Capital Expenditure	21,895	19,589
Capital Financing Requirement		
General Fund	68,407	67,501
HRA	74,452	70,274
Total	<b>142,859</b>	<b>137,775</b>
Net borrowing (borrowing less investments)	<b>75,327</b>	<b>89,548</b>
External debt (borrowing)	<b>125,177</b>	<b>123,448</b>
Investments		
• Longer than 1 year*		
• Under 1 year	49,850	33,900
• Total	<b>49,850</b>	<b>33,900</b>

Other prudential and treasury indicators are to be found in section 4. Please note that the figures above and all other figures in this report are based on figures which are subject to the conclusion of final accounts.

### 3. Background

3.1 The prudential system for capital expenditure is now 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 shows the status of the Prudential Indicators at 31<sup>st</sup> March 2022. For the 2021/22 financial year the minimum reporting requirements were that members should receive the following reports:

- an annual Treasury Management Strategy in advance of the year (Council 2nd March 2021)
- a mid-year Treasury Update report (Executive 18<sup>th</sup> November 2021)
- an annual report following the year describing the activity compared to the strategy (this report)

3.2 Recent changes in the regulatory environment place a much greater onus on members for the review and scrutiny of treasury management policy and activities. This report is important in that respect, as it provides details of the outturn position for treasury activities and highlights compliance with the Council's policies previously approved by members.

3.3 In compliance with the Prudential Code treasury management reports are scrutinised by Performance Scrutiny Committee and reviewed by the Executive prior to reporting to full Council if required. Member training for the Performance Scrutiny and Audit Committees was undertaken on 18<sup>th</sup> November 2021 and 1<sup>st</sup> February 2022 in order to support their roles in scrutinising the treasury management strategy and policies.

### 4. Summary of Performance against Treasury Management Strategy 2021/22

4.1 The full details of transactions in the year and performance against the Prudential Indicators are included at Appendices A and B.

4.2

<b>Actual Prudential Indicators</b>	<b>2021/22</b>	<b>2020/21</b>
Actual Capital Expenditure	21,895	19,589
Capital Financing Requirement		
General Fund	68,407	67,501
HRA	74,452	70,274
Total	<b>142,859</b>	<b>137,775</b>
Financing Costs as a proportion of Net Revenue Stream		
General Fund	24.0%	22.6%
HRA	31.6%	31.4%

- 4.3 The Chief Finance Officer confirms that borrowing was only undertaken for a capital purpose and the statutory borrowing limit, the Authorised Limit was not breached.

Additional borrowing of £3.35m was taken in 2021/22.

At 31<sup>st</sup> March 2022, the principal value of the Council's external debt was £125.177m (£123.448m at 31<sup>st</sup> March 2021) and that of its investments was £49.85m (£33.9m at 31<sup>st</sup> March 2021).

- 4.4 The increase in General Fund Financing costs as a % of net revenue stream in 2021/22, when compared with 2020/21, is due additional MRP charges and lower rates of return on investments. The slight increase in HRA Financing costs results from borrowing arrangements being at rates lower than those for borrowing taken previously but also higher levels of depreciation.
- 4.5 The financial year 2021/22 continued the challenging environment of previous years; the effect of the Covid 19 pandemic, low investment returns and continuing counterparty risk were the main features.
- 4.6 Key issues to note from activity during 2021/22:

- The Council's total debt (including leases and lease-type arrangements) at 31<sup>st</sup> March 2021 was £125.177m (Appendix A section 4.4) compared with the Capital Financing Requirement of £142.86m (Appendix A section 3.5). This represents an under-borrowing position of £17.68m, which is currently being supported by internal resources. Additional long-term borrowing will be taken in future years to bring levels up to the Capital Financing Requirement, subject to liquidity requirements, if preferential interest rates are available.
- The Council's Investments at the 31<sup>st</sup> March 2022 were £49.85m (Appendix A section 4.3), which is £15.95m higher than at 31<sup>st</sup> March 2021. Average investment balances for 2021/22 were £44.7m, which was higher than estimated balances of £24.7m in the Medium Term Financial Strategy 2021-26 due to high balances being made available through government grants. It should be noted that this refers to the principal amounts of investments held, whereas the investment values included in the balance sheet are based on fair value. In most cases, this will simply be equal to the principal invested, unless the investment has been impaired.
- Actual investment interest earned on balances was £76.7k compared to £27k estimated in the Medium Term Financial Strategy 2021-26 (Appendix A section 10.2).
- The interest rate achieved on investments was 0.19% (for 2021/22 the average was 0.53%) which reflects the low yield environment during the year. The rate is no longer compared to the LIBID rate which ceased in December 2021.

- 4.7 Risk Benchmarking

The following reports the outturn position against the security and liquidity benchmarks in the Treasury Management Strategy.

## Security

- The average security risk gives the estimated default rate on the investment counterparties which comprise the portfolio at 31<sup>st</sup> March 2022. The Council's actual average security risk for the portfolio as at 31<sup>st</sup> March 2021 is 0.014%, compared with the 0.006% for the budgeted portfolio. Whilst higher than anticipated this reflects a very low risk portfolio and equates to a potential financial loss of £2,912 on the investment portfolio of £21m using individual risk of default percentages (£28.85m of our instruments do not have a counterparty credit rating).
- Specified Investments are high security sterling investments (i.e. high credit quality) with a maturity of no more than one year. Non-specified investments are all other investments representing a potentially greater risk; however the risk is still minimal due to the stringent controls over counterparty credit quality contained within the Investment Strategy. The 2021/22 strategy set a maximum limit of 75% of the portfolio to be held in non-specified investments. At 31<sup>st</sup> March 2022, 100% of the investment portfolio was held in specified investments. The Chief Finance Officer can report that the investment portfolio was maintained within this limit throughout the year.

## Liquidity

In respect of this area the Council set liquidity benchmarks to maintain:

- Liquid short term deposits of at least £5 million available with a week's notice.
- Weighted Average Life benchmark was expected to be 0.11 years (40 days).

The actual liquidity indicators at 31<sup>st</sup> March 2021 were as follows:

- Liquid short term deposits of £28.85 million as at 31<sup>st</sup> March 2022.
- Weighted Average Life of the investment portfolio was 0.126 years (46 days). This reflects that larger amounts of investments were deposited in short term accounts to deal with cash flow requirements.

The Chief Finance Officer can report that liquidity arrangements were adequate throughout the year.

### 4.8 Benchmarking

The Council participates in the following benchmarking club:

- The Link Asset Services benchmarking club. Link Asset Services is the Council's treasury management advisors and they offer a benchmarking club for their clients. This is organised on a regional group basis. The group to which City of Lincoln belongs has 12 members within the East Midlands region. The following summary shows performance against the group average and against the benchmarking club as a whole, indicating a lower than average risk portfolio, with much lower levels of investment balances achieving a similar level of return.

	CoLC	Group Average	All club members
Principal at 31/3/22	£49,850,000	£121,919,777	£110,804,896
Weighted Average rate of return at 31/3/22	0.43%	0.54%	0.44%
Weighted average maturity at 31/3/22	46 days	103 days	74 days
Weighted average credit risk at 31/3/22	2.60	2.70	2.92

## 5. Strategic Priorities

- 5.1 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 in order to support the Medium Term Financial Strategy and the delivery of the Council's Vision 2025.

## 6. Organisational Impacts

- 6.1 Finance - The financial impacts are contained within the main body of the report and within appendices A and B.
- 6.2 Legal Implications including Procurement Rules - Section 15 of the Local Government Act 2003 requires local authorities 'to have regard (a) to such guidance as the Secretary of State may issue, and (b) to such other guidance as the Secretary of State may by regulations specify'. The Local Authorities (Capital Finance and Accounting) (England) Regulations 2003 in Regulation 24 require local authorities to have regard to the TM Code of Practice. Investment guidance issued by the Ministry for Housing Communities and Local Government (MHCLG – now DLUHC) which came into effect from 1st April 2010 requires investment policy to emphasise security and liquidity over income.

## 7. Equality, Diversity and Human Rights

- 7.1 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 The Council has the freedom to adopt its own treasury management policies. The CIPFA code of practice, which specifies the format and frequency of reporting, is part of the risk management procedures for treasury.

## 9. Recommendation

9.1 That Executive approves the actual prudential indicators contained within appendices A and B.

9.2 That Executive approves the annual treasury management report for 2021/22.

**Key Decision** No

**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

**How many appendices does the report contain?** 2

**List of Background Papers:**

Link Annual Stewardship Reports for 2021/22  
Medium Term Financial Strategy 2021-26 and 2022-27  
Prudential Indicators 2021/22 – 2022/23 and Treasury  
Management Strategy 2021/22 and 2022/23

**Lead Officer:** Colleen Warren – Financial Services Manager

## Annual Report on the Treasury Management Service and Actual Prudential Indicators 2021/22

### 1. Introduction

1.1 The Council undertakes capital expenditure on long-term assets. These activities can be:

- Financed immediately through the application of capital or revenue resources (capital receipts, capital grants, revenue contributions etc.), which has no resultant impact on the Council's borrowing need; or
- If insufficient financing is available, or a decision is taken not to apply resources, the capital expenditure will give rise to a borrowing need.

Capital expenditure activity is regulated by the CIPFA Prudential Code, which requires actual outturn to be reported in the following areas: -

- Capital expenditure;
- Capital Financing Requirement;
- Debt;
- Ratio of financing costs to net revenue stream.

The remaining prudential indicators are included to make the annual reporting comprehensive and to comply with the requirements of the Treasury Management Code.

1.2 Part of the Council's treasury activities is to address any borrowing need, either through borrowing from external bodies, or utilising temporary cash resources within the Council. The wider treasury activities also include managing the Council's cash flows, its previous borrowing activities and the investment of surplus funds. These activities are structured to manage risk foremost, and then optimise performance. This area of activity is regulated by the CIPFA Code of Practice on Treasury Management.

1.3 Wider information on the regulatory requirements is shown in section 11.

### 2. The Council's Capital Expenditure and Financing 2021/22

2.1 This forms one of the required prudential indicators and shows total capital expenditure for the year and how this was financed.

	2021/22 Actual £'000	2021/22 Revised Estimate £'000	2020/21 Actual £'000
General Fund capital expenditure	6,631	20,398	3,212
HRA capital expenditure	15,264	30,248	16,377
Total capital expenditure	<b>21,895</b>	<b>50,646</b>	<b>19,589</b>
Resourced by:			
Capital receipts	1,340	5,656	1,633
Capital grants & contributions	9,821	15,214	4,553
Direct Revenue Financing	215	6,186	663
Major repairs reserve	3,842	10,514	4,044
<b>Un-financed capital expenditure (additional need to borrow)</b>	<b>6,677</b>	<b>13,076</b>	<b>8,696</b>

2.2 Further details on 2021/22 Capital Expenditure and Financing can be found in the Financial Performance Detailed Outturn 2021/22 report elsewhere on the agenda.

### 3. The Council's Overall Borrowing Need

3.1 The Council's underlying need to borrow is called the Capital Financing Requirement (CFR). This figure is a gauge for the Council's debt position and represents 2021/22 and prior years' net capital expenditure that has not yet been charged to revenue or other resources.

3.2 Part of the Council's treasury activities is to address this borrowing need, either through borrowing from external bodies, or utilising temporary cash resources within the Council.

3.3 The General Fund element of the CFR is reduced each year by a statutory revenue charge (called the Minimum Revenue Provision - MRP). The total CFR can also be reduced by:

- the application of additional capital resources (such as unapplied capital receipts); or
- charging more than the statutory revenue charge (MRP) each year through a Voluntary Revenue Provision (VRP) or depreciation.

3.4 The Council's MRP policy for 2021/22 was approved by Council on 2<sup>nd</sup> March 2021 as part of the Prudential Indicators 2021/22 – 2023/24 and Treasury Management Strategy 2021/22.

3.5 The Council's CFR for the year is shown below and represents a key prudential indicator. The CFR includes leasing schemes which increase the Council's

borrowing need. No borrowing is actually required against these schemes as a borrowing facility is included in the contract. During the year land appropriations resulted in an appropriation between the General Fund and HRA CFR.

<b>Capital Financing Requirement General Fund</b>	<b>31 March 2022 Actual £'000</b>	<b>31 March 2022 Revised Estimate £'000</b>	<b>31 March 2021 Actual £'000</b>
Opening balance 1 April	67,502	67,502	68,562
Plus un-financed capital expenditure	2,500	9,129	597
Finance leases	0	0	(105)
Less MRP/VRP*	(1,444)	(1,444)	(1,552)
Use of capital receipts	(150)	(3,372)	0
<b>Closing balance 31 March</b>	<b>68,407</b>	<b>71,815</b>	<b>67,502</b>

<b>Capital Financing Requirement HRA</b>	<b>31 March 2022 Actual £'000</b>	<b>31 March 2022 Revised Estimate £'000</b>	<b>31 March 2021 Actual £'000</b>
Opening balance 1 April	70,273	70,273	62,174
Plus un-financed capital expenditure	4,178	3,947	8,099
<b>Closing balance 31 March</b>	<b>74,451</b>	<b>74,220</b>	<b>70,273</b>

\* includes finance lease repayments

#### 4. Treasury Position at 31st March 2022

4.1 Whilst the Council's gauge of its underlying need to borrow is the CFR, the Chief Finance Officer and the treasury team manage the Council's actual borrowing position by either:

- borrowing to the CFR,
- choosing to temporarily utilise some flow funds instead of borrowing (under-borrowing)
- borrowing for future increases in the CFR (borrowing in advance of need).

4.2 It should be noted that the figures in this report are based on the principal amounts borrowed and invested and so may differ from those in the final accounts by items such as accrued interest (outstanding interest due to be paid and received as at 31<sup>st</sup> March), or where the carrying amount is based on fair values.

- 4.3 During 2021/22 the Chief Finance Officer managed the borrowing position to £125.177 million. The treasury position at the 31<sup>st</sup> March 2021 compared with the previous year was:

	31 March 2022		31 March 2021	
	Principal £'000	Average Rate (full year)	Principal £'000	Average Rate (full year)
<b>Borrowing Position</b>				
Fixed Interest Rate Debt	125,177	3.02%	123,448	3.25%
Variable Interest Rate Debt	0	N/A	0	N/A
Total Debt (borrowing) *	125,177	3.02%	123,448	3.25%
Capital Financing Requirement (borrowing only)	142,858	N/A	137,775	N/A
Over/(under) borrowing	(17,680)	N/A	(14,327)	N/A
<b>Investment Position</b>				
Fixed Interest Investments	21,000	0.30%	19,000	0.41%
Variable Interest Investments	28,850	0.05%	14,900	0.10%
Total Investments **	49,850	0.19%	33,900	0.20%
<b>Net Borrowing Position</b>	<b>75,327</b>		<b>89,548</b>	

\* Excludes local Bonds & Mortgages and other long-term liabilities ( e.g. finance leases)

\*\* The interest rate given differs from the interest rate given in Paragraph 4.6 of the main report because the rates above are for investments held at 31 March whereas the average rate of investment is for investments held during 2021/22.

- 4.4 The total debt position also includes other long term liabilities such as finance leases and embedded leases within service contracts. The total debt position at 31<sup>st</sup> March 2022 was £125.177 million as shown below:

	31 March 2022 Actual £'000	31 March 2022 Revised Estimate £'000	31 March 2021 Actual £'000
Gross borrowing	125,177	136,000	123,448
Other long term liabilities	0	0	0
<b>Total External debt</b>	<b>125,177</b>	<b>136,000</b>	<b>123,448</b>

- 4.5 The maturity structure of the debt portfolio was as follows:

	<b>31 March 2022 Actual £'000</b>	<b>31 March 2021 Actual £'000</b>
Under 12 months	13,215	7,710
12 months and within 24 months	2,500	8,215
24 months and within 5 years	2,897	6,072
5 years and within 10 years	11,462	10,696
10 years and above	95,103	90,755
<b>Total</b>	<b>125,177</b>	<b>123,448</b>

4.6 The maturity structure of the investment portfolio was as follows:

	<b>31 March 2022 Actual £'000</b>	<b>31 March 2021 Actual £'000</b>
Longer than 1 year	0	0
Under 1 year	49,850	33,900
<b>Total</b>	<b>49,850</b>	<b>33,900</b>

## 5. The Strategy for 2021/22

5.1 The Council's overall core borrowing objectives are:

- To reduce the revenue costs of debt in line with the targets set for the Chief Finance Officer by Council (see local indicators).
- To manage the Council's debt maturity profile, leaving no one future year with a high level of repayments that might cause problems in re-borrowing.
- To effect funding at the cheapest cost commensurate with future risk.
- To forecast average future interest rates and borrow accordingly i.e. short term/variable when rates are 'high', long term/fixed when rates are 'low'.
- To monitor and review the level of variable rate loans in order to take greater advantage of interest rate movements.
- To proactively reschedule debt in order to take advantage of potential savings as interest rates change. Each rescheduling exercise will be considered in terms of the effect of premiums and discounts on the General Fund and the Housing Revenue Account.
- To manage the day-to-day cash flow of the Authority in order to, where possible, negate the need for short-term borrowing. However, short-term borrowing will be incurred, if it is deemed prudent to take advantage of good investment rates.

## 6. Actual Debt Management Activity during 2021/22

### 6.1 Borrowing

- 6.1.1 Long term borrowing, totalling £5m was taken in 2021/22; short term borrowing of £5m was taken in 2021/22; of this £6.645m were replacement loans. The 3% stock, PWLB, short term and annuity borrowing of £8.271m was repaid in 2021/22.
- 6.1.2 The average rate achieved for borrowing (excluding finance and embedded leases) in 2021/22 was 3.02%, which compares favourably to the target of 4.25% (2020/21 3.25% actual compared to the target of 4.75%). The decrease in rate is due to short term borrowing through other local authorities and new and replacement PWLB borrowing at favourable rates.

	31 March 2022 Actual £'000	31 March 2021 Actual £'000
Interest payable on borrowing	3,797	3,912
- General Fund	1,372	1,485
- HRA	2,425	2,427
Interest payable on finance leases	0	2
- General Fund	0	2
- HRA	0	0

### 6.2 Rescheduling

- 6.2.1 No rescheduling was undertaken during the year as the differential between PWLB new borrowing rates and premature repayment rates made rescheduling unviable.

## 7. Prudential Indicators and Compliance Issues

- 7.1 Some of the required prudential indicators provide either an overview or specific limits on treasury activity. These are shown below:

## 7.2 Net Borrowing and the CFR

7.2.1 In order to ensure that borrowing levels are prudent over the medium term the Council's external borrowing, net of investments, must only be for a capital purpose. This essentially means that the Council is not borrowing to support revenue expenditure. Net borrowing should not therefore, except in the short term, have exceeded the CFR for 2021/22 plus the expected changes to the CFR over 2021/22 and 2022/23 from financing the capital programme. This indicator allows the Council some flexibility to borrow in advance of its immediate capital needs in 2021/22. The table below highlights the Council's net borrowing position against the CFR. The Council has complied with this prudential indicator.

	<b>31 March 2022  Actual £'000</b>	<b>31 March 2022 Revised Estimate £'000</b>	<b>31 March 2021  Actual £'000</b>
<b>Net borrowing position</b>	75,327	103,000	89,548
<b>Capital Financing Requirement</b>	142,858	146,035	137,775

## 7.3 The Authorised Limit and Operational Boundary

7.3.1 The Authorised Limit is the "Affordable Borrowing Limit" required by section 3 of the Local Government Act 2003. The Council does not have the power to borrow above this level. The table below demonstrates that during 2021/22 the Council has maintained gross borrowing within its Authorised Limit.

7.3.2 The Operational Boundary is the expected borrowing position of the Council during the year, and periods where the actual position is either below or over the Boundary is acceptable subject to the Authorised Limit not being breached.

7.3.3 The table below shows the highest borrowing position reached in the year (including temporary borrowing and other long term liabilities) compared to the Authorised Limit and Operational Boundary.

	<b>2021/22 £'000</b>
Authorised Limit (revised estimate)	163,633
Maximum gross borrowing position during 2021/22	127,887
Operational Boundary (revised estimate)	160,833
Average gross borrowing position during 2021/22	124,933
Minimum gross borrowing position during the year	120,177

## 7.4 Actual financing costs as a proportion of net revenue stream

- 7.4.1 This indicator identifies the trend in the cost of capital (borrowing and other long-term obligation costs net of investment income) against the net revenue stream.

Financing costs as a proportion of net revenue stream -	2021/22 Actual %	2021/22 Revised Estimate %	2020/21 Actual %
General Fund	24.0%	26.6%	22.6%
HRA	31.6%	30.7%	31.4%

The increase in General Fund Financing costs as a % of net revenue stream in 2021/22, when compared with 2020/21, is due to increased MRP charges and lower rates of return on investments.

The HRA Financing costs results reflect higher than anticipated levels of depreciation.

## 8. Economic Background for 2021/22

The following commentary on the economic conditions for 2021/22 is provided by Link Asset Services, the Council's treasury management advisers.

- 8.1 **UK. Economy.** Over the last two years, the coronavirus outbreak has done huge economic damage to the UK and to economies around the world. After the Bank of England took emergency action in March 2020 to cut Bank Rate to 0.10%, it left Bank Rate unchanged at its subsequent meetings until raising it to 0.25% at its meeting on 16<sup>th</sup> December 2021, 0.50% at its meeting of 4<sup>th</sup> February 2022 and then to 0.75% in March 2022.

The UK economy has endured several false dawns through 2021/22, but with most of the economy now opened up and nearly back to business-as-usual, the GDP numbers have been robust (9% y/y Q1 2022) and sufficient for the MPC to focus on tackling the second-round effects of inflation, now that the CPI measure has already risen to 6.2% and is likely to exceed 8% in April.

Gilt yields fell towards the back end of 2021, but despite the war in Ukraine gilt yields have shot higher in early 2022. At 1.38%, 2-year yields remain close to their recent 11-year high and 10-year yields of 1.65% are close to their recent six-year high. These rises have been part of a global trend as central banks have suggested they will continue to raise interest rates to contain inflation.

Historically, a further rise in US Treasury yields will probably drag UK gilt yields higher. There is a strong correlation between the two factors. However, the squeeze on real household disposable incomes arising from the 54% leap in April utilities prices as well as rises in council tax, water prices and many phone contract prices, are strong headwinds for any economy to deal with. In addition, from 1<sup>st</sup> April 2022, employees also pay 1.25% more in National Insurance tax. Consequently, inflation will be a bigger drag on real incomes in 2022 than in any year since records began in 1955.

**Average inflation targeting.** This was the major change in 2020/21 adopted by the Bank of England in terms of implementing its inflation target of 2%. The key addition to the Bank's forward guidance in August 2020 was a new phrase in the policy statement, namely that "it does not intend to tighten monetary policy until there is clear evidence that significant progress is being made in eliminating spare capacity and *achieving the 2% target sustainably*". That mantra now seems very dated. Inflation is the "genie" that has escaped the bottle, and a perfect storm of supply side shortages, labour shortages, commodity price inflation, the impact of Russia's invasion of Ukraine and subsequent Western sanctions all point to inflation being at elevated levels until well into 2023.

**USA.** The flurry of comments from Fed officials following the mid-March FOMC meeting – including from Chair Jerome Powell himself – hammering home the hawkish message from the mid-March meeting, has had markets pricing in a further 225bps of interest rate increases in 2022 on top of the initial move to an interest rate range of 0.25% - 0.5%.

In addition, the Fed is expected to start to run down its balance sheet. Powell noted that the rundown could come as soon as the next meeting in May.

The upward pressure on inflation from higher oil prices and potential knock-on impacts on supply chains all argue for tighter policy (CPI is estimated at 7.8% across Q1), but the hit to real disposable incomes and the additional uncertainty points in the opposite direction.

More recently, the inversion of the 10y-2y Treasury yield spread at the end of March led to predictable speculation that the Fed's interest rate hikes would quickly push the US economy into recession. Q1 GDP growth is likely to be only between 1.0% and 1.5% annualised (down from 7% in Q4 2021). But, on a positive note, the economy created more than 550,000 jobs per month in Q1, a number unchanged from the post-pandemic 2021 average. Unemployment is only 3.8%.

**EU.** With euro-zone inflation having jumped to 7.5% in March it seems increasingly likely that the ECB will accelerate its plans to tighten monetary policy. It is likely to end net asset purchases in June – i.e., earlier than the Q3 date which the ECB targeted in March. And the market is now anticipating possibly three 25bp rate hikes later this year followed by more in 2023. Policymakers have also hinted strongly that they would re-start asset purchases if required. In a recent speech, Christine Lagarde said "we can design and deploy new instruments to secure monetary policy transmission as we move along the path of policy normalisation."

While inflation has hit the headlines recently, the risk of recession has also been rising. Among the bigger countries, Germany is most likely to experience a "technical" recession because its GDP contracted in Q4 2021, and its performance has been subdued in Q1 2022. However, overall, Q1 2022 growth for the Eurozone is expected to be 0.3% q/q with the y/y figure posting a healthy 5.2% gain. Finishing on a bright note, unemployment fell to only 6.8% in February.

**China.** After a concerted effort to get on top of the virus outbreak in Q1 of 2020, economic recovery was strong in the rest of the year; however, 2021 has seen the economy negatively impacted by political policies that have focussed on constraining digital services, restricting individual freedoms, and re-establishing the power of the One-Party state. With the recent outbreak of Covid-19 in large

cities, such as Shanghai, near-term economic performance is likely to be subdued. Official GDP numbers suggest growth of c4% y/y, but other data measures suggest this may be an overstatement.

**Japan.** The Japanese economic performance through 2021/22 is best described as tepid. With a succession of local lockdowns throughout the course of the year, GDP is expected to have risen only 0.5% y/y with Q4 seeing a minor contraction. The policy rate has remained at -0.1%, unemployment is currently only 2.7% and inflation is sub 1%, although cost pressures are mounting.

**World growth.** World growth is estimated to have expanded 8.9% in 2021/22 following a contraction of 6.6% in 2020/21.

**Deglobalisation.** Until recent years, world growth has been boosted by increasing globalisation i.e. countries specialising in producing goods and commodities in which they have an economic advantage and which they then trade with the rest of the world. This has boosted worldwide productivity and growth, and, by lowering costs, has also depressed inflation. However, the rise of China as an economic superpower over the last 30 years, which now accounts for 18% of total world GDP (the USA accounts for 24%), and Russia's recent invasion of Ukraine, has unbalanced the world economy. In addition, after the pandemic exposed how frail extended supply lines were around the world, both factors are now likely to lead to a sharp retrenchment of economies into two blocs of western democracies v. autocracies. It is, therefore, likely that we are heading into a period where there will be a reversal of world globalisation and a decoupling of western countries from dependence on China (and to a much lesser extent Russia) to supply products and vice versa. This is likely to reduce world growth rates.

**Central banks' monetary policy.** During the pandemic, the governments of western countries have provided massive fiscal support to their economies which has resulted in a big increase in total government debt in each country. It is therefore very important that bond yields stay low while debt to GDP ratios slowly subside under the impact of economic growth. This provides governments with a good reason to amend the mandates given to central banks to allow higher average levels of inflation than we have generally seen over the last couple of decades. Both the Fed and Bank of England have already changed their policy towards implementing their existing mandates on inflation, (and full employment), to hitting an average level of inflation. Greater emphasis could also be placed on hitting subsidiary targets e.g. full employment before raising rates. Higher average rates of inflation would also help to erode the real value of government debt more quickly.

## 9. Investment Position

- 9.1 The Council's investment policy is governed by DLUHC Guidance, which has been implemented in the Annual Investment Strategy approved by Council on 2<sup>nd</sup> March 2021. This policy sets out the approach for choosing investment counterparties, and is based on credit ratings provided by the three main credit rating agencies supplemented by additional market data (such as rating outlooks, credit default swaps, bank share prices etc.). The investment activity during the year conformed to the approved strategy, and the Council had no liquidity difficulties.

- 9.2 The Council's longer-term cash balances comprise primarily revenue and capital resources, although these are influenced by cash flow considerations. The Council's core cash resources comprised as follows, and meet the expectations of the budget.

<b>Balance Sheet Resources (draft) - General Fund</b>	<b>31 March 2022 £'000</b>	<b>31 March 2021 £'000</b>
Balances	2,193	2,667
Earmarked reserves	12,473	19,563
Provisions	2,197	2,353
Usable capital receipts	30	623
<b>Total</b>	<b>16,893</b>	<b>25,206</b>
<b>Balance Sheet Resources (draft) - HRA</b>	<b>31 March 2022 £'000</b>	<b>31 March 2021 £'000</b>
Balances	1,025	1,075
Earmarked reserves	2,880	2,617
Usable capital receipts	5,678	3,889
<b>Total</b>	<b>9,583</b>	<b>7,581</b>
<b>Total General Fund &amp; HRA</b>	<b>26,476</b>	<b>32,787</b>

*Please note that at the time of writing the year end position is yet to be finalised and the balance sheet resources are draft, subject to approval of recommendations made in the outturn report.*

## 10. Investments Held by the Council

- 10.1 The Council does not have the expertise or resources to actively use a wide range of investment products and therefore performance tends to be more stable but lower over the longer term than for professionally managed funds (whose performance may fluctuate more). The Council maintained an average balance of £44.695m and received an average return of 0.19%. The comparable performance indicator was previously the average 7-day LIBID rate; this is no longer available and the Treasury team are working with our advisors to develop a revised performance indicator.
- 10.2 In 2021/22, £76k interest was earned on balances (£72k in 2020/21). This is £49k more than the £27k estimated in the Medium Term Financial Strategy 2021-26 primarily due to increases in the BoE base rate during the year and higher than anticipated levels of balances. The analysis of this result is shown in the table below.

	<b>MTFS 2021-26 Budget £'000</b>	<b>Outturn 2021/22 £'000</b>
Interest earned - General fund & other commitments	18	52
- HRA	9	24

<b>Total interest earned</b>	<b>27</b>	<b>76</b>
Average balance invested in year	24,700	44,695
Average interest rate achieved	0.13%	0.19%

\* The interest rate given differs from that given in Paragraph 4.3 of the main report because this is an average interest for the year whereas the interest rate given in paragraph 4.3 is a rate for balances at 31 March 2022.

The Economic Background for 2021/22 (see Section 8) sets out the economic conditions during this period. Below is Link's forecast for interest rates at 31 March 2022.

Link Group Interest Rate View 7.2.22													
	Mar-22	Jun-22	Sep-22	Dec-22	Mar-23	Jun-23	Sep-23	Dec-23	Mar-24	Jun-24	Sep-24	Dec-24	Mar-25
<b>BANK RATE</b>	0.75	1.00	1.00	1.25	1.25	1.25	1.25	1.25	1.25	1.25	1.25	1.25	1.25
3 month av. earnings	0.80	1.00	1.00	1.20	1.20	1.20	1.20	1.20	1.20	1.20	1.20	1.20	1.20
6 month av. earnings	1.00	1.10	1.20	1.30	1.30	1.30	1.30	1.30	1.30	1.30	1.30	1.30	1.30
12 month av. earnings	1.40	1.50	1.60	1.70	1.70	1.60	1.60	1.50	1.40	1.40	1.40	1.40	1.40
5 yr PWLB	2.20	2.30	2.30	2.30	2.30	2.30	2.30	2.30	2.30	2.30	2.30	2.30	2.30
10 yr PWLB	2.30	2.40	2.40	2.40	2.40	2.40	2.40	2.40	2.40	2.40	2.40	2.40	2.40
25 yr PWLB	2.40	2.50	2.50	2.60	2.60	2.60	2.60	2.60	2.60	2.60	2.60	2.60	2.60
50 yr PWLB	2.20	2.30	2.30	2.40	2.40	2.40	2.40	2.40	2.40	2.40	2.40	2.40	2.40

## 11. Risk Benchmarking

The regulatory framework also requires the consideration and approval of security and liquidity benchmarks. Yield benchmarks are currently widely used to assess investment performance. Security and liquidity benchmarks are used to assess the level of risk in the investment portfolio and whether sufficient liquidity is being maintained.

### 11.1 The following reports the current position against the benchmarks originally approved in the 2021/22 Treasury Management Strategy.

#### Security

- The Council's security risk for the portfolio as at 31<sup>st</sup> March 2022 is 0.014%, which compares with the 0.006% for the budgeted portfolio. This gives the estimated default rate on the investment counterparties which comprise the portfolio at 31<sup>st</sup> March 2022. This equates to a potential financial loss of £2,912 on the investment portfolio of £21m - £28.85m of the portfolio is not subject to historic counterparty risk information
- Specified Investments are high security sterling investments (i.e. high credit quality) with a maturity of no more than one year. Non-specified investments are all other investments representing a potentially greater risk however the risk is still minimal due to the stringent controls over counterparty credit quality contained within the Investment Strategy. The 2021/22 strategy set a maximum limit of 75% of the portfolio to be held in non-specified investments. At 31<sup>st</sup> March 2022, 100% of the investment portfolio was held in specified investments. The Chief Finance Officer can report that the investment portfolio was maintained within this limit throughout the year.

#### Liquidity

In respect of this area the Council set liquidity benchmarks to maintain:

- Liquid short term deposits of at least £5 million available with a week's notice.
- Weighted Average Life benchmark was expected to be 0.11 years (40 days).

The actual liquidity indicators at 31<sup>st</sup> March 2022 were as follows:

- Liquid short term deposits of £28.85 million as at 31<sup>st</sup> March 2022.
- Weighted Average Life of the investment portfolio was 0.126 years (46 days).

### 11.2 Performance Indicators set for 2021/22

11.3 The Code of Practice on Treasury Management requires the Council to set performance indicators to assess the adequacy of the treasury management function over the year. The Chief Finance Officer set 8 local indicators for 2021/22, which aim to add value and assist the understanding of the main prudential indicators. These indicators, detailed in Appendix B, are:

- Debt – Borrowing rate achieved against average 7 day LIBOR – this is no longer available
- Investments – Investment rate achieved against average 7 day LIBID – this is no longer available.
- Average rate of interest paid on the Councils Debt during the year – this will evaluate performance in managing the debt portfolio to release revenue savings.
- The amount of interest on debt as a percentage of gross revenue expenditure.
- Limit on fixed interest rate investments
- Limit on fixed interest rate debt
- Limit on variable rate investments
- Limit on variable rate debt

## Regulatory Framework, Risk and Performance

12. The Council's treasury management activities are regulated by a variety of professional codes, statutes and guidance:

- The Local Government Act 2003 (the Act), which provides the powers to borrow and invest as well as providing controls and limits on this activity;
- The Act permits the Secretary of State to set limits either on the Council or nationally on all local authorities restricting the amount of borrowing which may be undertaken (although no restrictions were made in 2021/22);
- Statutory Instrument (SI) 3146 2003, as amended, develops the controls and powers within the Act;
- The SI requires the Council to undertake any borrowing activity with regard to the CIPFA Prudential Code for Capital Finance in Local Authorities;

- The SI also requires the Council to operate the overall treasury function with regard to the CIPFA Code of Practice for Treasury Management in the Public Services;
- Under the Act the ODPM has issued Investment Guidance to structure and regulate the Council's investment activities;

Under section 238(2) of the Local Government and Public Involvement in Health Act 2007 the Secretary of State has taken powers to issue guidance on accounting practices.

- 12.1 The Council has complied with all of the above relevant statutory and regulatory requirements, which limit the levels of risk associated with its treasury management activities. In particular its adoption and implementation of both the Prudential Code and the Code of Practice for Treasury Management means both that its capital expenditure is prudent, affordable and sustainable, and its treasury practices demonstrate a low risk approach.
13. The Council is aware of the risks of passive management of the treasury portfolio and, with the support of Link Asset Services, the Council's advisers, has proactively managed its treasury position over the year. The Council has continued to utilise historically low borrowing costs and has complied with its internal and external procedural requirements. There is little risk of volatility of costs in the current debt portfolio as the interest rates are predominantly fixed, utilising long-term loans.
- 13.1 Shorter-term variable rates and likely future movements in these rates predominantly determine the Council's investment return. These returns can therefore be volatile and, whilst the risk of loss of principal is minimised through the annual investment strategy, accurately forecasting future returns can be difficult.

**Prudential and Treasury Indicators 2021/22**

<b>1. PRUDENTIAL INDICATORS</b>	<b>2021/22 Actual</b>	<b>2021/22 Estimated</b>	<b>2020/21 Actual</b>
<b>Capital Expenditure</b>	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>
General Fund	6,631	20,398	3,212
HRA	15,264	30,248	16,377
TOTAL	21,985	50,646	19,589
<b>Ratio of financing costs to net revenue stream</b>	<b>%</b>	<b>%</b>	<b>%</b>
General Fund	24.0%	26.6%	22.9%
HRA	31.6%	30.7%	31.4%
<b>Borrowing requirement General Fund</b>	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>
Borrowing requirement at 1 April	67,501	67,501	68,562
Borrowing requirement at 31 March	68,407	71,815	67,501
In-year borrowing requirement	905	4,313	597
<b>Borrowing requirement HRA</b>	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>
Borrowing requirement at 1 April	70,274	70,274	62,174
Borrowing requirement at 31 March	74,451	74,220	70,274
In-year borrowing requirement	4,178	3,946	8,099
<b>Net Debt</b>	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>
Actual borrowing less investments	75,327	100,633	89,548
<b>CFR</b>	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>
General Fund	68,407	71,815	67,501
HRA	74,451	74,220	70,274
TOTAL	142,858	146,035	137,775
<b>Annual change in Capital Financing Requirement</b>	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>
General Fund	905	4,313	(1,060)
HRA	4,178	3,947	8,099
TOTAL	5,083	8,260	7,039

<b>2. TREASURY MANAGEMENT INDICATORS</b>	<b>2021/22 Revised</b>	<b>2021/22 Estimated</b>	<b>2020/21 Actual</b>
<b>Authorised Limit for external debt –</b>	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>
Borrowing	125,177	162,133	123,448
Other long term liabilities	0	1,500	0
<b>TOTAL</b>	<b>125,177</b>	<b>163,633</b>	<b>123,448</b>
<b>Operational Boundary for external debt -</b>	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>
Borrowing	125,177	148,633	123,448
Other long term liabilities	0	1,200	0
<b>TOTAL</b>	<b>125,177</b>	<b>160,833</b>	<b>123,448</b>
<b>Actual external debt</b>	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>
General Fund	54,079	63,000	52,909
HRA	71,098	73,000	70,539
<b>TOTAL</b>	<b>125,177</b>	<b>136,000</b>	<b>123,448</b>
<b>Upper limit for fixed interest rate exposure</b>	<b>£m</b>	<b>Target £m</b>	<b>£m</b>
Net principal re fixed rate borrowing / investments	104.2	125.3	104.5
<b>Upper limit for variable rate exposure</b>	<b>£m</b>	<b>Target £m</b>	<b>£m</b>
Net principal re variable rate borrowing / investments *	(28.85)	53.5	14.9
<b>Upper limit for total principal sums invested for over 1 year (per maturity date)</b>	<b>£'000</b>	<b>£</b>	<b>£'000</b>
	Nil	5	Nil

\*negative due to holding variable investments only

<b>Maturity structure of fixed rate borrowing during 2021/22</b>	<b>Actual %</b>	<b>Upper limit %</b>	<b>Lower limit %</b>
Under 12 months	11%	40	0
12 months and within 24 months	2%	40	0
24 months and within 5 years	2%	60	0
5 years and within 10 years	9%	80	0
10 years and above	76%	100	10

## Local Indicators Treasury Management Indicators

	2021/22 Actual %	2021/22 Revised %	2020/21 Actual %
<b>Debt - Borrowing rate achieved i.e. temporary borrowing (loans of less than 1 year)</b>	Achieved 0.55%	LIBOR no longer available for comparison	Achieved 0.40% LIBOR 0.054% +0.36%

	2021/22 Actual %	2021/22 Revised %	2020/21 Actual %
<b>Investment rate achieved</b>	Achieved 0.19%	LIBID no longer available for comparison	Achieved 0.2% LIBID - 0.07% +0.27%

	2021/22 Actual %	2021/22 Revised %	2020/21 Actual %
<b>Average rate of Interest Paid on Council Debt (%)</b>	3.02%	3.25%	3.25%

	2021/22 Actual %	2021/22 Target %	2020/21 Actual %
<b>Interest on Debt as a % of Gross Revenue Expenditure</b>	3.8%	4.4%	3.6%
General Fund	2.0%	2.4%	1.88%
HRA	7.6%	8.1%	8.02%

	2021/22 Actual (ave) %	2021/22 Target %	2020/21 Actual %
<b>Upper limits on fixed interest rate investments</b>	53%	100%	56%

	2021/22 Actual %	2021/22 Target %	2020/21 Actual %
<b>Upper limits on fixed interest rate debt</b>	100%	100%	100%

	<b>2021/22 Actual (ave) %</b>	<b>2021/22 Target %</b>	<b>2020/21 Actual %</b>
<b>Upper limits on variable interest rate investments</b>	47%	75%	44%

	<b>2021/22 Actual %</b>	<b>2021/22 Target %</b>	<b>2020/21 Actual %</b>
<b>Upper limits on variable interest rate debt</b>	0%	40%	0%

<b>SUBJECT:</b>	<b>OPERATIONAL PERFORMANCE REPORT Q4 2021/22</b>
<b>DIRECTORATE:</b>	<b>CHIEF EXECUTIVE AND TOWN CLERK</b>
<b>REPORT AUTHORS:</b>	<b>ROBERT MARSHALL – BUSINESS INTELLIGENCE ANALYST CORPORATE POLICY</b>
	<b>SCOTT LEA – POLICY PERFORMANCE AND SUPPORT OFFICER</b>

## 1. Purpose of Report

- 1.1 To present to Executive an outturn summary of the Council's performance in Quarter 4 of 2021/22.

## 2. Executive Summary

- 2.1 This report covers Quarter 4 of 2021/22, with the data found in three Appendices A, B and C.

- Appendix A – Summary of Quarterly and Annual Measure Performance by Directorate
- Appendix B – Quarterly Measure Performance from Performance and Information Management System (PIMS)
- Appendix C – Annual Measure Performance from PIMS

There are 65 quarterly measures included within this report;

- 16 measures are RED (Below lower target boundary)
- 17 measures are Blue (Within target boundaries – Acceptable)
- 14 measures are Green (Exceeding the higher target)
- 18 measures are Volumetric (Contextual)

There are 6 annual measures include within this report;

- 0 measures are RED (Below lower target boundary)
- 4 measures are Blue (Within target boundaries – Acceptable)
- 2 measures are Green (Exceeding the higher target)
- 0 measures are Volumetric (Contextual)

The on-going effects of covid recovery, cost of living increases, supply shortages and the most recent lockdown period have impacted a range of services.

## 3. Background

- 3.1 City of Lincoln Council (CoLC), like all other authorities, has had to make dramatic changes service provisions during the COVID pandemic and as we continue in this

period of recovery, additional challenges (cost of living, reduced supply chain) are putting additional demand on the public and CoLC itself.

The need to ensure that our critical services are functioning, but also to deliver a community leadership role for our city in a time of crisis has continued to be our focus.

- 3.2 Whilst formal performance reporting was limited in the first half of 2020/21, we restarted reporting in quarter four and we are now able to report performance figures for our key services and have resumed our usual performance reporting format.

This report will present the performance of service areas and directorates against our agreed performance measures and targets, as well as corporate performance measures.

- 3.3 As requested by Corporate Management Team (CMT) each measure is monitored against a target boundary range. If a performance measure is Blue (Acceptable) this measure is seen as performing. The higher target (Green) is seen as an aspirational target to further drive performance.
- 3.4 During the consideration by Performance Scrutiny Committee (PSC) of the report for Quarter 3, a request was made to include more detail in the table analysis found at the beginning of each directorate section.

Additional Information requested:

- Target Boundaries

Presently this information can be found in Appendix B which gives more detail for each measure, but it was not possible to change the format during this financial year.

We are looking to be able to take this step as part of the Q1 report for 2022-03.

#### **4. The Data Appendices**

- 4.1 The full report is attached as **Appendix A**, with the Quarterly Strategic Measures Dashboard attached as **Appendix B** and the Annual measures attached as **Appendix C**.

Between them this provides a narrative summary of performance for Quarter 4 for each of the key services plus a summary table of results by directorate.

- 4.2 The written report focuses on service areas performance measures and what has affected their outturn (performance). It offers commentary on why this is the case and what steps are in place to remedy any issues.

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

- 5.1 City of Lincoln Council – Vision 2025
- Let's drive inclusive economic growth.

- Let's reduce all kinds of inequality.
- Let's deliver quality housing.
- Let's enhance our remarkable place.
- Let's address the challenge of climate change.

The report is split into directorate and each directorate does connect loosely with our 2025 Vision Priorities but is not an explicit connection.

Directorate of the Chief Executive

- Reducing all Kinds of Inequality

Directorate of Communities and Environment

- Lets enhance our remarkable place

Directorate of Housing and Investment

- Lets deliver quality housing

## **6. Organisational Impacts**

### 6.1 Finance (including whole life costs where applicable)

There are no direct financial implications because of this report. Further details on the Council's financial position can be found in the financial performance quarterly report.

### 6.2 Legal Implications including Procurement Rules

There are no direct legal implications.

### 6.3 Equality, Diversity and Human Rights

There are no direct equality implications because of this report.

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

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

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

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

## **7. Risk Implications**

### 7.1 (i) Options Explored – n/a

### 7.2 (ii) Key Risks Associated with the Preferred Approach – n/a

**8. Recommendation**

8.1 Executive is asked to comment on the achievements and challenges identified in this report.

**Is this a key decision?** No

**Do the exempt information categories apply?** No

**Does Rule 15 of the Scrutiny Procedure Rules (call-in and urgency) apply?** No

**How many appendices does the report contain?** Three (A, B and C)

**List of Background Papers:** None

**Lead Officers:** Robert Marshall  
Business Intelligence Analyst, Corporate Policy



CITY OF  
*Lincoln*  
COUNCIL

# Operational Performance Report Q4 2021/22

Robert Marshall

Business Intelligence Analyst

May 2022

## Contents

Introduction	Page 3
How to read this report	Page 4
Authority Wide Summary	Page 5
• Chief Executives Directorate	
▪ Performance – Pages 6 - 12	
• Directorate for Communities and Environment	
▪ Performance – Pages 14 - 19	
• Directorate for Housing and Investment	
▪ Performance – Pages 21 - 25	
• Corporate Measures	
▪ Performance – Pages 27 - 31	

## Introduction

Within this Operational Performance Report for City of Lincoln Council, Q4 2021-22 we are reviewing 65 quarterly measures and 6 annual measures across the Chief Executive (DCX), Community and Environment (DCE) and Housing and Investment Directorates (DHI).

As with previous reports, the report is split into 5 parts;

- 1- Introduction
- 2- Directorate of the Chief Executive Performance
- 3- Directorate of Communities and Environment Performance
- 4- Directorate of Housing and Investment Performance
- 5- Authority Wide Performance

The pandemic impacted many services for a prolonged period and as part of the recovery period, many services were working to reintroduce cyclical inspections, catch up with missed or postponed appointments, whilst introducing cost cutting initiatives as part of the 'Towards Financial Sustainability' programme. As with many sectors, capacity to handle the day to day operations, this unprecedented backlog, with resource and supply constraints is continuing to undermine some performance areas.

More recently, the effects of the cost of living increases are already starting to be felt as the wider community struggles with financial constraints; increasing the demand on council services, reducing surplus income, resources and material in a somewhat turbulent and volatile global environment which creates further uncertainty.

The council is working with all stakeholders, service providers and at all levels to mitigate the impacts of this ever changing environment, and strategically planning in the short and long term, and where possible grow revenue and reduce costs. A number of service areas are still following 18-month recovery plan implemented by government agencies before Business As Usual (BAU) resumes.

Performance has and will continue to be affected over the coming months as we strive to return to BAU and as the long term understanding of COVID is learnt. Clear focus and drive are put into returning to the new BAU but as with every new obstacle, challenge and change, this in itself is an ever changing state of fluctuation. There is however, still clear evidence of performance stabilisation and improvement across all directorates which will add value in the coming months and years.

As usual the detailed reports can be found in appendix B and C and corporate related measures are in section 5.

## How to read this report

### Measures belonging to **Chief Executives Directorate**

– predominantly covering “Reducing all kinds of inequality”

### Measures belonging to **Directorate for Communities and Environment**

– predominantly covering “Lets enhance our remarkable place”

### Measures belonging to **Directorate for Housing and Investment**

- predominantly covering “Lets deliver quality housing”

Directorate for Major Developments doesn't monitor performance through strategic measures, and instead is performance managed by the progress of the various projects DMD owns under "Driving Inclusive Economic Growth" and “Let’s Address the Challenge of Climate Change”

The report details all measures by individual directorate grouping, with annual and quarterly measures split separately.

The report also includes data on our corporate measure categories:

- Health & wellbeing including sickness data
- Corporate complaints including Ombudsman rulings
- Resource information
- Appraisal information



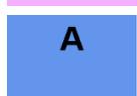
At or above target



Below target



Volumetric/contextual measures that support targeted measures



Acceptable performance - results are within target boundaries



Performance has improved since last quarter/year



Performance has deteriorated since last quarter/year



Performance has stayed the same since last quarter/year

# Authority Wide Performance Summary

Below is a summary of the performance measures status for each directorate and as an authority. The information is presented as a count of the measures, broken down by the directorates, status, and direction, as well as a total.

**G** At or above target

**R** Below target

**V** Volumetric/contextual measures that support targeted measures

**A** Acceptable performance - results are within target boundaries

Quarterly Strategic measure performance by status					
Directorate	Below Target	Acceptable	Above target	Volumetric	Total
CX	6	2	5	5	18
DCE	4	11	6	8	29
DHI	6	4	3	5	18
Total	16	17	14	18	65
Quarterly Strategic measure performance by direction					
Directorate	Deteriorating	No change	Improving	Volumetric	Total
CX	5	1	7	5	18
DCE	10	4	7	8	29
DHI	5	0	8	5	18
Total	20	5	22	18	65

# Chief Executives Directorate Performance

Service Area	Measure	Current Value	Status	Direction
Communications	Percentage of media enquiries responded to within four working hours	73.00	A	▼
Communications	Number of proactive communications issued that help maintain or enhance our reputation	27	A	—
Work Based Learning	Percentage of apprentices completing their qualification on time	83.00	R	▲
Work Based Learning	Number of new starters on the apprenticeship scheme	5	V	—
Work Based Learning	Percentage of apprentices moving into Education, Employment or Training	83.00	V	—
Customer Services	Number of face to face enquiries in customer services	57	V	—
Customer Services	Number of telephone enquiries answered in Channel Shift Areas (Rev & Bens, Housing & Env. Services)	32,005	V	—
Customer Services	Average time taken to answer a call to customer services	321	R	▼
Accountancy	Average return on investment portfolio	0.30	G	▲
Accountancy	Average interest rate on external borrowing	3.02	G	▲
Revenues Administration	Council Tax - in year collection rate for Lincoln	94.00	R	▲
Revenues Administration	Business Rates - in year collection rate for Lincoln	98.45	R	▲
Revenues Administration	Number of outstanding customer changes in the Revenues team	2,413	R	▼
Housing Benefit Administration	Average (YTD) days to process new housing benefit claims from date received	16.54	G	▼
Housing Benefit Administration	Average (YTD) days to process housing benefit claim changes of circumstances from date received	3.55	G	▲
Housing Benefit Administration	Number of Housing Benefits / Council Tax support customers awaiting assessment	2,117	R	▼
Housing Benefit Administration	Percentage of risk-based quality checks made where Benefit entitlement is correct	97.13	G	▲
Housing Benefit Administration	The number of new benefit claims year to date (Housing Benefits/Council Tax Support)	4,036	V	—

## Annual Measures

	Service Area	Measure	Current Year	Current Value	Status
CX	Debtors & Creditors	Percentage of invoices paid within 30 days	2021/22	95.84	A
	Debtors & Creditors	Percentage of invoices that have a Purchase Order completed	2021/22	55.00	A
	Debtors & Creditors	Average number of days to pay invoices	2021/22	13.00	G

## Communications

There was a slight reduction in response time during Q4, performance was still within target boundaries of 70-85%, at 73%. This is compared to 76% in Q3 and means that for the 9th consecutive quarter responses to media enquiries have been within target boundaries.

As outlined in the previous quarter, vacancies within the department are the main obstacle to returning to last years 85%+ performance on response times. Recruitment for this position is still on-going and further steps have been taken to fill the vacant Communications Officer role. A further decision has been made to also appoint a 2-year fixed term contract, Senior Communications Officer. The responsibilities of this new role will include the management of media enquiries about Western Growth Corridor, the Town Deal Fund scheme and other partnership projects.

There was a wide variety of enquiries this quarter with the main focus on the closure and maintenance works on the ceiling above the main pool at Yarborough Leisure Centre, the upcoming closure and enhancement of the Central Market and the planning meeting and decision on Western Growth Corridor.

## Work Based Learning

The focus within the team is on recruitment into the apprenticeship scheme following the impacts of Covid-19 and we continue to work with service areas to identify opportunities. This drive is continuing to increase performance from 3 new apprentices in Q3 to 5 in Q4, bringing the cumulative total to 14 apprentices year to date.

In Q4, the percentage of apprentices completing their qualification on time, is showing as below target for Q4. Five out of the six apprentices qualified on time at 83%, which is below the lower boundary target of 92%. This 'Red' status is as a result of the Covid recovery period, with there being only 6 apprentices against the usual 20. As with all WBL measures, we expect to see the continued improvement in to the next financial year.

## Customer Services

For the first quarter this year we have seen a slight drop in face to face appointments across all services, these include Welfare Team, Housing Officers, Homelessness and Parking, with the Welfare team seeing the most customers.

CS1 - Q1 = 152, Q2 = 187, Q3 = 198 and Q4 = 187.

Within the Customer Services team, we have seen the same trend in face-to-face customers for Q4 at City Hall, being Q1= 53, Q2 = 72, Q3 = 73 and Q4 = 57. We continue to use the pre-booking system which is operating well for both staff and customers. It is worth noting that there was capacity to handle more face-to-face meetings but there was no demand.

During Q4 each year we expect to see an increase in call volume due to annual letters and bills being sent out. The total call volume for Q4 = 36,518 (+23.0% on Q3, 29,692 calls) and 36,518 (+7.97% YOY) for the same period last year. It is worth noting that a direct YOY comparison should not be made due to lockdown periods within this time period.

The following shows a breakdown of calls for Q4 (2021-22)

	No. of calls Q4 21-22	% of all calls 21-22
Elections / Xmas Market	61	0.2%
Environment	807	2.0%
Garden Waste	116	0.3%
Homeless	651	1.7%
Housing Solutions	5189	13.2%
Housing	17469	44.3%
Refuse	3531	9.0%
Repairs	647	1.6%
Revenues	10935	27.7%
<b>Total</b>	<b>39430</b>	<b>NA</b>

*Table 1 – Calls to customers service split by Channel Shift areas*

Calls in Q4 were answered on average in 321 seconds which is marginally outside the target boundary of 300 but is a reduction of 92 seconds from its peak in Q2. Taking into account the upturn in call volume from Q3 into Q4 shows improvements in efficiency to minimising wait times without an increase in staff costs are paying dividend.

The following shows call wait times and call length time per service area.

	No. of calls Q4 21-22	Average Wait Time	Average Call and Processing Time
Elections / Xmas Market	61	00:04:10	00:10:57
Garden Waste	116	00:02:45	00:07:40
Homeless	651	00:03:18	00:10:21
Housing Solutions	5189	00:03:26	00:09:54
Housing	17469	00:06:38	00:14:15
Refuse	3531	00:02:26	00:09:57
Repairs	647	00:10:23	00:15:48
Revenues	10946	00:05:38	00:15:33
<b>Total</b>	<b>39417</b>	<b>00:05:21</b>	<b>00:13:30</b>

Table 2 - Calls to customers service split by Channel Shift areas

### Accountancy

The average return on investment has seen the third consecutive quarter of improvement, from 0.14% in Q3 to 0.3% in Q4. This means that for the last three quarters this measure has been within or exceeded the target boundaries of 0.12% and 0.18%. As outlined in previous quarters, The Bank of England base rate has increased driving this performance and we expect this trend to continue in future quarters.

We continue to outperform on ACC 2 – Average Interest rate on external borrowing and have achieved the higher target of 3.75 for the 9th consecutive period at 3.02% for Q4, this is a marginal drop from 3.10% in Q3.

## Revenues

REV 1 – Collection rate for Q4 was 94% which is outside the lower target boundary of 95%. In monetary terms this is down on the previous year by 0.78% (£372,768). This outturn was affected by system issues as we still had £210,320 of covid hardship to apply to the accounts. The recent announcements of the Covid Additional Relief Fund and the £150 Council Tax Energy Rebate meant that the software suppliers were delayed in providing us with the necessary software. It is anticipated this would have improved collection by approximately 0.45% which would have brought us very close to the lower boundary target of 95%.

The Magistrate's Court has now reopened in its normal capacity although trying to deal with huge backlogs and the recovery team continues to try to engage with customers to come to arrangements to clear their bills before taking the route of enforcement.

The outturn for REV 2 is 0.05% below target for Q4 and sits at 98.45% against 98.50%. 98.45% is slightly lower than 2020/21 outturn of 98.97%. It should be noted that the Covid pandemic is still affecting some of the customers who had less help in 2021/22 than they did in 2020/21 which is affecting this performance.

The Expanded Retail Discount (ERD) was reduced from 100% in 2020/21 to 66% for the final three quarters of 2021/22 and was capped per business. This meant that the ERD grant reduced from 29m 2020/21 to just under 10m for 2021/22.

The Government announced the Covid Additional Relief Fund in March 21 but did not provide any details to the billing authorities until just before Christmas 2021. Once we had these details, including how much we would be granted, we had to put a local scheme into place, and invite applications from customers that we had identified as potentially eligible for this relief. The closing date for these applications was 31.3.2022 and as with REV 1, the financial impact expected in Q4 will be delayed into the next financial year due to this delay.

The number of outstanding customer changes in revenue has risen in Q4 to 2,413 against 1,738 in Q3 and 1,650 at the same point last year. The overall increase in correspondants was the main driver of this demand but has been confounded by high absence rates and a number of experienced officers leaving.

As outlined in Q3, a number of measures were put in place to mitigate the upturn in demand, this is still reducing the amount from its peak in Q2 of 3,737, by offering overtime and employing a temporary officer. We are currently waiting for DBS checks for 3 new full-time employees, which will bring the council tax team back to almost their full established compliment of staff. Within the recovery team we have appointed 1 full time employee and are carrying approx. 0.6FTE vacant hours which have gone out to advert.

## Benefits Administration

For the 9th consecutive quarter, BE 1 – Average (YTD) days to process new housing benefit claims is outperforming target boundaries and in Q4 reported 16.54 days against a seasonal higher target of 17.00 days. The main reason given for the positive performance outcomes is the weekly monitoring of housing benefit claims which was introduced last year and continues to drive performance.

As with BE 1 we are continuing to see improvement in BE 2 which sits at 3.55 against the higher target of 4.5 days. This is an improvement of 1.82 days from Q3 and 1.94 days from its peak in Q2.

The number of housing benefit or council tax support customers waiting assessment (BE3) has continued to increase and for Q4 sits at 2,117 against the target boundary of 1,250-1,100. This is an increase in 474 from Q3 but a reduction of 6 from the same time last year. The main driver of the increase is due to changes in income and rent being made at the end of the financial year.

BE4 - Percentage of risk-based quality checks made where Benefit entitlement is correct continues to outperform target boundaries at 97.13% versus a higher target of 92%. The definition for 'correct, first time' relates to a claim being out by even 1p which shows the stringent controls and checks that are undertaken to maintain this measure. This is an improvement from Q3 where 96.40% of claims were quality checked to be 'Correct, First Time'.

The number of new benefit claims year to date (Housing Benefits/Council Tax Support) for Q4 was 887 for housing benefit and 3149 for council tax reductions. This is an increase of 242 and 828 respectively from Q3 but an overall reduction from Q4 last year of 1,299 total claims.



# Directorate for Communities and Environment - Performance

Service Area	Measure	Current Value	Status	Direction
Food and Health & Safety Enforcement	Percentage of premises fully or broadly compliant with Food Health & Safety inspection	98.10	G	▲
Food and Health & Safety Enforcement	Average time from actual date of inspection to achieving compliance	18.60	R	▲
Food and Health & Safety Enforcement	Percentage of food inspections that should have been completed and have been in that time period	100.00	G	▬
Development Management (Planning)	Number of applications in the quarter	228	V	▬
Development Management (Planning)	End to end time to determine a planning application (Days)	79.16	A	▼
Development Management (Planning)	Number of live planning applications open	145	A	▲
Development Management (Planning)	Percentage of applications approved	95.00	A	▬
Development Management (Planning)	Percentage of decisions on planning applications that are subsequently overturned on appeal	0.00	G	▬
Development Management (Planning)	Percentage of Non-Major Planning Applications determined within the government target (70% in 8 weeks) measured on a 2 year rolling basis	83.00	A	▼
Development Management (Planning)	Percentage of Major Planning Applications determined within the government target (60% in 13 weeks) measured on a 2 year rolling basis	89.00	A	▲
Private Housing	Average time in weeks from occupational therapy notification to completion of works on site for a DFG grant (all DFG's exc. extensions)	28.00	R	▼
Private Housing	Average time from date of inspection of accommodation to removing a severe hazard to an acceptable level	5.40	V	▬
Private Housing	Number of empty homes brought back into use	23	A	▲
Public Protection and Anti-Social Behaviour Team	Number of cases received in the quarter (ASB)	85	V	▬
Public Protection and Anti-Social Behaviour Team	Number of cases closed in the quarter	715	V	▬
Public Protection and Anti-Social Behaviour Team	Number of live cases open at the end of the quarter	248	A	▼
Public Protection and Anti-Social Behaviour Team	Satisfaction of complainants relating to how the complaint was handled	0.00	A	▬
Sport & Leisure	Quarterly visitor numbers to Birchwood and Yarborough Leisure Centres	106,509	R	▼
Sport & Leisure	Artificial Grass Pitch usage at Yarborough Leisure Centre & Birchwood Leisure Centre	775.00	G	▼
CCTV	Total number of incidents handled by CCTV operators	2,134	V	▬
Waste & Recycling	Percentage of waste recycled or composted	32.30	A	▼
Waste & Recycling	Contractor points achieved against target standards specified in contract - Waste Management	125	A	▼
Street Cleansing	Contractor points achieved against target standards specified in contract - Street Cleansing	65	A	▲
Grounds Maintenance	Contractor points achieved against target standards specified in contract - Grounds Maintenance	35	G	▲
Allotments	Percentage occupancy of allotment plots	95.00	G	▼
Parking Services	Overall percentage utilisation of all car parks	42.00	R	▼

Parking Services	Number of off street charged parking spaces	3,771	V	—
Licensing	Total number of committee referrals (for all licensing functions)	3	V	—
Licensing	Total number of enforcement actions (revocations, suspensions and prosecutions)	1	V	—

## Annual Measures

	Service Area	Measure	Current Year	Current Value	Status
CX	Debtors & Creditors	Percentage of invoices paid within 30 days	2021/22	95.84	A
	Debtors & Creditors	Percentage of invoices that have a Purchase Order completed	2021/22	55.00	A
	Debtors & Creditors	Average number of days to pay invoices	2021/22	13.00	G

## Food Health and Safety

In Q4, we continue to operate under the guidance of the Food Standards Agency Recovery Plan and as a result the compliance of premises which have had a food, health and safety inspection undertaken must be continued to be treated with caution due to a continuing partial suspension of the service due to the impacts of Covid-19. This shows that 566 business out of 1,147 in total being fully or broadly compliant which is an increase from the previous quarter and it is anticipated the performance of this measure will continue to change over the next two quarterly periods as more businesses are inspected. It is important to note there are currently 11 businesses which are of non-compliant status and the food health and safety team are continuing to work with these businesses to support them in achieving a level that is broadly compliant.

As full recovery of the inspection programme is not expected by the FSA until March 2023, an improvement is being seen in the average time from date of inspection to achieving compliance reporting at 18.6 days and although this continues to fall outside of the higher and lower target boundary, is a significant improvement from the Q3 figure of 40.3 days. This is due to the team focusing on those businesses highlighted in the recovery plan which are the more compliant businesses as well as focusing on those businesses that required structural works completing.

## Development Management (Planning)

Development Management has continued to show excellent progress in Q4, with one of their six measures above target and the other five on target.

In Q4, there were 228 planning applications submitted and remains at a consistent level compared to the previous Q3 figure which reported at 227 and continues to show an increased level of confidence in the development sector.

It took 79.16 days on average to determine the outcome of live planning applications in Q4 and although reporting higher than the Q3 return of 68.96 days, it still falls comfortably within the target boundaries. The reported figure for Q4 is as a result of an increase in more complex non-major applications which inevitably have taken more time to process. The number of planning applications that are still being worked on has decreased this quarter to 145 from the 156 reported in Q3, which shows the continued hard work of the development management team in ensuring more decisions have been made this quarter.

In Q4, performance continues to be high and consistent standing at 95%. This is the same percentage outturn as seen in Q3 reflecting the positive approach of the service with once again, no appeals overturned in Q4, highlighting the quality and robustness of the decisions made.

The percentage of non-major planning applications determined within government target reported at 83% and although a reduction on the previous quarters outturn of

90.89%, it still falls within the national threshold of 90%. There is an increase for major planning applications reporting at 89% this quarter, compared to 82.5% last quarter, but still falling comfortably above the required national threshold of 90%. It is important to note that major planning applications continue to remain the focus of prioritisation for the Development Management team.

### **Private Housing**

In this financial year a total of 59 adaptations were completed costing £619k and a further £590K has been approved or committed, totalling a cost of £1.2m including administration fees. The average time from an occupational therapist notification to completing works on site was 28 weeks this is a slight drop in performance on the average time from the previous quarter. It is anticipated this will improve now the team have resumed home visits again, which will allow them to sit down with applicants to complete the application and obtain all the necessary information as opposed to carrying out this remotely which was the case during the pandemic period. The process has also been impacted by the contractors taking time in supplying the designs for the adaptations which has delayed the approval process and lastly the team has been impacted due to staff resource pressures.

During Q4, 15 disrepair/condition cases were resolved. In total for the full year we have seen 84 complaints resolved in an average time of 9 weeks. There are also 45 cases that remain open due to still being under investigation.

In Q4, 23 further empty properties have been returned to use compared to 17 saw in the previous quarter. Furnished empty properties that have been empty for longer than 6 months has increased again as expected and is reporting at 788. However it is important to note that whilst we continue to assist in bringing empty homes back in to use, the majority of these properties is made up of student accommodation which haven't been occupied during the academic year.

### **Public Protection and Anti-Social Behaviour (PP-ASB)**

The number of ASB cases received in any quarter is a volumetric measure (meaning it is not something the team can influence), however in Q4, the figure reported at 85 which is an increase from the previous quarter and continues to show the significant impact on the PPASB team due to increased demand across all services.

This is also reflected in the 814 ASB service requests received in Q4, however the team has worked hard to ensure 715 of these have been closed. Overall, this years outturn for 2021/2022 has exceed figures from previous years.

The number of cases still open in Q4 is 248 which is higher than normally expected but still falls within the low target of 260. This is due to a higher number of cases being received this quarter and the complexity as well as resource pressures within the ASB team.

It is important to note that no collection is currently been undertaken this quarter for satisfaction of complainants relating to how the complaint was handled. Following the

trial in their services as outlined in Q3 it is anticipated this measure will resume in Q1 2022/2023, it is now live and working and ready to be distributed to customers.

## **Sports and Leisure**

In Q4, visitor numbers to leisure centres in total across both Birchwood and Yarborough decreased slightly reporting at 106,509 down from 110,339 in Q3. The majority of this is a decrease at Yarborough due to the pool currently being closed for essential repairs.

As a result, Birchwood has seen visitor numbers increase to 39,613 (69% of pre-pandemic levels) and Yarborough has seen 66,896 visits (39% of pre-pandemic levels).

Artificial Grass Pitch (AGP) usage at Yarborough Leisure Centre & Birchwood Leisure Centre, has seen 775 hours of use during Q4 which is a slight decrease on the previous quarter of 806 hours however continues to remain comfortably above target. It is important to note that the weather has been a challenge over this period with high winds resulting in some outside events being cancelled.

## **Waste and Recycling**

Note that the quarterly data presented here is, as usual, lagged by one quarter and thus refers to Q3 2021/22. In Q3, 18.8% of waste was recycled and 13.5% of waste was composted equating to an overall figure of 32.3% of waste being composted or recycled resulting in a 2.52% decrease from the previous quarter. It is important to note that composting tonnages are very much related to the weather and will vary seasonally.

In Q4, contractor points given against target standards for waste management remained within the target boundary of 50-150 despite reporting at 125, with 50 points in January, 40 points in February and 35 points in March. 5 performance points for each missed collection (where the miss was due to contractor error and not due to customer error or circumstances beyond the contractor's control such as a blocked street).

## **Street Cleansing and Grounds Maintenance**

In Q4, we have recorded 65 contractor points against the Street Cleansing team and 35 against the Grounds Maintenance team which is an improvement in both areas from the previous quarter. This means that both teams are still within their target boundaries of between 50 and 150 maximum.

The breakdown across the quarter for contractor points awarded against the Street Cleansing team is 20 points were awarded in January, 15 points in February and 30 points in March.

The breakdown across the quarter for contractor points awarded against the Grounds Maintenance team is 0 points were awarded in January, 20 points in February and 15 points in March. It is important to note the points awarded in February and March corresponded to the services delivered by the tree team.

### **Allotments**

As at the end of Q4, the percentage of occupancy of allotment plots is continuing to report comfortably above the target of 92% and at a consistent level with a figure of 95%. 1,057 plots of a total 1,168 were let. Of the 1,168 plots, 1,115 of these are currently lettable.

The demand for allotment tenancies continues to operate at a steady rate and all allotment sites currently have waiting lists for plots of which the team are continuing to work hard to address. It is important to note the new charge levels introduced and the removal of age related discounts are not seen to be currently having an impact on demand.

### **Parking**

In Q4, the car parks have seen an expected decrease in utilisation over the winter months reporting at 42%. This is a significant improvement on the same quarter for the previous year as we continue to experience an increase in demand for car parking due to increased footfall and workers returning to the office. The team continue to ensure a clean, safe experience for customers and staff.



# Directorate of Housing and Investment Performance

Service Area	Measure	Current Value	Status	Direction
Housing Investment	Percentage of council properties that are not at the 'Decent Homes' standard (excluding refusals)	0.70	A	▲
Housing Investment	Number of properties 'not decent' as a result of tenants refusal to allow work (excluding referrals)	183	V	▬
Housing Investment	Percentage of dwellings with a valid gas safety certificate	99.71	R	▲
Control Centre	Percentage of Lincare Housing Assistance calls answered within 60 seconds	98.24	A	▼
Rent Collection	Rent collected as a proportion of rent owed	100.18	G	▼
Rent Collection	Current tenant arrears as a percentage of the annual rent debit	3.63	A	▲
Housing Solutions	The number of people currently on the housing list	1,440	V	▬
Housing Solutions	The number of people approaching the council as homeless	990	V	▬
Housing Solutions	Successful preventions and relief of homelessness against total number of homelessness approaches	45.19	R	▲
Housing Voids	Percentage of rent lost through dwelling being vacant	1.41	R	▲
Housing Voids	Average re-let time calendar days for all dwellings - standard re-lets	56.08	R	▼
Housing Voids	Average re-let time calendar days for all dwellings (including major works)	65.76	R	▼
Housing Maintenance	Percentage of reactive repairs completed within target time (priority and urgent repairs) - HRS only	94.04	R	▲
Housing Maintenance	Percentage of repairs fixed first time (priority and urgent repairs) - HRS only	92.85	A	▼
Housing Maintenance	Appointments kept as a percentage of appointments made (priority and urgent repairs) - HRS only	99.46	G	▲
Business Development	Number of users logged into the on-line self service system this quarter	14,771	G	▲
IT	Number of calls logged to IT helpdesk	1,124	V	▬
IT	Percentage of first time fixes	60.60	V	▬

## Housing Investment

For the third consecutive quarter, we have seen a reduction (improvement) in the percentage of homes not at a 'Decent Homes' standard (excluding refusals), achieving 0.7% against 2.10% in Q1, 1.50% in Q2 and 1.06% in Q3. This means that this measure is now 'Achieving' (Blue) and within target boundaries.

This 0.7% equates to 56 properties that do not meet the decent homes standard and of these, 40 are in the programme for a replacement door. A further 14 are recorded as electrical failures and is due to failed access to undertake the 5-year electrical inspection. The final 2 properties require a new roof.

As outlined in previous reports, we are having long term access issues to carry out electrical testing, despite attempts working across the council to gain entry. Tenants have the option to refuse improvement works, with various reasons for refusal offered such as health issues and a lack of willingness to cooperate. We currently have 183 properties which are considered 'not decent standard' as a result of tenants refusing us entry, this is an increase of 5 over Q4. This is the first increase we have seen over the last two financial years.

As discussed in previous reports, the Health and Safety Executive set the expectation that gas servicing must continue during the pandemic but we are still having access issues with a small number of properties. That said, we are continuing to see positive improvement quarter on quarter with the percentage of dwelling with a valid gas certificate now at 99.71% which is only 0.09% below the target boundary of 99.8%.

We have robust processes in place which are followed and failed access addresses are referred to legal services to obtain access. A detailed breakdown of reasons of non-compliance is shown in appendix B.

## Control Centre

For the 5th consecutive quarter, the percentage of assistance calls answered within 60 seconds to Lincare has been within target boundaries. Q4 saw a slight drop in performance to 98.24% from 98.3% in Q3.

Lincare has noted that they have had staff shortages and continue to have disruption from COVID but that they have worked to maintain this level of service.

## Rent Collection (Tenancy Services)

For Q4 in-year rent collection was 100.18%, meaning that we received more rent payments than was due in this period and therefore means the additional money goes towards arrears. Compared to the same period last year which was 99.46% this is the 9<sup>th</sup> consecutive quarter when outturn has outperformed target boundaries.

The current rent arrears (RC 2) as a % of the debit achieve for Q4 is 3.63%, which after a blip in Q2 means that this measure is again within target boundaries. This has resulted in an overall reduction in rent arrears of £18k compared to last financial year.

Since the eviction ban was lifted in October 2021, 10 evictions have been carried out which is not a significant number compared to previous years. This demonstrates the balance of maximising income to the HRA whilst prioritising tenancy support and sustainment.

## Housing Solutions

Following two consecutive quarters of increase for (HS1) Number of people currently on the housing list, in Q4 this increase has flattened, now having 1,440 in Q4 verses 1,448 in Q3. With the cost of living rises there is an expectation that these numbers may still increase in coming months as people try to secure more affordable accommodation.

We are continuing to see exponential growth in the number of people approaching the council as homeless growing from 707 in Q3 to 990 in Q4 (+40%). This is also a sizeable increase from the same period last year which was 704. As with HS1 we are expecting to see an increase over the coming months due to the cost of living increases.

Successful preventions and relief of homelessness against the total number of homelessness approaches continue to be below target boundaries at 45.19% but is an improvement on performance from Q3 which was 43.70%.

The team continues to work with applicants to try to prevent or relieve homelessness. This has been extremely challenging over the past 18 months as shared living arrangements have irretrievably broken down following the national lockdowns and there have been fewer properties available in both the private rented sector and within our stock. Wherever possible and following government instruction, we have continued to prioritise those facing homelessness for available accommodation.

## Housing Voids

For the first time in seven quarters we have seen a slight reduction in the percentage of rent lost through dwelling being vacant, from 1.44% in Q3 to 1.41% in Q4. This is compared to 1.12% for the same period last year.

The void process continues to face several challenges with labour, contractors and materials which has resulted in an increase in void time and consequently % of rent lost. The Voids Team are currently working to reduce this with the help of additional contractors as more materials become available.

For the 3<sup>rd</sup> quarter we have seen an increase in average re-let time, standard re-lets (HV2) with the Q4 being 56.08 days versus 51.94 days in Q3. As explored in previous reports, voids have experienced increased challenges since their initial contractor went into administration in 2021, leaving significant pressure on the DLO. There is a high, national demand for labour, meaning that ColC has had difficulty securing the necessary workforce to turnaround the empty properties to achieve the target of 32 days.

There has also been an increase in the number of terminations due to deaths, meaning that pre-termination inspections cannot be completed, resulting in more difficulty when planning required works.

There are now additional contractors in place to carry out void works and we have allocated additional staff from the DLO. Subsequently, we are seeing an increase in the properties being completed and relet and are on track to bring performance more in line within target in next financial year.

The current void turnaround time (HV 3) has continued to increase over the last three quarters with outturn being 65.76 days in Q4 versus 59.88 in Q3. Properties requiring major works have seen increased difficulty with sourcing necessary materials and labour, resulting in an increase in the re-let time. As with all re-lets, new tenants have often struggled to move due to isolation, or difficulty sourcing removals in a timely manner resulting in further delays.

With the award of a new repairs contract, contractor support will be in place and with the increasing availability of materials, we are expecting the void turnaround time to improve as we enter the new financial year.

To offer some further context to the work undertaken but not reported on as part of HV1-3, during 2021-22 we re-let 453 properties that are included within this measure

(General Needs / Sheltered), there were an additional 155 voids (+25%) that don't get included e.g. Homeless Licenses properties, purchase & repair, NSAP etc. Of the 453 properties re-let, there were 108 refusals which equates to 23.8%. When we have refusals this causes delays in the void time as the property is ready to let but we can't re-let until an offer is accepted from a prospective tenant.

## **Housing Maintenance**

For the fourth consecutive quarter, the percentage of reactive repairs completed within target time (HM1) for priority and urgent repairs are outside of target boundaries, but we have seen the third consecutive quarter of improvement. The outturn for Q4 was 94.04% verses 92.66% in Q2 and 91.74% in Q1. The main driver of this improvement is having a full compliment of joiners and improvements made in the scheduling elements.

For the fifth quarter the percentage of repairs fixed first time (HM2) is within target boundaries and sits at 92.85% in Q4. This is a slight drop from 92.97% in Q3 but a significant increase from its lowest point in Q3 last year of 89.95%. As with HM1 this continued positive outturn is driven by the recent recruitment being done and continued upskilling and training of the workforce and therefore we would expect this to maintain and improve as we enter the new financial year.

For the 9<sup>th</sup> consecutive period, the percentage of appointments kept (priority and urgent) is performing above target boundaries and was 99.46% at the end of Q4. This is a slight improvement from Q3 at 99.30% and below the same period last year at 99.89% but is still a very positive performance.

## **Business Development**

Although we have seen a decrease over the previous three quarters we have seen the seasonal increase in demand which is expected in Q4 for online self-service useage (BD1). For Q4 we saw 14,771 use the online service compared to 9,026 in Q3 and compared to 15,276 in the same period last year.

There are several programmes and projects taking place under the One Council vision which involves IT reviewing current systems and as part of this work will be done to identify any root causes of these reductions.

We have seen the fourth quarter increase in calls logged to IT (ICT1) to its highest point at of 1,124 in Q4 verses 993 in Q3. The main driver for this increase is due to quarantining of emails from the new IT process and software.

As with ICT1, ICT2 has seen a small but steady increase over the last six quarters to its highest rate in Q4 of 60.60% with the percentage of first time fixes.

**KEEP  
LINCOLN  
SAFE**

SPENCER

THE  
CAFE

# Authority Wide Measures

## Health and Wellbeing

Between January and March 2022, the council made 10 Occupational Health referrals.

HR have previously delivered Mental Health Awareness sessions with managers and more recently a tailored/interactive Mental Health Awareness session was delivered to a specific department and we are looking to produce a briefing for all employees on this.

HR have had an Employee Discount Platform review meeting with our account manager, and following this we will be re-promoting our platform with a focus on a way to help with household expenses/cost of living. Awareness sessions are being set up for the next quarter as part of 'Our Financial Health Matters'. Pension awareness and Budget Management sessions also being scoped for the next quarter.

## Sickness performance

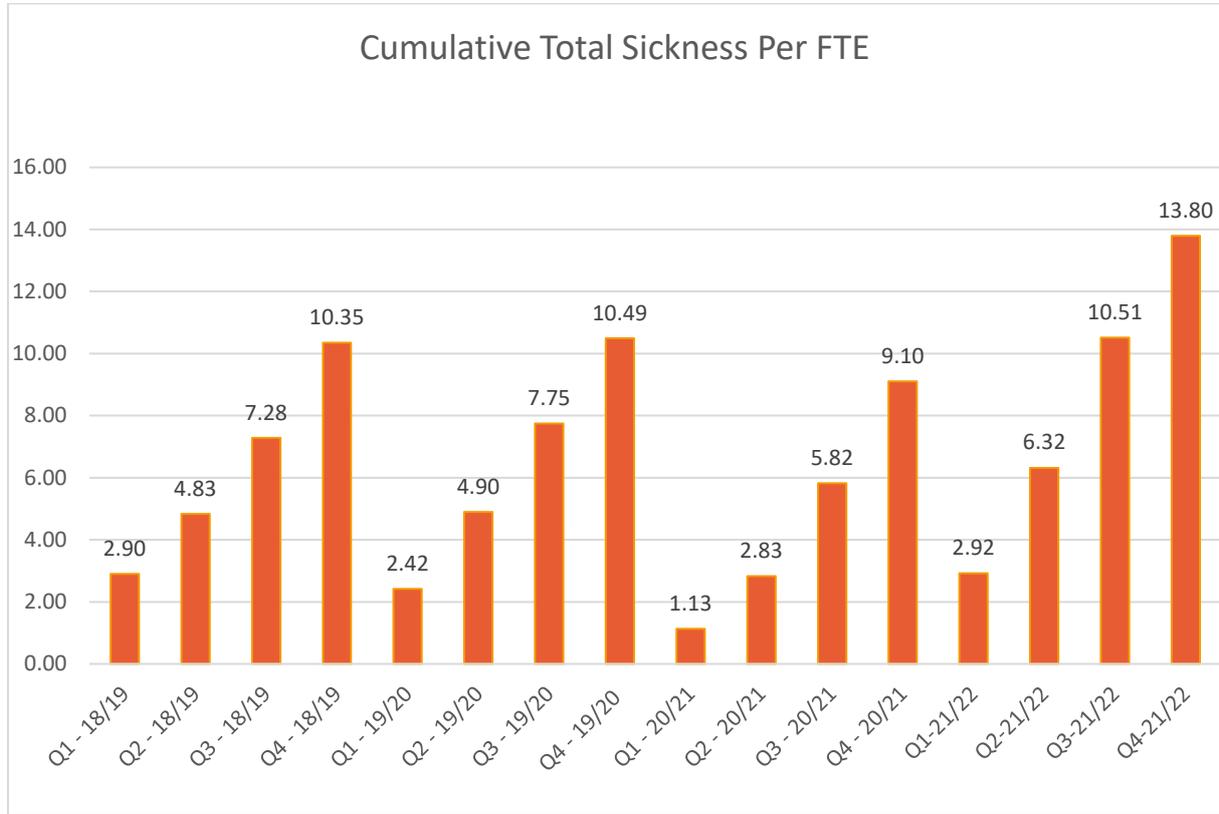
Overall average sickness absence rate of 3.29 days per FTE has risen slightly against the same quarter in 2020/2021, where it stood at 3.28 days per FTE, and is higher than the data from the previous two years before the Covid effect.

The short term sickness level has increased by 0.75 days per FTE compared to the same quarter in 2020/2021, now reporting at 1.57 days per FTE in Q4 2021/2022. The long-term sickness level has decreased by 0.75 days per FTE compared to the same quarter in 2020/21, now reporting at 1.71 days per FTE in Q4 2021/2022.

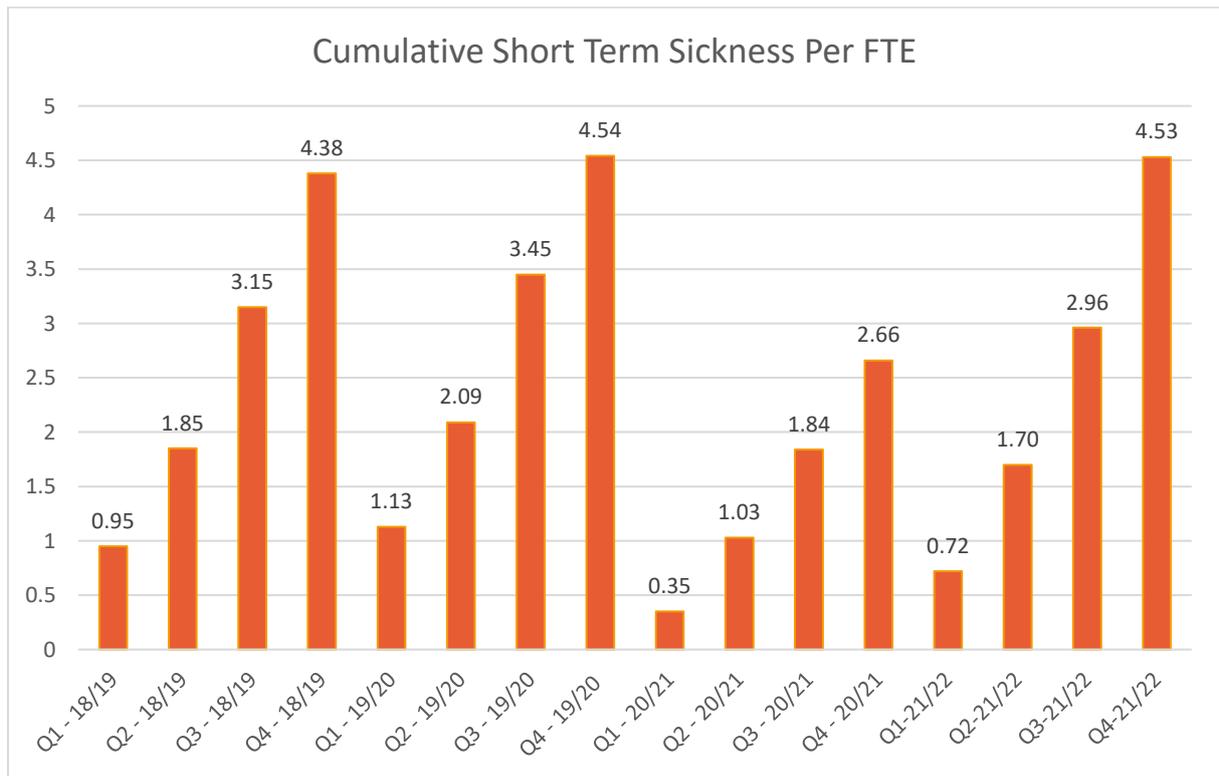
### Q4 2021/22 ONLY

Directorate	CX (Excluding Apprentices)	DCE	DMD	DHI	Total (Excluding Apprentices)	Apprentice Sickness
Short Term Days Lost	326.5	172	0	333.5	832	30
Long Term Days Lost	274	108.5	0	523.5	906	0
Total days lost	600.5	280.5	0	857	1738	30
Number of FTE	167	131.76	13.26	217.01	529.03	6.16
Average Short-Term Days lost per FTE	1.96	1.31	0.00	1.54	1.57	4.87
Average Long-Term Days lost per FTE	1.64	0.82	0.00	2.41	1.71	0.00
Average Total Days lost per FTE	3.60	2.13	0.00	3.95	3.29	4.87

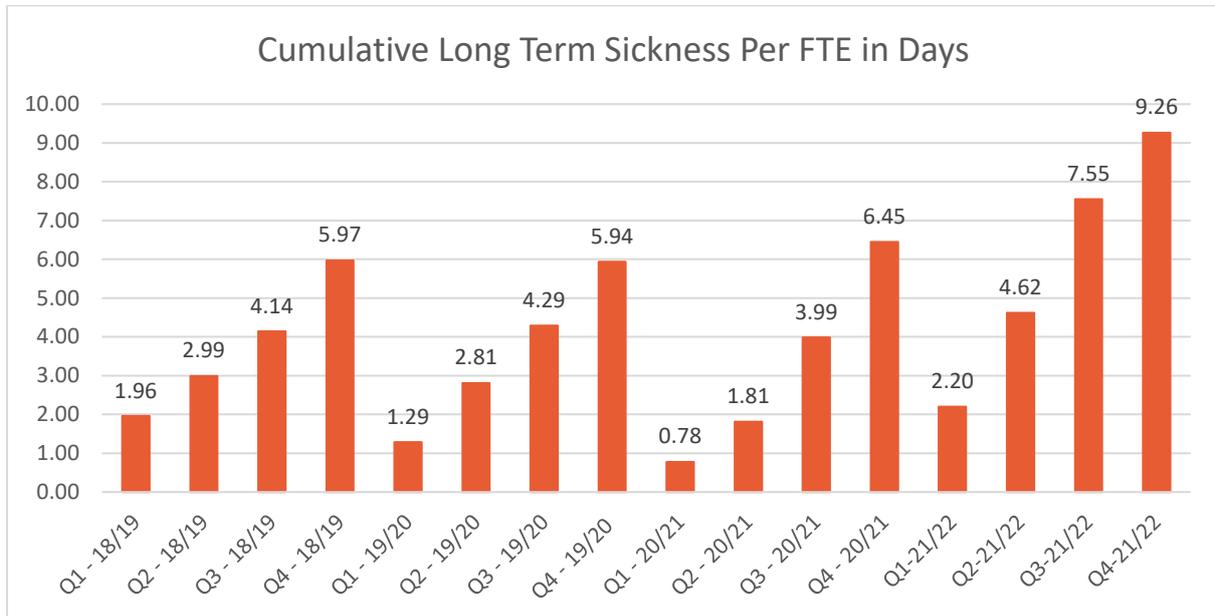
**Cumulative Total Sickness Per FTE (excluding apprentices)**



**Cumulative Short-Term Sickness Per FTE in Days**



## Cumulative Long-Term Sickness Per FTE in Days

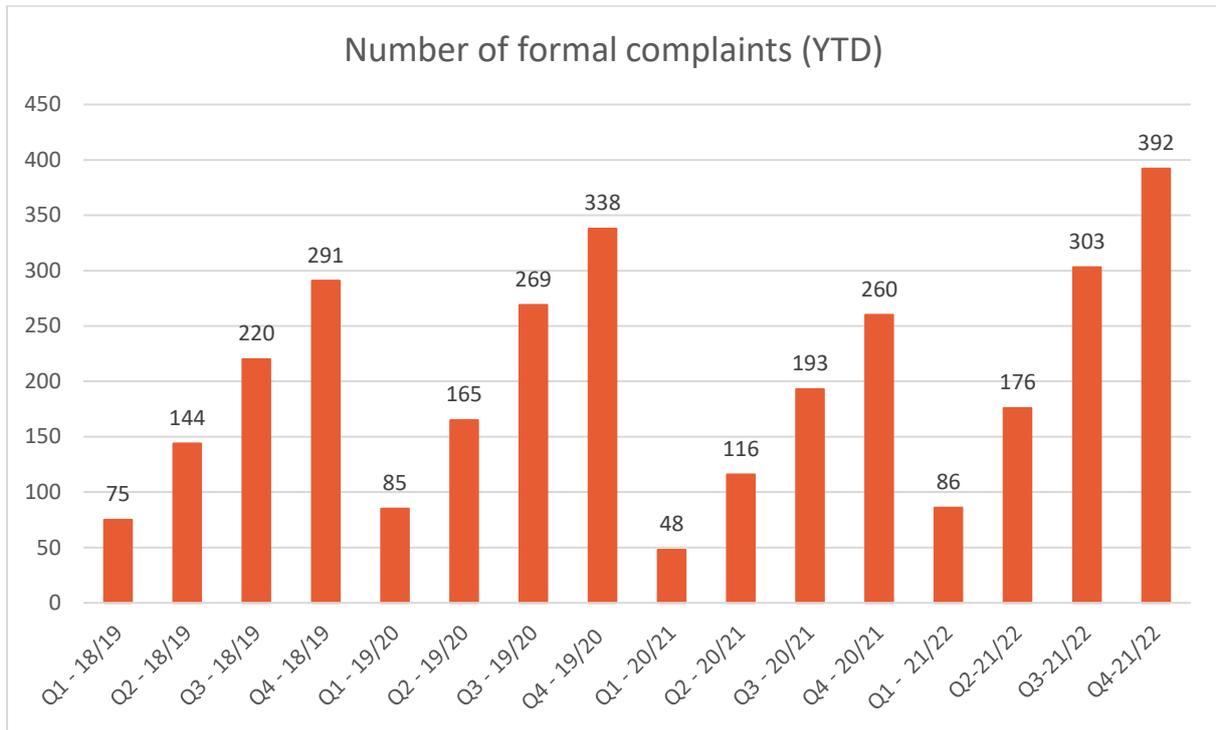


## Complaints Performance

In Quarter four there were 89 complaints dealt with. It is important to note for the two stages of complaints – Stage 1 - to be completed within 10 days and stage 2 to be completed within 20 days. The percentage of responses to formal complaints within target time across all directorates is 66% year to date. In quarter four, we had no LGO complaints decided.

	CX	DCE	DMD	DHI	TOTAL
<b>Number of Formal complaints dealt with this quarter</b>	<b>11</b>	<b>12</b>	<b>0</b>	<b>66</b>	<b>89</b>
<b>Number of Formal complaints Upheld this quarter</b>	<b>4 (36%)</b>	<b>3 (25%)</b>	<b>0</b>	<b>34 (51%)</b>	<b>41 (46%)</b>
<b>YTD total number of complaints investigated Cumulative (Q4)</b>	<b>35</b>	<b>51</b>	<b>3</b>	<b>303</b>	<b>392</b>
<b>YTD Number of Formal complaints Upheld</b>	<b>17 (49%)</b>	<b>16 (31%)</b>	<b>2 (66%)</b>	<b>158 (52%)</b>	<b>193 (49%)</b>
<b>% of responses within target time this quarter</b>	<b>36%</b>	<b>100%</b>	<b>0%</b>	<b>67%</b>	<b>67%</b>
<b>% of responses within target time YTD</b>	<b>66%</b>	<b>96%</b>	<b>66%</b>	<b>61%</b>	<b>66%</b>
<b>LGO complaints decided</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>

**Number of formal complaints (YTD)**



**Local Government Ombudsman Complaints Decided in Q4 2021/22**



## Resource Information

The total number of FTE employees (excluding apprentices) at the end of Q4 was 529.03 with an average of 6.16 apprentices over the period. In terms of the level of vacancies at Q4 - budgeted establishment unfilled positions (FTE) stood at 74 FTE. It should be noted that the council are actively recruiting 33.38 FTE, with a strong focus on essential and business critical roles due to the financial environment.

The percentage of staff turnover at the end of quarter four was 3.00% (excluding apprentices).

Directorate	CX (Excluding Apprentices)	DCE	DMD	DHI	Total (Excluding Apprentices)
<b>Number of FTE employees</b>	<b>167.00</b>	<b>131.76</b>	<b>13.26</b>	<b>217.01</b>	<b>529.03</b>
<b>Average number of apprentices (as at quarter end)</b>	<b>Authority Wide</b>				<b>6.16</b>
<b>Percentage of staff turnover</b>	<b>Authority Wide</b>				<b>3.00%</b>
<b>Total number of FTE vacancies (in i-Trent)</b>	<b>Authority Wide</b>				<b>74.00</b>
<b>Active vacancies which are being recruited (FTE)</b>	<b>Authority Wide</b>				<b>33.38</b>

This page is intentionally blank.

**QUARTERLY  
MEASURES**

To add data, click [here](#)

G At or above target    
 A Acceptable performance - results are within target boundaries    
 R Below target    
 V Volumetric/contextual measures that support targeted measures

▲ Performance has improved since last quarter    
 ▬ Performance has stayed the same since last quarter    
 ▼ Performance has deteriorated since last quarter

Strategic Measures

Service Area	Measure ID	Measure	High Or Low	Low Target	High Target	Previous Data Period	Previous Value	Current Quarter	Current Value	Unit	Status	Commentary
CX	Communications	COM 1	Percentage of media enquiries responded to within four working hours	High is good	70.00	85.00	Q3 - 21/22	76.00	Q4 - 21/22	73.00	%	<span style="background-color: blue; color: white;">A</span> ▼ Although not as busy as the previous quarter, when the Christmas Market took up most of our time, we received a higher than usual number of enquiries. This, added to the vacant Communications Officer post, resulted in a small increase in response times. This is the second quarter in a row where response times have increased, and steps have been taken to ensure this doesn't happen next quarter. Among these steps is recruitment to the vacant Communications Officer position and the creation of a two-year fixed Senior Communications Officer role whose responsibilities will include the management of media enquiries about Western Growth Corridor, the Town Deal Fund scheme and other partnership projects.
	Communications	COM 2	Number of proactive communications issued that help maintain or enhance our reputation	High is good	25	40	Q3 - 21/22	27	Q4 - 21/22	27	Number	<span style="background-color: blue; color: white;">A</span> ▬ The team handled a wide variety of enquiries and issues this quarter, but the main focus was on the closure and maintenance works on the ceiling above the main pool at Yarborough Leisure Centre, the upcoming closure and enhancement of the Central Market and the planning meeting and decision on Western Growth Corridor. All of these required some clarity provided in order for media and citizens to appreciate why we had made certain decisions.
	Work Based Learning	WBL 1	Percentage of apprentices completing their qualification on time	High is good	92.00	95.00	Q3 - 21/22	0.00	Q4 - 21/22	83.00	%	<span style="background-color: red; color: white;">R</span> ▲ In Q4 2021/22 5/6 apprentices completed their apprenticeships on time (83%)
	Work Based Learning	WBL 2	Number of new starters on the apprenticeship scheme	N/A	Volumetric	Volumetric	Q3 - 21/22	3	Q4 - 21/22	5	Number	<span style="background-color: purple; color: white;">V</span> We had 5 new starts within Q4. The cumulative figure up to Q4 is now 14
	Work Based Learning	WBL 3	Percentage of apprentices moving into Education, Employment or Training	N/A	Volumetric	Volumetric	Q3 - 21/22	0.00	Q4 - 21/22	83.00	%	<span style="background-color: purple; color: white;">V</span> In Q4 2021/22 83% (5/6) of apprentices on programme moved into Employment Education or Training
	Customer Services	CS 1	Number of face to face enquiries in customer services	N/A	Volumetric	Volumetric	Q3 - 21/22	73	Q4 - 21/22	57	Number	<span style="background-color: purple; color: white;">V</span> slightly lower for customer services, but overall, 187 customers were seen in a booked appointment the Welfare Team have seen the most customers in pre-booked appointments during the last 12 months, followed by customer services and then Tenancy Services
	Customer Services	CS 2	Number of telephone enquiries answered in Channel Shift Areas (Rev & Bens, Housing & Env. Services)	N/A	Volumetric	Volumetric	Q3 - 21/22	29,692	Q4 - 21/22	32,005	Number	<span style="background-color: purple; color: white;">V</span> This is more calls than the previous quarter and a 16% increase against same quarter last year. the breakdown is 3863 for refuse/environment, 5283 for housing solutions/homeless, 13934 for housing and 8925 for council tax/benefits. There were 149 other calls. we would expect quarter 4 to be busy due to annual letters and bills landing.
	Customer Services	CS 3	Average time taken to answer a call to customer services	Low is good	300	180	Q3 - 21/22	272	Q4 - 21/22	321	Seconds	<span style="background-color: red; color: white;">R</span> ▼ The average wait has risen again but we have also taken more calls in this quarter. We had 3,777 calls chasing a repair that had already been reported compared to 5,181 customers reporting new repairs, the next highest type of call were customers checking their balance
	Accountancy	ACC 1	Average return on investment portfolio	High is good	0.12	0.18	Q3 - 21/22	0.14	Q4 - 21/22	0.30	%	<span style="background-color: green; color: white;">G</span> ▲ 0.3% for Q4 following rise in BoE base rate - cumulative average for 21/22 0.19%
	Accountancy	ACC 2	Average interest rate on external borrowing	Low is good	4.75	3.75	Q3 - 21/22	3.10	Q4 - 21/22	3.02	%	<span style="background-color: green; color: white;">G</span> ▲ 3.02% on average borrowing during 21/22 - lower rates available during the latter half of the financial year
	Revenues Administration	REV 1	Council Tax - in year collection rate for Lincoln	High is good	95.00	96.75	Q3 - 21/22	75.82	Q4 - 21/22	94.00	%	<span style="background-color: red; color: white;">R</span> ▲ Collection is down on the previous year by 0.78% (£372,768). We still had £210,320 of covid hardship to apply to the accounts but the recent announcements of the Covid Additional Relief Fund and the £150 Council Tax Energy Rebate meant that the software suppliers were delayed in providing us with the necessary software. This could have improved collection by approximately 0.45%. Considering how hard the teams have worked over the years to improve the collection figures for Lincoln, the pandemic has hit this hard as some customers struggle to pay their bills due to furlough or losing their jobs. As we come out of the pandemic and return to 'normality', customers will be hit with rises in NI contributions and increases in electric/gas/fuel/food bills etc all of which are likely to further impact their ability to pay. The Magistrate's Court has now reopened in its normal capacity although trying to deal with huge backlogs. The recovery team continues to try to engage with customers to come to arrangements to clear their bills before taking the route of enforcement.
	Revenues Administration	REV 2	Business Rates - in year collection rate for Lincoln	High is good	98.50	98.89	Q3 - 21/22	84.11	Q4 - 21/22	98.45	%	<span style="background-color: red; color: white;">R</span> ▲ This figure is slightly lower than 2020/21 - although it should be noted that the Covid pandemic is still affecting some of the customers who had less help in 2021/22 than they did in 2020/21. The Expanded Retail Discount (ERD) was reduced from 100% in 2020/21 to 66% for the final three quarters of 2021/22 and was capped per business. This meant that the ERD grant reduced from 29m 2020/21 to just under 10m for 2021/22. The Government announced the Covid Additional Relief Fund in March 21 but did not provide any details to the billing authorities until just before Christmas 2021. Once we had these details, including how much we would be granted, we had to put a local scheme into place, and invite applications from customers that we had identified as potentially eligible for this relief. The closing date for these applications was 31.3.2022. Had this been announced sooner, we may have been able to have helped eligible customers struggling to pay their rates sooner and this would have improved the collection rate.

Revenues Administration	REV 3	Number of outstanding customer changes in the Revenues team	Low is good	650	450	Q3 - 21/22	1,738	Q4 - 21/22	2,413	Number	R	▼	Annual billing each year tends to increase the number of items of correspondence outstanding. This year has been particularly difficult as there has been a lot of sickness within the council tax admin team, training for new officers and a number of resignations within the team of very experienced officers. The outstanding documents peaked in October 2021, and we took action to reduce this by offering overtime and the employment of 1FTE temporary officer. We are currently waiting for DBS checks for 3 new full-time employees, which will bring the council tax team back to almost their full established posts. The recovery team have also had some resignations and have just appointed 1 full time employee and are carrying approx. 0.6FTE vacant hours which have gone out to advert. The number of officers that have had long term sickness and the number of resignations is unprecedented and has impacted the revenues team severely. In addition to 'normal' annual billing correspondence, the team were also impacted by the £150 Council Tax Energy Rebate announced by the government on 3.2.2022. This resulted in an increased number of phone calls, increased numbers of customers filing out online Direct Debit forms so expedite their £150 payment, increased contact from customers who did not pay by direct debit to see how they would be paid etc. Therefore to find that we have an increase in outstanding documents is not unexpected, and staff are working on these as a priority to get this up to date before we begin issuing the £150 energy rebates.
Housing Benefit Administration	BE 1	Average (YTD) days to process new housing benefit claims from date received	Low is good	19.00	17.00	Q3 - 21/22	16.45	Q4 - 21/22	16.54	Days	G	▼	Weekly monitoring has helped to enable prompt decision making despite increases in workloads during quarter 4.
Housing Benefit Administration	BE 2	Average (YTD) days to process housing benefit claim changes of circumstances from date received	Low is good	6.00	4.50	Q3 - 21/22	5.37	Q4 - 21/22	3.55	Days	G	▲	1 day changes due to notification of future rent and income changes has lowered average.
Housing Benefit Administration	BE 3	Number of Housing Benefits / Council Tax support customers awaiting assessment	Low is good	1,250	1,100	Q3 - 21/22	1,643	Q4 - 21/22	2,117	Number	R	▼	2117 customers of which 1802 are waiting a first contact. Increase due to changes income and rent charges being reported for new financial year.
Housing Benefit Administration	BE 4	Percentage of risk-based quality checks made where Benefit entitlement is correct	High is good	89.00	92.00	Q3 - 21/22	96.40	Q4 - 21/22	97.13	%	G	▲	Increase in the amount of QA which are financially correct.
Housing Benefit Administration	BE 5	The number of new benefit claims year to date (Housing Benefits/Council Tax Support)	N/A	Volumetric	Volumetric	Q3 - 21/22	2,966	Q4 - 21/22	4,036	Number	V		887 Housing Benefit and 3149 Council Tax Reduction
DCE Food and Health & Safety Enforcement	FHS 1	Percentage of premises fully or broadly compliant with Food Health & Safety inspection	High is good	96.00	98.00	Q3 - 21/22	97.90	Q4 - 21/22	98.10	%	G	▲	This measure must be treated with some caution as we are still operating in accordance with the FSA Recovery Plan. The number of businesses that are included is 566 of the total businesses 1147 that are food registered in the city. What we can report is that there is a focus on less compliant businesses in the city, currently there are 11 businesses that are non-compliant, and we continue to work with them to get them to a level that is at least broadly compliant.
Food and Health & Safety Enforcement	FHS 2	Average time from actual date of inspection to achieving compliance	Low is good	13.00	8.00	Q3 - 21/22	40.30	Q4 - 21/22	18.60	Days	R	▲	There has been an improvement in this quarter because we were able to focus on businesses that are included in the Lincoln Recovery Plan, which are the more compliant businesses. Those businesses that required structural works previously and have now been completed and non-compliant businesses that we have worked with, to become broadly complaint in this quarter, have an impact on this measure.
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	Q3 - 21/22	100.00	Q4 - 21/22	100.00	%	G	▲	There was only 1 business that fell into the scope of the FSA Recovery Plan. This has allowed us to focus on businesses that are included in the Lincoln Recovery Plan, which although are the more compliant businesses, they were not inspected when they became due during lockdown periods. 102 inspections were carried out during this quarter, and we were without the agency worker for approximately half the quarter.
Development Management (Planning)	DM 1	Number of applications in the quarter	N/A	Volumetric	Volumetric	Q3 - 21/22	227	Q4 - 21/22	228	Number	V		Overall no. of applications in the quarter remains consistent
Development Management (Planning)	DM 2	End to end time to determine a planning application (Days)	Low is good	85.00	65.00	Q3 - 21/22	68.96	Q4 - 21/22	79.16	Days	A	▼	Whilst still within the tolerance this increase in end to end times is indicative of more complex non-major applications being processed which inevitably take longer to resolve
Development Management (Planning)	DM 3	Number of live planning applications open	Low is good	180	120	Q3 - 21/22	156	Q4 - 21/22	145	Number	A	▲	The decrease shows that more decisions have been made within the quarter
Development Management (Planning)	DM 4	Percentage of applications approved	High is good	85.00	97.00	Q3 - 21/22	95.00	Q4 - 21/22	95.00	%	A	▲	This figure remains consistently high reflecting the positive approach of the service
Development Management (Planning)	DM 5	Percentage of decisions on planning applications that are subsequently overturned on appeal	Low is good	10.00	5.00	Q3 - 21/22	0.00	Q4 - 21/22	0.00	%	G	▲	Continued strong appeal performance reflecting the quality of decisions made
Development Management (Planning)	DM 6	Percentage of Non-Major Planning Applications determined within the government target (70% in 8 weeks) measured on a 2 year rolling basis	High is good	70.00	90.00	Q3 - 21/22	90.89	Q4 - 21/22	83.00	%	A	▼	Similar to DM2 this is indicative of the increased complexity of some of the applications within this quarter
Development Management (Planning)	DM 7	Percentage of Major Planning Applications determined within the government target (60% in 13 weeks) measured on a 2 year rolling basis	High is good	60.00	90.00	Q3 - 21/22	82.50	Q4 - 21/22	89.00	%	A	▲	A slight increase here for major applications highlighting the priority these applications receive
Private Housing	PH 1	Average time in weeks from occupational therapy notification to completion of works on site for a DFG grant (all DFG's exc. extensions)	Low is good	26.00	19.00	Q3 - 21/22	23.60	Q4 - 21/22	28.00	Weeks	R	▼	In this financial year 59 adaptations (excluding extensions) were completed on site at an actual cost including overheads of £619K in addition a further £590K has been approved or committed taking the total spend to £1.2M. There was an increase in the average time from an OT notification to the works being completed. There are a combination of reasons for this:  The approval process has been stretched by Covid work arrangements where applications in the early part of the year were managed remotely and this does take longer, now that the team have resumed home visits this part of the process should improve as we are able to sit down with the

													applicant and complete the application and obtain all the necessary documentation at the same time. The contractor is doing the design and build element of the process and they are taking longer to supply the design for the approval to go ahead, primarily due to the demands within the construction industry currently. Thirdly, the team is one member of staff short currently The average time once the application has been approved to completion of works for all adaptations completed in this year was only 13 weeks.
Private Housing	PH 2	Average time from date of inspection of accommodation to removing a severe hazard to an acceptable level	N/A	Volumetric	Volumetric	Q3 - 21/22	4.90	Q4 - 21/22	5.40	Weeks	V		During this quarter 4 period 15 property complaints were resolved. For the full year 84 complaints have been resolved with an average time of 9 weeks overall. There are 45 cases that remain open and under investigation. It is important to note the reported average figures for Q1 and Q2 were in excess of 13 weeks.
Private Housing	PH 3	Number of empty homes brought back into use	High is good	13	25	Q3 - 21/22	17	Q4 - 21/22	23	Number	A	▲	23 properties have been returned to use with the project's assistance. The total number of long-term empties however remain at around the same level of 420. Second Homes and furnished empty properties that have been empty for more than 6 months, have increased again as expected to 840 though only 788 properties have been empty for more than 6 months. Student housing still makes up the majority of these properties as they haven't been occupied this student year.
Public Protection and Anti-Social Behaviour Team	ASB 1	Number of cases received in the quarter (ASB)	N/A	Volumetric	Volumetric	Q3 - 21/22	73	Q4 - 21/22	85	Number	V		this is in line with the recent figures. per month this has been January 27, February 19, March 39.
Public Protection and Anti-Social Behaviour Team	ASB 2	Number of cases closed in the quarter	N/A	Volumetric	Volumetric	Q3 - 21/22	747	Q4 - 21/22	715	Number	V		the team have received 814 requests for service in this quarter and closed 715. This is slightly lower than last quarter however at this stage this is not of concern however will be monitored over the next quarter
Public Protection and Anti-Social Behaviour Team	ASB 3	Number of live cases open at the end of the quarter	Low is good	260	220	Q3 - 21/22	194	Q4 - 21/22	248	Number	A	▼	This is slightly higher as a percentage (30%) of received cases than the average for the previous 12 months which was 21.5% of cases received in the quarter remaining open at the end of the quarter. Requests for service in this quarter are as follows; January 2022 we received 269 in February 231 and in March 314. It is therefore likely that the higher number of cases still open at the end of Q4 is due to the higher than normal demand on service that has been experienced through these months.
Public Protection and Anti-Social Behaviour Team	ASB 4	Satisfaction of complainants relating to how the complaint was handled	High is good	75.00	85.00	Q3 - 21/22	0.00	Q4 - 21/22	0.00	%	A	—	Not currently being collected this quarter but anticipated this will resume from Q1 2022/2023. The survey is now up and running in trial form.
Sport & Leisure	SP 1	Quarterly visitor numbers to Birchwood and Yarborough Leisure Centres	High is good	213,355	213,991	Q3 - 21/22	110,339	Q4 - 21/22	106,509	Number	R	▼	Quarter 4 See's the pool at Yarborough shut for essential repairs which lowers the Yarborough figures significantly. Yarborough is currently 66,896 visits (which reflects the pool being closed) which 39% of pre-pandemic levels (Q4 19/20) however the pool was open during this period. Birchwood is currently 39,613 visits is 69% of pre-pandemic levels (Q4 19/20) and is increasing.
Sport & Leisure	SP 2	Artificial Grass Pitch usage at Yarborough Leisure Centre & Birchwood Leisure Centre	High is good	520.00	650.00	Q3 - 21/22	806.00	Q4 - 21/22	775.00	Hours	G	▼	Yarborough and Birchwood are recovering well, and usage of slots is stable, the outside weather has been a challenge with high winds and some outside activities as a result have been cancelled during certain periods. Yarborough achieved 322 slots used Birchwood achieved 453 slots used
CCTV	CCTV 1	Total number of incidents handled by CCTV operators	N/A	Volumetric	Volumetric	Q3 - 21/22	2,181	Q4 - 21/22	2,134	Number	V		The numbers reflect the post-Christmas daytime/evening economy. Also, the reduction in staffing and hours covered has reduced incidents reported. The work involved in the recent server room upgrade has also disrupted proactive monitoring.
Waste & Recycling	WM 1	Percentage of waste recycled or composted	High is good	30.50	35.00	Q3 - 21/22	34.82	Q4 - 21/22	32.30	%	A	▼	This figure relates to Quarter 3 (October 2021 - December 2021). 18.8% has been recorded as waste being recycled, whereas 13.5% was recorded of waste being composted, equating to 32.30% being composted or recycled.
Waste & Recycling	WM 2	Contractor points achieved against target standards specified in contract - Waste Management	Low is good	150	50	Q3 - 21/22	95	Q4 - 21/22	125	Number	A	▼	125 points were recorded in Q4. This has been broken down into 50 points in January, 40 points in February and 35 points in March
Street Cleansing	SC 1	Contractor points achieved against target standards specified in contract - Street Cleansing	Low is good	150	50	Q3 - 21/22	80	Q4 - 21/22	65	Number	A	▲	Points were recorded as 65 collectively. This has been broken down into 20 points in January, 15points in February and 30 points in March.
Grounds Maintenance	GM 1	Contractor points achieved against target standards specified in contract - Grounds Maintenance	Low is good	150	50	Q3 - 21/22	135	Q4 - 21/22	35	Number	G	▲	Points were recorded as 35 collectively, broken down into 0in January 20 in February (Tree Team), 15 in March (Tree Team)
Allotments	AM 1	Percentage occupancy of allotment plots	High is good	84.00	92.00	Q3 - 21/22	97.00	Q4 - 21/22	95.00	%	G	▼	As at the end of March 2022, the Council had 1057 occupied plots. Demand for plots, remains quite high. All sites still have waiting lists for plots. New charge levels do not yet seem to have impacted demand.
Parking Services	PS 1	Overall percentage utilisation of all car parks	High is good	50.00	60.00	Q3 - 21/22	48.00	Q4 - 21/22	42.00	%	R	▼	Traditionally the lowest quarter of the year re Winter months however big improvement on the same period 2020/21 as shops remained open.
Parking Services	PS 2	Number of off street charged parking spaces	N/A	Volumetric	Volumetric	Q3 - 21/22	3,796	Q4 - 21/22	3,771	Number	V		The number of spaces available has been comprehensively reviewed to better reflect the actual provision, taking account of such as the Councillors car parking spaces at City Hall, and 1001 spaces at Central (in the last quarter only it was inadvertently represented in error). We do not anticipate any adjustments to this figure in the near future.
Licensing	LIC 1	Total number of committee referrals (for all licensing functions)	N/A	Volumetric	Volumetric	Q3 - 21/22	9	Q4 - 21/22	3	Number	V		1 PH driver for previous convictions, 1 PH driver for no certificate of good conduct, 1 LA03 premises licence review (adjourned to later date).

Licensing	LIC 2	Total number of enforcement actions (revocations, suspensions and prosecutions)	N/A	Volumetric	Volumetric	Q3 - 21/22	1	Q4 - 21/22	1	Number	V	LA03 premises licence revocation from February 2021 was upheld in magistrates court and council awarded £2000 costs.
DHI Housing Investment	HI 1	Percentage of council properties that are not at the 'Decent Homes' standard (excluding refusals)	Low is good	1.00	0.00	Q3 - 21/22	1.06	Q4 - 21/22	0.70	%	A	The majority of the doors outstanding are access issues to survey or fit the doors. Most of these are Fire doors and so we are reluctant to remove from programme due to the safety implications. We will continue to attempt to gain access to these properties. x4 of the doors have now been fitted in April 2022. Of the x56 properties now failing; x40 doors, x14 Electrics, 2x roofs.
Housing Investment	HI 2	Number of properties 'not decent' as a result of tenants refusal to allow work (excluding referrals)	N/A	Volumetric	Volumetric	Q3 - 21/22	178	Q4 - 21/22	183	Number	V	The level of refusals is recorded but cannot be controlled by the Council. We have had an increase of 5 during quarter four.
Housing Investment	HI 3	Percentage of dwellings with a valid gas safety certificate	High is good	99.80	99.96	Q3 - 21/22	99.14	Q4 - 21/22	99.71	%	R	7510 properties with gas; x12 have a non-compliant certificate which Aaron need to review and revisit where necessary x10 have a compliant certificate but are now out of date x2 the tests are complete, and we are awaiting the certificates from Aaron - should be x1 has just become void so should be capped shortly, if not already x7 are no access and going through the legal process
Control Centre	CC 2	Percentage of Lincare Housing Assistance calls answered within 60 seconds	High is good	97.50	98.75	Q3 - 21/22	98.30	Q4 - 21/22	98.24	%	A	Considerable staff shortages have led to difficulty covering shifts, but we have maintained our high level of service exceeding the 97.5% target.
Rent Collection	RC 1	Rent collected as a proportion of rent owed	High is good	96.50	98.00	Q3 - 21/22	100.52	Q4 - 21/22	100.18	%	G	The in-year rent collection achieved for end of Q4 is 100.18%, exceeded the target of 96.5%. This has resulted in an overall reduction in rent owed to the authority. The enforcement restrictions as a result of the Covid-19 pandemic were still in place until October 2021, but despite this Officers have managed to support tenants through this difficult time whilst maximising income to the Housing Revenue Account.
Rent Collection	RC 2	Current tenant arrears as a percentage of the annual rent debit	Low is good	4.50	3.50	Q3 - 21/22	3.68	Q4 - 21/22	3.63	%	A	The current rent arrears as a % of the debit achieve for Q4 is 3.63%, exceeding the target of 4.65%. This has resulted in an overall reduction in rent arrears of £18k compared to last financial year. Whilst we have ambitions to further reduce the total amount of rent owed by tenants, whilst continuing to sustain tenancies, this has surpassed expectation for rent collection, throughout a turbulent time for tenants. Since the eviction ban was lifted in October 2021, 10 evictions have been carried out which is not a significant number compared to relative years. This demonstrates the balance of maximising income to the HRA whilst prioritising tenancy support and sustainment.
Housing Solutions	HS 1	The number of people currently on the housing list	N/A	Volumetric	Volumetric	Q3 - 21/22	1,448	Q4 - 21/22	1,440	Number	V	We are seeing applications to join the Housing Register increase significantly since the pandemic. We anticipate this increase will continue given the current cost of living rises with many people seeking to secure more affordable accommodation.
Housing Solutions	HS 2	The number of people approaching the council as homeless	N/A	Volumetric	Volumetric	Q3 - 21/22	707	Q4 - 21/22	990	Number	V	*Includes Rough Sleeper Team. The number of applications has increased considerably, and we anticipate this will continue as the cost of living increases take hold.
Housing Solutions	HS 3	Successful preventions and relief of homelessness against total number of homelessness approaches	High is good	50.00	55.00	Q3 - 21/22	43.70	Q4 - 21/22	45.19	%	R	*Excludes Rough Sleeper Team. The team is finding it increasingly difficult to prevent or relieve homelessness. This is due to a combination of factors including applicants approaching us too late for us to successfully intervene, a lack of affordable private rented properties and lower void turnover within council stock.
Housing Voids	HV 1	Percentage of rent lost through dwelling being vacant	Low is good	0.80	0.90	Q3 - 21/22	1.44	Q4 - 21/22	1.41	%	R	Current rent lost through vacant dwellings is 1.41% against the target of 0.9%. The void process has faced several challenges with labour, contractors and materials which has resulted in an increase in void time and consequently % of rent lost. The Voids Team are currently working to reduce this with the help of additional contractors and an increase in available materials.
Housing Voids	HV 2	Average re-let time calendar days for all dwellings - standard re-lets	Low is good	32.00	29.00	Q3 - 21/22	51.94	Q4 - 21/22	56.08	Days	R	The current void turn-around time for void requiring minor works is 56.08 days against the target of 32 days. Voids have experienced increased challenges since their initial contractor went into administration in 2021, leaving significant pressure on the DLO. There is a high, national demand for labour, meaning that CoLC has had difficulty securing the necessary workforce to turnaround the empty properties to achieve the target of 32 days. There has also been an increase in the number of terminations through deaths meaning that pre-termination inspections cannot be completed, resulting in more difficulty when planning required works due to no advanced information on property conditions and information not being given at this stage causing tenant uncertainty on how the property is to be returned causing an increase pre-repair works, particularly cleansing and clearance works  There are now additional contractors in place to carry out void works and we have allocated additional staff from the DLO. Subsequently, we are seeing an increase in the properties being completed and relet and are on track to bring performance more in line with target next financial year.
Housing Voids	HV 3	Average re-let time calendar days for all dwellings (including major works)	Low is good	38.00	35.00	Q3 - 21/22	59.88	Q4 - 21/22	65.76	Days	R	The current void turnaround time for all properties is 65.76 days against the target of 38 days. Properties requiring major works have seen increased difficulty with sourcing necessary materials and labour, resulting in an increase in the re-let time. As with all relets, new tenants have often struggled to move due to isolation, or difficulty sourcing removals in a timely manner resulting in further delays. With the award of a new repairs contract contractor support will be in place and with the increasing availability of materials, we are improving the void turnaround time.  During 2021-22 we re-let 453 properties that are included within this measure (General Needs / Sheltered). However, it is important to note we completed an additional 155 voids that don't get included – Homeless Licenses properties, purchase & repair, NSAP etc. Although these voids don't affect the re-let time, they do still require resource/materials from the various teams in the voids process so naturally it will have played some part in the increased delays in void properties.  We also had a high number of refusals on void properties during the year. Of the 453 properties let within this measure, we had 108 refusals which equates to 23.8%. When we have refusals, this causes delays in the void time as the property is ready to let but we can't re-let until an offer is accepted from a prospective tenant.

Housing Maintenance	HM 1	Percentage of reactive repairs completed within target time (priority and urgent repairs) - HRS only	High is good	97.00	99.00	Q3 - 21/22	92.66	Q4 - 21/22	94.04	%	R	▲	This measure is showing a steady improvement rate, during quarter four alone, we have achieved 97% which is just 0.5% off the overall target. If we continue along this trend, we should see performance being in and around the target in 2022/23. Recruiting a full complement of joiners and tweaks to the scheduling element have been contributing factors.
Housing Maintenance	HM 2	Percentage of repairs fixed first time (priority and urgent repairs) - HRS only	High is good	90.00	93.00	Q3 - 21/22	92.91	Q4 - 21/22	92.85	%	A	▼	A positive first-time fix result is a tell-tale sign of an efficient workforce, we need to operate with a skilled team to achieve this and continually update the technical skills of the workforce to ensure we maintain and improve on this measure
Housing Maintenance	HM 4	Appointments kept as a percentage of appointments made (priority and urgent repairs) - HRS only	High is good	94.00	97.00	Q3 - 21/22	99.30	Q4 - 21/22	99.46	%	G	▲	While it should automatic that this measure is met, we need to keep an eye on it to ensure continued achievement.
Business Development	BD 1	Number of users logged into the on-line self service system this quarter	High is good	10,000	10,500	Q3 - 21/22	9,026	Q4 - 21/22	14,771	Number	G	▲	Seasonal upturn - Annual Council Tax billing process
IT	ICT 1	Number of calls logged to IT helpdesk	N/A	Volumetric	Volumetric	Q3 - 21/22	993	Q4 - 21/22	1,124	Number	V		Increase in tickets logged - much of which due to quarantining of emails from new process/software
IT	ICT 2	Percentage of first time fixes	N/A	Volumetric	Volumetric	Q3 - 21/22	58.60	Q4 - 21/22	60.60	%	V		Increase in first time fixes, largely due to increase in number of emails being quarantined - and therefore higher call rate

This page is intentionally blank.

## ANNUAL MEASURES - Q4

To add data, click [here](#)

**G** At or above target

**A** Acceptable performance - results are within target boundaries

**R** Below target

**V** Volumetric/contextual measures that support targeted measures

### Strategic Measures

Service Area	Measure ID	Measure	High Or Low	Low Target	High Target	Previous Data Period	Previous Value	Current Year	Current Value	Unit	Status	Commentary
CX	Debtors & Creditors	<b>DCT 1</b>	Percentage of invoices paid within 30 days	High is good	95.00	97.00	2020/21	98.92	2021/22	<b>95.84</b>	%	<b>A</b> Figures are calculated on all supplier invoices and credit notes (not refunds or grants) paid 01/04/2021 - 31/03/2022. Figures are adjusted based on certain assumptions as below: - 1) No invoice collected for payment by supplier by direct debit or standing order is assumed to be late. 2) No credit note taken by CoLC outside of 30 days classified as late. 3) 0.5% of those invoices paid over 30 days assumed to be in dispute at some point and hence paid late after dispute resolved not classified as late 4) 1% of those invoices paid after 30 days were held back from payment because the overall balance with the supplier was in credit
	Debtors & Creditors	<b>DCT 2</b>	Percentage of invoices that have a Purchase Order completed	High is good	55.00	65.00	2020/21	45.40	2021/22	<b>55.00</b>	%	<b>A</b> Based on supplier expenditure only of 13,903 AP lines. (Total AP lines 15,900 but all Gas, Water and electric invoices excluded as not suitable for POs). Of these 13,903 lines 7,723 were linked to either an Agresso or UH order number. Figure should only be taken as a rough guide as actual figures will not be available until the 20/05/2022 when complete City of Lincoln supplier spend data for 2021/22 is produced (in line with Final Accounts timetable).
	Debtors & Creditors	<b>DCT 3</b>	Average number of days to pay invoices	Low is good	27.00	30.00	2020/21	8.00	2021/22	<b>13.00</b>	Days	<b>G</b> Excludes non-supplier expenditure e.g., refunds, grants
DCE	Sport & Leisure	<b>SP 3</b>	Percentage of respondents to satisfaction survey who would recommend Birchwood Leisure Centre and/or Yarborough Leisure Centre to others	High is good	62.00	70.00	2020/21	0.00	2021/22	<b>73.00</b>	%	<b>G</b> Due to the pandemic, surveys only recommenced for Q4 2021/22 Annual National Bench Marking Score 45 Active Nation Organisational Target 45 Active Nation Organisational Score 9 Yarborough Bench Marking Score 38 Birchwood Bench Marking Score 60 Total Surveys Sent = 123, Survey Responses = 14 Positive Responses/ would recommend to others = 10 = 73% (Yarborough 5, 62%) (Birchwood 5 83%).

This page is intentionally blank.

**SUBJECT: REGULATION OF INVESTIGATORY POWERS ACT 2000 (RIPA) UPDATE**

**DIRECTORATE: CHIEF EXECUTIVE AND TOWN CLERK**

**REPORT AUTHOR: BECKY SCOTT, LEGAL SERVICES MANAGER**

## 1. Purpose of Report

- 1.1 To report the number of authorisations under RIPA since the last report to Executive and seek comments on the revised Policy.

## 2. Background

- 2.1 The Council has a RIPA Policy which covers implications for all staff who investigate suspected criminal offences and other breaches of regulations for which the Council is responsible. The Policy includes the procedures for obtaining authorisations and together these explain:

- the purpose of the Act in relation to the Council's functions
- the circumstances which it applies to
- how to make sure that it is complied with
- functions of the Central Register
- process for authorisations
- details for authorisations
- and provides guidance on the use of Social Media in investigations as well as guidance on the use of Covert Human Intelligence Source (CHIS) and how to obtain a CHIS authorisation

- 2.2 The RIPA Policy was firstly approved by the Executive in June 2016 and has since been amended. The Policy has now been further reviewed and updated. The changes include the following:-

- Updating some administrative elements
- Including the updated Social Media guidance and form which have previously been issued as guidance alongside the policy, to add weight to those requirements
- Included additional information about reporting breaches
- Incorporating the use of drones for Covert Surveillance
- Expands on the legal test of necessary and proportionality to help officers understand these and the Directed Surveillance Crime Threshold.
- Formalising the ability of the Monitoring Officer to review complaints from members of the public arising from our use of a RIPA or CHIS authorisation
- Sets out guidance for Authorising Officers on the review, renewal and cancellation of authorisations

- Recognises a duty of care to a CHIS
- Inserts links to the government CHIS and Directed Surveillance forms.

A clean version is attached at Appendix A.

- 2.3 The Council was inspected by the Investigatory Powers Commissioner's Office in July 2019. The report stated:-

*The inspection has shown that City of Lincoln Council has appropriate written procedures, appropriate training and a robust system of permissions with good management oversight prior to anyone conducting social media research, which legitimately avoids the need for covert authorisations.*

...  
*There was abundant evidence of good practice. The investment in training, the existence of sound policies and procedures, as well as the existence of good management and legal oversight of research that could require a RIPA authorisation if not correctly managed, demonstrated that City of Lincoln Council has made appropriate and reasonable efforts to guard against unauthorised RIPA activity.*

Officers do not know whether a further inspection will be done, however it has been suggested that this would be a remote one rather than face to face in future. The Council has recently received a request by the Investigatory Powers Commissioner's Office for our annual return in respect of authorisations.

- 2.4 In August 2018 the following revised Codes were implemented:-

- a) Covert Surveillance and Property Interference
- b) Covert Human Intelligence Sources

The Codes are referenced in the RIPA policy.

- 2.5 We have previously issued a briefing note to all relevant managers about the use of Social Media as a result of the revised Codes being implemented and provided additional guidance about this area. This was rolled out in Netconsent. The Codes did not change the legislation in any way, nor affect the content of the Council's policy, however it gives more guidance on the term 'private information' and provides examples about how to apply the Codes and the legislation.
- 2.6 The Legal team most commonly offer support to service areas as and when they are investigating issues which could benefit from using social media, as opposed to advising on seeking formal authorisations to carry out surveillance.
- 2.7 This policy, if approved, will be taken into Service Managers Forum and rolled out on Netconsent for relevant enforcement teams and an offer will be made to give tailored training by the Legal Services team as required.
- 2.8 There have been no authorisations applied for nor obtained through the Magistrate's Court to carry out any covert surveillance since the last report to Executive, when there were also none. This is something which we are obliged to report to Executive under the framework.

2.9 The draft Policy and appendices were presented to Policy Scrutiny Committee on 15 February 2022 and a member asked if this Policy would have an effect on the cameras for fly tipping. It was confirmed that that it would not apply as the cameras were used for open surveillance. Otherwise, members were happy with the proposed changes.

### **3. Organisational Impacts**

#### 3.1 Finance

There are no finance implications in this report.

#### 3.2 Legal Implications

As outlined in the report.

#### 3.3 Equality, Diversity & Human Rights

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

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

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

The Council's RIPA policy enhances transparency in decision-making. For any authorisation applied for, the Council will ensure that requests consider any potential impact on individuals and groups who share protected characteristics.

### **4. Risk Implications**

#### 4.1 (i) Options Explored

It is a requirement to review this policy and update it accordingly.

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

None.

### **5. Recommendation**

#### 5.1 That members consider the revised Policy and approve the same.

<b>Is this a key decision?</b>	No
<b>Do the exempt information categories apply?</b>	No
<b>Does Rule 15 of the Scrutiny Procedure Rules (call-in and urgency) apply?</b>	No
<b>How many appendices does the report contain?</b>	One
<b>List of Background Papers:</b>	None
<b>Lead Officer:</b>	Becky Scott, Legal Services Manager Telephone (01522) 873441



CITY OF  
*Lincoln*  
COUNCIL

**REGULATION OF INVESTIGATORY POWERS ACT 2000**

**POLICY**

## Document Control

<b>Organisation</b>	City of Lincoln Council
<b>Title</b>	Regulation of Investigatory Powers Act 2000 Policy
<b>Author – name and title</b>	Becky Scott, Legal Services Manager
<b>Owner – name and title</b>	Becky Scott, Legal Services Manager
<b>Date</b>	July 2018
<b>Approvals</b>	Executive
<b>Filename</b>	
<b>Version</b>	V 3.0
<b>Protective Marking</b>	Official
<b>Next Review Date</b>	January 2023

## Document Amendment History

Revision	Originat or of change	Date of change	Change description
1 <sup>st</sup> Revision	Becky Scott	May 2016	Updating officer details from previous policy and including the CHIS guidance in the policy rather than a separate document
2 <sup>nd</sup> Revision	Becky Scott	July 2018	No changes however reported to Executive
3 <sup>rd</sup> Revision	Becky Scott	January 2021	Changes to authorisations, incorporates technological advances and how to report errors along with some administrative changes

## 1. GENERAL

- 1.1 The Regulation of Investigatory Powers Act 2000 (RIPA) came into force on the 25<sup>th</sup> September 2000. The main purpose of the Act is to ensure that individual's rights are protected whilst allowing law enforcement and security agencies to do their jobs effectively and act proportionately.
- 1.2 Under Section 28 and 29 of RIPA, it has implications for all staff who investigate suspected criminal offences and other breaches of regulations for which the Council is responsible in regards to Directed Surveillance and Covert Human Intelligence Sources (CHIS).
- 1.3 This Policy includes the attached 'Guidance to Staff on Use of Covert Human Intelligence Sources (CHIS)' (Appendix A). This together with the Policy outlines the procedures for obtaining authorisations and together these explain:
- the purpose of the Act in relation to the Council's functions
  - the circumstances which it applies to
  - which authorities can use the powers
  - who should authorise each use of power
  - the use that can be made of the material gained
  - how to make sure that it is complied with
  - functions of the Central Register
  - process for authorisations
  - details for authorisations
  - independent judicial oversight
  - a means of redress for the individual

The use and conduct of a CHIS will be referred to generally in this Policy, and where appropriate, it is important that officers familiarise themselves with the more detailed Guidance to Staff on use of a CHIS in Appendix A.

- 1.4 The policies and procedures set out in this Policy replace all those previously in circulation within the Council. This Policy can also be found on Netconsent.
- 1.5 The City of Lincoln Council is NOT empowered to undertake:
- Intrusive Surveillance or
  - Entry onto or interference with property or wireless telegraphy
- 1.6 The Policy is based on the provisions of RIPA, the Home Office Codes of Practice on Covert Surveillance and Property Interference and the use of CHIS as well as the Home Office Guidance to Local Authorities in England and Wales on the Judicial Approved Process for RIPA and the Crime Threshold for Directed Surveillance. When implementing this Policy, the Officer and the Authorising Officer must ensure that there is compliance with the Home Office Codes of Practice on CHIS and covert surveillance. This can be found at:

<https://www.gov.uk/government/publications/covert-surveillance-and-covert-human-intelligence-sources-codes-of-practice>

- 1.7 The provisions of RIPA do not cover authorisations for the use of overt CCTV surveillance systems. Members of the public are aware that such systems are in use for their own protection and to prevent crime. However authorisation maybe required if a CCTV camera is to be used for surveillance as part of a specific investigation or operation otherwise than as an immediate reaction to events. In such circumstances authorisation may either be required by the Council's Authorising Officer or it may come from the police. Where authorisation is given by the police then a record of this authorisation must be kept and officers must ensure that any surveillance is kept within the terms of this authorisation.
- 1.8 The Covert Surveillance Codes of Practice has kept pace with technology and now acknowledges that Drones can now be used to conduct covert surveillance. Any Council Officers using a drone as part of their duties must adhere to this policy and the ICO's CCTV code of Practice or any Civil Aviation Authority Regulations.
- 1.9 There is a Flowchart at the end of this Policy to summarise the requirements of the RIPA.

## **2. THE PURPOSE OF RIPA**

- 2.1 Many teams in the Council find themselves having to undertake investigations of some kind or another from time to time. For some officers it is the essence of their job.
- 2.2 In the vast majority of cases, investigations can be carried out overtly, i.e. in circumstances where the person under investigation is made aware that he or she is being investigated. Investigations will be carried out overtly wherever possible. Where an operation can be carried out overtly RIPA does not apply.
- 2.3 However, investigations have the potential to interfere with an individual's human rights, particularly those under Article 8 of the European Convention of Human Rights which provides that "everyone has the right to respect for his private and family life" And where there is likely to be an infringement on these rights, it must be considered necessary and proportionate.
- 2.4 Article 8 goes on to say that public authorities (which the Council is one) must not interfere with this right unless such interference is;
  - (a) In accordance with the law
  - (b) Necessary for certain specified purposes, including public safety, the prevention of disorder and crime, for the protection of health and morals and the protection of the rights and freedom of others.

Local authorities are required to respect the private and family life of citizens, their homes and correspondence in accordance with the Humans Rights Act 1998. This is

a qualified right where interference permissible where it is necessary and proportionate and carried out in accordance with the law. RIPA authorisations amount to an approved interference.

- 2.5 Section 6 of the Human Rights Act 1998 makes it unlawful for a Council to act in a way which is incompatible with this or any other right under the European Convention. If it does so, section 7 gives the victim the right to bring proceedings against the Council, or challenge its actions in any proceedings brought against him or her. Section 8 empowers the courts to grant an injunction and in exceptional cases to award damages against the Council.
- 2.6 The main purpose of RIPA is to provide a framework for ensuring that any interference with human rights resulting from the use of the investigatory powers regulated by the Act will be in accordance with the law.
- 2.7 Proper authorisation of the use of investigatory powers under RIPA will therefore:
  - Ensure that the evidence gathered is not challenged in the courts under section 7 of the Human Rights Act 1998
  - Protect the Council against claims under section 8 of the Human Rights Act 1998 for acting in a manner incompatible with an individual's rights under the European Convention.

### 3. WHEN DOES RIPA APPLY?

- Intercepting communications
- Acquiring communications data
- Intrusive surveillance
- Directed surveillance
- The use of covert human intelligence sources
- Gaining access to electronic data protected by encryption

3.1 Council's powers are regulated by Part II of RIPA and are limited to:

- Directed surveillance
- The use of covert human intelligence sources

3.2 "Surveillance" includes;

- monitoring, observing, or listening to persons, their movements, their conversations or other activities or communications
- recording anything monitored, observed, or listened to in the course of surveillance
- surveillance by or with the assistance of a surveillance device (e.g. any apparatus designed or adapted for use in surveillance)

3.3 Surveillance is "**covert surveillance**" if it is carried out in a manner that is calculated to ensure that person being monitored, observed or listened to etc is not aware of it.

- 3.4 Covert surveillance can be authorised under the act if it is either **Intrusive** or **Directed**.
- 3.5 Surveillance is “**intrusive**” if it is covert surveillance of anything taking place on residential premises or in a private vehicle AND it involves the investigator being on the premises or using a surveillance device (e.g. a bug or concealed camera). Local Authorities cannot undertake this type of surveillance.
- 3.6 Surveillance is “**directed**” if it is ALL of the following:
- covert
  - not intrusive
  - undertaken for a specific investigation or a specific operation
  - likely to result in obtaining private information about anyone (NB not necessarily the person targeted)
  - planned in advance
- 3.7 Even carefully directed surveillance can result in private information being obtained about persons other than the target. For example, if premises are under observation because it is suspected that an offence is being committed there, it is likely that private information about innocent visitors to the premises could be obtained as well as information about the suspected offender. Such intrusion on the privacy of people other than the target is referred to as “collateral intrusion”. Where collateral intrusion is likely, the surveillance could be “directed surveillance” even if no private information about the suspect is sought or obtained.
- 3.8 Private information is any information relating to a person’s private or family life. It may include personal data, such as names, telephone numbers and address details. It includes (but is not restricted) to information about a person’s private or family life and includes the way in which a person conducts his business and professional life. The common sense approach is to interpret the expression broadly and to recognise that it is highly likely that surveillance directed at individuals or groups of individuals will result in obtaining private information about them and/or other people they come into contact with. Where covert surveillance is unlikely to result in obtaining private information about a person (and there will be no interference with Article 8 rights) there is no requirement for authorisation under the Act.
- 3.9 Surveillance which is not planned in advance, but is undertaken by way of an immediate response to events or circumstances which make it impractical to obtain authorisation, is not regarded as directed surveillance. Thus if an investigating officer notices something suspicious by chance, he or she can continue to keep the suspect under observation without the need for written authorisation. However, returning to the scene subsequently to resume observations would require authorisation.
- 3.10 It may sometimes be necessary to use the internet to gather information prior to or during an operation which could amount to Directed Surveillance. When the internet is likely to be used as part of an investigation it will be important to consider whether the proposed activity is likely to interfere with an individual’s Article 8 rights and should only be used when necessary and proportionate. Where it is considered that

private information is likely to be obtained, an authorisation must be sought. Please see paragraph 18 on social media and Appendix B, which must be adhered to before accessing an individual's social media page.

- 3.11 Use of Directed Surveillance (or deployment of a CHIS) could potentially be used by the Council in an investigation as a means of obtaining information. Use of either must be authorised. There are designated officers within the Council ('Authorising Officers') who are able to authorise such activity. The authorising officer must consider the detailed legal tests when deciding whether to authorise the covert activity. If the authorising officer does authorise the activity, it is still subject to a judicial process and an application must be made to the Magistrates by Legal Services for approval of the authorisation. No Directed Surveillance or the deployment of a CHIC can take place until Magistrates approval is obtained.
- 3.12 If you consider that you might wish or need to carry out Directed Surveillance or deploy a CHIS as part of an investigation or even if you are not certain whether the activities you are proposing require a RIPA authorisation, seek advice from Legal Services.
- 3.13 Most of the surveillance carried out by the Council will be "**Overt.**" This means there is nothing secret about it, it is not clandestine or hidden. It will also be overt if the subject has been told it will happen (for example when we investigate noise complaints we write to the noisemaker and tell them that we will be putting in noise monitoring equipment to record the noise.
- 3.14 Local Authorities can't authorise "**property interference.**" This is entry onto or interference with property or with wireless telegraphy.
- 3.15 Officers intending to undertake surveillance should therefore consider whether all the criteria set out in the above paragraphs apply to the operation. If so they should obtain authority in advance in accordance with this guidance.

Remember:

- **Overt activities DO NOT need authorisation**
- **Intrusive surveillance CANNOT be authorised**

#### **4. AUTHORISING OFFICERS**

- 4.1 There are comparatively few instances in which Directed Surveillance is likely to be necessary or justified. Most investigations can be carried out by other means. Consequently the Council has designated the following officer to authorise Directed Surveillance:
  - **Chief Executive – Angela Andrews**
- 4.2 Authorised Officers shall have the appropriate training. Additional Authorising Officers will be nominated in writing by the Monitoring Officer following the Monitoring Officer being satisfied that they are appropriately trained to undertake the task.

- 4.3 An Authorisation acquired in accordance with RIPA, providing the statutory tests are met will provide the Council with a lawful basis in which to carry out covert surveillance activities which are likely to result in the officers involved obtaining private information about an individual.

## **5. MONITORING OFFICER**

- 5.1 The RIPA Monitoring Officer is Carolyn Wheater (City Solicitor) and the Deputy is Becky Scott (Legal Services Manager)
- 5.2 The Monitoring Officer's role is to be fully aware of the contents of this policy, its implementation and updating relevant officers as to the requirements of the legislation.
- 5.3 The Monitoring Officer will receive and investigate complaints by members of the public who reasonably believe they have been adversely affected by surveillance activities carried out by the Council.

## **6. APPLYING FOR AUTHORITY**

- 6.1 This is a two-stage process. Firstly, an authorisation must be obtained from the Authorising Officer. Secondly, approval must be obtained from a Justice of the Peace. This involves Legal Services applying to a Magistrates Court.

Written authorisations must be completed whenever an investigation involves the use of Directed Surveillance. This provides lawful authority to carry out Covert Surveillance. Authorisations for Directed Surveillance must be in writing. Authorisation must be sought before any proposed surveillance is undertaken. The Legal Services team will be able to provide advice as to the procedure to be followed when seeking authorisation and will represent the Council at the Magistrates Court to make the application.

- 6.2 Investigating officers seeking authorisation for Directed Surveillance should do so on the standard forms issued by the Home Office. Two copies of the form should be completed. Those seeking authorisation should ensure that the standard form is the latest version by downloading the form from the Home Office web site [www.homeoffice.gov.uk](http://www.homeoffice.gov.uk) (simply type RIPA forms into the search engine) or checking this with the Legal Services Manager.

<https://www.gov.uk/government/publications/application-for-use-of-directed-surveillance>

- 6.3 Using the standard forms helps both applicants and authorising officers to ensure that the Act is complied with and in particular will focus their attention on the crucial issues of justifying the need for the surveillance and its proportionality to the objective. There are separate forms for issuing, reviewing, renewing and cancelling

authorisations for both Directed Surveillance and the use of CHIS (the forms for a CHIS can be found in Appendix A),

<https://www.gov.uk/government/publications/renewal-form-for-directed-surveillance>

<https://www.gov.uk/government/publications/review-of-use-of-directed-surveillance>

<https://www.gov.uk/government/publications/cancellation-of-use-of-directed-surveillance-form>

6.4 All applications for authorisation of Directed Surveillance must be in writing and record as a minimum:

- The grounds on which authorisation is sought. Note that the power to authorise surveillance exists only for the prevention and detection of crime and disorder and no other purpose for local authorities.
- An assessment of the Directed Surveillance Crime Threshold. Directed Surveillance can only be authorised under RIPA to prevent or detect criminal offences that are either punishable, whether on summary conviction or indictment, by a minimum term of at least 6 months imprisonment. There are certain specified offences relating to the underage sale of alcohol or tobacco, which are exempt from the Directed Surveillance Crime Threshold. This also means that the Council can't authorise the use of Directed Surveillance to investigate disorder that does not involve criminal offences, or to investigate low level offences, which may include, for example, littering, dog control and fly-posting.

6.5 The person granting an authorisation for Directed Surveillance must believe that this is necessary. If they believe that it is necessary they must also believe that it is proportionate to the aim sought to be achieved by Directed Surveillance. When considering Proportionality the following factors are relevant:-

- Consideration of why the Directed Surveillance is proportionate to what it seeks to achieve.
- An analysis of what other options for gathering the information have been considered and that Directed Surveillance is necessary.
- Balancing the size and scope of the proposed activity against the gravity and extent of the perceived crime or offence;
- Explaining how and why the methods to be adopted will cause the least possible intrusion on the subject and others;
- Considering whether the activity is an appropriate use of the legislation and a reasonable way, having considered all reasonable alternatives, of obtaining the necessary result;

- Evidencing, as far as reasonably practicable, what other methods have been considered and why they were not implemented.
- Balancing the seriousness of the intrusion into the privacy of the subject of the operation (or any other person who may be affected) against the need for the activity in investigative and operational terms and consideration of the potential for Collateral Intrusion and why it is justified.
- The likelihood of acquiring any confidential or privileged material and the details of such material including material subject to legal privilege.

Fundamentally the use of covert surveillance must be proportionate to the issue being investigated.

Authorisation will not be proportionate if it is excessive in the circumstances of the case. Each action authorised should bring an expected benefit to the investigation or operation and should not be disproportionate or arbitrary. No activity will be considered proportionate if the information which is sought could reasonably be obtained by other less intrusive means. All surveillance should be carefully managed to meet the objective in question and must not be arbitrary or unfair.

6.6 When assessing proportionality the following points should be considered:

- Balancing the size and scope of the proposed activity against the gravity and extent of the perceived crime or offence.
- Explaining how and why the methods adopted will cause the least possible intrusion on the subject and others
- Considering whether the activity is an appropriate use of the legislation and a reasonable way, having considered all reasonable alternatives, of obtaining the necessary result
- Evidencing, as far as reasonably practicable, what other methods had been considered and why they were not implemented.

6.7 The following should be considered as best working practices:

- Applications should avoid repetition of information
- Information contained in applications should be limited to that required by the relevant legislation
- Where it is foreseen that other agencies will be involved, these should be detailed in the application
- Authorisations should not generally be sought for activities already authorised following an application by the same or a different Council.

## **7. GRANTING AUTHORITY**

7.1 Before granting authority for Directed Surveillance, the Authorising Officer must believe it is “necessary” in the circumstances of the particular ground only:

- To prevent or detect particular types of criminal offences;
- And these offences must be either punishable, whether on summary conviction or indictment, by a maximum term of at least 6 months or criminal offences related to the underage sale of alcohol and tobacco (it must meet the Directed Surveillance Crime Threshold).

Officers must satisfy themselves that what they are investigating is a criminal offence. If at any time during the investigation it becomes clear that the activity being investigated does not amount to a criminal offence or is a less serious offence which does not meet the threshold the Directed Surveillance Authorisation must be cancelled.

7.2 The test for necessary needs to include a consideration of why it is necessary to use Directed Surveillance. All other grounds identified on the forms must be deleted. Directed surveillance or the use of a CHIS will not be necessary if there are other means of obtaining the required evidence. Therefore consideration must be given to other means of obtaining this evidence before Directed Surveillance or the use of a CHIS is considered and this should be documented.

7.3 As well as believing that the authorisation is necessary, the Authorised Officer will also have to be satisfied that the proposed surveillance is proportionate to the objective.

This is not always an easy test to apply, but as a general rule:

- Covert surveillance should not be used where there are alternative means of obtaining the required information
- Unduly intrusive methods should not be used to obtain information about trivial contravention of offences.

7.4 In this context it is important to bear in mind the risk of Collateral Intrusion as well as the effect on the target.

7.5 An Authorising Officer must give their authorisation in writing. They should not be responsible for authorising operations in which they are directly involved. All authorisations must be recorded in the centrally retrievable record of authorisation.

7.6 A written application for Directed Surveillance should describe any conduct to be authorised and the purpose of the investigation. It should include:

- The reasons why the authorisation is necessary in this particular case and on what grounds
- The nature of the surveillance
- The identities (if known) of the subject of the surveillance
- A summary of the intelligence case and appropriate unique intelligence references where applicable
- An explanation of the information which is desired to be obtained as a result of the surveillance

- The details of any potential Collateral Intrusion and why this intrusion is justified
- The details of any Confidential Information which is likely to be obtained as a consequence of the surveillance
- The reasons why the surveillance is considered proportionate to what it seeks to achieve

A subsequent record should also be made of whether authorisation was given or refused, by whom and the time and date this happened.

7.7 Authorisation will cease to have effect (unless renewed or cancelled) at the end of a period of 3 months beginning on the day the Authorisation was granted.

## **8. COLLATERAL INTRUSION AND CONFIDENTIAL INFORMATION**

8.1 Before authorising Directed Surveillance the Authorising Officer should take into account the risk of obtaining private information about persons who are not the intended subjects of the activity. This is known as Collateral Intrusion.

8.2 Measures should be taken, wherever practicable, to avoid or minimize unnecessary intrusion into the privacy of those who are not the subject of the Directed Surveillance. Where Collateral Intrusion is unavoidable, the activities may still be authorised providing this Collateral Intrusion is considered proportionate to the aims of the intended intrusion. Any Collateral Intrusion should be kept to the minimum necessary to achieve the objectives of the operation. All applications should include an assessment of the risk of any Collateral Intrusion and detail the measures taken to limit this to enable the Authorising Officer to properly consider the proportionality of the surveillance in light of the Collateral Intrusion.

8.3 The risk of Collateral Intrusion must be addressed on the application form. The reasons why Collateral Intrusion is unavoidable and the steps taken to minimise it, must also be set out on the form.

8.4 The form also requires the officer to consider the likelihood of acquiring Confidential Information to be assessed. Confidential Information consists of:

- matters subject to legal privilege (i.e. advice and instructions which are confidential as between legal advisors and their clients)
- confidential personal information about a person's physical or mental health, or spiritual counselling
- confidential journalistic material (i.e. information which a journalist has acquired on a confidential basis)

8.5 If confidential information is likely to be obtained, the Chief Executive is required to be the Authorising Officer.

8.6 Having satisfied themselves about all of the above matters, Authorising Officers must ensure that all the relevant sections of both copies of the application form are

completed and signed. One copy of the completed and signed form should be retained within the department and the original is to go on the Central Register.

## **9. JUDICIAL APPROVAL**

- 9.1 Under amendments made to the Act by The Protection of Freedoms Act 2012 the Council must now make an application to the Magistrates Court in order to obtain judicial approval. The Council must obtain an order approving the grant or renewal of an authorisation from a Justice of the Peace (JP) before it can take effect.
- 9.2 No activity permitted by the authorisation granted by the Authorising Officer may be undertaken until the approval of the Magistrates Court of that authorisation has been obtained. An Authorising Officer who intends to approve and application for the use of Directed Surveillance must immediately inform the Monitoring Officer and legal Services in order that the application can be made to the Magistrates Court.
- 9.3 The JP will consider whether or not the authorisation for the use of Directed Surveillance is necessary and proportionate. They will need to be satisfied that at the time the authorisation was granted or renewed or notice was given or renewed there were reasonable grounds for believing that the authorisation or notice was necessary and proportionate. If the Justice of the Peace is satisfied that the statutory tests have been met and that the use of Directed Surveillance is necessary and proportionate they will issue an order approving the grant or renewal of authorisation as described in the application.
- 9.4 A RIPA application to a JP is a legal proceeding; this application will be made by Legal Services on behalf of officers with sign off by the RIPA Monitoring Officer. Investigating officers may need to attend and should be prepared to present their evidence to court. The hearing will be a closed one. It is very important that all the evidence relied upon in the application is contained within the forms and supporting papers. They must make the case, it is not sufficient to provide oral evidence where the oral evidence given is not reflected in the papers. Oral evidence should support the documents and should not be used to expand them or present information or evidence that is not already in the papers.

## **10. DURATION, REVIEW, RENEWAL AND CANCELLATION OF AUTHORISATIONS**

- 10.1 If at any time before an authorisation would cease to have effect, and the Authorising Officer considers it necessary for the authorisation to continue for the purpose for which it was given he/she may approve a renewal in writing for a further period of three months, beginning with the day when the authorisation would have expired but for the renewal.

Authorisations may be renewed more than once, provided they continue to meet the criteria for authorisation.

- 10.2 Regular reviews of all authorisations should be undertaken to assess the continuing need for Direct Surveillance. The results of the review should be recorded and

retained for 3 years. Where Directed Surveillance involves a high level of Collateral Intrusion or where Confidential Information is likely to be obtained, reviews should be undertaken more frequently.

- 10.3 Where possible a review should be undertaken by the original Authorising Officer. Where, for whatever reason this is not possible, the review should be undertaken by an officer who would be entitled to grant a new authorisation in the same terms.
- 10.4 Any proposed or unforeseen changes to the nature or extent of the surveillance operation which may result in further or greater Collateral Intrusion must be brought to the attention of the Authorising Officer through a review. The Authorising Officer must consider whether the proposed changes are proportionate. Any changes must be highlighted at the next renewal.
- 10.5 Authorisations are of limited duration unless renewed. Their duration is 3 months.

A renewal must be authorised prior to the expiry of the original Authorisation but it runs from the expiry date and time of the original Authorisation. It should not be renewed until shortly before the original Authorisation period is due to expire. Authorisations may be renewed more than once if they are still considered necessary and proportionate and approved by a JP.

As renewals are subject to the approval by the Magistrates Court, Authorising Officers must advise the Monitoring Officer and Legal Services immediately when they are minded to grant a renewal.

Whilst applications for renewals should not be made until shortly before the original authorisations period is due to expire, officers must take into account factors which may delay the renewal process (the availability of the Authorising Officer, Legal Services and court listings).

- 10.6 Authorising Officers cannot simply allow an authorisation to run its course and expire. An authorisation must be cancelled if it is no longer needed, or if it no longer matches the basis on which it was granted. The need for cancellation may arise before an authorisation is due for review. It is, therefore essential that the investigating officer should draw the attention of the Authorising Officer to any relevant developments and for the Authorising Officer to pro-actively monitor the use being made of the authorisation.
- 10.7 Formal reviews must be carried out on the date(s) specified in the Authorisation, this should not be later than one month following authorisation. The relevant forms direct Authorising Officers to the matters to be considered on a review. In general terms the considerations are the same as those to be taken into account when first issuing an authorisation.
- 10.8 An authorisation may be renewed at any time before it expires. All applications for renewal of authorisations for Directed Surveillance should record:
  - whether the renewal is the first renewal, or the dates of any previous renewal

- any significant changes to the information on which the authorisation was last issued or renewed
- the reasons why it is necessary to continue with the surveillance
- an estimate of the length of time the surveillance will continue to be necessary.
- the content and value to the investigation of the information so far obtained.
- the results of regular reviews of the investigation or operation.

10.9 Authorisations may be renewed more than once provided that they continue to meet the criteria for Authorisation. Any person who is entitled to grant a new Authorisation can renew an Authorisation. Authorisations must be cancelled if the Directed Surveillance as a whole no longer meets the criteria upon which it was authorised.

10.10 All reviews, cancellations and renewals must be recorded on the relevant forms, which should be completed in duplicate. The forms direct Authorising Officers towards the relevant considerations to be taken into account.

10.11 Reviews, renewals and cancellations should be carried out by the Authorised Officer who first issued the relevant Authorisation. The details of any renewal should be centrally recorded.

10.12 Authorising Officers are required to ensure that:

- Authorisations have been properly cancelled at the end of the period of surveillance
- Surveillance does not continue beyond the authorisation period
- Current authorisations are regularly reviewed
- Ensure the timely destruction of the results of surveillance operations

## **11. CENTRAL REGISTER**

11.1 A centrally retrievable record of all authorisations should be held by the Council and updated whenever an Authorisation is granted, renewed or cancelled. This information must be held for three years from the end of each Authorisation. If there is reason to believe that any of the information obtained as a result of the authorisation might be relevant to further civil or criminal proceedings then this should not be destroyed but should be retained in accordance with established disclosure requirements. The record should be made available to the relevant Commissioner or Inspector from the Office of Surveillance Commissioners upon request.

11.2 The record must contain the following information:

- The date that the Authorisation was given
- The name and position of the Authorising Officer
- The unique reference number (URN) of the investigation, its title and a brief description of the names and subjects (if known)

- The details of the attendance at the Magistrates, the date of the attendance, the determining Magistrate, the decision of the court and the time and date of the decision
- The date of any reviews
- If the Authorisation has been renewed when it was renewed, who authorised the renewal (name and position of the officer)
- Whether the investigation is likely to result in obtaining any Confidential Information
- The date the Authorisation was cancelled.
- Where the application is refused, the grounds or reasons for refusal given by the Authorising Officer or the Justice of the Peace.

11.3 The following documentation should also be centrally retrievable for at least three years following the end of the Authorisation:

- A copy of the Application and a copy of the Authorisation with any supplementary documentation and notification of the approval given by the Authorising Officer.
- A record of the period over which the surveillance has taken place
- The frequency of the reviews prescribed by the Authorising Officer
- A record of the results of each review of the Authorisation
- A copy of any renewal of an Authorisation with any supporting documents submitted when the renewal was requested.
- Date and time when any instruction to cease surveillance was given
- A copy of the order approving or otherwise the grant for renewal of an Authorisation from a JP.

11.4 The Central Register is kept by the RIPA Monitoring Officer, who will also retain an excel spreadsheet of the Central Register. The RIPA Monitoring Officer is responsible for maintaining the Central Register.

## **12. KEEPING RECORDS**

12.1 Quite apart from the statutory requirement that Authorisations should be in writing, there is self-evidently a need to keep proper records so that the protection of the Act can be relied upon in any legal proceedings if needs be.

12.2 As outlined earlier, two copies of every Authorisation, review, renewal or cancellation should be completed. One should be retained by the department and the original sent to the RIPA Monitoring Officer, to be put onto the Central Register. The Authorising Officer is responsible personally for ensuring that copies of those documents are sent to the RIPA Monitoring Officer, within one week.

12.3 Forms should be handed over personally or sent in a sealed envelope marked "Private and Confidential".

- 12.4 The handling, storage and destruction of material obtained through an operation must be done so in accordance with the requirements of the General Data Protection Regulation and the Council's policies.
- 12.5 Material gathered under RIPA through Directed Surveillance which has been properly Authorised can be used to further other investigations.
- 12.6 Each service department undertaking Directed Surveillance must ensure that adequate arrangements are in place for the secure handling, storage and destruction of material obtained through the use of covert surveillance.

### **13. HEALTH AND SAFETY**

- 13.1 Authorising Officers are reminded of the need to ensure that the health and safety implications of undertaking investigations are taken into account.
- 13.2 This, of course, applies whether or not Covert Surveillance is taking place, but in certain circumstances the level of risk to employees may be increased by covert activity. The risk must be properly assessed and steps taken to minimise it.

### **14. WORKING WITH/THROUGH OTHER AGENCIES**

- 14.1 In certain circumstances it may be necessary for the Council to work with other agencies on a surveillance operation. When this is the case the Council should try to avoid duplication of Authorisations. Where there has been duplication this will not affect the lawfulness of the activities conducted.
- 14.2 When another agency has been instructed on behalf of the Council to undertake any action under RIPA, this policy and the forms in it must be used (as per normal procedure) and the agency advised or kept informed, as necessary, of the various requirements.
- 14.3 When another agency (e.g. the Police, Customs and Excise, Inland Revenue etc); -
- wish to use the Council's resources (e.g. CCTV) that agency must use its own RIPA procedures and before an officer agrees to allow the Council's resources to be used by any agency they must obtain a copy of that agency's RIPA form for the record (a copy of which must be passed to the RIPA Monitoring Officer for the Central Register).
  - wish to use the Council's premises for their own RIPA action the officer should, normally co-operate with the same, unless there are security or other good operational or managerial reasons as to why the City Council's premises should not be used for the agency's activities. Suitable insurance or other appropriate indemnities may be sought, if necessary, from the agency. In such cases the Council's own RIPA forms should not be used as the Council's role is simply to assist in the RIPA activity.

14.4 If the Police or other agency want to use the Council resources for general surveillance, as opposed to specific RIPA operations, an appropriate letter requesting the proposed use, extent of remit, duration, who will be undertaking the general surveillance and the purpose of it must be obtained from the Police or other Agency before any Council resources are made available for the proposed use. If in doubt please consult with the RIPA Monitoring Officer or the Legal Services Manager at the earliest opportunity.

## **15. TRAINING**

15.1 The RIPA Monitoring Officer should ensure that all officers who are required to undertake investigations receive relevant RIPA training and appropriate refresher training. However, any investigating officer who feels that they need further training or refresher training should raise this with their supervisor at the earliest opportunity. It is the responsibility of all investigating officers to ensure that they keep up to date with any developments or changes to RIPA. In house training can be sought by contacting Legal Services.

## **16. SENIOR RESPONSIBLE OFFICER (SRO)**

16.1 The Council has appointed the City Solicitor as the SRO who is responsible for the following:-

- The integrity of the process in place within the Council to authorise Directed Surveillance.
- For ensuring that all Authorising Officers are of an appropriate standard in light of any recommendations in the inspection reports prepared by the Office of the Surveillance Commissioner.
- Compliance with Part II of the 2000 Act, Part III of the 1997 Act and with this code;
- Engagement with the Commissioners and Inspectors when they conduct their inspections, and
- Address any post inspection action plans recommended or approved by a Commissioner.

## **17. REVIEW AND PUBLICATION**

17.1 The Policy will be reviewed annually and any changes presented to the Executive on an annual basis to comply with the Codes, the legislation and to ensure that it is being used consistently. It may be amended from time to time in light of any developments in the law and experience of the operation to ensure that it remains fit for purpose. Staff are encouraged to raise any issues they may have with the Legal Services Manager.

17.2 The Executive shall review the Council's use of RIPA annually in accordance with the Code of Practice on Covert Surveillance and Property Interference.

## **18. SOCIAL MEDIA**

18.1 It is important to be aware that the use of social media in an investigation could, depending on how it is used and the type of information likely to be obtained, constitute covert activity that requires authorisation under RIPA.

18.2 Researching 'open source' material would not require authorisation but return visits to these sites in order to build up a profile could change this position and may constitute Directed Surveillance and need an authorisation. As such before any integration of social media is undertaken a social media access request form (attached at Appendix B) must be completed and signed by one of the Council's solicitors.

18.3 Officers should not use false personae (a false social media profile or handle) or their own social media to undertake any authorised social media searches. The Council's own social media accounts must be used for this.

## **19. ERRORS AND BREACHES OF RIPA**

19.1 An error must be reported if it is a Relevant Error (as defined under section 231(9)\_RIPA. An example of Relevant Errors occurring would include circumstances where Surveillance or the use of a CHIS has taken place without the lawful authority.

19.2 All Relevant Errors made by the Council of which it is aware must be reported to the IPC as soon as reasonably practicable and no later than 10 working days.

19.3 Once the error has been identified, the Council must take steps to confirm the fact of an error as quickly as it is reasonably practicable to do so. Where it is subsequently confirmed that an error has occurred and that the error is notified to the Commissioner, the Council must also inform the commissioner of when it was initially identified that an error may have taken place.

19.4 A full report must be sent to the Investigatory Powers Commissioner as soon as reasonably practicable in relation to any relevant error, including details of the error. The report should include information on the cause of the error, the amount of surveillance conducted and any material obtained or disclosed, any collateral intrusion, any analysis of the action taken, whether any material has been retained or destroyed and a summary of the steps taken to prevent recurrence.

19.5 If the Investigatory Powers Commission considers the error to be a serious error and that it is in the public interest for the person concerned to be informed of the error, they must inform them. An error is a serious error where it is considered to have caused significant prejudice to the person concerned. When deciding whether it is in the public interest for the person concerned to be informed of the error, the Commissioner must in particular consider:

- The seriousness of the error and its effect on the person concerned
- The extent to which disclosing the error would contravene the public interest and be prejudicial to: national security, the prevention or detection of serious crime, the economic well-being of the United Kingdom or the continued discharge of function of any of the security and intelligence services.

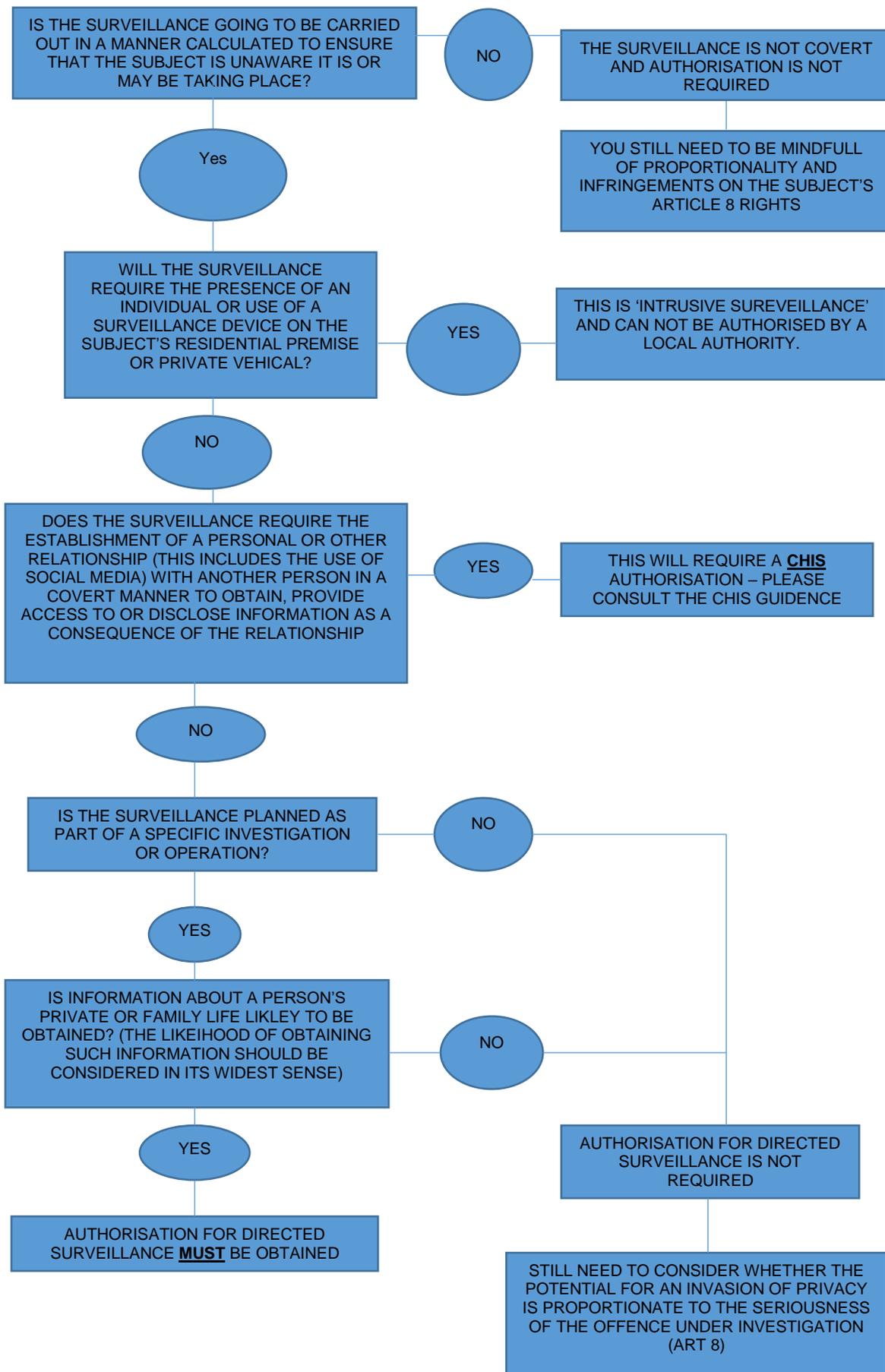
19.6 When informing a person of a Serious Error, the Commissioner must inform the person of any rights that they may have to apply to the Investigatory Powers Tribunal and provide such details of the error as the Commission considers to be necessary for the exercise of these rights.

19.7 Evidence gathered where RIPA has not been complied with may not be admissible in Court. Any perceived breach of this policy or the RIPA procedures should be reported to the Monitoring Officer. Where the breach relates to an active court case this should also be raised with the Solicitor instructed in this case. These should be reported as soon as they come to light.

## **20. OTHER SOURCES OF ADVICE**

20.1 Detailed guidance on the operation of RIPA is available in Codes of Practice published by the Home Office and available on their website [www.homeoffice.gov.uk](http://www.homeoffice.gov.uk). Advice is also available from the RIPA Monitoring Officer and Legal Services.

## IS A DIRECTED SURVEILLANCE AUTHORISATION REQUIRED?



## APPENDIX A

### GUIDANCE TO STAFF ON USE OF COVERT HUMAN INTELLIGENCE SOURCES

This Guidance **must** be read in conjunction with the City of Lincoln Council's Policy on Regulation of Investigatory Powers Act 2000 (RIPA)

#### 1. GENERAL POLICY

- 1.1 Please refer to the policy on RIPA for an explanation of the Regulation of Investigatory Powers Act 2000 and how this affects the Council.
- 1.2 The procedure and guidance set out in this Guidance is based on the provisions of RIPA, the Home Office Codes of Practice on the use of CHIS and the Home Office Guidance to Local Authorities in England and Wales on the Judicial Approved Process for RIPA and the Crime Threshold for Directed Surveillance. When implementing any procedure or policy contained within this guidance the officer and the Authorising Officer must ensure that there is compliance with the Home Office Codes of Practice on CHIS. This can be found at:

<https://www.gov.uk/government/publications/covert-surveillance-and-covert-human-intelligence-sources-codes-of-practice>

- 1.3 There is a Flowchart at the end of this Policy to summarise the requirements of RIPA.
- 1.4 To be clear, there is no use of a CHIS merely because a person offers information to the Council that may be material to the investigation of an offence, but there would be if the authority asks that person to obtain further information. If a person has a relationship with another person which is not established or maintained for a covert purpose, the fact that he or she does in fact covertly disclose information to the local authority will not require an authorisation and that person will not be a CHIS.
- 1.5 It is not only a person outside of the employment of the Council who may be used as a source. If a member of staff is intended to be used as a CHIS, appropriate training must be given to that staff member.

#### 2. COVERT HUMAN INTELLIGENCE SOURCES

- 2.1 A person is a "covert human intelligence source" (CHIS) if:
  1. They establish or maintain a personal or other relationship with a person for the covert purpose of facilitating the doing of anything falling within 2) or 3)
  2. They covertly use such a relationship to obtain information or to provide access to any information to another person; or
  3. They covertly disclose information obtained by the use of such a relationship or as a consequence of the existence of such a relationship

- 2.2 In this context, a source of information acts covertly if he or she establishes and maintains a relationship which is conducted in a manner which is calculated to ensure that the other person is unaware that the relationship is being used for the purposes listed above.
- 2.3 A relationship that is used covertly, and the information obtained is disclosed covertly, if and only if the relationship is used or the information is disclosed in a manner that is calculated to ensure that one of the parties to the relationship is unaware of the use or disclosure in question. Where a person acting in their role for the Council is intending to engage with members of the public online without disclosing their identity or purpose, a CHIS authorisation may be needed and the Council's RIPA Policy should be consulted and the Social Media Access form should be used.
- 2.4 When applied to a relationship "established" means "set-up." It does not require, as "maintains" does, endurance over any particular period. Repetition is not always necessary to give rise to a relationship but whether or not a relationship exists depends on all the circumstances including the length of time of the relationship and the nature of any covert activity.
- 2.5 The use of a CHIS involves inducing, asking or assisting a person to engage in the conduct of a CHIS or to obtain information by means of the conduct of such a CHIS.
- 2.6 RIPA regulates the "conduct and use" of covert human intelligence sources. An officer therefore requires authority both to act as a CHIS in person and to use anyone else (e.g. a member of the public or private investigator) as a CHIS.
- 2.7 Officers should carefully consider whether any potential human source of information might be a CHIS and if so to secure the necessary authority in accordance with this guidance and accompanying documents. It is worth noting that a person meets the CHIS criteria even if they volunteer information to an officer. Officers should ensure that they are familiar with the Home Office Code of Practice on the use of Covert Human Intelligence Sources and also seek advice from Legal Services if necessary.
- 2.8 There are separate forms to be completed for the use of a CHIS and for reviewing, renewing and cancelling the use of a CHIS. These need to be completed by the officer and signed by the Authorising Officer. These forms and guidance on them can be here:

<https://www.gov.uk/government/publications/application-for-the-use-of-covert-human-intelligence-sources-chis>

<https://www.gov.uk/government/publications/reviewing-the-use-of-covert-human-intelligence-sources-chis>

<https://www.gov.uk/government/publications/renewal-of-authorisation-to-use-covert-human-intelligence-sources>

<https://www.gov.uk/government/publications/cancellation-of-covert-human-intelligence-sources-chis>

### **3. AUTHORISING THE USE OF A CHIS**

- 3.1 The need to make use of a CHIS is likely to be even more infrequent than for Direct Surveillance. It involves additional considerations and procedures. Authority to authorise the conduct or use of a CHIS can only be granted by the Authorising Officer as outlined in the Policy. The Council has resolved that this must be in conjunction with the RIPA Monitoring Officer.
- 3.2 Before authorising the conduct or use of a CHIS the Authorising Officer will not only need to take into account the general considerations as outlined in the main guidance on RIPA but will also need to be satisfied that the appropriate arrangements are in place for:
- The management and oversight of a CHIS by a designated officer who will also have responsibility for the CHIS's security and welfare
  - Record keeping
  - Ensuring that any records disclosing the identity of the CHIS are only made available on a strict "need to know" basis.
- 3.3 Vulnerable individuals and juveniles should only be used as sources in the most exceptional circumstances and special rules apply in these cases. Only the Chief Executive may authorise use of a juvenile or vulnerable CHIS.

"Vulnerable individuals" are defined as people in need of community care services by reason of physical, mental or other disability, age or illness and who are unable to take care of themselves or protect themselves against significant harm or exploitation.

"Juveniles" are persons under 18 years of age. Special safeguarding rules apply to the use or conduct of juveniles as sources. Under no circumstance should the use or conduct of a CHIS under 16 be authorised to give information on their parents or any person who has parental responsibility for them. Any authorisation for the use or conduct of a juvenile CHIS will only be for 1 month's duration as opposed to 12 months for all other CHIS.

Those authorised to grant the use of CHIS's will be extremely reluctant to issue authorisations for the use of vulnerable individuals or juveniles.

Where a CHIS is under the age of 16 years old the Council must ensure that an appropriate adult is present at all meetings between the juvenile source and any person representing the investigating authority.

- 3.4 Before authorising the use or conduct of a source, the Authorising Officer should take into account the risk of interference with the private and family life of persons who are not the intended subjects of the CHIS activity. This is known as Collateral Intrusion, a definition of Collateral Intrusion can be found in the RIPA Guidance above.

- 3.5 Measures should be taken, wherever practicable, to avoid or minimize interference with private and family life of those who are not the intended subjects of the CHIS activity. Where Collateral Intrusion is unavoidable, the activities may still be authorised providing this Collateral Intrusion is considered proportionate to the aims of the intended intrusion. Any Collateral Intrusion should be kept to the minimum necessary to achieve the objectives of the operation. All applications should include an assessment of the risk of any Collateral Intrusion and detail the measures taken to limit this to enable the Authorising Officer to properly consider the proportionality of the operation in light of the Collateral Intrusion.
- 3.6 The Authorising Officer who grants an authorisation should, where possible, be responsible for considering subsequent renewals of the Authorisation and any relevant security and welfare issues. The Authorising Officer will stipulate the frequency of formal reviews and The Controller should maintain an audit of case work sufficient to ensure that the use or conduct of the CHIS remains within the parameters of the Authorisation. This does not prevent additional reviews being conducted in response to the changing circumstances of an operation.
- 3.7 In some cases a single Authorisation may cover more than one CHIS. However it is only likely to be appropriate in situations where the activities to be authorised, the subjects of the operation, the interference with the private and family life, the likely Collateral Intrusion and the environmental or operational risk assessments are the same.
- 3.8 As of 1<sup>st</sup> November 2012 the Council now has to obtain an order from a Justice of the Peace (JP) approving the grant or renewal of any Authorisation for the use of CHIS before Authorisation can take effect and the operation be carried out. This is similar to the procedure outlined in the RIPA Policy and Legal Services advice is required to undertake this application.

The JP will consider whether or not the Authorisation for the use of a CHIS was necessary and proportionate. They will need to be satisfied that at the time the authorisation was granted or renewed or notice was given or renewed there was reasonable grounds for believing that the Authorisation or notice was necessary and proportionate. If the Justice of the Peace is satisfied that the statutory tests have been met and that the use of a CHIS is necessary and proportionate they will issue an order approving the grant or renewal of Authorisation as described in the application.

- 3.9 Authorisation for an adult CHIS (unless renewed) is for 12 months from the date of approval by the JP.
- 3.10 Regular reviews of the authorisations should be undertaken by the Authorising Officer to assess whether it remains necessary and proportionate to use a CHIS and whether the authorisation remains justified. The review should include:
  - The use made of the CHIS during the period authorised
  - The tasks given to the CHIS
  - The information obtained from the CHIS

- If appropriate to the Authorising Officer's remit, the reasons why executive action is not possible at this stage.

Results of the review must be retained for at least 5 years. In each case it is up to the Authorising Officer to determine the frequency of a review. This should be as often as is considered necessary and proportionate but should not prevent reviews being conducted in response to changing circumstances. Where there are any significant or substantive changes to the nature of the operation, consideration should be given as to whether it is necessary to apply for a new authorisation.

- 3.11 CHIS authorisations can be renewed on more than one accession if necessary and provided that they continue to meet the criteria for authorisation. All renewals are subject to authorisation from a Justice of the Peace.

#### **4. Necessity and Proportionality**

- 4.1 The Act requires that the Authorising Officer (and then the JP) must believe that an Authorisation for the use or conduct of a CHIS is necessary and proportionate in the circumstances of the particular case for the purpose of preventing or detecting crime or of preventing disorder.
- 4.2 If it decides that the use of a CHIS is necessary the person granting the authorisation must then believe that the use is proportionate to what is sought to be achieved by the conduct and use of that CHIS. This involves balancing the intrusiveness of that CHIS on the target and others who might be affected by it against the need for the CHIS to be used in investigative and operational terms.
- 4.3 The use of a CHIS will not be proportionate if it is excessive in the circumstances of the case. Each action authorised should bring an expected benefit to the investigation or operation and should not be disproportionate or arbitrary. No activity will be considered proportionate if the information which is sought could reasonably be obtained by other less intrusive means.
- 4.4 When considering this the following factors are relevant:-
- Balancing the size and scope of the proposed activity against the gravity and extent of the perceived crime or offence;
  - Explaining how and why the methods to be adopted will cause the least possible intrusion on the subject and others;
  - Considering whether the activity is an appropriate use of the legislation and a reasonable way, having considered all reasonable alternatives, of obtaining the necessary result;
  - Evidencing, as far as reasonably practicable, what other methods had been considered and why they were not implemented.

Fundamentally the use of covert surveillance must be proportional to the issue being investigated

The test for necessary needs to include a consideration of why it is necessary to use covert surveillance

4.5 The use of a CHIS should be carefully managed to meet the objective in question and sources must not be used in an arbitrary or unfair way.

## **5. Special Considerations for authorisation**

5.1 Care should be taken in cases where the subject might reasonably expect a high level of privacy or where Confidential Information is involved. Please refer to the RIPA Policy for more detailed guidance on Confidential Information. Confidential Information could be legally privileged information, or information which carries medical or journalistic confidentiality. In cases where legally privileged material or other Confidential Information might be acquired the use or conduct of a CHIS can only be authorised by the Authorising Officer.

## **6. Officers Required**

6.1 Two officers are required for the management of a CHIS: The Handler who has day-to-day responsibility and will be the contact for receipt of information, and The Controller who has general oversight.

6.2 Tasking the CHIS is the responsibility of The Handler with reference to The Controller. It is important to ensure that Authorisation is not drawn up so narrowly that new authorisation must be sought each time the CHIS is tasked however it can be difficult to predict the needs of an operation at the time of Authorisation and where an operation changes officers must ensure that the existing Authorisation is sufficient. Where it is not it should be cancelled and new Authorisation should be sought.

6.3 The Handler will have the day to day responsibility for:

- Dealing with a CHIS on behalf of the authority concerned
- Directing the day to day activities of the CHIS
- Recording the information supplied by the CHIS
- Monitoring the CHIS's security and welfare.

6.4 The Controller will be responsible for the management and supervision of the Handler and the general use and oversight of the CHIS.

6.5 Where the authorisation is for the use or conduct of a CHIS whose activities benefit more than a single public authority, responsibilities for the management and oversight of that CHIS may be taken up by one authority or can be split between the authorities. The Controller and Handler of a CHIS need not be from the same authority. The public authorities involved must lay out in writing their agreed oversight arrangements.

## **7. Keeping Records**

7.1 Record keeping must be in accordance with The Regulation of Investigatory Powers (Source Records) Regulation S.I 2000; No 2725. Relevant officers will have their attention drawn to those specific requirements whenever an authorisation is issued

and specific advice given as to how they should be complied with in the circumstances of the case. Consideration should be given to the management of any requirement to disclose information tending to reveal the existence or identity of a CHIS to or in court.

- 7.2 A centrally retrievable record of all authorisations should be maintained. These records need only contain the name, code name, or unique identifying reference of the CHIS, the date the Authorisation was granted, renewal or cancellation and an indication as to whether the activities were self-authorised. These records should be made available to the relevant Commissioner or Inspector from the Office of Surveillance Commissioners upon request.
- 7.3 These records should be retained for a period of at least five years from the ending of the authorisation to which they relate. In retaining records consideration must be given to the duty of care owed to the CHIS, the likelihood of future criminal or civil proceedings relating to information supplied by the CHIS or activities undertaken and the responsibilities and obligations under the General Data Protection Regulations. All records kept should be maintained in such a way so as to preserve the confidentiality and prevent disclosure of the identity of the CHIS and the information provided by the CHIS.
- 7.4 Records or copies of the following, as appropriate, should be kept for at least five years:
- A copy of the authorisation together with any supplementary documentation and notification of the approval given by the Authorising Officer
  - A copy of any renewal of an Authorisation, together with the supporting documentation submitted when the renewal was requested
  - The reason / reasons why the person renewing an Authorisation considered it necessary to do so.
  - Any risk assessment made in relation to a CHIS
  - The circumstances in which tasks were given to the CHIS
  - A record of the results of any reviews of the Authorisation
  - The reasons, if any, for not renewing the Authorisation
  - The reasons for cancelling an Authorisation
  - The date and time when any instruction was given by the Authorising Officer that the conduct or use of a CHIS must cease
  - A copy of the decision by an Ordinary Commissioner on the renewal of an authorisation beyond 12 months.
- 7.5 There must be arrangements in place for the secure handling, storage and destruction of material obtained through the use or conduct of a CHIS. This will be done in compliance with the General Data Protection Regulations and the Council's policies.

## **8. Security and Welfare**

- 8.1 Before authorising the use or conduct of a CHIS the Authorising Officer must ensure that a risk assessment is carried out to determine the risk to the CHIS of any tasking

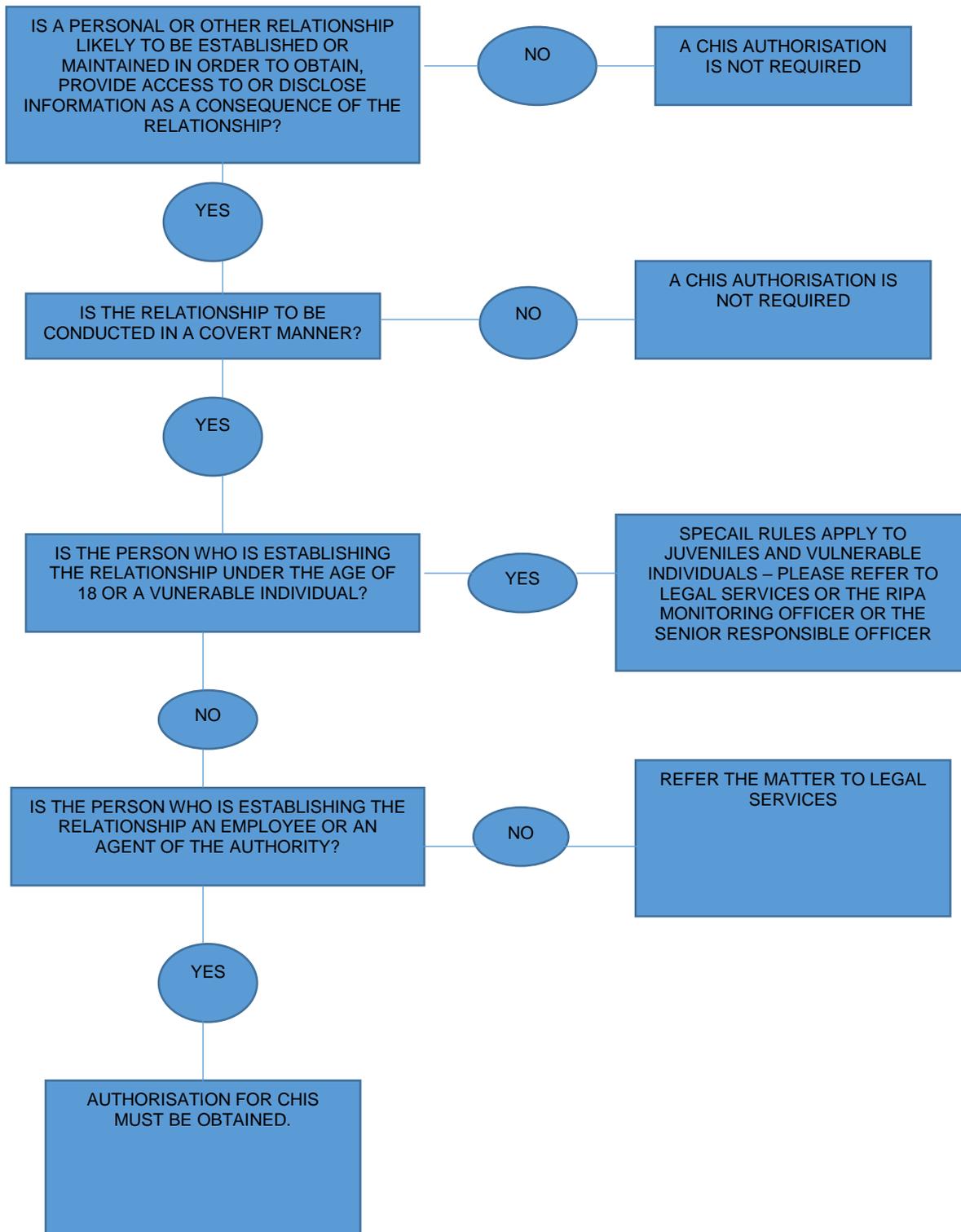
and the likely consequences should the role of the CHIS become known. The ongoing security and welfare of the CHIS must be considered once the operation has terminated. This is to be carried out by the Corporate Health and Safety team.

- 8.2 The Handler is responsible for bringing to the attention of the CHIS Controller any concerns about the personal circumstances of the CHIS insofar as this might affect:
- The validity of the risk assessment
  - The conduct of the CHIS
  - The safety and welfare of the CHIS

Where appropriate, concerns about such matters must be brought to the attention of the Authorising Officer and a decision must then be taken on whether or not to allow the Authorisation to continue.

- 8.3 The Council recognises a duty of care to its covert sources and it is important that a risk assessment and management approach is taken with regard to the welfare of the source. The risk to the source may not only be physical but also psychological, for example stress.

## IS A CHIS AUTHORISATION REQUIRED?



**APPENDIX B**

**REQUEST TO ACCESS SOCIAL MEDIA FOR INVESTIGATIVE PURPOSES**

***FOR GUIDENCE FILLING OUT THIS FORM PLEASE REFER TO THE RIPA SOCIAL MEDIA GUIFDENCE ON NETCONSENT.***

Social Media are “websites and applications which enable users to create and share content or to participate in Social Networking” For the avoidance of doubt this includes social networking sites.

***THIS FORM ONLY ALLOWS YOU TO ACESS SOCIAL MEDIA SITES VIA COMMUNICATIONS, IT DOES NOT GIVE YOU AUTHORITY TO ACCESS THEM THOUGH YOUR OWN PERSONAL ACCOUNTS OR PERSONAL DEVICES.***

LEAD OFFICER .....

SERVICE MANAGER .....

WHICH SOCIAL MEDIA / NETWORKING SITE DO YOU WISH TO ACCESS?

.....  
.....

DOES THE TARGET HAVE PRIVACY SETTINGS APPLIED ON THESE SITES? Y / N / UNKNOWN

NATURE AND PURPOSE OF INVESTIGATION:

.....  
.....  
.....  
.....  
.....  
.....  
.....  
.....

IF YOU ARE INVESTIGATING AN OFFENCE DOES THE OFFENCE CARRY A 6 MONTH CUSTODIAL SENTENCE OR LONGER IF THE SUSPECT IS CONVICTED? Y / N

IF YES, WHAT IS THE MAXIMUM CONVICTION FOR THE OFFENCE?

.....

WHAT INFORMATION DO YOU HOPE TO FIND ON THE SITE?

.....  
.....  
.....  
.....  
.....

.....  
.....

IT MUST BE PROPORTIONATE TO BREACH AN INDIVIDUAL'S ARTICLE 8 RIGHT, PLEASE EXPLAIN WHY YOU CONSIDER THIS BREACH TO BE PROPORTIONATE FOR THE PURPOSES OF THIS INVESTIGATION:

.....  
.....  
.....  
.....  
.....  
.....  
.....  
.....  
.....

OUTLINE THE RISK (IF ANY) OF COLLATERAL INTRUSION?

.....  
.....  
.....  
.....  
.....  
.....  
.....  
.....

COMMENTS FROM LEGAL SERVICES

.....  
.....  
.....  
.....  
.....  
.....  
.....  
.....  
.....

SOLICITOR.....

DATE .....

***PLEASE RETAIN A SIGNED COPY OF THIS FORM FOR YOUR FILE. COMMUNICATIONS WILL ALSO RETAIN A COPY OF THIS FORM.***

**ONCE THIS FORM HAS BEEN SIGNED BY LEGAL SERVICES IT WILL ENTITLE YOU TO VIEW A SUSPECTS SOCIAL MEDIA PAGE OR SOCIAL NETWORKING PAGE ONCE (VIA COMMUNICATIONS) AND RECORD YOUR FINDINGS.**

**SHOULD THE CASE GO TO COURT YOU MAY NEED TO VISIT THE SOCIAL MEDIA / SOCIAL NETWORK SITE AGAIN TO UPDATE YOUR FINDINGS, THIS FORM AUTHOMATICALLY ENTITLES YOU TO ACCESS THE SAME SOCIAL MEDIA OR SOCIAL NETWORKING SITED ONCE MORE PRIOR TO COURT IN ORDER TO UPDATE YOUR INFORMATION AND GIVE THE COURT CURRENT DETAILS. THE SITE CAN ONLY BE ACCESSED A SECOND TIME FOR THE PURPOSES OF A COURT HEARING AND YOU MUST ACCESS THE SOCIAL MEDIA / SOCIAL NETWORKING SITES THOUGH COMMUNICATIONS.**

**IF YOU NEED TO ACCESS THIS SITE MORE THAN TWICE THIS COULD BE DIRECTED SURVEILLANCE AND YOU WILL NEED TO SPEAK TO A MEMBER OF LEGAL SERVICES AS YOU MAY REQUIRE RIPA AUTHORISATION FROM THE COURTS BEFORE YOU CAN DO THIS.**

I CONFIRM I HAVE READ AND UNDERSTOOD THE ABOVE

.....

DATE

.....

This page is intentionally blank.

<b>SUBJECT:</b>	<b>REVISED TENANT INVOLVMENT STRATEGY 2022 TO 2025</b>
<b>DIRECTORATE:</b>	<b>HOUSING AND INVESTMENT</b>
<b>REPORT AUTHOR:</b>	<b>DONNA LYONS, RESIDENT INVOLVEMENT MANAGER</b>

**1. Purpose of Report**

1.1 To seek approval for the revised Tenant Involvement Strategy 2022 to 2025 which replaces the 2018 to 2021 strategy.

**2. Background**

2.1 The existing Tenant Involvement Strategy is now out of date and a revised Tenant Involvement Strategy for 2022 to 2025 (Appendix A) has been developed.

2.2 The regulatory Framework for social housing and the social housing white paper requires social housing landlords to have a transparent Tenant Involvement Strategy in place.

**3. What we have Achieved over the Last Three Years**

3.1 Since we launched our last tenant involvement strategy, despite the coronavirus pandemic, we are proud of what we have achieved to improve our tenant involvement service and the willingness of tenants and leaseholders to participate in this.

3.2 Our annual report to tenants and Home magazine continues to be published so tenants and leaseholder can keep up to date with our achievements and performance. They detail house building, improvements (Decent Homes and Lincoln Standard of Housing), scheduled and responsive repairs, tenancy management including tenancy breaches, anti-social behaviour, rental income and the estate environment, as well as tenant involvement in these activities.

3.3 Tenants and leaseholders have contributed in many of the ways set out in our menu of involvement. The pandemic has encouraged the use of digital communication, such as Facebook and Zoom, and made it easier for people to get involved.

3.4 We have also reached out to people through fun days and roadshows, which has allowed even more people to get involved and find out more about effect of service changes and gain their views on our agreed future plans.

**4. Objectives of the Revised Tenant Involvement Strategy**

4.1 We have agreed five objectives for our Tenant Involvement Strategy. These are:

1. Co-design services with residents
2. Facilitate community engagement
3. Communicate key messages to residents
4. Co-regulate with Lincoln Tenants' Panel
5. Expand the ways residents can get involved

4.2 By involving tenants and leaseholders in these ways will help us to jointly deliver the top priorities identified.

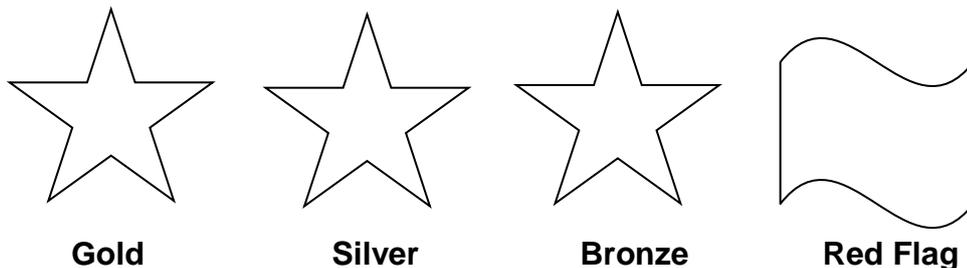
## 5. Delivering the Action Plan and Monitoring Outcomes of the Strategy

5.1 The resident involvement team will take the lead in the delivery of the strategy and action plan. The action plan is shown at Appendix B to the strategy.

5.2 Throughout the lifetime of the strategy the resident involvement team will review the strategy with Lincoln Tenants Panel to ensure the objectives are being met and activities are providing value for money.

5.3 Housing Scrutiny Sub Committee and housing managers will receive updates about progress and have the opportunity to provide input into the strategy.

5.4 The Lincoln Tenants' Panel will assess the progress of the strategy using a rating system as follows:



5.5 As part of the launch of our strategy Lincoln Tenants Panel will carry out an initial assessment to give us a starting position against which we can monitor outcomes.

## 6. Let's Deliver Quality Housing

6.1 The revised Strategy will mean that tenants have tenants continue to have a range of opportunities to get involved to shape housing services.

## 7. Finance

7.1 There are no direct financial implications.

## 8. Legal Implications

8.1 There are legal implications.

## 9. Equality, Diversity and Human Rights

- 9.1 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.
- 9.2 An Equality and Human Rights Impact Assessment has been carried out. There are no issues arising from this.

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

## 10. Risk Implications

- 10.1 (i) Failure to deliver effective tenant involvement

## 11. Recommendation

- 11.1 Executive is asked to approve the revised Tenant Involvement Strategy 2022 to 2025.

**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?** 1

**List of Background Papers:** None

**Lead Officer:** Name, Donna Lyons

Donna.lyons@lincoln.gov.uk

This page is intentionally blank.

Appendix A

# Tenant Involvement Strategy 2022-2025

**Foreword from the Tenants' Panel Chair**

Page 1 of 19

“The Lincoln Tenants’ Panel support this Tenant Involvement Strategy and welcome the many opportunities it brings for tenants and leaseholders to have their say about how services are provided over the next three years and beyond. The information used to develop this strategy has been sourced based on our joint experience with tenants, best practice, legislation and guidance from our government.”

“Lincoln Tenants’ Panel has dedicated a lot of time in shaping services and will continue to do this.”

### **Foreword from the Council’s Portfolio Holder for housing**

We are grateful to our Tenants’ Panel for the time and effort they have given in helping understand the needs and aspirations of tenants. We continue to work closely together, sharing information and developing our housing service. Transparency with our tenants is very important to us and we have a very challenging future ahead of us. “

### **Introduction**

The delivery of an excellent housing service requires high levels of performance, value for money and tenant satisfaction. In 2018 (the year our latest tenant satisfaction survey was undertaken) 86% of tenants reported that they were either very or fairly satisfied with the overall service received.

### **Coronavirus (COVID-19) Pandemic**

The Coronavirus pandemic has caused major disruption and has led to a range of lock down measures to tackle the spread of the virus. These restrictions have changed the ways in which we operate and have limited our ability to interact with and serve customers.

Many of our contractors and suppliers have been affected and this has led to delays in many projects and programmes of work. We continue to monitor and respond to the situation. However, it is unlikely that we will return to the ‘old normal’ and will need to develop new and better ways to deliver housing services.

The new Tenant Involvement Strategy works closely with the Vision 2025 document, the City of Lincoln Council’s strategic plan that sets out our long-term vision of:

**“Together, let’s deliver Lincoln’s ambitious future”**

It also sets out the council’s strategic priorities:

- Let’s deliver quality housing

- Let's drive economic growth
- Let's reduce inequality
- Let's enhance our remarkable place
- Let's address the challenge of climate change.

The Tenant Involvement Strategy will help contribute to meeting Vision 2025 by helping to 'deliver quality housing' as well as contributing to the other strategic priorities set out above. The next section goes into further detail and expands on these points.

### **Why do we involve tenants?**

Involving tenants and residents is crucial in helping us to deliver outstanding housing services and without their input it would be difficult to provide quality services to tenants that meet their expectations.

The principles of effective involvement are that tenants and residents can:

- Have a choice that matters
- Help to get services right for all
- Hold the council to account for the decisions made
- Empower themselves through learning new skills and gain experience
- Empower communities through involvement.

A new charter introduced by the Government, the Charter for social housing residents (government Social Housing White Paper 2020) sets out what every social housing tenant should expect from their council:

To be safe in your home  
To know how your landlord is performing  
To have complaints dealt with promptly and fairly  
To be treated with respect  
To have your voice heard by your landlord  
To have a good quality home and neighbourhood to live in  
To be supported to take a step to ownership

### **New tenant satisfaction measures to be introduced by the Government**

New tenant satisfaction measures are being introduced to assess how well we are performing against the standards. These are:

#### **Theme**

*Overall*

- Tenant satisfaction with overall service

*Keeping properties in good repair*

- Homes that do not meet the Decent Homes Standard (DHS). The DHS requires homes that are warm,

	weatherproof and have reasonably modern facilities
	<ul style="list-style-type: none"><li>• Repairs completed within target timescales</li><li>• Tenant satisfaction with repairs</li><li>• Tenant satisfaction with time taken to complete most recent repairs</li></ul>
<i>Maintaining building safety</i>	<ul style="list-style-type: none"><li>• Gas safety</li><li>• Fire safety</li><li>• Asbestos safety</li><li>• Water safety</li><li>• Lift safety</li><li>• Tenant satisfaction that home is well maintained and safe to live in</li></ul>
<i>Effective handling of complaints</i>	<ul style="list-style-type: none"><li>• Number of complaints received</li><li>• Complaints responded to within Complaint Handling Code timescales</li><li>• Tenant satisfaction with landlord's approach to handling of complaints</li><li>• Tenant knowledge of how to make a complaint</li></ul>
<i>Respectful &amp; helpful engagement</i>	<ul style="list-style-type: none"><li>• Tenant satisfaction that the landlord listens to views and acts on them</li><li>• Tenant satisfaction that the landlord keeps tenants informed about things that matter to them</li><li>• Agreement that the landlord treats tenants fairly &amp; with respect</li></ul>
<i>Responsible neighbourhood management</i>	<ul style="list-style-type: none"><li>• Number of Anti-social behaviour (ASB cases)</li><li>• Tenant satisfaction that the landlord keeps communal areas clean, safe, and well maintained</li><li>• Tenant satisfaction that the landlord makes a positive contribution to neighbourhoods</li><li>• Tenant satisfaction with the landlord's approach to handling of ASB</li></ul>

### **The Existing Regulatory Framework and the White Paper**

Under the existing regulatory framework and this white paper, we are committed to making this happen.

Some of the standards set out in the existing regulatory framework that relate to involving tenants include:

- Supporting the formation and activities of tenant panels or equivalent groups and responding in a constructive and timely manner to them
- Consulting with tenants about services by setting out clearly the costs and benefits of relevant service options and changes to services
- Consulting tenants at least once every three years on the best way of involving tenants in the governance and scrutiny of the organisation's housing management service
- Tenants should be given the opportunity get involved in:
  - their landlord's housing related policies and strategic priorities
  - making decisions about how housing related services are delivered, including the setting of service standards
  - scrutinising performance and making of recommendations to their landlord about how performance might be improved

In addition to this, revised consumer standards from the white paper are:

#### **Safety**

Landlords' safety responsibilities including safety within the home and in communal areas

#### **Quality**

Quality of the home, communal spaces, and services to tenants.

#### **Neighbourhood**

Landlords' role, working with other agencies to contribute to the wellbeing of neighbourhoods in which tenants live

#### **Transparency**

Landlords' role in making information accessible to tenants including roles and responsibilities within landlords, so tenants know who is responsible for matters relating to consumer standards.

#### **Engagement and accountability**

Engagement between landlords and tenants, including how complaints are handled. Landlords' accountability to tenants and treating tenants with fairness and respect

#### **Tenancy**

Requirements on landlords in respect of tenancies, including allocations policies and opportunities for tenants to move

## **How the Government will ensure we comply with the standards set out above**

The Government wants to

- See a transformed consumer regulatory regime which holds landlords to account in maintaining good quality homes and services, prioritising safety, treating tenants respectfully and being transparent with information. In short, our housing service will be inspected
- Retain the principle of co-regulation, as it ensures that the focus is on driving good outcomes for existing and future tenants
- Introduce new regime for regulating social housing. This will give tenants confidence that their landlord is being properly scrutinised
- Put safety at the heart of social housing regulation
- Make social landlords more transparent and accountable
- Strengthen the regulator's powers to enforce

### **Building and Fire Safety**

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

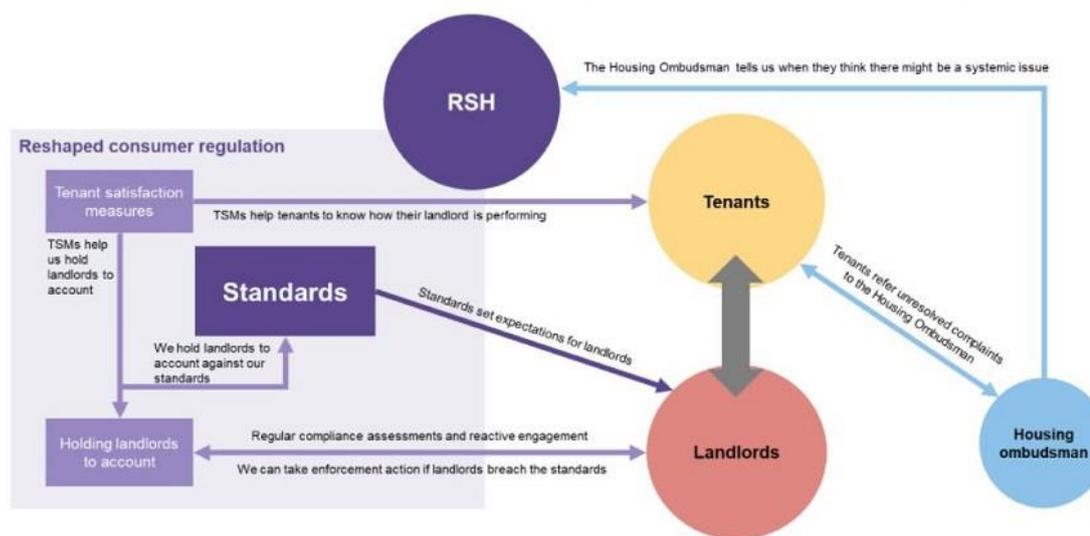
Building and fire safety reforms are currently coming into force alongside the white paper.

These reforms are being developed to help ensure your home is safe and that you feel safe.

A Building Safety Engagement action plan has been developed to look at getting 'buy in' for tenants and leaseholders living in flats by ensuring fire safety management and emergency plans are enacted, we need to find innovate ways of engaging with tenants and leaseholders.

## Bringing it all together

This chart shows how the government wants to bring everything together:



## What these things mean

### Housing Ombudsman

Resolve complaints and disputes between individual residents and landlords

### Regulator of Social Housing

Ensures the social housing sector is well run, viable and can deliver homes for residents. Sets standards for landlords and can act if they are breached.

### Building Safety Regulator

Will help ensure residents of all high-rise buildings are safe.  
Will oversee safety and performance of all buildings.

### Department for Levelling Up, Housing and Communities

Puts forward legislation. Directs regulators and Ombudsmen  
Sets rent rules

Tenant and leaseholder involvement is crucial to implementing the changes and we have set out how we intend to do this over the next 3 years within this strategy and in consultation with our Tenants' Panel.

**Our Vision for our new strategy is to:**

*‘To provide a range of ways for tenants and leaseholders to get involved and using this to co-design of services and improvements.’*

**Our Objectives:**

We have agreed five objectives for our Tenant Involvement Strategy. These are:

- 1. Co-design services with residents**
- 2. Facilitate community engagement**
- 3. Communicate key messages to residents**
- 4. Co-regulate with Lincoln Tenants’ Panel**
- 5. Expand the ways residents can get involved**

Involving tenants and leaseholders in these ways will help us to jointly deliver the top priorities identified.

We have developed an action plan which we intend use to help us achieve our objectives which can be found at the end of this document.

We have also consulted with tenants and leaseholders to find out what they see as their top priorities:

**Top priorities for Tenants**

- Improving services
- Investing more in home and estate improvements
- Building new council houses
- Improving the estate environment

**Top Priorities for leaseholders**

- Improve communication to ensure leaseholders views are taken into account

**These priorities are also reflected in the council’s overall vision 2025 to deliver quality housing**

- Let’s provide housing which meets the varied needs of residents
- Let’s improve housing standards for all
- Let’s build thriving communities
- Let’s help people have a sense of belonging
- Let’s ensure our development approach reduces our carbon footprint
- Let’s set the Lincoln Standard for sustainable zero carbon development

## **What have we achieved so far?**

Our annual report to tenants continues to be published so tenants and leaseholders can keep up to date with our achievements and performance, however publications will be timelier and generally provided digitally, removing the need to publish at set intervals. They detail house building, improvements (Decent Homes and Lincoln Standard of housing), scheduled and responsive repairs, tenancy management including tenancy breaches, anti-social behaviour, rental income and the estate environment, as well as tenant involvement in these activities.

Since we launched our last tenant involvement strategy and despite the coronavirus pandemic, we are proud of what we have achieved to improve our tenant involvement service and the willingness of tenants and leaseholders to participate in this.

Tenants and leaseholders have contributed in many of the ways set out in our menu of involvement (see below). The pandemic has encouraged the use of digital communication, such as Facebook and Zoom, and made it easier for people to get involved.

We have also reached out to people through fun days and roadshows, which has enabled even more people to get involved and influence how services are delivered as well as gain their views on our agreed future plans.

## **Our menu of involvement**

There are many ways in which tenants and leaseholders can become involved and these can be tailored to suit everyone. Our menu of involvement shows some of the options available:

- Lincoln Tenants' Panel, focus groups and forums
- Consultation and satisfaction surveys
- Mystery shopping
- Estate and tenant inspections of services
- Community and resident groups and their representatives/spokes person
- Community projects
- Consultations, events and roadshows
- Home magazine and the Annual Report to tenants, including writing and editing for these
- Following, commenting and messaging us via our social media channels . Facebook page: City of Lincoln Council – Resident Involvement

## **Support for tenant and resident involvement**

New technology presents exciting opportunities, and we will take full advantage of this.

Training and support are in place to help anyone who wants to get involved from IT skills and support with out of pockets expenses, travel costs, catering to childcare costs. Tenants are encouraged to talk to the resident involvement team about their learning and support needs to enable them to participate in any of our involvement options.

Reward vouchers are also available to our Tenant Panel Members and for other involvement activities.

We are always willing to discuss new ways tenants and leaseholder can get involved as we understand that 'one size' does not fit all. Timing, accessibility and creating an inclusive and co-ordinated strategy allows us to meet the aspirational outcomes together.

In addition, we have a dedicated resident involvement team who will co-ordinate resident involvement across the organisation and provide support for involved tenants.

## **Recruitment**

Successful delivery of the strategy will also require sufficient numbers of tenants being involved. It is therefore critical that efforts are made to retain those already taking part and to recruit new tenants to the groups.

## **Equality, Diversity and Human Rights Statement**

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

Our tenant involvement strategy does not discriminate and aims to involve tenants and leaseholders regardless of their age, gender, sexual orientation, race, culture, beliefs, or disability.

## Climate Change

The Council is committed to working with tenants and leaseholders to find new solutions to reduce carbon emissions. Our repairs service, and investment in our housing stock can have a significant impact on climate change locally. Reducing carbon emissions is a big challenge for our housing service, now and in the future.

Our commitment to addressing climate change sets out our objectives.

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

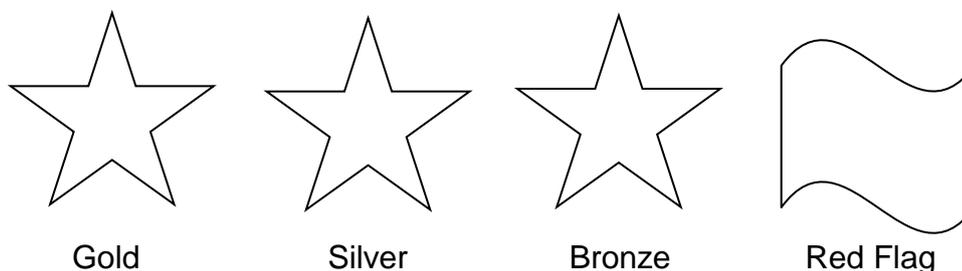
Practical tips and ways to get involved can be found in our Climate Change Commission at ([www.lincolnclimate.org.uk](http://www.lincolnclimate.org.uk))

## Delivering and monitoring outcomes of the strategy

The resident involvement team will take the lead in its delivery. Throughout the lifetime of the strategy the resident involvement team will review the strategy with Lincoln Tenants Panel to ensure the objectives are being met and activities are providing value for money.

Housing Scrutiny Sub Committee and housing managers will receive updates about progress and have the opportunity to provide input into the strategy.

The Lincoln Tenants' Panel will assess the progress of the strategy using a rating system as follows:



As part of the launch of our strategy Lincoln Tenants Panel have carried out an initial assessment to give us a starting position against which we can monitor outcomes.

### **Feedback on the strategy**

We welcome your views on our resident involvement strategy. You can:

- \*  email us at: [LTP@lincoln.gov.uk](mailto:LTP@lincoln.gov.uk)
- \*  phone us on 01522 873398
- \*  visit us at Facebook-search City of Lincoln Council-Resident Involvement.

**Appendix A-Action Plan**

Objective	Action	Progress	Lincoln Tenants' Panel Assessment
<p><b>Co-design services with residents</b></p> <p><b>Expand the way residents can get involved</b></p>	<p><b>Housing Revenue Account Business Plan</b></p> <p>Involve tenants and leaseholders to review Housing Revenue Account Business Plan and delivery plan</p> <p>Agree on what tenant and leaseholder involvement is needed to successfully deliver any actions</p>		
	<p>Ensure that internal procedures for involving tenants in decision making are fit for purpose, for example, any decisions taken demonstrate the level of tenant involvement in the process leading to the decision made</p>		
	<p>Continue to resource tenant involvement:</p> <p>Agree the level of tenant involvement and the level of resources that should be available to deliver service changes</p>		

	Review customer feedback and use it to improve services, ensuring a record is kept demonstrating how feedback has been used.		
	Carry out consultation with residents on the estate improvement programme		
	Develop and deliver the building safety engagement strategy and deliver the actions set out within it		
	Develop an on-line training module for tenants and staff to educate the importance and requirement for tenant involvement in service delivery and development.		
Support joint working opportunities for tenants to share best practice with other social landlord tenants and supporting bodies			

Objective	Action	Progress	Lincoln Tenants Panel Assessment
<p><b>Facilitate community involvement</b></p>	<p><b>Neighbourhood and Community groups</b></p> <p>Promote wider community involvement and target hard to reach groups such as leaseholders and young people to get involved in housing services</p>		
	<p>Gain feedback from the neighbourhood boards and community groups to inform service improvement</p>		
	<p>Assist in the delivery of community projects as agreed within the housing service plan</p>		
	<p>Involve tenants and leaseholders from community groups in involvement activities</p>		

	Support tenant representatives to support community groups in their areas	Councillors have agreed to act as a communication channel when surveys are carried out to engage with hard-to-reach groups	
--	---	--	--

176

Objective	Action	Progress	Lincoln Tenants Panel Assessment
<p><b>Communicate key messages and increase digital engagement</b></p> <p><b>Expand the ways residents can get involved</b></p>	Implement a continuous reporting model for performance by increasing the frequency and methods used to publish information		
	<p><b>Home Magazine</b></p> <p>Publish timely information throughout the year and publish this digitally and in user friendly formats</p>		
	<p><b>Annual Report</b></p> <p>Publish timely performance data and the Annual Report to Tenants each year and publish this digitally and in user friendly formats</p>		

	Help volunteers to use platforms, such as Zoom and Microsoft Teams to give better access to involvement opportunities		
	Creatively and continually develop our menu of involvement		
	Ensure our menu of involvement is inclusive and allows tenants with specific needs to take part and promote equality and diversity throughout the housing service	Councillors have agreed to act as a conduit when surveys are carried out to engage with hard to reach groups	

Objective	Action	Progress	Lincoln Tenants Panel Assessment
<b>Co-regulate with Lincoln Tenants Panel</b>	Continue to support and develop LTP		
	Agree annual workplan with agreed officer attendance as required		
	Implement the revised constitution		
	Agree and implement a programme of reviews into areas of the service		

	where LTP have concerns about improvements		
	Carry out joint inspections of sample voids properties to check that they are at the expected standard before letting (voids are the current vacant properties)		
	Review complaints to inform service improvements		
	Jointly monitor performance through Housing Scrutiny Sub Committee		
	Develop an annual planner for involvement activities and training and monitor its delivery		

## Appendix B-Risks that threaten delivery of the strategy

There are a number of risks that could potentially threaten full delivery of the strategy. These have been set out in the table below.

<b>Risk</b>	<b>Consequence</b>	<b>Controls in place</b>
Lack of residents involved	Insufficient numbers involved result in groups not running or operating effectively	Recruitment plan in place that continually recruits tenants.  Quickly address issues that might cause involved tenants to leave
Members of staff not complying with resident involvement duties/guidelines	Residents not consulted or involved, leading to complaints and potentially leading to a regulatory breach. This could also lead to a legal challenge	Staff awareness training to be carried out
Key involved residents leave e.g. LTP chairperson	Groups lose leadership and/or coordination and stop running	Succession plans to be put in place for key groups
Disagreements between involved residents	Groups stop running for a period of time or completely collapse	Adequate terms of references in place.  Resident involvement team to provide mediation
Weak or no terms of reference in place for groups	Groups are not able to run due to a lack of clear processes in place	Resident involvement team to offer advice to groups on terms of references
Insufficient budget in place	Lack of a budget would mean groups could not pay for meeting rooms, equipment, or training. This could severely restrict their ability to operate	Resident Involvement team and LTP to monitor the involvement budget

This page is intentionally blank.

**EXECUTIVE :**

**20 JUNE 2022**

**SUBJECT:           CONTAMINATED LAND INSPECTION STRATEGY**

**DIRECTORATE:    COMMUNITIES AND ENVIRONMENT**

**REPORT AUTHOR:   SIMON COLBURN, ASSISTANT DIRECTOR HEALTH AND ENVIRONMENT**

**1.    Purpose of Report**

1.1    To obtain approval of the revised Contaminated Land Inspection Strategy.

**2.    Executive Summary**

2.1    This is the Council's refreshed Inspection Strategy and has been written to reflect the latest Statutory Guidance and other changes to the regime.

2.2    The Council has a statutory duty under Part 2A of the Environmental Protection Act 1990 to deal with land contamination and to have an inspection strategy setting out our approach.

2.3    The Department for Environment, Food and Rural Affairs used to provide a national grant scheme to fund local authorities carrying out proactive inspections under Part 2A, in the rare circumstances that no other person could be found to carry out that work (e.g., the polluter, landowner or developer). Since that scheme has stopped, costs would fall to the council.

2.4    The refreshed strategy reflects our current operational approach to focus on managing contaminated land through the planning and building control regimes and encouraging voluntary remediation by landowners rather than proactive part 2A inspections.

2.5    The draft strategy was presented to Policy Scrutiny Committee on 15<sup>th</sup> March 2022 where the Committee resolved that the strategy be supported and referred to Executive for approval.

**3.    Background**

3.1    This is the Council's third Inspection Strategy and has been written to reflect the latest Statutory Guidance and other changes to the regime.

3.2    Section 78B(1) of Part 2A of the Environmental Protection Act 1990 (EPA 1990) places a duty on local authorities to inspect their areas to identify contaminated land and gives us regulatory powers to deliver against that duty.

- 3.3 Contaminated Land Statutory Guidance produced by the Department for Environment, Food and Rural Affairs sets out how local authorities should meet these duties, including the need to have a written strategy setting out their strategic approach. This Contaminated Land Inspection Strategy is the City of Lincoln Council's written strategy.
- 3.4 The strategy provides a brief overview of the contaminated land regime including its aims and objectives.
- 3.5 Any Part 2A inspection undertaken by the Council must be at the council's expense and by its very nature can consist of numerous phases and involve the engagement of environmental consultants.
- 3.6 Where contaminated land assessments conclude that there are unacceptable risks, as per Statutory Guidance, the Council must ensure these are addressed which will usually require some form of remedial works. For example, digging out contaminated ground and sending to landfill, encapsulating the ground or cleaning the soil in situ.
- 3.7 Where no responsible party can be identified (e.g., landowner, developer, polluter), the cost may fall to the Council. Such costs can reach hundreds of thousands of pounds and upwards.
- 3.8 The Contaminated Land Capital Grants programme from Central Government was previously available to local authorities to bid for funds to carry out such investigations and remediation work. This funding programme was withdrawn in 2013 and has subsequently not been replaced with an alternative, leaving many authorities unable to fund such inspections.
- 3.9 To date the Council has carried out one inspection under Part 2A of the EPA 1990 which resulted in the statutory determination of 36 residential properties as Contaminated Land. The details of which are present on the Council's public register of contaminated land, as required by the legislation. The initial investigation was funded by a Contaminated Land Capital Grant and the clean-up was funded by the original polluter and the developer.
- 3.10 While Part 2A gives us powers to proactively deal with contaminated land the vast majority of contaminated land is assessed and dealt with through the planning system particularly in Lincoln as land is reused over the decades.
- 3.11 The updated Strategy was presented to Policy Scrutiny Committee on 15 March 2022. No changes were made to the policy.

#### **4. Main Policy Change**

- 4.1 This refreshed Inspection Strategy contains updates based on amended national guidance, the updated Local Planning Policy Framework and, following the ending of the national Contaminated Land Capital Grants Programme, DEFRA's decision not to introduce a replacement scheme.
- 4.2 The Inspection Strategy is therefore proposing to change the approach from undertaking proactive inspection of sites where contamination may be present due

to previous uses, to utilising the existing assessment of sites within the Development Control process to manage the Council's duties under Part 2A. It should be noted that proactive Part 2A work has always been very infrequent.

- 4.3 The Environmental Protection team within Environmental Health are a consultee within the planning process. The National Planning Policy Framework (NPPF) requires consideration of potential contamination as part of the planning process to ensure a site is suitable for its proposed use and, after remediation (where required), the land is not capable of being determined as Contaminated Land under Part 2A.
- 4.4 Through this process the Council reviews the previous use of a site from the information submitted by the applicant as well as Council records and decides whether further investigation is required. The Scientific Officer (Contaminated Land) reviews reports submitted, agrees remediation measures where required and agrees validation reports demonstrating that concerns have been addressed.
- 4.5 Many planning application sites have had some previous use and therefore may appear on the Council's list of 'Sites of Potential Concern' (SPC). Ensuring these sites are addressed through the planning process as required by the NPPF also provides the Council with information on these SPC sites. The high number of planning applications received each year allows a much greater number of sites to be addressed than could be under the Part 2A regime.
- 4.6 The revised Statutory Guidance (2012) places an emphasis on this approach stating that the use of Part 2A should only be where 'no appropriate alternative solution exists' and points out that land contamination could be addressed through the planning and building control processes as well as voluntary action by landowners. We continue to provide advice and guidance to landowners wishing to proactively deal with their land.
- 4.7 One of the overarching objectives of Government's policy on the Part 2A regime includes 'to ensure that the burdens faced by individuals, companies and society as a whole are proportionate, manageable and compatible with the principles of sustainable development.'
- 4.8 The Council will continue to use the favoured mechanisms detailed in the Statutory Guidance to ensure that historical contamination is appropriately dealt with whilst ensuring unnecessary burdens are not placed on the taxpayer.
- 4.9 The Council would still need to, and will, act in any cases where there was evidence of an immediate or likely case of harm occurring from land contamination as this would not be dealt with by other regimes.

## **5. Strategic Priorities**

How the council manages land affected by contamination has a role to play in most of our strategic objectives from attracting investment by bringing brownfield land back into beneficial use, helping to make people safe in their homes and communities, ensuring land is suitable for new housing and enhancing our natural environment.

## **5.1 Let's Drive Inclusive Economic Growth**

Addressing land contamination and bringing brownfield land into use for beneficial purposes often has a beneficial impact on economic growth.

## **5.2 Let's Reduce all Kinds of Inequality**

Our residents, visitors and businesses should be able to live, work and play in areas where there is not an unacceptable risk from the land.

## **5.3 Let's Deliver Quality Housing**

Ensuring houses are fit to live includes ensuring there is no unacceptable risk to the occupiers from the land a house is built on.

## **5.4 Let's Enhance our Remarkable Place**

Contaminated land can pollute watercourses and cause harm to human health and ecosystems. The contaminated land function is primarily monitored under this priority.

## **6. Organisational Impacts**

### **6.1 Finance (including whole life costs where applicable)**

There are no direct financial implications arising from the policy or the report. The legislation already provides that in certain exceptional circumstances a situation might occur where the responsibility for investigating or remediating a site could fall to the City Council.

### **6.2 Land, Property and Accommodation**

The City Council has the same duties under the act as any other landowner or developer. The Scientific Officer (Contaminated Land) has always and continues to liaise with other teams to ensure the council actively discharges their contaminated land duties under the Act.

### **6.3 Equality, Diversity and Human Rights**

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

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

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

The Duty has been considered and there is no equality impact arising from the Contaminated Land Inspection Strategy and therefore an equality impact assessment is not required.

## **7. Risk Implications**

### **7.1 (i) Options Explored**

1. Not have, or do not refresh, the Contaminated Land Inspection Strategy – We are required to have a contaminated land inspection strategy or similar document.
2. Identify a budget for progressing proactive Part 2A inspections – Identify and tying up a large budget to replace the Contaminated Land Capital Grants Programme is not a financially prudent or efficient way to deliver our duties. Experience has shown that utilising the planning and building control processes and supporting landowners or developers is a much more effective way of delivering our duties and protecting the environment.

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

- 1) That the council may be liable, under exceptional circumstances, to fund the investigation and remediation of a piece of contaminated land. This is however a statutory duty and has existed for many years
- 2) That not undertaking proactive Part 2A inspections may result in areas of land causing harm or pollution and these are not identified or addressed. However, the risk from this is very small. The current contaminated land regulations have been in place for over 20 years, and throughout that time we have employed a specialist contaminated land officer and we believe that we therefore have a good understanding of the issues across the city. In addition, many new contaminated land issues arise due to changing the way the land is used – which is tackled through the building control or planning processes. We will continue to respond to emergency situations or cases where there is evidence that pollution is or may be occurring.

## **8. Publication**

- 8.1 Once approved the strategy will be published on our website and circulated to the developers and environmental consultants we frequently deal with.

## **9. Recommendation**

- 9.1 Executive is asked to approve the revised policy.

**Is this a key decision?** No

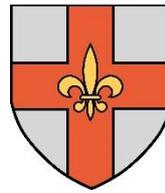
**Do the exempt information categories apply?** No

**Does Rule 15 of the Scrutiny Procedure Rules (call-in and urgency) apply?** No

**How many appendices does the report contain?** Two  
Appendix A – Contaminated Land Inspection Strategy  
Appendix B – Policy Scrutiny Committee minute from 15 March 2022

**List of Background Papers:** None

**Lead Officer:** Simon Colburn  
Assistant Director – Health and Environment  
Telephone (01522) 873241  
Email address: [simon.colburn@lincoln.gov.uk](mailto:simon.colburn@lincoln.gov.uk)



CITY OF  
*Lincoln*  
COUNCIL

# Contaminated Land Inspection Strategy 2022-2027



## LOCAL AUTHORITY INFORMATION AND CONTROL SHEET

### Document Status and Approval Schedule

<b>Organisation</b>	<b>City of Lincoln Council – Directorate of Communities and Environment</b>
<b>Title</b>	<b>Contaminated Land Inspection Strategy</b>
<b>Author – name and title</b>	Jonathan English – Scientific Officer (Contaminated Land)
<b>Owner – name and title</b>	Sara Boothright – Environmental Health and Corporate Health and Safety Manager
<b>Date</b>	March 2022
<b>Approvals</b>	Simon Colburn – Assistant Director (Health and Environment)
<b>Filename</b>	
<b>Version</b>	8.0 DRAFT
<b>Next review date</b>	January 2027 (or sooner if the legislation significantly changes)

**This document supersedes all previous Contaminated Land Inspection Strategy reports of the City of Lincoln Council**

## Executive Summary

The industrial history of our country has left a legacy of land where there is a potential for contamination to exist. This contamination may pose a risk to human health and/or the environment.

Part 2A of the Environmental Protection Act 1990 places a duty on local authorities to address these possible risks through the contaminated land regime. However enforcement under this legislation should be used when there is no other appropriate alternative and other mechanisms used in preference where possible. These include the development control and building control processes as well as voluntary action taken by landowners which helps to minimise the unnecessary burdens placed on taxpayers, businesses and individuals.

This strategy is a requirement under the contaminated land regime, as set out in Statutory Guidance, for local authorities who are the primary regulator. Strategies are to be reviewed at least every 5 years and therefore this document will be reviewed in 2027 unless there are any significant changes to the regime before this time.

Due to the withdrawal of the funding system from central Government for contaminated land work, the Council will now focus on addressing sites where contamination may exist predominantly through the development control process.

This document details further how this is already achieved and how we continue to work to drive standards and improve consistency in regulation across the region and further afield.

## Contents

Executive Summary .....	(i)
1. Introduction.....	1
2. Aims & Objectives .....	3
3. Characteristics of Lincoln .....	4
4. Strategic Inspection & Prioritisation .....	6
5. Detailed Inspection .....	7
6. Broader Approach .....	8
Glossary .....	11
References.....	13

## 1. Introduction

The legal definition of contaminated land is set out in Section 78A(2) of Part 2A of the Environmental Protection Act 1990 (EPA 1990)<sup>[1]</sup>:

*‘any land which appears to the local authority in whose area it is situated to be in such a condition, by reason of substances in, on or under the land, that –*

- (a) Significant harm is being caused or there is a significant possibility of such harm being caused; or*
- (b) Significant pollution of controlled waters is being caused or there is a significant possibility of such pollution being caused;’*

In relation to radioactivity, as per Regulation 5(1) of The Radioactive Contaminated Land (Modification of Enactments) (England) Regulations 2006<sup>[2]</sup>:

*‘any land which appears to the local authority in whose area it is situated to be in such a condition, by reason of substances in, on or under the land, that –*

- (a) harm is being caused, or*
- (b) there is the significant possibility of such harm being caused;’*

[Part 2A of the Environmental Protection Act 1990 \(EPA 1990\)](#) and [Contaminated Land \(England\) Regulations 2006](#)<sup>[3]</sup> and subsequent amendments, detail the specifics of the contaminated land regime. [Statutory Guidance](#)<sup>[4]</sup> is issued by the Department for Environment, Food and Rural Affairs (Defra) which provides more detail on the regime and the duties of local authorities. Separate regulations and statutory guidance exist to cover radioactive contaminated land.

The Statutory Guidance sets out the responsibilities of local authorities who are the primary regulators for contaminated land. One of which is to set out the authority’s approach to carrying out its duties under Part 2A of the EPA 1990, in a written strategy, which should be periodically reviewed at least every five years. The City of Lincoln’s Inspection Strategy has been updated in line with these documents and supersedes any previously issued.

The latest Statutory Guidance for non-radioactive Contaminated Land was issued in April 2012 and [Statutory Guidance for Radioactive Contaminated Land](#)<sup>[5]</sup> was issued in June 2018.

It is important to note that Part 2A should only be used where no other appropriate solution exists. Other regimes which can be used to address potential contamination of land are discussed later in this document.

The term ‘contaminated land’ is sometimes used when referring to land which could be affected by contamination but has not been investigated to confirm or deny its presence or land which might have been investigated but levels of contamination are not sufficient to meet the statutory definition. The Council uses the term ‘contaminated land’ to mean any land which has been statutorily identified as contaminated land. Land where contamination might be present, as a result of a previous use of the land or from spills or leaks of chemicals for example, is referred to as ‘land possibly affected by contamination’. In many cases until sampling and chemical analysis of soils and/or water has been undertaken, it is impossible to determine whether contamination is present. Sampling results must also be risk assessed to establish if there is any risk and how significant it may be.

A site cannot be identified as contaminated land simply by the presence of a contaminative substance being present in, on or under the land. In order for a site to be defined as contaminated at least one significant ‘contaminant or pollutant linkage’ must be demonstrated to exist. A linkage is comprised of three components:



#### *Contaminant*

The contaminant, a solid, liquid or gas, which is in, on or under the land that has the potential to cause significant harm or significant pollution of controlled waters.

#### *Pathway*

The means by which a contaminant can reach the receptor, this can be through soil, groundwater, surface water etc. For example by directly handling soil, breathing in dust from soil, ingesting soil attached to vegetables.

#### *Receptor*

A receptor is something which can be significantly impacted upon by the contaminant. The legislation identifies four main receptors:

- a) Human beings
- b) An ecological system within various designations and/or protection identified in Table 1 of the Statutory Guidance
- c) Property in the form of buildings, crops and livestock, identified in Table 2 of the Statutory Guidance
- d) Controlled waters

When all three components are present and risk assessment has concluded that significant harm is being caused or there is potential for significant harm to be caused, or significant pollution of controlled waters is or is likely to occur, this is then termed a ‘significant contaminant/pollutant linkage’.

Part 2A works on a risk-based approach of the likelihood of harm or pollution of water occurring and the scale and seriousness if such occurred.

## 2. Aims & Objectives

The aim of this document is to outline how the Council will implement the contaminated land regime within the city, in a proportionate and cost-effective manner. It is not the intention to reiterate the specifics set out in the legislation and Statutory Guidance or other guidance available which covers the many aspects involved when assessing land for contamination. A brief outline of the regime is provided on [GOV.UK](https://www.gov.uk) and on our [own website](#).

Section 78B(1) of the EPA 1990 states:

*‘Every local authority shall cause its area to be inspected from time to time for the purpose –*

- (a) of identifying contaminated land; and*
- (b) of enabling the authority to decide whether any such land is land which is required to be designated as a special site.’*

The objectives of the Part 2A regime, as detailed in paragraph 1.4 of the Statutory Guidance, are

- (a) To identify and remove unacceptable risks to human health and the environment.*
- (b) To seek to ensure that contaminated land is made suitable for its current use.*
- (c) To ensure that the burdens faced by individuals, companies and society as a whole are proportionate, manageable and compatible with the principles of sustainable development.’*

It is the local authority’s responsibility to meet these requirements. This Council believes the best way of achieving these objectives is through its development management and regeneration roles, only using its powers under Part 2A of the EPA 1990 where it is necessary and proportionate to do so.

The planning policies for the growth and regeneration of Lincoln are detailed within the [Local Plan for Central Lincolnshire](#)<sup>[6]</sup>. The development of land affected by contamination is covered under policy LP16.

In addition land affected by contamination can be voluntarily addressed by the landowner and the Council would welcome the opportunity to discuss this with any person/bodies wishing to do so.

### 3. Characteristics of Lincoln

The City of Lincoln Council's administrative area covers 3,571 hectares with a population of 99,039<sup>[7]</sup>. It is an urban environment with few Greenfield sites, leading to a focus on brownfield sites for development.



Set in the largely agricultural area of Lincolnshire, Lincoln has been an important settlement since Roman times and with the historic cathedral and castle, Lincoln has a rich cultural heritage. Through the mid-18<sup>th</sup> Century the commercial centre of the city grew along the water courses of the Fosdyke, River Witham and Brayford Pool with maltings, warehousing, coal and timber yards for example.

The introduction of the railway in the 19<sup>th</sup> Century and heavy engineering industry brought more growth to the city. Products included agricultural machinery, locomotives moving to military tanks and aircraft in the early 20<sup>th</sup> Century. Several excavated areas exist from gravel extraction in the southwest of the city to limestone and ironstone in the northeast. A number of these former excavated areas have subsequently been used for waste disposal.

All of these historical industrial uses will have had the potential to have leave contamination in the ground or within streams or rivers etc. Iron and steel production will have generated large quantities of wastes containing arsenic, and lead and other heavy metals. Where works produced their own coke, waste tars, waste solids and waste waters resulted. Timber treatment works created waste sludge and contamination of the ground.

Railways were very prominent within the city with at one point two railway stations present in the centre. Various contamination can result from goods sheds, depots and the ash and clinker used to construct lines. The original gas works for the city was located on Newland before moving to a larger site on Newark Road. Gas works associated activities have the potential to produce a wide variety of contaminants.

Due to the density of development within Lincoln and the way the city has evolved, there is an increased probability of residents being in closer proximity to these former industrialised areas.

Currently the city is still home to some manufacturing industries but has also expanded in the service sector, with particularly strong growth in education. The University of Lincoln is rapidly expanding with the main campus built largely on former reclaimed and remediated industrial land.

Along with the risk to human health and the water environment from potential contamination, consideration must also be given to ecological systems and property. Many areas are of an archaeological importance. Within the City, there are currently 26 [scheduled monuments](#) (one of which covers a variety of sites around the Cathedral Quarter), 417 listed buildings and 3 parks and gardens. There are 2 Sites of Special Scientific Interest (SSSI's), Swanholme Lakes and Greetwell Quarry.

The geology and hydrogeology of an area plays an important part in understanding how contamination will behave in the ground and the risk to ground and surface waters. The rocks underlying Lincoln are from the Jurassic period including Mudstone and Sandstone from the Lias Group with designation of a Secondary B aquifer. The northeast of the city is underlain by the Lincolnshire Limestone which is a Principal Aquifer. This area also has classifications of Zone II and Zone III Groundwater Source Protection Zones.

Soils above bedrock are generally Alluvium sands and gravels with clay and silt and River Terrace Deposits of sands and gravels. In the northeast of the city, soils are quite shallow, with frequently mostly made ground above the limestone. The majority of soils in the remaining areas are classed as a Secondary A aquifer with some small unproductive strata in places.

Homes and businesses in Lincoln obtain their water from the public supply mains, with no private water supplies present within the city boundary. Quantities of water are however obtained from local surface waters for use in industry and agriculture, e.g. for cooling and irrigation.

The City is crossed by two main surface watercourses, the River Witham and the Fosdyke. There are also numerous smaller watercourses and drains, which eventually join the River Witham and the Fosdyke as they flow across the City. The Fosdyke and Witham meet at the Brayford Pool in the centre of Lincoln. Historically, industries set up along the watercourses as they provided the primary means for the movement of materials and goods.

## 4. Strategic Inspection & Prioritisation

The City of Lincoln Council has set out its ambitions for the city in its strategic plan, Vision 2025<sup>[8]</sup>, which has five strategic priorities.

- Let's drive economic growth
- Let's reduce inequality
- Let's deliver quality housing
- Let's enhance our remarkable place
- Let's address the challenge of climate change

The Council's management of land affected by contamination has a role to play in most of these objectives from attracting investment by bringing brownfield land back into beneficial use, helping to make people safe in their communities, ensuring land is suitable for new housing and enhancing our natural environment.

Using predominantly historical maps supplemented with Council records and other local sources, a database has been compiled of sites where past uses may have led to the presence of contamination - these have been termed 'Sites of Potential Concern'. Using this, a manual method of prioritisation has been used to rank sites in order of priority for detailed inspection. Over 450 sites have been identified as Sites of Potential Concern. This ranges from large industrial sites, such as a former power station and domestic landfills, to very small, infilled ponds and warehouses of unknown use.

This list requires continued refinement to take into account those sites which have already been addressed through the planning process or voluntary remediation and as development on sites of potential concern continue.

This list of sites of potential concern is not made publicly available due to the potential to cause blight to an area which may appear on the list. These sites have not yet been investigated and have only been identified with a potential for contamination to be present due to known historical uses in order to rank into a priority order for possible inspection.

It is important to note that Part 2A addresses the risk based on the current land use. Whilst sites may have been noted as remediated or not requiring inspection this does not preclude work being required in the future should a more sensitive land use be proposed which might create a risk for end users.

Part 2A adopts a precautionary approach in terms of the risks posed by contamination. The Statutory Guidance provides more detail on the actual specifics of risk assessment and the procedures for deciding whether land meets the legal definition of contaminated land resulting in determination. Any inspection by the Council carried out under Part 2A would follow the requirements set out in the legislation and Statutory Guidance at that time.

Where land has been identified as meeting the statutory definition of contaminated land the local authority has a duty to ensure remediation of the land is undertaken.

Local authorities are required to provide written records relating to determinations of contaminated land and make such publicly available. Under Section 78R of Part 2A of the EPA 1990 enforcing authorities are required to hold a register detailing a variety of notices, appeals etc. in relation to securing the remediation of land which has been identified as contaminated. The City of Lincoln Council maintains such a register in hard copy which can be viewed at the Council's offices as well as an [electronic version](#) available on our website.

An annual measure has been calculated since 2016/17 of the 'Area of sites (m<sup>2</sup>) of potential concern made suitable for use in the year', as an ongoing means of quantifying the amount of land addressed largely through the development control process. This is reported within the Council's performance system.

## 5. Detailed Inspection

Sites of Potential Concern are prioritised into an order for detailed inspection with the highest ranking sites being those to be inspected first as they are viewed as being the most likeliest to have contamination present.

Detailed inspection follows a phased approach, which is standard practice for investigating the presence of contamination. This will normally include intrusive investigations involving the collection of soil and water samples along with gas and groundwater monitoring, dependent on the type of contamination suspected.

All inspections must follow the Statutory Guidance, Environment Agency [Land contamination: risk management \(LCRM\)](#) guidance <sup>[9]</sup>, and other up-to-date best practise and guidance.

To date the City of Lincoln Council has undertaken one inspection under Part 2A of the EPA 1990. This resulted in the determination of a number of properties as statutory Contaminated Land and remediation measures required. These details can be found on the Council's Register of Contaminated Land, available online.

The inspection of potentially contaminated land sites under the Part 2A regime is very resource intensive for the local authority, in terms of both time and money.

Defra previously provided a grant system to local authorities via a bidding system, to finance the investigations. The grant system could also be used by local authorities to remediate sites, where no other responsible party could be identified. This scheme was withdrawn in 2013 and no replacement funding mechanism has been provided to enable local authorities to undertake this work.

Intrusive investigations usually require the use of external environmental consultants and can cost tens of thousands of pounds with potentially further investigation required after initial results are received. Where remediation is required, the Council will always seek to identify those persons responsible for the contamination and therefore liable for the costs of remediation.

Remediation costs can reach hundreds of thousands of pounds and where no other person is found to be liable for the costs, this would fall to the City of Lincoln Council to fund and ultimately the taxpayer.

The Statutory Guidance states that local authorities must seek to minimise unnecessary burdens on the taxpayer. As such, in the absence of any external funding mechanisms and the financial risk that this creates, the City of Lincoln Council at this time, will not pro-actively undertake Part 2A detailed inspections of Sites of Potential Concern.

The Council will continue to use the favoured mechanisms detailed in the Statutory Guidance, such as the development control process and voluntary remediation, to ensure that historical contamination is appropriately and proactively dealt with. These alternative arrangements are described in more detail below.

The Council will, however, use its powers under Part 2A of the EPA 1990 to reactively deal with contaminated land where there is clear evidence that a problem exists or is likely to exist.

## **6. Broader Approach**

Contaminated land is considered within the Development Control and Building Control regimes to ensure sites are suitable for their current and intended use. Each system has its own requirements.

### *Development Control*

The latest [National Planning Policy Framework \(NPPF\)](#)<sup>[10]</sup> was published in February 2019 and revised in 2021. Paragraphs 183 onwards detail the requirements for addressing potential contamination in the development control process to ensure the site is suitable for its proposed use and, after remediation (where required), the land is not capable of being determined as Contaminated Land under Part 2A.

Environmental Health – Pollution Control act as a consultee within the planning process and work closely with Planning Officers to ensure issues of potential contamination are investigated and addressed where required, using conditions on planning consent notices, as appropriate.

Involvement continues throughout a development up to the point it is demonstrated that no remedial measures are required on a site or a final verification report is submitted and agreed to demonstrate remediation work has been successful. It is the responsibility of the developer and/or landowner to ensure the site is safe. The Council welcomes early communication on these matters so advice can be provided as to the requirements of addressing land contamination under the planning regime.

Addressing potential contamination through the development control regime is the best approach for addressing potentially contaminated sites. The high number of planning applications received per year in the city allows a much greater number of sites to be investigated than could be under the Part 2A regime. The use of other mechanisms to address potential contamination is supported by the Statutory Guidance.

### *Building Control*

[Regulation 6 of the Building Regulations 2010](#)<sup>[11]</sup> identifies resistance to contaminants as being a requirement to certain material changes of use.

[Approved Document C, 'Site preparation and resistance to contaminants and moisture'](#)<sup>[12]</sup>, provides guidance for addressing potential contamination within the Building Control regime.

Again the Pollution Control team works closely with Building Control Officers with regards to the requirements under the legislation and the subsequent remediation measures agreed for a site with the developer/landowner.

### *Environmental Permitting Regime*

The [Environmental Permitting \(England and Wales\) Regulations 2016](#)<sup>[13]</sup> and subsequent amendments provides a regime for the regulation of prescribed industrial and waste management activities.

Where significant harm or pollution of controlled waters comes from a process regulated under the above regimes, a remediation notice under Part 2A of the EPA 1990 cannot be served if the powers are available under the relevant Environmental Permitting (EP) regime to address the harm or pollution of controlled waters.

### *Voluntary Remediation*

The Council welcomes any discussions with landowners/occupiers who wish to address potential contamination on their land on a voluntary basis. This sometimes occurs where a landowner wishes to sell land, use it as equity, reduce the risk of damage to the environment or limit any future liability.

### *Regional Collaboration*

The City of Lincoln Council is a member of the Yorkshire and Lincolnshire Pollution Advisory Group (YALPAG). This is a voluntarily run organisation comprised of a number of local authorities through the Yorkshire and Lincolnshire area. YALPAG works to provide support to local authority officers, encourage dialogue with the wider industry and deliver consistency in the regulation of environmental pollution matters.

The Land Technical Group within YALPAG has produced a guidance booklet, [‘Development on Land Affected by Contamination’<sup>\[14\]</sup>](#), primarily for use by developers in the planning process. It provides a useful overview of the stages involved when investigating land for potential contamination. YALPAG has also produced two further guidance documents on verification requirements for two common forms of remediation. These are widely known throughout the region and even nationally, being adopted by authorities outside the YALPAG region as well.

This is an important element of the Council’s work in liaising further with environmental consultants and developers to improve standards of investigation and increase awareness of the requirements particularly within the planning process.

## Glossary

**Aquifer** – A body of rock or sediment that is sufficiently permeable to store and transmit water under the ground, in quantities that permit use of the water.

**Contaminant** – a substance which is in, on or under the land and which has the potential to cause harm or to cause pollution of controlled waters.

**Controlled waters** – as defined by Part 3 of the Water Resources Act 1991 which includes relevant territorial waters, coastal waters, inland freshwaters and groundwaters (any waters contained in underground strata). However, for Part 2A purposes groundwaters does not include waters contained in underground strata that are above the saturation zone.

**Harm** – as defined in section 78A(4);

*‘harm to the health of living organisms or other interference with the ecological systems of which they form part and, in the case of man, includes harm to his property.’*

In terms of radioactivity as defined in section 78A(4)(as modified);

*‘lasting exposure to any person resulting from the after-effects of a radiological emergency, past practice or past work activity’.*

**Intrusive Investigation** – an investigation of land, for example by exploratory excavations, which involves actions going beyond simple visual inspection of the land, limited sampling or assessment of documentary information.

**Pollution of controlled waters** – as defined by section 78A(9) of Part 2A;

*‘the entry into controlled waters of any poisonous, noxious or polluting matter or any solid waste matter’.*

**Possibility of significant harm** – in terms of human health the risk posed by one or more contaminant linkage(s) relating to land. As per section 4.11 of the Statutory Guidance it comprises:

- (a) *The estimated likelihood that significant harm might occur to an identified receptor, taking account of the current use of the land in question.*
- (b) *The estimated impact if the significant harm did occur i.e. the nature of the harm, the seriousness of the harm to any person who might suffer it, and (where relevant) the extent of the harm in terms of how many people might suffer it.*

**Principal Aquifer** – as defined by the Environment Agency

*‘These are layers of rock or drift deposits that have high intergranular and/or fracture permeability – meaning they usually provide a high level of water storage. They may support water supply and/or river base flow on a strategic scale. In most cases, principal aquifers are aquifers previously designated as major aquifer’.*

**Remediation** – the doing of any works to prevent, minimise, remedy or mitigate against the risk of contamination.

**Secondary Aquifer** – as defined by the Environment Agency;  
*‘These include a wide range of rock layers of drift deposits with an equally wide range of water permeability and storage. Secondary aquifers are sub divided into two types:*

*Secondary A – permeable layers capable of supporting water supplies at a local rather than strategic scale, and in some cases forming an important source of base flow to rivers. These are generally aquifers formerly classed as minor aquifers*

*Secondary B – predominantly lower permeability layers which may store and yield limited amounts of groundwater due to localised features such as fissures, thin permeable horizons and weathering. These are generally the water-bearing parts of the former non-aquifers.’*

**Source Protection Zones** – these relate to groundwater sources such as wells, boreholes and springs which are used for public drinking water. As described by the Environment Agency, ‘these zones show the risk of contamination from any activities that might cause pollution in the area’ which could be a risk to a drinking water supply. The closer such an activity might be to a source the greater the risk.

**Unproductive Strata** – layers of rock with such low permeability they can hold little water and therefore are not aquifers.

## References

1. Part 2A of the Environmental Protection Act 1990, UK Statutory Instrument, Chapter 43; as inserted by Section 57 of the Environment Act 1995
2. The Radioactive Contaminated Land (Modification of Enactments) (England) Regulation 2006, Statutory Instrument 2006 No. 1379
3. The Contaminated Land Regulations (England) 2006, Statutory Instrument 2006 No. 1380
4. Environmental Protection Act 1990: Part 2A, Contaminated Land Statutory Guidance, Department for Environment, Food and Rural Affairs, April 2012
5. Environmental Protection Act 1990: Part IIA, Radioactive Contaminated Land Statutory Guidance, Department for Business, Energy & Industrial Strategy, June 2018
6. Central Lincolnshire Local Plan 2012-2036, adopted April 2017, (available from [www.n-kesteven.gov.uk/central-lincolnshire/](http://www.n-kesteven.gov.uk/central-lincolnshire/))
7. Lincoln City Profile 2020, City of Lincoln Council, (available from <https://www.lincoln.gov.uk/downloads/download/138/lincoln-city-profile>)
8. Vision 2025 – Strategic Plan, City of Lincoln Council, (available from <https://www.lincoln.gov.uk/council/vision-2025/1>)
9. Environment Agency [Land contamination: risk management \(LCRM\)](#) guidance (only available in GOV.UK manual format)
10. National Planning Policy Framework, Ministry of Housing, Communities & Local Government, February 2019 (available from <https://www.gov.uk/government/publications/national-planning-policy-framework--2>)
11. The Building Regulation 2010, Statutory Instrument 2010 No. 2214
12. Site preparation and resistance to contaminants and moisture: Approved Document C, HM Government, 2013
13. The Environmental Permitting (England and Wales) Regulations 2016, Statutory Instrument 2016 No. 1154
14. [Development on Land Affected by Contamination](#) – Technical Guidance for Developers, Landowners and Consultants, YALPAG, version 11.2, June 2020

This page is intentionally blank.

**Present:** Councillor Bill Bilton (*in the Chair*),  
Councillor Calum Watt, Councillor Jane Loffhagen,  
Councillor Bill Mara, Councillor Mark Storer and  
Councillor Pat Vaughan

**Apologies for Absence:** Councillor Liz Bushell

**43. Contaminated Land Inspection Strategy**

Simon Colburn, Assistant Director Health and Environment

- a. presented the revised Contaminated Land Inspection Strategy for consideration prior to referral to Executive
- b. advised that the Council had a statutory duty under Part 2A of the Environment Protection Act 1990 to deal with land contamination and to have an inspection strategy which set out the Councils approach
- c. explained that the Contaminated Land Capital Grants programme from Central Government was previously available to local authorities to bid for funds to carry out proactive investigations and remediations work. The funding programme had been withdrawn in 2013 and had subsequently not been replaced with an alternative
- d. advised that the refreshed strategy reflected the council current operational approach to focus on managing contaminated land through the planning and building control regimes and encouraging voluntary remediation by landowners rather than proactive part 2A inspections
- e. summarised the revised strategy and covered the following main areas:
  - i. Introduction
  - ii. Aims and Objectives
  - iii. Characteristics of Lincoln
  - iv. Strategic Inspection and Prioritisation
  - v. Detailed Inspection
  - vi. Broader Approach
- f. invited committees' questions and comments

Members asked if land was routinely checked for contamination as part of the planning process.

Simon Colburn, Assistant Director Health and Environment responded that areas of contaminated land were already known to the Council. All planning applications were checked and sites of potential concern and would be automatically flagged up if a planning application was within a zone or near to an area of contaminated land.

RESOLVED that the Contaminated Land Inspection Strategy be supported and referred to Executive for approval.



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

**1. Purpose of Report**

1.1 To advise members that any agenda items following this report are considered to contain exempt or confidential information for the reasons specified on the front page of the agenda for this meeting.

**2. Recommendation**

2.1 It is recommended that the press and public be excluded from the meeting at this point as it is likely that if members of the press or public were present there would be disclosure to them of exempt or confidential information.

This page is intentionally blank.

Document is Restricted

This page is intentionally blank.

Document is Restricted

This page is intentionally blank.