

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

Apologies for Absence: None.

72. Confirmation of Minutes - 2 January 2024

RESOLVED that the minutes of the meeting held on 02 January 2024 be confirmed and signed by the Chair as a true record.

73. Declarations of Interest

No declarations of interest were received.

74. Draft Medium Term Financial Strategy 2024-2029

Purpose of Report

To consider the draft Medium-Term Financial Strategy for the period 2024-2029; the draft budget and council tax proposal for 2024-25; and the draft Capital Strategy 2024-2029.

Decision

- (1) That the Draft Medium Term Financial Strategy 2024-2029, and the Draft Capital Strategy 2024-2029 be approved for consultation and scrutiny.
- (2) That it be noted that the Draft Medium Term Financial Strategy 2024-2029, and the Draft Capital Strategy 2024-2029 included the following specific elements:
 - (a) a proposed council tax Increase of 2.9% for 2024/25;
 - (b) a proposed housing rent increase of 7.7% for 2024/25;
 - (c) the Council's membership of the Lincolnshire Business Rates Pool in 2024/25;
 - (d) the draft General Fund Revenue Forecast 2024/25 - 2028/29, detailed in Appendix 1 of the report, and the main basis on which this budget had been calculated, as set out in section 4 of the report;
 - (e) the draft Housing Revenue Account Forecast 2024/25 -2028/29, detailed in Appendix 2 of the report, and the main basis on which this budget had been calculated, as set out in section 5 of the report;
 - (f) the draft General Investment Programme 2024/25 - 2028/29, detailed in Appendix 3 of the report, and the main basis on which the programme had been calculated, as set out in section 6 of the report;
 - (g) the Draft Housing Investment Programme 2024/25- 2028/29, as detailed in Appendix 4 of the report, and the main basis on which

the programme has been calculated, as set out in section 7 of the report; and

- (3) That the Chief Finance Officer be delegated authority to approve the final Business Rates Base for the financial year commencing on 1 April 2024 and ending 31 March 2025 and submission of the base (via the NNDR1 return) to the Department of Levelling Up, Communities and Housing by 31 January 2024, with changes to the base estimated in the Draft Medium Term Financial Strategy 2024/29 being reported to the Executive as part of the Final MTFS 2024-29 on 19 February 2024.

Alternative Options Considered and Rejected

As detailed throughout the report.

Reasons for the Decision

The refresh of the MTFS needed to be seen in the context of significant financial uncertainty for the Council. Exceptional economic factors such as; the impact of inflation on the Council's pay bill and the cost of goods and services it purchased; rising interest rates which increased the cost of borrowing; increased costs of construction impacting on capital schemes; and reductions in service income and collection rates, continued to add considerable cost pressures to the Council's budgets.

In addition, the Council faced growing demands for some of its key services as those more vulnerable in the city looked to the council for support as the cost-of-living crisis continued to impact on household incomes. The imbalance between housing supply and demand and the reliance on temporary accommodation to provide the necessary support, were of particular challenge to the Council.

Alongside these cost and demand pressures, there still remained uncertainty around the level of funding for local government beyond the current Spending Review period and the implementation of the planned national funding reforms. These reforms had the ability to fundamentally alter the course of the MTFS. Although it had been confirmed that these fundamental reforms would not be implemented in 2024/25, and there was a high likelihood that this would be the case in 2025/26 as well, all this did was shift the financial challenges to later in the MTFS period. This was further compounded by the risk of a new round of public expenditure austerity measures. The funding outlook for local authorities therefore remained uncertain.

As a result of these factors, the financial landscape for local government continued to pose a challenge to the Council and was set in the context of this significant, inherent uncertainty. It was a long time since the Council had any medium-term certainty during budget setting, which made financial planning in this climate extremely challenging.

Set against this backdrop and in line with the Council's overall financial objectives, the key elements of the 2024/25 budget, Medium-Term Financial Strategy 2024-29 and Capital Strategy were detailed at paragraphs 2.5-2.6 of the officer's report.

The Council would continue to build on its successful financial planning to date, driving down the net cost of services by implementing a range of transformational

changes in the way in which it operated and delivered services, while continuing to prioritise investment in the City and its economy to grow future tax bases. Adopting this approach would ensure that the Council carefully balanced the allocation of resources to its vision and strategic priorities, whilst ensuring it maintained a sustainable financial position and delivered the required reductions in its net cost base.

Prior to submission of the MTFS 2024-2029 and budget and council tax proposal for 2024/25 to Full Council, on 27 February 2024, this initial draft would be subject to public consultation and member scrutiny.

75. Pay Policy Statement 2024/25

Purpose of Report

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

Decision

That Council be recommended to approve the Pay Policy Statement for 2024/25.

Alternative Options Considered and Rejected

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

Reasons for the Decision

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

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

The pay policy statement must detail the level and elements of remuneration for chief officers; the remuneration of the lowest paid employee, and the definition of 'lowest paid employee'; the relationship between the remuneration of chief officers and other officers; and specific aspects of chief officers' remuneration, including at appointment, increases, termination and any other payments.

76. Collection Fund Surplus/Deficit - Business Rates

Purpose of Report

To inform the Executive of the estimated balance for the Business Rates element of the Collection Fund and the surplus or deficit to be declared for 2023/24.

Decision

That the action of the Chief Finance Officer in declaring a business rates surplus of £1,169,795 for 2023/24 be confirmed, subject to the confirmation of the business rates base by 31 January 2024, with any amendments to the declared deficit to be notified to the relevant preceptors and be included in the Final Medium Term Financial Strategy 2024-29, to be presented to Executive 19 February 2024.

Alternative Options Considered and Rejected

None. The Council was required to declare any surplus or deficit during January of each financial year and once approved had an obligation to notify its major precepting authorities (for business rates these were Lincolnshire County Council and the Government) of their share of the estimated surplus or deficit.

Reasons for the Decision

The Council would declare a surplus on the Business Rates Collection Fund of £1,169,795 for 2023/24 subject to the confirmation of the Business Rates base by 31 January 2024, of which its share was £467,918.

This surplus had arisen primarily due to prudent estimates, in the Business Rates base for 2023/24, in relation to the level of mandatory empty property reliefs and the level of Check, Challenge and Appeals against the new 2023 Ratings List.

The calculation of business rates was based on an estimate of rates collected in year compared to the estimate made the previous year, taking into account any previously declared surplus or deficit, and a forecast for the remainder of the current year.

Based on the forecast position of the in-year Collection Fund as at 31 March 2024 and taking into account an adjustment for the difference between prior year estimates compared to the actual outturn it was estimated that there would be a surplus of £1,169,795 on the business rates element of the Collection Fund in 2023/24.

77. Council House and Garage Rents Increase 2024-25

Purpose of Report

To propose that the Council be requested to approve an increase to current council house rents of 7.7% within the terms of the Government's Rent Policy for social housing and to seek approval for the introduction of revised rents from Monday 1st April 2024.

To propose that the Council be requested to approve an increase of 3% on Council garage rents for 2024/25, in line with the Authority's Fees and Charges increase.

Decision

- (1) That the Council be recommended to approve the basis of rent calculation for changes to individual Council house rents, as set out in paragraph 2 and 6 of the report, which represented an increase in the average

calculated 52-week council house net rent in 2024/25 of 7.7% for social housing rents (an average increase of £6.03 per week) and for affordable rents (an average increase £10.08 per week), per property, which was in accordance with Government policy.

- (2) That the Council be recommended to increase garage rents for 2024/25, as set out in paragraph 2.6 of the report, by 3%.

Alternative Options Considered and Rejected

As detailed in the report.

Reasons for the Decision

In October 2017, the government announced its intention to set a long-term rent deal. This would permit annual rent increases for both social and affordable rent properties of up to Consumer Price Index (CPI) plus 1% from 1 April 2020 for a period of at least five years.

In keeping with the current Housing Business Plan, approved by Council, and the Government's Rent Guidelines, the increase for 2024/25 should be based on CPI in the previous September (September 2023 = 6.7%) plus 1.0% as above, a total 7.7% rent increase.

After consideration of the impact on our tenants and other pressures facing household incomes, and protecting the most vulnerable in our community; the Council also recognised the economic and financial pressures it had in delivering services to its customers, and therefore proposed to apply a rental increase of 7.7% as detailed above.

The proposed level of rent increase for 2024/25 would come into effect from Monday 1 April 2024. Budgeted rental income for the year, subject to approval, would be circa £35,213,060.

The average weekly social housing rent for the City of Lincoln Council based on data as of 4 December 2023, for net social housing rent (calculated over 52 weeks) would increase by an average of between £5.40 and £6.78 per week in 2024/25 for 98% of our properties.

An increase in garage rents of 3% was proposed in line with the Authority's Fees and Charges increase. This would result in an average increase in the rent charged to £9.65 per week for 2024/25 (based on a calculated 52-week charge period), an increase of £0.28 per week.

Research had shown that garage rents in Lincoln were mid-range when compared to similar locations in the East Midlands. A review of garage provision was currently underway, and we were committed to a fundamental revaluation of the garage rent structure in the forthcoming year, as part of our wider garage strategy.

Lincoln Tenants' Panel (LTP) had been consulted on the proposals.

Contextually it should be noted that in July 2015 the Government announced that Social Housing rents would be reduced by 1% year on year from 2016 for four years. The impact/loss created from this was compounded by the fact that Local

Authorities would have been increasing rents in line with guidance, IE CPI plus 1% over the period not reducing by 1%.

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

The Government's Right to Buy (RTB) programme sales had also negatively impacted on the council's current stock and therefore its rental income.

78. Sincil Bank Gateways and Greenways Project

Purpose of Report

1. To provide an update on the delivery of the Town Deal Sincil Bank Green Corridor project, including the arrangements for delivery of the gateways and greening improvements.
2. To seek agreement to delegate final approval of the delivery and contracting arrangements for this project to the Section 151 Officer, Director of Major Developments and City Solicitor.
3. To approve inclusion in the General Investment Programme of the capital expenditure to enable delivery of the Sincil bank Gateways and Greening project under the Towns Fund programme.

Decision

1. That the update in respect of proposals to retain the gateways and greening element as part of the Sincil Bank Regeneration Project be acknowledged.
2. That the final approval of the delivery and contracting arrangements for this project be delegated to the Section 151 Officer, Director of Major Developments and City Solicitor to a final scheme cost that could be financed and delivered viably.
3. That the transfer of a £573,966 capital estimate to schemes directly delivered by the Council, in the General Investment Programme be approved.

Alternative Options Considered and Rejected

The Council had considered the option for Lincolnshire County Council (LCC) to deliver the highways improvements without any public realm works including the gateways and greening as set out in the original Towns Fund Business case. However, this would likely risk failing to deliver some of the key project outputs and as a result the Towns Board not being able to sign off the project and £2,997,952m funds being returned in full to Government. The Investment in Sincil Bank would be significantly reduced and opportunities to address issues raised previously by residents lost.

Reasons for the Decision

LCC was the lead delivery partner for the Sincil Bank Regeneration Scheme as proposed in the City's Towns Investment Plan (TIP). The scheme would support the fund's objectives through driving the economic development and growth of Lincoln as well as aligning with two of the Town Fund's intervention themes including the 'urban regeneration' and 'connectivity.'

The project involved improvements to the walking and cycling infrastructure and urban realm within Sincil Bank incorporating the plans and proposals developed by the Sincil Bank Revitalisation Partnership. The project included a range of interventions including the creation of a green corridor to support pedestrian and cyclist movements, gateway treatments, landscaping, urban realm improvements and alterations to the existing one-way system.

The project would complement the recently introduced residents parking scheme by reducing the level of traffic within the area which would in turn act as a catalyst for further investment. The intended outcome was to improve access to the Lincoln City Football Club stadium by walking and cycling, improving the visitor experience and supporting the wider regeneration programme.

The project formed a key part of the Lincoln Transport Strategy and aimed to contribute to the wider development of central Lincoln enabling the city to grow as a thriving place to live and work. It would support the regeneration of the Sincil Bank area of Lincoln, which suffered from poor accessibility, poor quality urban realm and high levels of traffic which impacted on air quality and resident's quality of life.

Introducing gateways and enhancing the green spaces in the area would complement the new Community Hub currently being built at Sincil Bank stadium which would be opening in 2024. The Community Hub would provide a space for training and skills as well as a safe space to promote health and wellbeing. This would compliment improvements to outside spaces to give the local community much needed opportunities to live happier, healthier and more fulfilled lives in Lincoln.

The City of Lincoln Council proposed to procure the services of a project manager to work alongside the council's Neighbourhood Manager and City of Lincoln Council (CoLC) project lead to undertake ongoing community consultation, site identification and assessment, develop and refine gateway and green site design plans, secure planning approval and oversee delivery of agreed works.

The project would be overseen by the Sincil Bank Steering Group made up of Towns Board representatives, City Council officers and LCC Highways officers. Where appropriate some gateway projects may be included in LCC's procurement for highways works to ensure maximum value for money.

As the Accountable Body, the Council would fund the total project value of £2,997, 952, from the Towns Fund through a Grant funding Agreement with LCC as per the original financial model and approved business case. An additional form of agreement clarifying the terms of the £573,966 sublet works would also be put in place between the two parties prior to expenditure of any substantive contracted works.

79. Proposals for the Extension of Existing Public Space Protection Order in the City Centre

Purpose of Report

To brief Executive on the process to extend the existing Public Space Protection Order in the City Centre.

To seek approval for the extension of the existing Public Space Protection Order (PSPO).

Decision

That the proposal to extend the current PSPO without any variations to the prohibitions or location be approved.

Alternative Options Considered and Rejected

To extend and/or vary the PSPO to reword the prohibitions and/or change the geographical area.

To not extend the existing PSPO.

Reason for Decision

In October 2014 the Secretary of State enacted new powers from the Anti-Social Behaviour, Crime and Policing Act, relevant to tackling Anti-Social Behaviour. These powers also made changes to some of the relevant existing legislation and the Council was required, within the period of three years, to reconsider its Designated Public Place Orders (DPPOs) and either withdraw or replace them with new Public Space Protection Orders (PSPOs).

PSPO's were flexible and could be applied to a much broader range of issues, with local authorities having the ability to design and implement their own prohibitions or requirements where certain conditions were met. These conditions centred on the impact to the quality of life in the locality, persistence, and whether the impact made the behaviour unreasonable.

In February 2021, the Executive approved the extension of an already implemented PSPO covering an area of the City Centre.

A PSPO had a maximum duration of 3 years. It was therefore time to review the order to determine whether it should be subject to extension or variation. As part of the review, the views of both the public and relevant partner agencies had been sought, by way of a public and partner consultation, this consultation had also been published on social media for greater reach.

Policy Scrutiny Committee had considered and offered their support to the renewal of the PSPO at its meeting held on 9 January 2024 (minute tabled for information of Executive).

Feedback from partners including Lincolnshire Police, the CCTV team, Lincolnshire Police, Lincoln BIG, P3, Framework, Addaction, YMCA, ARC, Public Health at LCC and from the Rough Sleeping team was that the PSPO remained a useful tool. The council had also directly approached all members of the Lincolnshire Community Safety Partnership.

It was important to recognise that this PSPO was an effective deterrent, and the feedback suggested that colleagues and partners found it a very useful tool for tackling street drinking and drug use within the area.