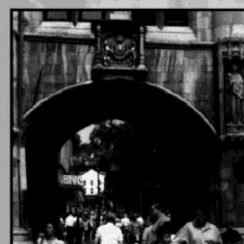




CITY OF
Lincoln
COUNCIL

Council Summons



For the meeting to be held on
Tuesday, 16 July 2024

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CITY OF LINCOLN COUNCIL

Sir/Madam,

You are hereby summoned to attend the meeting of the COUNCIL of the City of Lincoln to be held at The Guildhall, Saltergate, Lincoln, LN1 1DH on Tuesday, 16 July 2024 at 6.30 pm.



Chief Executive and Town Clerk

Angela Andrews

A G E N D A

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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.	
2. Confirmation of Minutes of Previous Meetings	
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Present: Councillor Biff Bean (*in the Chair*),
Councillor Debbie Armiger, Councillor Alan Briggs,
Councillor Chris Burke, Councillor Sue Burke,
Councillor Bob Bushell, Councillor Liz Bushell,
Councillor Martin Christopher, Councillor David Clarkson,
Councillor Thomas Dyer, Councillor Matthew Fido,
Councillor Gary Hewson,
Councillor Rebecca Longbottom, Councillor Bill Mara,
Councillor Adrianna McNulty, Councillor Ric Metcalfe,
Councillor Neil Murray, Councillor Donald Nannestad,
Councillor Lucinda Preston, Councillor Clare Smalley,
Councillor Hilton Spratt, Councillor Mark Storer,
Councillor Dylan Stothard, Councillor Edmund Strengiel,
Councillor Naomi Twedde, Councillor Pat Vaughan,
Councillor Calum Watt, Councillor Joshua Wells and
Councillor Emily Wood

Apologies for Absence: Councillor Natasha Chapman, Councillor Rachel Storer,
Councillor Aiden Wells and Councillor Loraine Woolley

22. Confirmation of Minutes - 28 November 2023

RESOLVED that the minutes of the meeting held on 28 November 2023 be confirmed and signed by the Mayor as a correct record.

23. Declarations of Interest

Councillor Pat Vaughan declared a Personal Interest with regard to the agenda item titled 'Council Tax Base 2024/25'.

Reason: His daughter worked within the Benefits Section and his granddaughter worked within the Finance Section of the City of Lincoln Council.

Councillor Pat Vaughan declared a Personal Interest with regard to the agenda item titled 'Localised Council Tax Support Scheme 2024/25'.

Reason: His daughter worked within the Benefits Section and his granddaughter worked within the Finance Section of the City of Lincoln Council.

Councillor Pat Vaughan declared a Personal Interest with regard to the agenda item titled 'Council House and Garage Rents Increase 2024/25'.

Reason: His daughter worked within the Benefits Section and his granddaughter worked within the Finance Section of the City of Lincoln Council.

Councillors A Briggs, T Dyer, H Spratt and E Strengiel wished it be noted that in respect of the agenda item titled 'Devolution for Greater Lincolnshire' they were dual-hatted councillors, also elected to serve on Lincolnshire County Council.

24. Receive Any Questions under Council Procedure Rule 11 from Members of the Public and Provide Answers thereon

No questions from the public had been received.

25. Receive Any Questions under Council Procedure Rule 12 from Members and Provide Answers thereon

Councillor Martin Christopher to Councillor Donald Nannestad

Question

In response to a question last month on the Savilles contract Direct Award, as part of the housing 30-year plan, it was mentioned the use of a compliant framework agreement being acceptable. Given the complexity and bespoke nature of services offered by Savilles Ltd on this contract, and the framework provider's own guidance clearly stating a Direct Award was not suitable for this type of service, could explicit details be provided on how this met the agreed procurement policy?

Answer

I understand that you had already asked the same question to officers and so the answer was the same which was that the guidance referred to was general guidance issued by Crown Commercial Service, and as such, the Council had the authority to determine whether a direct approach was acceptable and the best use of resources. That was what happened.

Supplementary question

Why was this different to last time? This was not in-line with what has been said previously.

Answer

The answer given previously was to a different question.

Councillor Hilton Spratt to Councillor Donald Nannestad

Question

How many council houses does the council intend to build in the next financial year?

Answer

The Council was currently building eleven houses at Hermit Street which should be completed in 2024/25. The Hermit Street development included six, three-bed and five, two-bed houses.

Councillor Matthew Fido to Councillor Donald Nannestad

Question

After nearly 2 years of ongoing problems surrounding the issues of utility bills within the tenancy agreements of the residents at De Wint Court, could the portfolio holder give the Council an update on progress?

Answer

All tenants were now receiving quarterly Gas Water and Electric Bills. Q1 and Q2 had already been issued, Q3 was due by the end of January 2024 once the Council had received the utility bills. Part of the water bills were based on actual costs and the sewerage element was based on estimated billing costs, which was related to the water usage, in accordance with everyone's domestic bills.

Councillor Bill Mara to Councillor Bob Bushell

Question

When will the Council commit to developing decent play amenities for young children in Witham Ward?

Answer

The Council recognised the value communities placed on access to opportunities for children's play and tried to meet that need in two ways; by the provision of formal play areas with fixed equipment, and by providing access to general open spaces for more informal play. I assumed the question related to the former.

The provision of formal play areas brought with it many responsibilities and with those responsibilities came costs. In these difficult financial times, the Council's strategy had been to ensure that it had an adequate network of provision across the city and to protect the existing play area sites in such a way as to ensure that they remained of a good standard, and most critically, that they were safe for use. Expansion of the number of sites would mean either an increase in budget, which unfortunately was not currently an option or by reducing standards in existing sites and thereby compromising safety, which the Council was not prepared to do.

If the member would like to report any specific issues with any of the four play areas in Witham Ward, officers would be happy to investigate and respond in detail.

Councillor Eddie Strengiel to Councillor Sue Burke

Question

Could the executive member provide an update as to how many antisocial behaviour cases had been reported to the council in December 2023?

Answer

There had been 23 antisocial behaviour cases reported into PPASB and fifteen antisocial behaviour cases reported into Housing in December 2023.

Supplementary question

Please could a breakdown per ward of such cases and backdated to the beginning of 2024 be provided.

Answer

This would be provided to the councillor, as requested, by an officer outside the meeting.

Councillor Clare Smalley to Councillor Sue Burke

Question

Fly tipping continued to be an issue of which regular complaints were received. Only a very low number of Fixed Penalty Notices had been issued and therefore it would seem the idea of a possible fine was not a deterrent in Lincoln. Other councils had a zero tolerance policy on fly tipping. What additional action could we take to reduce this problem?

Answer

City of Lincoln Council had issued 27 Fixed Penalty Notices in response to Fly Tipping Offences during the financial year 22/23. All local authorities had a zero-tolerance policy on fly tipping. All incidents of reported fly tipping were investigated, and enforcement action was taken where there was evidence available.

However, if there was no clear evidence of who had fly tipped then unfortunately, no matter how bad the situation was, the Council could not take any legal action. The Council was a member of the Lincolnshire Environmental Crime Partnership (ECP), which allowed for a multi-agency approach to tackle fly tipping. This was a problem across the whole country. An operation arranged through the ECP to tackle fly tipping would take place in Lincoln during 2024.

Supplementary question

Fly tipping had increased by 23% so the message of zero tolerance was not getting across to residents.

Answer

Everyone needed to take personal responsibility and take pride in the areas they resided.

Councillor Alan Briggs to Councillor Naomi Tweddle

Question

Has the council secured the required funding for the proposed Western Growth Corridor link road?

Answer

The Council had not yet secured the funding required to complete all of the spine road that under the planning consent, must be in place before the completion of the 601st new home. The first part of the link road was on site from Skellingthorpe Road and the Executive would be making a decision in the next few months on starting on site with the new vehicular bridge over the railway into

the site at Tritton Road. Positive discussions with Homes England were continuing about the remaining funding for the final part of the link road.

Supplementary question

In light of the above answer, what would Plan B be going forward?

Answer

Plan A was to achieve the funding and as already mentioned, there was very positive discussions being had.

Councillor Mark Storer to Councillor Naomi Tweddle

Question

Can an update on the maintenance issues with the Lincoln Central Car Park be provided?

Answer

Central Car Park continued to be a very popular location for people to park their car. The Council was aware of some elements of the car park that required some remedial work and an officer working group was in place to look at these. It would be premature to comment any further until the investigation work was completed. On a positive note, all councillors would have seen that all lifts in the car park had worked without breakdown over the very busy Christmas period.

Supplementary question

When will investigation be complete?

Answer

An exact date was unknown but it was confirmed this would be soon.

Councillor David Clarkson to Councillor Naomi Tweddle

Question

In view of the horrendous flooding nationwide, was the Council confident it could protect or at least mitigate the flood risk during the development of the Western Growth Corridor?

Answer

Storm Babet and Storm Henk, and indeed previous flooding events before them, had shown the distressing impact of flooding on people's lives, homes, the environment, and the wider economy. The joint work completed with Lincolnshire County Council as the Lead Flood Authority, the Environment Agency and the technical officers at the Internal Drainage Board involved extensive flood modelling work using the Environment Agency flood model and the IDB model, had shown that the plan approved by those organisations and that formed part of the planning consent, would work. That plan included raising the ground level in

the area so that new homes would be built above the area of potential flooding, so they would be safe and insurable.

There would also be a significant new drainage scheme including new and wider drainage channels that would be able to deal with both predicted surface water flooding events and a breach of the existing watercourses for the area, not only to protect new homes but it would also give better protection to the existing homes in the area affected. By responsibly designing the flood and drainage systems the Council was confident that its experts had produced a plan that not only effectively dealt with the flood risk for new homes on the development but also improved the risk for the surrounding area.

Supplementary question

Was the current construction phase still on target?

Answer

It was confirmed it was still on target.

Councillor Thomas Dyer to Councillor Naomi Tweddle

Question

Could the Executive councillor provide an update on the Lincoln Central Market business occupancy levels?

Answer

The Lincoln Cornhill Market had received over 175 expressions of interest from small businesses looking to trade at the market. The current economic climate and uncertainty had meant that for a significant number of hopeful stall holders this was not the right time for them to make this investment, the Council would however continue to work with them to look at opportunities for pop-up stalls in the market and City Square to support the City's events programme. The portfolio holder was delighted that the hard work of the small market team meant that the Council had now received confirmation from 18 businesses (over half available stalls) that they would be moving into the market with 11 leases already sent out for formal signing. Once those leases had been signed, the Council would be bringing more of the potential stallholders through the process as it looked to ensure it had a broad and balanced market offer. The Council was now working on announcing an opening date shortly.

Supplementary question

Why only half of the available stalls had been taken up, were there any issues for the Council to be aware of, such as contractual concerns?

Answer

The delays in the work in the summer had resulted in a knock on effect. Turnover linked rent was considered to be a positive; it was less of a risk for stallholders, as it meant if turnover was lower, rent was lower. Rather than a flat rate for rent. If businesses did well, the Council would receive more rent which could be reinvested into the city.

26. Devolution for Greater Lincolnshire

Councillor Ric Metcalfe reminded Council that a devolution agreement had been agreed for Greater Lincolnshire as part of the autumn statement presented to Parliament by the UK Government on 22 November 2023.

Following approval of the agreement at Council meetings for Lincolnshire County Council and the two unitary council partners, North and North East Lincolnshire Councils, consultation would follow on the arrangements through to the end of January 2024. The report invited Council to engage with the consultation exercise and implementation process.

It was advised that the devolution agreement would allocate an additional £24million per year to Greater Lincolnshire for 30 years, a total of £720million. Additionally, £28.4million had been allocated to Greater Lincolnshire, prior to the Mayoral Combined County Authority (MCCA) being established in 2025. The agreement would provide for devolution of strategy and budgets related to skills, providing local partners with the opportunity to focus on skills development for key local economic sectors. The agreement would also provide for devolution of multi-year transport budgets, with flexibility to allocate funds to local priorities.

In respect of the governance for devolution, the agreement would provide for the establishment of a MCCA, chaired by a directly elected mayor. The constituent authorities (Lincolnshire County, North and North East Lincolnshire Unitary Councils) would each have two seats on the MCCA. District Councils would be allocated four seats, via a joint committee of district council leaders. District Councils would have voting rights other than in relation to transport and the mayor's administrative budget and would have specific consenting rights in relation to some of the powers held by the MCCA. District Councils would also be allocated seats on a scrutiny panel and several advisory boards.

The consultation process would conclude on 29 January 2024; with a review of the proposals based on consultation responses being completed by the end of February 2024, leading to a submission to the UK Government in Spring 2024. It was then expected that the UK Government would put in place an Establishment Order for the new arrangements by summer 2024. The MCCA was due to be established in late 2024, with the election of a Greater Lincolnshire Mayor in May 2025.

During discussion of the report, the following points were noted:

- Local planning authorities could not be overridden by the Directly Elected Mayor or the MCCA.
- It was noted that within paragraph 132 of the Greater Lincolnshire Devolution Deal, that as the Local Transport Authority, the Greater Lincolnshire MCCA would be responsible for Bus Service Improvement Plans and that as part of paragraph 135, it stated that the MCCA would work with constituent Councils to deliver against the existing Bus Service Improvement Plans. 24% of households did not have access to a car and whilst focus would be given on rural connectivity, the issues in Lincoln should not be forgotten.
- It was unclear at this stage what the proportionality on the scrutiny panel and advisory boards would be. Further to this, it was confirmed that as this would be a new authority being established, it would require the

appointment of statutory posts, for example a Section 151 Officer, and to have certain committees in place, such as an Audit Committee.

- As an Urban Council it was felt that the City of Lincoln Council should have one of the four seats available, as its needs were different to the Rural Councils.
- It was suggested that residents would not want an additional level of bureaucracy with a directly elected mayor and this could add to confusion at the polls.
- All Council leaders were commended by several Councils for their work on the proposal.
- It was anticipated that the directly elected mayor would be elected by the 'first past the post' system.
- There were currently no proposals for the directly elected mayor to implement any powers to precept.
- One councillor commented that the level of funding on offer was a modest amount and more funding was required to make this a better deal.

It was requested that any other additional comments should be emailed to the Leader of the Council and the Chief Executive and Town Clerk as soon as possible to enable a submission by the deadline of 29 January 2024.

RESOLVED

That the Chief Executive and Town Clerk, in consultation with the Leader of the Council, be delegated authority to make a response to the consultation on behalf of the Council based on the comments made at the meeting and any further comments received.

27. Receive Reports under Council Procedure Rule 2 (vi) from Members

(a) Report by Councillor Bob Bushell, Portfolio Holder for Remarkable Place

Councillor Bob Bushell, Portfolio Holder for Remarkable Place, presented his report to the Council, as detailed at pages 223 to 258 of the agenda reports pack.

The following comments and responses to questions were noted:

- Birchwood Nature Park would be included in the list of parks in future reports.
- It was confirmed the recent activities for children in some of Lincoln's parks would continue during school holiday periods. Further to this, it was requested that more events were put on in the north of the city.
- As some of the Council's allotments had been neglected for a variety of reasons, the Council was exploring innovative ways to resolve this neglect.
- It was confirmed that graffiti was removed from bus shelters. However, in response to a comment relating to the state of bus shelters, the Council was reminded that the provision of bus shelters was a highways authority responsibility and therefore it was suggested that Lincolnshire County Council was lobbied on this matter.

The content of the report was noted.

(b) Report by Councillor Sue Burke, Portfolio Holder for Reducing Inequality

Councillor Sue Burke, Portfolio Holder for Reducing Inequality, presented her report to the Council, as detailed at pages 259 to 282.

In response to questions and comments, the following points were noted:

- The cost of running the Sincil Bank Community Hub at circa £20k per annum was queried as to whether it was good value for money when it was in relatively close proximity to City Hall. In response, it was commented that the focus should be on the positive value the Hub was providing to the community in this area.
- It was confirmed that the number of incidences of dog fouling would be included in future performance reports.

The content of the report was noted.

(c) Report by Councillor Chris Burke, Chair of Audit Committee

Councillor Chris Burke, Chair of Audit Committee, presented his report to the Council, as detailed at pages 283 to 292 of the agenda reports pack.

The Chair advised that the report summarised the work of Committee during the period January to December 2023 and also confirmed the Committee's function was consistent with best practice, as well as demonstrating the positive impact of its work.

The Chair expressed thanks to all of the contributors to meetings; committee members; and also the former Chair, Councillor Rebecca Longbottom.

The content of the report was noted.

(d) Report by Councillor Calum Watt, Chair of Community Leadership Scrutiny Committee

Councillor Calum Watt, Chair of Community Leadership Scrutiny Committee, presented his report to the Council, as set out at pages 293 to 306 of the agenda reports pack.

The Chair thanked all of the contributors and Council staff who had attended meetings of the Committee. The Chair also took the opportunity to thank Victoria Poulson, Democratic Services Officer, for her work on the Committee.

It was noted that during the last year, the Committee had met on six occasions and had considered the following topics:

- Cultural Consortium
- Poverty Trust Commission
- Cost of Living Crisis
- Community Policing in Lincoln
- Suicide Rates in the City of Lincoln
- Assets of Community Value

In response to questions, the following points were noted:

- It was suggested that the cost of living leaflets be taken into schools so schools were better able to be signposted to key information on help and support. The Chair agreed to look into this suggestion.
- The Chair agreed to discuss the points raised at the Committee on Assets of Community Value with members of the Executive.

The content of the report was noted.

28. To Consider the Following Recommendations of the Executive and Committees of the Council

(a) Council Tax Base 2024/25

It was moved by Councillor Ric Metcalfe and seconded by Councillor Donald Nannestad and

RESOLVED that

- (1) In line with the Levelling-Up and Regeneration Act 2023, with effect from 1st April 2024, a Council Tax premium of 100% for a property empty for 12 months, (changing from the current position of a property empty for 2 years) be approved.
- (2) It be noted that there were no special items as defined in Section 35 of the Local Government Finance Act 1992 (as amended) applicable to any part or parts of the City of Lincoln local authority area in respect of its Council Tax Base.
- (3) The Chief Finance Officers' calculation of the Council Tax Base for the financial year commencing 1st April 2024 and ending 31st March 2025 be approved.
- (4) Approval be given, in accordance with the Chief Finance Officers' calculation, and pursuant to the Local Authorities (Calculation of Council Tax Base) Regulations 1992 (as amended), that the Council Tax Base for the 2024/25 financial year was 25,669.23.

(b) Localised Council Tax Support Scheme 2024/25

It was moved by Councillor Ric Metcalfe and seconded by Councillor Donald Nannestad and

RESOLVED that

- (1) A 'no change' be approved to the core Council Tax Support Scheme for the financial year 2024/25.
- (2) Approval be given to an Exceptional Hardship Fund of £25,000 to be available for the financial year 2024/25.
- (3) Approval be given for further detailed modelling of a banded scheme for all working age customers with delivery to be assured from our ICT provider

at a timescale to allow for robust and accurate testing of such a potential scheme, with a view to consultation on such a scheme for 2025/26.

(c) Council House and Garage Rents Increase 2024/25

The report was moved by Councillor Ric Metcalfe and seconded by Councillor Donald Nannestad.

During discussion of the report, the following points were noted:

- The proposed inflation in the proposed rents seemed excessive. In response, it was advised that the proposed increases were in-line with guidelines on the level of inflation, which were set by the Government;
- Garage renters should be offered a discount owing to the state of repair of the garages, rather than an increase in rents.

RESOLVED

That Council garage rents for 2024/25 be increased by 3%.

29. Amendment to Representatives on Outside Bodies

It was moved, seconded and

RESOLVED that the amendment to replace Councillor S Burke with Councillor G Hewson on the outside body, Developmentplus, as detailed in paragraph 2.2 of the report, be approved.

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Present: Councillor Biff Bean (*in the Chair*),
Councillor Debbie Armiger, Councillor Alan Briggs,
Councillor Chris Burke, Councillor Sue Burke,
Councillor Natasha Chapman, Councillor
Martin Christopher, Councillor David Clarkson,
Councillor Thomas Dyer, Councillor Matthew Fido,
Councillor Gary Hewson,
Councillor Rebecca Longbottom, Councillor Bill Mara,
Councillor Adrianna McNulty, Councillor Ric Metcalfe,
Councillor Donald Nannestad, Councillor
Lucinda Preston, Councillor Clare Smalley,
Councillor Hilton Spratt, Councillor Mark Storer,
Councillor Rachel Storer, Councillor Dylan Stothard,
Councillor Edmund Strengiel, Councillor Pat Vaughan,
Councillor Calum Watt, Councillor Aiden Wells,
Councillor Joshua Wells, Councillor Emily Wood and
Councillor Loraine Woolley

Apologies for Absence: Councillor Bob Bushell, Councillor Liz Bushell,
Councillor Neil Murray and Councillor Naomi Tweddle

30. Declarations of Interest

Councillor Edmund Strengiel declared a Personal Interest with regard to the agenda item titled 'Medium Term Financial Strategy 2024/2029'.

Reason: He was the Chairman of the Pension Committee at Lincolnshire County Council. (Also in respect of anywhere else on the agenda where the Local Government Pension Scheme was mentioned.)

Councillor Pat Vaughan declared a Personal Interest with regard to the agenda item titled 'Medium Term Financial Strategy 2024/2029'.

Reason: Both his daughter and granddaughter worked in the finance department at the City of Lincoln Council.

31. Lord Patrick Cormack - Minute's Silence

Council observed a minute's silence in memory of the late Lord Patrick Cormack.

32. Mayor's Announcements

The Mayor advised that he had visited 30 schools to date to talk about the role of the Mayor and the history of the City, which he had found to be a great experience.

33. Receive Any Questions under Council Procedure Rule 11 from Members of the Public and Provide Answers thereon

There were no questions received.

34. Receive Any Questions under Council Procedure Rule 12 from Members and Provide Answers thereon

Councillor David Clarkson to Councillor Naomi Tweddle

Question

Many members of the public were disappointed by this Council's failure to open the new Central Market as per the initial plans. How many stalls had been let out, with signed contracts?

Answer

This Council was committed to ensuring that the quality of the new Cornhill Market experience matched the fantastic renovation works that had been undertaken to this important heritage asset. Getting the right mix of market offer that could showcase what Lincoln and Lincolnshire had to offer, working with local, small, independent and mainly family run businesses and being responsive to their concerns, needs and timescales had indeed taken longer than expected and planned for but was a recipe for success not failure.

To date:

- Eighteen traders were in the process of signing contracts (six had been signed and were ready to seal)
- Five further stalls were under offer (going through pre-contract checks)
- The Council was actively talking to 20 businesses about letting space (including pop-ups)
- There was a large waiting list (although some of these were duplicates of stalls that had already been let e.g. coffee provision, cookies etc)

The Council would soon be making an announcement as to when the market would open.

Councillor Alan Briggs to Councillor Sue Burke

Question

What work had the portfolio holder recently undertaken in respect to the City Council's PREVENT duties?

Answer

The Council continued to attend PREVENT steering groups where the priorities for PREVENT were assessed and agreed. Staff continued to complete PREVENT related e-learning when they joined the Council and this training was refreshed every 3 years. Face to Face training options were currently being explored for frontline staff. The Council was also introducing a venue hire policy to ensure that its buildings were not used for extremism, radicalisation, hate speech or other similar activities.

Supplementary question

Please can you provide details of the number of referrals made?

Answer

The councillor would be provided with these figures by an officer outside of the meeting.

Councillor Bill Mara to Councillor Sue Burke

Question

What investment had been made within the last year directly as a result of the City Council's Social Value Policies with contractors?

Answer

Social Value investment from contracts over the last year was estimated to be in the region of £11.695m. However, it should be noted that of this £11.54m was not tangible and was derived from contractors engaging Local Employment, Local Labour, Apprenticeships and local Supply Chains. Approximately £157k had provided support to local residents of Lincoln by way of Food Bank Contributions, Community Engagement schemes such as working with local schools/community groups and Skills Days for Council Tenants.

Councillor Tom Dyer to Councillor Ric Metcalfe

Question

Could the Leader of the Council enlighten the Council with what the Labour party's position was in respect to local government finance for the City of Lincoln Council?

Answer

The Conservative Government had made cuts after cuts in public spending, and more specifically to local government spending and it was anticipated that the Conservative Government would further cut local government spending in its forthcoming budget announcement.

Supplementary question

What was the Labour party's position in respect to local government finance?

Answer

The Labour party was under no illusions on what it would inherit following the Conservative's cuts to local government finance. Any incoming Government would have to consider in detail finances for local government and consider moving to a multi-year funding settlement.

Councillor Mark Storer to Councillor Bob Bushell

Question

Could the portfolio holder please update on what the Council proposes to do about the increasing amount of unsightly graffiti around the City?

Answer

The Council had in place clear arrangements with contractors for the removal of graffiti from its property. It also offered that same service to third parties.

Unfortunately, the street scene was made up of areas with numerous owners, including other public agencies and many private individuals, whose property the City Council had little or no influence over. The Council urged those agencies or individuals who had graffiti on their property to get in touch with the Council, and to work with it, to keep Lincoln as free of graffiti as possible.

The Council also had an increasing CCTV network, and would use this, along with any other information it could obtain, to continue to work with the Police to try to catch perpetrators.

Councillor Martin Christopher to Councillor Bob Bushell

Question

Could you tell the Council where it ranked in the best and worst Councils for recycling?

Answer

Although a simple question on the face of it, it was important to understand that there were many aspects to consider and bear in mind as context to the answer.

Clearly no two Councils had identical budgets or demographic issues, and each Council therefore had services tailored to try to meet these needs. Their collection systems would therefore vary, and what was workable in one area may not be workable in another.

Over and above this the County Council, who took the city's recycling waste for sorting, set the criteria as to what they would accept as recyclable. Whilst broadly comparable across most areas of the country, things did vary, and this could also drive some variances.

To be clear therefore, the City Council's role was to have in place systems to collect the materials, as directed by the County Council, that were affordable, and contributed positively to national recycling targets. This was why it tried to work closely with the County Council through the Lincolnshire Waste Partnership.

Mindful of these important issues of context the Council regularly assessed the city's output against the stated performance of others, including what government set as our nearest neighbours. Ultimately high-level data was published accordingly.

For 2022/23, which was the most recent year for which verified national data was available, Lincoln had a recycling rate of 31.6%. The CPIFA Nearest Neighbour Group had a median of 31.4%.

The 'All England' median was 41.3%. However, it was not reliable to compare Lincoln against 'All England' for the reasons set out above, plus it should be noted that this included many unitary Councils who would be including data from HWRCs, which distorted their performance significantly.

Councillor Clare Smalley to Councillor Donald Nannestad

Question

With a huge number of people waiting for housing, and more and more people needing affordable homes turning to the Council, how many void properties does the Council currently have?

Answer

In General Needs (GN) housing at 14/02/2024, the Council had 53 in void (existing stock), the Council had other voids (34) resulting from buy backs and where it purchased additional properties to add to its stock as part of government incentives, they had to go into voids in order to be put into our lettable standard before the Council could add them to the stock. That was 0.6% of our stock being 53/7800.

As at 21/02/2024, the Council had 62 GN in void with 29 “others” that was 0.7% of our stock.

Supplementary question

Are you going to improve the time spent turning around voids?

Answer

The City of Lincoln Council was in the top 25% of other Councils, with some Councils taking over six months so the Council was currently in a good position.

35. To Consider the Following Recommendations of the Executive and Committees of the Council

(a) Medium Term Financial Strategy 2024/2029

It was moved by Councillor Biff Bean, seconded by Councillor Donald Nannestad and

RESOLVED that Council Procedure Rule 17.4 regarding the content and length of speeches be suspended to allow the Leader of the Council and the Opposition Group Leaders unlimited time to speak on Minute 35a.

Councillor Ric Metcalfe, Leader of the Council, proposed the recommendations contained within the report, as detailed on pages 21 and 22 of the agenda pack, in relation to the Medium Term Financial Strategy 2024-2029 and budget.

He reflected on strategic considerations and long-term financial sustainability, highlighting effective use of resources and demonstratable progress to support effective delivery of services and alignment with aspirations for strategic priorities. In addition, there were a number of Councils that had been served with or faced a Section 114 notice, a power given to s114 Officers within Council's to challenge the sustainability of a Council's plan. Due to the determination of elected Members, the skills of Officers and excellent financial stewardship, the City of Lincoln Council (CoLC) had not received such notice.

The Leader of the Council referred to section 4.4 of the report and confirmed that achievement for Council Taxpayers was significant when considered with the size of the authority in mind. He offered his thanks and gratitude to the hard working and dedicated staff for all achievements gained against the five strategic priorities.

Reference to achievements included, but were not limited to, growth within the City and urban regeneration projects, support for poorer households struggling with the cost of living crisis, the building of new homes and reduction in homelessness and aspirations for a carbon neutral city by 2030.

Councillor Donald Nannestad, Deputy Leader of the Council, seconded the proposition and reiterated the points made. In addition, he added that there was a series of additional pressures such as inflation, difficulties in the supply chain and the cost of living crisis, all of which affected residents. Reference was also made to the need to pay over £1million to Internal Drainage Boards in levies, which were each increasing levies or more. Circa 15% of the levies received by the Council were transferred to the Internal Drainage Boards.

The Council's housing stock was in good condition and the Medium Term Financial Strategy (MTFS) as seen at Appendix A to the report, outlined the considerable investments to be made to homes.

The Mayor, having received notice of the Leader of the Opposition's intention to propose a number of amendments and notice of the Liberal Democrats intention to propose a number of amendments, permitted that more than one amendment may be discussed and debated at once to facilitate the proper and efficient conduct of the Council's business in accordance with Council Procedure Rule 17.6(b). He reported, however, that each amendment would be voted upon separately.

Councillor Thomas Dyer, Leader of the Conservative Group, proposed the following amendments to the Medium Term Financial Strategy, which were seconded by Councillor Rachel Storer, Deputy Leader of the Conservative Group:

Amendment 1 – Boosting the Lincoln economy

- Increase the City Council's "Events" budget by £190,000. The focus of this increase is to sustain the positive elements of the new events policy, but to also provide financial capacity to restore a new, sustainable, Lincoln Christmas Market.
- This increased budget is to be spent on increasing staffing capacity and to provide further resource for investment.
- The £190,000 will be funded by reducing a City Council budget within the DCE to £0. To keep this budget amendment in Part A, the specific service area cannot be detailed.
- Current staff working in the area proposed to have its budget removed will be redeployed into other service areas where there are vacancies. Alternatively, any redundancy costs can be funded from the earmarked reserves.

Amendment 2 – Temporary Accommodation

- The City of Lincoln Council continued to have significant difficulties with having enough suitable options for temporary accommodation within the City of Lincoln. The cost to 3rd party organisations continues to strain the City Council's budget.
- The City of Lincoln Council recognise that it must direct action to both increase the supply of temporary accommodation and to therefore support some of Lincoln's most vulnerable residents.
- The City of Lincoln Council, as part of its 24/25 budget, requests that officers put together a business plan for procuring a suitable temporary accommodation facility.
- The financing of such a scheme is to be paid back via the payments the City Council currently pay to 3rd party organisations.

Amendment 3 – Bus Shelter Investment Scheme

- The City of Lincoln Council currently own 45 bus shelters across Lincoln. There is currently no budget to maintain these assets.
- For the 2024/25 financial year a £50,000 budget, funded from the Vision 2025/2030 reserve will be utilised in repairing and cleaning these assets.
- The scheme will be reviewed at the end of the financial year and consideration will be given to permanently funding such a scheme.

It was noted that the figures contained in proposal 1 had been verified by Financial Services and were in accordance with the budget estimates included in the proposed MTFS 2024-2029.

In relation to proposal 2, subject to capacity within the relevant service area there were no direct financial implications arising from requesting that a business plan was developed. However, it was recommended that a discussion with housing colleagues was had, as work in response to the temporary accommodation pressures was already underway which included looking at suitable new accommodation. The financing of any actual scheme would be subject to a full financial assessment as part of the Council's usual governance processes.

The figures contained in proposal 3, in relation to the non-recurrent funding for 2024/25, had been verified by Financial Services and were in accordance with the budget estimates included in the proposed MTFS 2024-2029. Ongoing funding would need to be identified in the new MTFS 2025-2030.

Councillor Rachel Storer, as seconder of the motion, stated that the budget amendments were reasonable and would bring back a sustainable Christmas Market and there was a clear need for a budget for bus shelters and therefore would ask Council to support the amendments of the Conservative Group.

During the discussion on the proposed amendments, the following points were noted:

- It was commented that the proposed reinstatement of the Christmas Market had not been fully costed nor had it taken into account issues such as not being able to change or extend road closures or the safety of staff or anyone visiting the market.

- There was a need for the Government to provide additional funding for temporary accommodation.
- Several members reiterated that responsibility for bus shelters lay with Lincolnshire County Council and therefore any proposals relating to bus shelters should be directed to that council. However, as bus shelters were branded with 'City of Lincoln Council' logos, it was suggested that the state of disrepair reflected badly on the Council and therefore it should consider supporting this amendment.

Councillor Ric Metcalfe, using his right to reply, advised that he would not be in support of any of the amendments. Referencing amendment one, Council was reminded that the decision relating to the Lincoln Christmas Market was made at a public meeting of the Executive and upon advice from an independent body relating to safety, the decision to close the Christmas Market was taken. The amendment did not address how the safety concerns would be addressed.

Referencing amendment two, it was noted that the Council could not run effectively in the absence of suitable management. Housing services within the Council employed over 300 individuals and spent millions of pounds of tenants' money on a wide range of investment – under the supervision of appropriate management.

Referencing amendment three, it was reiterated that bus shelters come under the remit of Lincolnshire County Council and therefore not a responsibility of the City of Lincoln Council.

Having been proposed and seconded, the amendments were voted upon. The amendments were voted upon individually. In accordance with Council Procedure Rule 19.7, a recorded vote was taken for each amendment, the result of which were as follows:

Amendment 1:

For (12)

Councillor A Briggs
Councillor M Christopher
Councillor D Clarkson
Councillor T Dyer
Councillor M Fido
Councillor B Mara
Councillor C Smalley
Councillor H Spratt
Councillor M Storer
Councillor R Storer
Councillor E Strengiel
Councillor A Wells

Against (16)

Councillor D Armiger
Councillor B Bean
Councillor C Burke
Councillor S Burke
Councillor G Hewson
Councillor R Longbottom
Councillor A McNulty
Councillor R Metcalfe
Councillor D Nannestad
Councillor L Preston
Councillor D Stothard
Councillor P Vaughan
Councillor C Watt
Councillor J Wells
Councillor E Wood
Councillor L Woolley

Abstention (1)

Councillor N Chapman

Amendment 2

For (12)

Councillor A Briggs
Councillor N Chapman
Councillor D Clarkson
Councillor T Dyer
Councillor M Fido
Councillor B Mara
Councillor C Smalley
Councillor H Spratt
Councillor M Storer
Councillor R Storer
Councillor E Strengiel
Councillor A Wells

Against (17)

Councillor D Armiger
Councillor B Bean
Councillor C Burke
Councillor S Burke
Councillor M Christopher
Councillor G Hewson
Councillor R Longbottom
Councillor A McNulty
Councillor R Metcalfe
Councillor D Nannestad
Councillor L Preston
Councillor D Stothard
Councillor P Vaughan
Councillor C Watt
Councillor J Wells
Councillor E Wood
Councillor L Woolley

Abstention (0)

Amendment 3

For (13)

Councillor A Briggs
Councillor N Chapman
Councillor M Christopher
Councillor D Clarkson
Councillor T Dyer
Councillor M Fido
Councillor B Mara
Councillor C Smalley
Councillor H Spratt
Councillor M Storer
Councillor R Storer
Councillor E Strengiel
Councillor A Wells

Against (16)

Councillor D Armiger
Councillor B Bean
Councillor C Burke
Councillor S Burke
Councillor G Hewson
Councillor R Longbottom
Councillor A McNulty
Councillor R Metcalfe
Councillor D Nannestad
Councillor L Preston
Councillor D Stothard
Councillor P Vaughan
Councillor C Watt
Councillor J Wells
Councillor E Wood
Councillor L Woolley

Abstention (0)

Amendments 1 to 3 were therefore declared lost.

Returning to the debate on the original motion, Councillor Clare Smalley, Leader of the Liberal Democrats Group proposed the following amendments, which were seconded by Councillor Martin Christopher, Deputy Leader of the Liberal Democrats Group:

Amendment 1 - Bus Shelter Improvement Programme

- (a) £20K to be allocated from the Corporate Repairs and Maintenance Reserve. This new programme will provide repairs, replacement and new installations where necessary across the city to City of Lincoln branded/owned bus shelters.

Amendment 2 - Pride in Lincoln Programme

- (a) £33K to be allocated from the Community Chest Fund. This funding will retain its community focus but will empower Lincoln's community by investing in targeted improvements. Funding would be allocated per member (£1K per member) and will allow local wards to invest directly in improvements to local communities, from installing new benches to making grants to community and voluntary organisations.

In proposing the amendments, Councillor Clare Smalley advised that the figures in amendments 1 and 2 had been verified by Financial Services and were in accordance with the budget estimates included in the proposed MTFS 2024-2029. Councillor Martin Christopher seconded the proposal but reserved his right to speak.

During the discussion on the proposed amendments, the following points were noted:

- It was commented that the City of Lincoln Council had previously had something similar to the proposed Pride in Lincoln Programme, which the councillor commented had worked well, however the Labour Party had removed it as part of budget cuts.
- A councillor commented on the vast financial savings the council had previously had to make, with a further £1.75million of savings required.
- It was commented that similar schemes in neighbouring authorities had worked well.

Councillor Martin Christopher, who had reserved his right to speak as seconder to the amendments, advised that an effective bus shelter improvement programme was important and a vital step for the Council. The use of public transport was essential in the achievement of net zero emissions by 2030. Bus shelters displayed the City of Lincoln Council logo upon them and as such, if a bus shelter fell into disrepair, there was the potential that the perception of the Council could be negatively affected. Referencing amendment 2, it was noted that a small pot of funding to represent a number of people individually was positive.

Councillor Ric Metcalfe, using his right to reply, advised that bus shelter in disrepair would require the deployment of considerable resource. The Council position was that there was not surplus funding within the corporate repairs and management revenue. The issue arose from a legacy element. It was not the City of Lincoln Council's responsibility nor was a financial contribution possible. It was also advised that amendment 2 would not be supported, as it was considered a duplication of the Prosperity Fund in each ward.

Having been proposed and seconded, the amendments were voted upon individually. In accordance with Council Procedure Rule 19.7, a recorded vote was taken for each amendment, the result of which were as follows:

Amendment 1:

For (13)

Councillor A Briggs
Councillor N Chapman
Councillor M Christopher
Councillor D Clarkson
Councillor T Dyer
Councillor M Fido
Councillor B Mara
Councillor C Smalley
Councillor H Spratt
Councillor M Storer
Councillor R Storer
Councillor E Strengiel
Councillor A Wells

Against (16)

Councillor D Armiger
Councillor B Bean
Councillor C Burke
Councillor S Burke
Councillor G Hewson
Councillor R Longbottom
Councillor A McNulty
Councillor R Metcalfe
Councillor D Nannestad
Councillor L Preston
Councillor D Stothard
Councillor P Vaughan
Councillor C Watt
Councillor J Wells
Councillor E Wood
Councillor L Woolley

Abstention (0)

Amendment 2:

For (13)

Councillor A Briggs
Councillor N Chapman
Councillor M Christopher
Councillor D Clarkson
Councillor T Dyer
Councillor M Fido
Councillor B Mara
Councillor C Smalley
Councillor H Spratt
Councillor M Storer
Councillor R Storer
Councillor E Strengiel
Councillor A Wells

Against (16)

Councillor D Armiger
Councillor B Bean
Councillor C Burke
Councillor S Burke
Councillor G Hewson
Councillor R Longbottom
Councillor A McNulty
Councillor R Metcalfe
Councillor D Nannestad
Councillor L Preston
Councillor D Stothard
Councillor P Vaughan
Councillor C Watt
Councillor J Wells
Councillor E Wood
Councillor L Woolley

Abstention (0)

Amendments 1 and 2 were therefore declared lost.

Returning to the debate on the original motion, Councillor Bill Mara proposed the following amendment, which was seconded by Councillor Hilton Spratt:

Amendment 1 – Investment in Children’s Areas in Witham Ward

Allocate £75,000 from the Vision 2025/2030 reserve for a new children’s play park / picnic area in the Brant Road area.

It was noted that the figures contained in proposal 1 had been verified by Financial Services and were in accordance with the budget estimates included in the proposed MTFS 2024-2029, however there would be an additional ongoing revenue requirement for repairs and maintenance for any new play area. Unless additional revenue budgets were identified, this would place pressure on existing repairs and maintenance budgets.

Furthermore, it was advised that this proposal would enhance the mental health of both young people and old and also go a long way to making young people feel valued. It was also highlighted that the election labour candidate for Witham Ward and Labour MP candidate were also lobbying for investment in children’s areas in Witham Ward.

Councillor Hilton Spratt, who had reserved his right to speak as seconder to the amendment, reiterated the above and requested that Council supported this amendment.

Councillor Ric Metcalfe, using his right to reply, advised that the amendment would not be supported as no consideration had been given to the additional ongoing revenue requirement for repairs and maintenance for any new play area, and therefore adding a budget pressure. Furthermore, the appropriateness of a ward councillor bringing forward an amendment of this type was put into question, as it was not appropriate for amendments on individual ward matters.

Having been proposed and seconded, the amendments were voted upon individually. In accordance with Council Procedure Rule 19.7, a recorded vote was taken for each amendment, the result of which were as follows:

Amendment 1:

For (12)

Councillor A Briggs
Councillor M Christopher
Councillor D Clarkson
Councillor T Dyer
Councillor M Fido
Councillor B Mara
Councillor C Smalley
Councillor H Spratt
Councillor M Storer
Councillor R Storer
Councillor E Strengiel
Councillor A Wells

Against (16)

Councillor D Armiger
Councillor B Bean
Councillor C Burke
Councillor S Burke
Councillor G Hewson
Councillor R Longbottom
Councillor A McNulty
Councillor R Metcalfe
Councillor D Nannestad
Councillor L Preston
Councillor D Stothard
Councillor P Vaughan
Councillor C Watt
Councillor J Wells
Councillor E Wood
Councillor L Woolley

Abstention (1)

Councillor N Chapman

Amendment 1 was therefore declared lost.

Council returned to the original motion.

Having been proposed and seconded, in accordance with Council Procedure Rule 19.7, a recorded vote was taken, the result of which was as follows:

For (16)

Councillor D Armiger
Councillor B Bean
Councillor C Burke
Councillor S Burke
Councillor G Hewson
Councillor R Longbottom
Councillor A McNulty
Councillor R Metcalfe
Councillor D Nannestad
Councillor L Preston
Councillor D Stothard
Councillor P Vaughan
Councillor C Watt
Councillor J Wells
Councillor E Wood
Councillor L Woolley

Against (13)

Councillor A Briggs
Councillor N Chapman
Councillor M Christopher
Councillor D Clarkson
Councillor T Dyer
Councillor M Fido
Councillor B Mara
Councillor C Smalley
Councillor H Spratt
Councillor M Storer
Councillor R Storer
Councillor E Strengiel
Councillor A Wells

Abstention (0)

The motion was declared carried.

It was therefore RESOLVED that the Medium Term Financial Strategy 2024-2029 and the Capital Strategy 2024-2029, including the following specific elements, be approved:

- A council tax increase of 2.92% for 2024/25.
- The Council being a member of the Lincolnshire Business Rates Pool in 2024/25.
- The General Fund Revenue Forecast 2024/25-2028/29 as shown in Appendix 1 and the main basis on which this budget had been calculated (as set out in paragraph 4).
- The Housing Revenue Account Forecast 2024/25-2028/29 as shown in Appendix 2 and the main basis on which this budget had been calculated (as set out in paragraph 5).
- The General Investment Programme 2024/25-2028/29 as shown in Appendix 3, and the main basis on which the programme had been calculated (as set out in paragraph 6).
- The Housing Investment Programme 2024/25-2028/29 as shown in Appendix 4, and the main basis on which the programme had been calculated (as set out in paragraph 7).

(b) Council Tax 2024/25

The recommendations to the Council, as set out in the report, were moved and seconded and in accordance with the Council Procedure Rule 19.7, a recorded vote was taken, the result of which was as follows:

For (25)**Against (4)****Abstention (0)**

Councillor D Armiger
Councillor B Bean
Councillor A Briggs
Councillor C Burke
Councillor S Burke
Councillor D Clarkson
Councillor T Dyer
Councillor M Fido
Councillor G Hewson
Councillor R Longbottom
Councillor B Mara
Councillor A McNulty
Councillor R Metcalfe
Councillor D Nannestad
Councillor L Preston
Councillor H Spratt
Councillor M Storer
Councillor R Storer
Councillor D Stothard
Councillor E Strengiel
Councillor P Vaughan
Councillor C Watt
Councillor J Wells
Councillor E Wood
Councillor L Woolley

Councillor N Chapman
Councillor M Christopher
Councillor C Smalley
Councillor A Wells

RESOLVED

That the following, as submitted, be approved:

1. Acceptance of the 2nd January 2024 Executive Committee recommendation that the Council Tax Base for 2024/25, as calculated in accordance with The Local Authorities (Calculation of Council tax Base) (England) Regulations 2012, be 25,669.23
2. That the following amounts be calculated for the year 2024/25 in accordance with Sections 31 to 36 of the Local Government Finance Act 1992:
 - a) £109,979,120 being the aggregate of the amounts which the Council estimated for the items set out in Section 31A(2) of the Act taking into account all precepts issued to it by Parish Councils.
 - b) £102,073,510 being the aggregate of the amounts which the Council estimated for the items set out in Section 31A(3) of the Act.
 - c) £7,905,610 being the amount by which the aggregate at 2(a) above exceeded the aggregate at 2(b) above, calculated by the Council in accordance with Section 31A(4) of the Act as its Council Tax requirement for the year. (Item R in the formula in Section 31A (4) of the Act).

- d) £307.98 being the amount at 2(c) above (Item R), all divided by Item T (1 above), calculated by the Council, in accordance with Section 31B(1) of the Act, as the basic amount of its Council Tax for the year (including Parish precepts).
- e) £0 being the aggregate amount of all special items (Parish precepts) referred to in Section 34(1) of the Act
- f) £307.98 being the amount at 2c) above less the amount at 2e) above, all divided by the amount at 1 above, calculated by the Council in accordance with Section 33(1) of the Act, as the basic amount of its Council Tax for the year

g) **City of Lincoln Council**

A	B	C	D
£205.32	£239.54	£273.76	£307.98
E	F	G	H
£376.42	£444.86	£513.30	£615.96

being the amounts given by multiplying the amount at 2f) above by the number which, in proportion set out in Section 5(1) of the Act, was applicable to dwellings listed in a particular band divided by the number which in proportion was applicable to dwellings listed in Valuation Band D, calculated by the Council, in accordance with Section 36(1) of the Act, as the amounts to be taken for the year in respect of categories of dwellings listed in different bands.

3. That it be noted that for the year 2024/25 Lincolnshire County Council had provisionally stated the following amounts in precepts issued to the Council, in accordance with the dwelling bandings shown below:

Lincolnshire County Council

A	B	C	D
£1,052.46	£1,227.87	£1,403.28	£1,578.69
E	F	G	H
£1,929.51	£2,280.33	£2,631.15	£3,157.38

4. That it be noted that for the year 2024/25 Police & Crime Commissioner Lincolnshire had provisionally stated the following amounts in precepts issued to the Council, in accordance with the dwelling bandings shown below:

Police & Crime Commissioner Lincolnshire

A	B	C	D
£202.80	£236.60	£270.40	£304.20
E	F	G	H
£371.80	£439.40	£507.00	£608.40

5. That having calculated the aggregate in each case of the amounts at 2g, 3 and 4 above, the Council, in accordance with Section 30(2) of the Local Government Finance Act 1992, hereby sets the following as the amounts of Council Tax for the year 2024/25 in accordance with the dwelling bandings shown below:

Total Council Tax Charge 2024/25			
A	B	C	D
£1,460.58	£1,704.01	£1,947.44	£2,190.87
E	F	G	H
£2,677.73	£3,164.59	£3,651.45	£4,188.24*

***Addendum:** Since the meeting of the Council on 27 February 2024, it had been highlighted that there was a clerical error in the total amount of Council Tax Charge 2024/25 for a Band H dwelling and that the individual elements when aggregated together should be £4,381.74.

(c) Prudential Indicators 2023/24 to 2026/27 and Treasury Management Strategy 2024/25

It was moved, seconded and

RESOLVED

- (1) That the Treasury Management Strategy for 2024/25, including the Prudential Indicators, be approved.
- (2) That the Minimum Revenue Provision Policy for 2023/24 be approved.
- (3) That the Treasury Management Practices be approved.

(d) Furnished Properties Without a Resident- Council Tax Premium

It was moved, seconded and

RESOLVED

That approval be given to the introduction of a council tax premium charge of 100% from 1st April 2025 for dwellings where:

- (a) There is no resident of the dwelling, and
- (b) The dwelling is substantially furnished.

(e) Pay Policy Statement 2024/25

It was moved, seconded and

RESOLVED

That the Pay Policy Statement for 2024/25 be approved.

36. Receive Reports under Council Procedure Rule 2 (vi) from Members

(a) Report by Councillor Donald Nannestad, Portfolio Holder for Quality Housing

Councillor Donald Nannestad, Portfolio Holder for Quality Housing, presented his report to Council, as detailed on pages 297 to 312 of the agenda pack.

In response to a question on the number of homeless cases, it was agreed that details of the proportion of that number being veterans was unknown but this would be provided to Councillor Strengiel outside of the meeting.

The content of the report was noted.

37. Planning Committee Arrangements - Western Growth Corridor

It was moved, seconded and

RESOLVED that moving forward all planning applications for the Western Growth Corridor would be taken to Planning Committee, as per the constitutional arrangements for planning decisions.

38. Proposed Amendment to the Terms of Reference for the City Council's Scrutiny Committee

It was moved, seconded and

RESOLVED that the changes to the terms of reference for the City Council's Select Scrutiny Committee, as detailed in Appendix A, be approved.

39. Thanks to Outgoing Leader

The Council took the opportunity to thank the outgoing Leader for his service to the City of Lincoln Council, which involved speeches from Group Leaders, individual councillors and a presentation.

Present:

Councillor Debbie Armiger, Councillor Biff Bean, Councillor Alan Briggs, Councillor James Brown, Councillor Chris Burke, Councillor Sue Burke, Councillor Bob Bushell, Councillor Liz Bushell, Councillor Natasha Chapman, Councillor Martin Christopher, Councillor Annie Currier, Councillor Laura Danese, Councillor Thomas Dyer, Councillor Gary Hewson, Councillor Rebecca Longbottom, Councillor Bill Mara, Councillor Adrianna McNulty, Councillor Neil Murray, Councillor Donald Nannestad, Councillor Lucinda Preston, Councillor Anita Pritchard, Councillor Clare Smalley, Councillor Callum Roper, Councillor Hilton Spratt, Councillor Rachel Storer, Councillor Dylan Stothard, Councillor Naomi Twedde, Councillor Pat Vaughan, Councillor Calum Watt, Councillor Joshua Wells and Councillor Emily Wood

Apologies for Absence: Councillor Aiden Wells and Councillor Loraine Woolley

1. Election of Mayor

On the nomination of Councillor Thomas Dyer and seconded by Councillor Hilton Spratt it was:

RESOLVED that Councillor Alan Briggs be elected as Mayor of the City of Lincoln for the ensuing municipal year. Councillor Alan Briggs made and subscribed the Declaration of Acceptance of Office and took the Oath of Allegiance. The newly elected Mayor then returned his thanks for his appointment.

(The Mayor [Councillor Alan Briggs] took the Chair)

2. Appointment of City Sheriff

It was moved by Councillor Rachel Storer, seconded by Councillor Donald Nannestad and:

RESOLVED that Brian Harding be appointed Sheriff of the City of Lincoln for the ensuing municipal year. The newly appointed Sheriff made and subscribed the Declaration of Office, took the Oath of Allegiance and returned thanks for his appointment.

3. Election of Deputy Mayor

RESOLVED that Councillor Bill Mara be elected as Deputy Mayor for the ensuing municipal year.

4. Vote of Thanks to the Retiring Mayor

It was moved by Councillor Calum Watt, seconded by Councillor Joshua Wells and:

RESOLVED that thanks of the Council be accorded to the retiring Mayor for the manner in which he discharged his duties during his period of office.

The retiring Mayor returned thanks.

5. Vote of Thanks to the Retiring Sherriif

It was moved by Councillor Chris Burke, seconded by Councillor Sue Burke and:

RESOLVED that the thanks of the Council be accorded to the retiring Sheriff for the manner in which he discharged his duties during his period of office.

The retiring Sheriff returned thanks.

6. To Receive Notification of the Appointment of the Mayor's Chaplain

It was noted that Reverend Steve Holt of Holy Cross Church had been appointed by the Mayor as the Mayor's Chaplain for the ensuing municipal year.

7. Appointment to Committees, Outside Bodies and Advocacy Roles

It was moved, seconded and:

RESOLVED

(1) That Councillor Naomi Tweddle be elected as Leader of the Council.

(2) That the appointments to the Executive, as set out in Appendix A, be noted.

(3) That the appointments to Committees, Sub-Committees, Chairs and Vice-Chairs of Committees and Advocate Roles, as set out in Appendix A, be approved.

(4) That the appointments to Outside Bodies, as detailed in Appendix B, be approved.

8. Calendar of Meetings for 2024/25

It was moved, seconded and:

RESOLVED that the Calendar of Meetings for 2024/25 be confirmed.

NOTICE OF MOTION

COUNCIL 16 JULY 2024

City Bus Shelters

Proposer - Cllr Natasha Chapman

Seconder – Cllr Martin Christopher

This Council notes:

- The poor state of many of the bus shelters in our city, with badly damaged shelters being removed rather than repaired.
- That bus shelters provide many benefits, including protecting people from bad weather, making them feel safer while waiting for the bus and allowing those less confident on their feet to access bus travel more easily.
- Converting bus stop roofs into plant-covered habitats would help combat air pollution and provide food and shelter to pollinators who are at risk due to habitat loss, as well as being visually appealing and improving the appearance of our city.
- The Council has committed to address the climate crisis by aiming for carbon Net Zero by 2030.
- Hull Council have achieved this quite recently, using a grant from the UK shared prosperity fund and supported by Yorkshire Wildlife Trust, demonstrating the feasibility of this proposal.

This Council believes:

- That maintaining the existence and good repair of our bus shelters would promote the use of public transport in Lincoln, which will play a vital role in our strategy to reach Net Zero by 2030.
- That making our bus shelters bee-friendly would bring benefits to biodiversity, public health, and the character of our city itself.

This Council resolves to:

- Investigate the feasibility and implementation of bee-friendly bus shelters in Lincoln.
- Explore partnership opportunities with local businesses, gardening groups, and environmental charities (such as the Wildlife Trusts) to obtain funding through grants and sponsorship for bee-friendly bus shelter installation and maintenance and leverage expertise and community engagement in the design, planting, and upkeep of the bee-friendly shelters.

SUBJECT: PORTFOLIO RESPONSIBILITIES

DIRECTORATE: CHIEF EXECUTIVE AND TOWN CLERK

REPORT AUTHOR: ANGELA ANDREWS, CHIEF EXECUTIVE AND TOWN CLERK

1. Purpose of Report

- 1.1 To note the updated Portfolio responsibilities for Executive Members.

2. Background

- 2.1 As per the Local Government Act 2000, the Council has adopted the Strong Leader and Executive model. The Leader is therefore responsible for appointing a member of the Executive and to delegate functions to that as a specifically allocated portfolio.

3. Changes to the Executive Members Portfolios

- 3.1 The key responsibilities of the Portfolio Holders have been updated and are attached as Appendix 1.

4. Strategic Priorities

- 4.1 Ensuring that the Council has effective arrangements in place for its Executive Committee members is a key part of the Council's overall governance framework.

5. Organisational Impacts

5.1 Finance

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

5.2 Legal Implications including Procurement Rules

There are no direct legal implications from as a result of this report, the changes in Portfolios responsibilities will be reflected in the Council's constitution.

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 this report, there are no direct equality, diversity of human rights implications.

6. Risk Implications

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

7. Recommendations

7.1 Council is invited to note the changes to the Portfolio's responsibilities as detailed in Appendix 1.

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? One

List of Background Papers: None

Lead Officer: Angela Andrews, Chief Executive and Town Clerk
Angela.andrews@lincoln.gov.uk

Appendix 1

Red moves to Leader portfolio

Blue moves to Customer experience and review

Economic Growth

1. Building Control
2. Car Parks
3. Climate Change (linkage to Local Plan)
4. Commercial Development
5. Contaminated Land
6. Cultural and Events Activities Including:
 - Christmas Lights
7. Economic Development and Growth, including:
 - Western Growth Corridor
 - Sustainable Urban Extensions
8. Heritage
9. Innovation and Inward Investment including:
 - Lincoln Science and Innovation Park
 - Smart City initiatives
10. Markets
11. Planning, including:
 - Central Lincolnshire Local Plan
 - Regional and National Planning Policies
12. Public Realm including:
 - City Centre Masterplan
 - Cornhill Area Redevelopment
13. Regeneration Including:
 - Neighbourhood Revitalisation
 - Community Planning
14. Small Business Support
15. Tourism and Marketing
16. Transport including:
 - Transport Hub
 - Connectivity
 - Infrastructure

Reducing Inequality

1. Anti-Poverty Strategy
2. Asylum Seekers
3. Benefits Advice and take-up, including:
 - Housing Benefit
 - Council Tax Support
4. Community Cohesion Strategy
5. Community Strategies and Policies
6. Corporate Social Responsibility including:
 - Hate Crime
 - Lincolnshire Safer Communities
7. Discretionary Rate Relief Policy
8. Equality and Diversity:
 - Employer perspective
 - Service user perspective

9. Financial Inclusion, including:
 - Adult Learning;
 - Young People.
10. Prevent
11. Public Protection including:
 - Antisocial Behavior
 - Noise Nuisance
 - CCTV
 - Domestic Violence
11. Skills and Training, including The Network;
12. Social Value Policy
13. Universal Credit
14. Welfare Advice
15. Welfare Reform

Quality Housing

1. Affordable Housing
2. Discretionary Housing Payments
3. Estate Management
4. Fleet Management
5. Health and Wellbeing, particularly its links to good quality housing
 - Physical and Mental Health
 - Suicide
6. Homelessness Prevention
7. House Building
8. Housing Investment and Decent Homes
9. Housing Repairs and Maintenance
10. Housing Revenue Account and Landlord Services including:
 - Tenant Engagement
 - Housing Stock Options
11. Lettings and Allocations including:
 - Rogue Landlords
 - Trusted Landlord Accreditation Scheme
12. Rough Sleepers
13. Strategic Housing
14. Supported Housing

Remarkable Place

1. Allotments
2. Cemeteries and Crematorium
3. Community Centres
4. Environmental Contracts including:
 - Refuse Collection and Recycling
 - Highways
 - Open Space and Grounds Maintenance
 - Public Conveniences
 - Cleansing
5. Food Health and Safety
6. Licensing
7. Low Carbon Agenda

8. Parks and Recreation
9. Pollution Control
10. Sport and Leisure facilities to promote physical activity

Our People and Resources

1. Asset Management
2. Civic and Twinning
3. Corporate Communications and Media Relations
4. Corporate Strategy including
 - Strategic Plan (Vision 2020)
 - Annual Report
 - Strategic Partnerships
5. Corporate Health and Safety
6. Emergency Planning
7. Finance including:
 - Financial Strategy
 - Financial Position
8. Human Resources including:
 - People Strategy
 - Apprenticeships
 - Trade Union Liaison
 - Organisational Culture and Core Values
9. Legal Services (excluding Electoral and Democratic Services)
10. Procurement (excluding social value)
11. Regional and Sub-Regional Governance Arrangements including Devolution
12. Revenues
13. Risk Management and Governance including
 - Insurance
14. Specific Major Projects (Excluding Major Developments)
15. Towards Financial Sustainability including Commercialisation

Customer Experience and Review

1. Audit
2. Central Support Services
3. Complaints Handling
4. Corporate Reviews
5. Customer Engagement including:
 - Customer Services
 - Contact Centre
6. Democratic and Electoral Services including
 - Voter Registration
 - Democratic Engagement
7. ICT
8. Performance including Systems and Process
9. Strategic Information including:
 - Corporate Evidence Bases
 - Lincoln City Profile

Proposed New Portfolios

New Leader Portfolio of Climate and Corporate Strategy

1. Climate Change (linkage to Local Plan)
2. Low Carbon Agenda
3. Equality and Diversity: Employer perspective
4. Corporate Communications and Media Relations
5. Corporate Strategy including
6. Strategic Plan (Vision 2020)
7. Annual Report
8. Strategic Partnerships
9. Human Resources including:
 - People Strategy
 - Apprenticeships
 - Trade Union Liaison
 - Organisational Culture and Core Values
10. Regional and Sub-Regional Governance Arrangements including Devolution
11. Legal

Economic Growth

1. Building Control
2. Car Parks
3. Commercial Development
4. Contaminated Land
5. Cultural and Events Activities Including:
 - Christmas Lights
6. Economic Development and Growth, including:
 - Western Growth Corridor
 - Sustainable Urban Extensions
7. Heritage
8. Innovation and Inward Investment including:
 - Lincoln Science and Innovation Park
 - Smart City initiatives
9. Markets
10. Planning, including:
 - Central Lincolnshire Local Plan
 - Regional and National Planning Policies
11. Public Realm including:
 - City Centre Masterplan
 - Cornhill Area Redevelopment
12. Regeneration Including:
 - Neighbourhood Revitalisation
 - Community Planning
13. Small Business Support
14. Tourism and Marketing
15. Transport including:
 - Transport Hub
 - Connectivity

- Infrastructure

Reducing Inequality

1. Anti-Poverty Strategy
2. Asylum Seekers
3. Benefits Advice and take-up, including:
 - Housing Benefit
 - Council Tax Support
4. Community Cohesion Strategy
5. Community Strategies and Policies
6. Corporate Social Responsibility including:
 - Hate Crime
 - Lincolnshire Safer Communities
7. Discretionary Rate Relief Policy
8. Financial Inclusion, including:
 - Adult Learning;
 - Young People.
9. Prevent
10. Public Protection including:
 - Antisocial Behavior
 - Noise Nuisance
 - CCTV
 - Domestic Violence
11. Skills and Training, including The Network;
12. Social Value Policy
13. Universal Credit
14. Welfare Advice
15. Welfare Reform

Quality Housing

1. Affordable Housing
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5. Health and Wellbeing, particularly its links to good quality housing
 - Physical and Mental Health
 - Suicide
6. Homelessness Prevention
7. House Building
8. Housing Investment and Decent Homes
9. Housing Repairs and Maintenance
10. Housing Revenue Account and Landlord Services including:
 - Tenant Engagement
 - Housing Stock Options
11. Lettings and Allocations including:
 - Rogue Landlords
 - Trusted Landlord Accreditation Scheme
12. Rough Sleepers
13. Strategic Housing
14. Supported Housing

Remarkable Place

1. Allotments
2. Cemeteries and Crematorium
3. Community Centres
4. Environmental Contracts including:
5. Refuse Collection and Recycling
6. Highways
7. Open Space and Grounds Maintenance
8. Public Conveniences
9. Cleansing
10. Food Health and Safety
11. Licensing
12. Parks and Recreation
13. Pollution Control
14. Sport and Leisure facilities to promote physical activity

Customer Experience, Review and Resources

1. Audit
2. Central Support Services
3. Complaints Handling
4. Corporate Reviews
5. Customer Engagement including:
6. Customer Services
7. Contact Centre
8. Democratic and Electoral Services including
Voter Registration
Democratic Engagement
9. ICT
10. Performance including Systems and Process
11. Strategic Information including:
12. Corporate Evidence Bases
13. Lincoln City Profile
14. Asset Management
15. Civic and Twinning
16. Corporate Health and Safety
17. Emergency Planning
18. Finance including:
19. Financial Strategy
20. Financial Position
21. Procurement (excluding social value)
22. Revenues
23. Risk Management and Governance including
24. Insurance
25. Specific Major Projects (Excluding Major Developments)
26. Towards Financial Sustainability including Commercialisation

SUBJECT:	OPPOSITION ARRANGEMENTS
DIRECTORATE:	CHIEF EXECUTIVE AND TOWN CLERK
REPORT AUTHOR:	CAROLYN WHEATER, CITY SOLICITOR AND MONITORING OFFICER

1. Purpose of Report

- 1.1 To make the necessary changes to the Council's constitution to address the situation where the opposition parties are of equal numbers, and to note the present situation for the years 2025/26.

2. Background

- 2.1 The local elections in May 2024, resulted in equal number of councillors for the two opposition parties. The Council's current constitution does not address this situation, such as which of the opposition parties would be the main opposition party, or whether this position would be shared.

3. Amendment to the Constitution

- 3.1 The proposal to address the above situation, is to add the following wording into the Council's constitution:

"Where there are two or more opposition groups with an equal number of members in each, the designated group leaders of those groups shall be regarded as jointly being appointed to the office of Leader to the opposition, unless those opposition groups have agreed between themselves, who will take the lead as the official opposition group. Such agreement to be formally drawn up and signed by the relevant opposition groups and noted by Full Council."

3.2 Current Proposal

Attached to this report, is a redacted version of the agreement between the Liberal Democrats and Conservatives, to reflect the position for the years 2025/26.

4. Organisational Impacts

4.1 Finance (including whole life costs where applicable)

There are no financial implications arising as a result of this report.

4.2 Legal Implications including Procurement Rules

There are no legal implications arising as a result of this report.

4.3 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

There are no direct E and D implications arising as a result of this report.

5. Recommendation

- 5.1 Council is asked to approve the amendments to the Constitution to reflect the position of shared opposition groups and to note the proposal for 2025/26.

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?	One
List of Background Papers:	None

Lead Officer: Carolyn Wheeler City Solicitor & Monitoring Officer
Email address: Carolyn.wheater@lincoln.gov.uk

Conservative Group & Liberal Democrat Group – Joint Opposition Party Agreement

THIS AGREEMENT is made the 14th day of May 2024

1 BETWEEN

Cllr Tom Dyer, Leader of the Conservative Opposition Group and Cllr Clare Smalley, Leader of the Liberal Democrat Opposition Group.

2 WHEREAS

Following the results of the 2024 Local Elections, the two aforementioned opposition groups are of equal size. The Opposition Groups have therefore reached agreement as to who will take the lead as the City Council's main opposition.

3 AGREEMENT

This Agreement confirms that the role of Official Opposition will be shared on the City of Lincoln Council over the next 2 years (as there are no City Council elections until 2026), as per the details below:

- The Liberal Democrat Group will become the Official Opposition Group on the City of Lincoln Council to commence on the 14th May 2024.
- The Liberal Democrat Group will remain as the Official Opposition Group until the Annual General Meeting of the Council in May.
- As at the Annual General Meeting in May 2025 the Conservative Group will become the Official Opposition Group.

Therefore, for the civic year May 2024 – May 2025 the Liberal Democrat Group will be entitled to the following -

- Opposition Leader's allowance
- Opposition seats within the council chamber
- First right to speak at the budget and any other key events
- Briefings with the Chief Executive on a monthly / six weekly basis, or as and when required

Signed.

Tom Dyer, Leader of the Conservative Party

Dated.....

14.05.24

Signed..

Clare Smalley, Leader of the Liberal Democrat Party

Dated.....

14.5.24

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SUBJECT: AUDIT COMMITTEE TERMS OF REFERENCE

DIRECTORATE: CHIEF EXECUTIVE AND TOWN CLERK

REPORT AUTHOR: AMANDA STANISLAWSKI, INTERNAL AUDIT MANAGER

1. Purpose of Report

- 1.1 To seek approval for updated Terms of Reference for the Audit Committee.

2. Background

- 2.1 CIPFA's guidance on the function and operation of audit committees in local authorities and police bodies, represents best practice for audit committees in local authorities throughout the UK and for police audit committees in England and Wales. The revised guidance was issued in October 2022 replacing the previous guidance issued in 2018.
- 2.2 The guidance recognises that audit committees are a key component of governance. The purpose of an audit committee is to provide to those charged with governance independent assurance on the adequacy of the risk management framework, the internal control environment and the integrity of the financial reporting and annual governance processes. Audit committees are an important source of assurance about an organisation's arrangements for managing risk, maintaining an effective control environment and reporting on financial and other performance. The way in which an audit committee is organised will vary depending on the specific political and management arrangements in place in any organisation.
- 2.3 Audit committees in local authorities and police bodies are necessary to satisfy the wider requirements for sound financial management and internal control. For example, in England, the Accounts and Audit (England) Regulations 2015 state that a local authority is responsible "for a sound system of internal control which facilitates the effective exercise of its functions and the achievement of its aims and objectives; ensures that the financial and operational management of the authority is effective and includes effective arrangements for the management of risk". In addition, in England, Section 151 of the Local Government Act 1972 requires every local authority to "make arrangements for the proper administration of its financial affairs".

3. Changes to the Terms of Reference

- 3.1 The proposed revised Terms of Reference are attached at Appendix A. The model provided by CIPFA has been used as the framework for the revised Terms of Reference merged with the aspects specific to the City Council.

- 3.2 The revised Terms of Reference do not contain any changes which will have a significant impact on the work undertaken by the Audit Committee. A summary of the main changes is provided as follows:-

Audit Committee

Minor changes have been made concerning rights of access, substitute members and number of meetings to clarify what was in the previous version.

CIPFA recommends that the Audit Committee membership includes two independent members and as a minimum there should be one. The Terms of Reference have not been revised to include two independent members but the Council are actively seeking to recruit an additional independent member.

Statement of Purpose

No changes have been proposed for this section.

Governance, Risk and Control

A number of additional responsibilities have been added including:-

- To consider reports on the effectiveness of internal controls and monitor the implementation of agreed actions.
- To consider reports on the effectiveness of financial management arrangements, including compliance with CIPFA's Financial Management Code.
- To consider reports on customer complaints against service provision and monitor the effectiveness of the arrangements for managing these complaints.

Whilst these have been added to the Terms of Reference, these were already being undertaken by the Committee so there are no physical changes to be implemented.

Financial Reporting

Two additional responsibilities have been added:-

- To consider whether the annual evaluation for the AGS fairly concludes that governance arrangements are fit for purpose, supporting the achievement of the authority's objectives.
- To monitor the arrangements and preparations for financial reporting to ensure that statutory requirements and professional standards can be met.

These are also already being undertaken so no physical changes are required.

Arrangements for Audit and Assurance

A number of minor changes have been made to the wording to expand abbreviations, improve consistency and ensure accuracy. There was one additional responsibility added for External Audit:-

- To provide free and unfettered access to the Audit Committee Chair for the auditors, including the opportunity for a private meeting with the Committee.

This documents the practice already in place making it more visible.

Accountability Arrangements

The responsibilities have been expanded to include further detail of the contents of the annual report to Full Council and publication requirements:-

- To report to Full Council on an annual basis the Committee's performance in relation to meeting their Terms of reference and the effectiveness of meeting their purpose. The report to include findings, conclusions and recommendations concerning the adequacy and effectiveness of their governance, risk management and internal control frameworks, financial reporting arrangements and internal and external audit functions.
- To publish an annual report on the work of the Committee, including a conclusion on the compliance with the CIPFA position Statement.

4. Strategic Priorities

- 4.1 Ensuring that the Council has effective arrangements in place for its Audit Committee is a key part of the Council's overall governance framework.

5. Organisational Impacts

5.1 Finance

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

5.2 Legal Implications including Procurement Rules

These changes in Terms of Reference are in a change in the Council's constitution.

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 this report, there are no direct equality, diversity of human rights implications.

6. Risk Implications

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

7. Recommendations

- 7.1 Council is recommended to approve the changes to the Terms of Reference for the Audit Committee as detailed in Appendix A.

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? One

List of Background Papers: None

Lead Officer: Amanda Stanislowski, Audit Manager
Email address:
amanda.stanislowski@lincoln.gov.uk

Audit Committee terms of reference (Section 9 Constitution)

1 Audit Committee

- 1.1 The Audit Committee is directly accountable to Full Council. It is independent of both the executive and the scrutiny functions and is a key advisory Committee providing independent oversight, recommendations, opinions and influence on the matters for which it is responsible. To assist the Audit Committee in fulfilling its role, it has a right of access to and is expected to engage constructively with other committees and functions, and has the right to request reports and seek assurances from relevant officers.
- 1.2 The Audit Committee must conduct its proceedings in accordance with Rules 6-8, 12.3 to 12.7, 14 -17 and 18-28 (but not Rule 23.1 or 26) of the Council Procedure Rules set out in Part 4 of the Constitution.
- 1.3 The Council will appoint an Audit Committee as follows:-

Number of Members	8 – 7 Councillors and at least 1 Independent member
Substitute Members permitted	Yes, provided they have met the training requirements
Restrictions on membership	Executive members or the mayor may not be a member of this Committee.
Quorum	3 Councillors
Number of ordinary meetings per Council year	At least 4 per year

2 Statement of purpose

- 2.1 The Audit Committee is a key component of the City of Lincoln's corporate governance. It provides an independent and high-level focus on the audit, assurance and reporting arrangements that underpin good governance and financial standards.
- 2.2 The purpose of the Audit Committee is to provide independent assurance to the Council members of the adequacy of the risk management framework and the internal control environment. It provides independent review of the City of Lincoln's governance, risk management and control frameworks and oversees the financial reporting and annual governance processes. It oversees internal audit and external audit, helping to ensure efficient and effective assurance arrangements are in place.
- 2.3 To decide upon and authorise allowances to the Committee's Independent Member.

3 Governance, risk and control

- 3.1 To review the Council's arrangements for corporate governance, including the local Code of Corporate Governance and agreeing necessary actions to ensure compliance with best practice (the good governance framework, including the ethical framework).
- 3.2 To monitor the effectiveness of the Authority's risk management arrangements (development and operation).
- 3.3 To monitor progress in addressing risk-related issues reported to the Committee.
- 3.4 To consider reports on the effectiveness of internal controls and monitor the implementation of agreed actions.
- 3.5 To consider reports on the effectiveness of financial management arrangements, including compliance with CIPFA's Financial Management Code.
- 3.6 To consider the Council's arrangements to secure value for money and review assurances and assessments on the effectiveness of these arrangements.
- 3.7 To monitor the Council's anti-fraud and anti-corruption arrangements (including an assessment of fraud risks and potential harm from fraud and corruption).
- 3.8 To monitor the counter-fraud strategy, actions and resources.
- 3.9 To review the governance and assurance arrangements for significant partnerships or collaborations.
- 3.10 To consider reports on customer complaints against service provision and monitor the effectiveness of the arrangements for managing these complaints.
- 3.11 To appoint the Chair as the Lead Member of the Information Governance Board and to monitor and oversee Information Governance practices within the Council.
- 3.12 To maintain an overview of the Council's constitution in respect of contract procedure rules and financial procedure rules.
- 3.13 To review any issue referred to it by the Chief Executive, a Strategic Director, Monitoring Officer, Chief Financial Officer or any Council body as the Chair considers appropriate within the general Terms of Reference of the Committee.
- 3.14 To consider the Council's compliance with its own and other published standards and controls.
- 3.15 To report and make recommendations to Executive or Council on major issues and contraventions.

- 3.16 To support ethical values and reviewing arrangements to achieve those values as appropriate.

4 Financial Reporting

Governance Reporting

- 4.1 To review the Authority's assurance statements, including the Annual Governance Statement prior to approval, ensuring it properly reflects the risk environment and supporting assurances (including internal audit's annual opinion on governance, risk and control).
- 4.2 To consider whether the annual evaluation for the AGS fairly concludes that governance arrangements are fit for purpose, supporting the achievement of the authority's objectives.
- 4.3 To consider whether any non-conformance is significant enough that it must be included in the AGS.

Financial Reporting

- 4.4 To monitor the arrangements and preparations for financial reporting to ensure that statutory requirements and professional standards can be met.
- 4.5 The Audit Committee, as the Committee "Charged with Governance" should consider the external auditor's report to those charged with governance on issues arising from the audit of the accounts.
- 4.6 To review the annual statement of accounts. The Committee should consider whether appropriate accounting policies have been followed and whether there are any concerns arising from the financial statements or from the audit that need to be brought to the attention of the Council.
- 4.7 To receive on an annual basis a report on the Treasury Management Strategy before approval by the Executive and Full Council.
- 4.8 To be responsible for ensuring effective scrutiny of the treasury management strategy and policies.

5 Arrangements for audit and assurance

- 5.1 To consider the Council's framework of assurance and ensure that it adequately addresses the risks and priorities of the Council.

External Audit

- 5.2 To support the independence of external audit through consideration of the external auditor's annual assessment of its independence and review of any

issues raised by PSAA (Public Sector Audit Appointments) or the authority's auditor panel as appropriate.

- 5.3 To consider the reports of external audit and inspection agencies, including the external auditor's annual letter, relevant reports, and the report to those charged with governance.
- 5.4 To consider specific reports as agreed with the external auditor.
- 5.5 To comment on the scope and depth of external audit work and to ensure it gives value for money.
- 5.6 To commission work from internal and external audit, as required, and as resources allow.
- 5.7 To advise and recommend on the effectiveness of relationships between external and internal audit, inspection agencies and other relevant bodies, and that the value of the audit process is actively promoted.
- 5.8 To provide free and unfettered access to the Audit Committee Chair for the auditors, including the opportunity for a private meeting with the Committee.
- 5.9 Monitor management action in response to any issues raised by external audit.

Internal Audit

- 5.10 To approve the Internal Audit Charter.
- 5.11 To review proposals made in relation to the appointment of external providers of internal audit services and to make recommendations.
- 5.12 To approve (but not direct) internal audit's risk-based annual audit plan including resource requirements, the approach to using other sources of assurance and any work required to place reliance upon those sources.
- 5.13 To approve significant interim changes to the risk based internal audit plan and resource requirements.
- 5.14 To make appropriate enquiries of both management and the Head of internal audit (Audit Manager) to determine if there are any inappropriate scope or resource limitations.
- 5.15 To consider any impairments to independence or objectivity arising from additional roles or responsibilities outside of internal auditing of the Head of internal audit. To approve and periodically review safeguards to limit such impairments.

- 5.16 Consider reports from the Head of internal audit concerning internal audit activity including internal audit reports on the effectiveness of internal controls (key findings and issues of concern) and seeking assurance that action has been taken where necessary on the implementation of agreed actions.
- 5.17 To monitor audit performance, including QAIP (Quality Assurance and Improvement Program) results and any non-conformance with PSIAS (Public Sector Internal Audit Standards) and LGAN (Local Government Application Notes).
- 5.18 Receive and consider the annual report and opinion of the Head of internal audit including conformance with PSIAS.
- 5.19 To consider summaries of specific internal audit reports as requested by the Audit Committee.
- 5.20 To receive reports outlining the action taken where the Head of internal audit has concluded that management has accepted a level of risk that may be unacceptable to the authority or there are concerns about progress with the implementation of agreed actions.
- 5.21 To contribute to the Quality Assurance and Improvement Programme and in particular, to the external quality assessment of internal audit that takes place at least once every five years.
- 5.22 Consider the regular review of effectiveness of internal audit to support the AGS, where required to do so by the Accounts and Audit Regulations.
- 5.23 To provide free and unfettered access to the Audit Committee Chair for the Head of internal audit, including the opportunity for a private meeting with the Committee.
- 5.24 To have the right to call any Officers or Members of the Council as required to offer explanation in the management of internal controls and risks.

6 Accountability arrangements

- 6.1 To report to Full Council on an annual basis the Committee's performance in relation to meeting their Terms of reference and the effectiveness of meeting their purpose. The report to include findings, conclusions and recommendations concerning the adequacy and effectiveness of their governance, risk management and internal control frameworks, financial reporting arrangements and internal and external audit functions.
- 6.2 To publish an annual report on the work of the Committee, including a conclusion on the compliance with the CIPFA position Statement.

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COUNCIL**16 JULY 2024**

SUBJECT: AMENDMENT TO REPRESENTATIVES ON COMMITTEES AND OUTSIDE BODIES

DIRECTORATE: CHIEF EXECUTIVE AND TOWN CLERK

LEAD OFFICER: ALI HEWSON – SENIOR DEMOCRATIC SERVICES OFFICER

1. Purpose of Report

1.1 To agree amended Membership for the following areas:

- Ethics and Engagement Committee
- Representatives on Outside Bodies

2. Background

2.1 At the Council's Annual Meeting, which took place on Tuesday 14 May 2024, appointments to Committees and Sub-Committees (including substitutes), Chairman and Vice-Chairman and representatives onto Outside Bodies were agreed for the current Municipal Year.

2.2 Subsequently, information has been received in relation to a minor number of the appointments and this has necessitated a change to Membership, and the list of organisations the City Council is represented on.

2.3 The following amendment to membership of Ethics and Engagement Committee is proposed:

Committee	Nomination
Ethics and Engagement Committee	Councillor L Danese to replace Councillor E Wood

2.4 The following amendments to the list of outside bodies schedule is proposed: -

Outside Body	Nomination
Lincolnshire District Health Network	Councillor D Nannestad
District Council Health and Wellbeing Briefing	Councillor D Nannestad

3. Equality Implications

3.1 Representation by Members of the Council on trusts/outside bodies ensures that the Council's social inclusion and equality agendas are cascaded through organisations both within and outside the City.

4. Legal Implications

- 4.1 As referred to in the Constitution it is the function of Council to appoint an Ethics and Engagement Committee and to receive nominations of representatives to serve on outside bodies/trusts.

5. Financial Implications

- 5.1 None arising from this report.

6. Recommendation

- 6.1 That amendment be made to the appointments list in accordance with paragraphs 2.3 and 2.4 above.

List of Background Papers:

None

Lead Officer:

Ali Hewson, Senior Democratic Services Officer
Alison.hewson@lincoln.gov.uk

COUNCIL

16 JULY 2024

SUBJECT:	EXTRACT FROM COMMITTEE: EXECUTIVE – 3 JUNE 2024 - TREASURY MANAGEMENT STEWARDSHIP AND ACTUAL PRUDENTIAL INDICATORS REPORT 2023/24 (OUTTURN)
REPORT BY:	CHIEF EXECUTIVE AND TOWN CLERK
LEAD OFFICER:	ALI HEWSON, SENIOR DEMOCRATIC SERVICES OFFICER

1. Matter for Council

- 1.1 That the actual prudential indicators, as contained within Appendices A and B to the Treasury Management Stewardship and Actual Prudential Indicators Report 2023/24 report be approved.

List of Background Papers:	Executive– 3 June 2024, Minute. Treasury Management Stewardship and Actual Prudential Indicators Report 2023/24
Lead Officer:	Ali Hewson, Senior Democratic Services Officer Telephone – 873372

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SUBJECT:	TREASURY MANAGEMENT STEWARDSHIP AND ACTUAL PRUDENTIAL INDICATORS REPORT 2023/24 (OUTTURN)
DIRECTORATE:	CHIEF EXECUTIVE & TOWN CLERK
REPORT AUTHOR:	LAURA SHIPLEY – FINANCIAL SERVICES MANAGER

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 2023/24. 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 2023/24 the Council complied with its legislative and regulatory requirements. The key prudential indicators for the year, with comparators, are as follows:

Actual Prudential Indicators	2022/23 Actual £'000	2023/24 Actual £'000
Capital Expenditure		
General Fund	10,818	11,632
HRA	12,647	14,732
Total	23,465	26,364
Capital Financing Requirement (CFR)		
General Fund	68,881	70,846
HRA	77,222	78,935
Total CFR	146,103	149,781
Gross Borrowing		
Borrowing at 31st March	121,962	107,742
Investments		
Longer than 1 year*	0	0
Under 1 year	36,685	17,543
Total	36,685	17,543
Net Borrowing (borrowing less investments)		
Net Borrowing at 31st March	85,277	90,199

Other prudential and treasury indicators are to be found in Appendix A and B. The Chief Finance Officer also confirms that borrowing was only undertaken for a capital purpose and the statutory borrowing limit, (the authorised limit), was not breached.

3. Background

- 3.1 The Council has adopted the CIPFA Code of Practice for Treasury Management in the Public Sector and operates its treasury management service in compliance with this Code

and the above requirements. These require that the prime objective of treasury management activity is the effective management of risk, and that its borrowing activities are undertaken in a prudent, affordable and sustainable basis.

3.2 One of the requirements of the Prudential Code is to ensure adequate monitoring of the capital expenditure plans, prudential indicators (PIs) and treasury management response to these plans. This report fulfils that requirement and includes a review of compliance with Treasury and Prudential Limits in 2023/24 and shows the status of the Prudential Indicators at 31st March 2024. For the 2023/24 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 28^h February 2023)
- a quarterly treasury update (Executive Q1 21st August 2023 & Q2 19th February 2024)
- a mid-year treasury update report (Executive 20th November 2023)
- an annual report following the year describing the activity compared to the strategy (this report)

3.3 The regulatory environment places a greater onus on members for the review and scrutiny of treasury management policy and activities than in previous years. 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.

3.4 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 30th January 2024 in order to support their roles in scrutinising the treasury management strategy and policies.

4. Summary of Performance against Treasury Management Strategy 2023/24

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 Key issues to note from activity during 2023/24:

- The Council's total debt (including leases and lease-type arrangements) at 31st March 2024 was £107.742m (Appendix A section 4.4) compared with the Capital Financing Requirement of £149.781m (Appendix A section 3.5). This represents an under-borrowing position of £42.039m, 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 31st March 2023 were £17.543m (Appendix A section 4.3), which is £19.142m lower than at 31st March 2023. Average investment balances for 2023/24 were £36.319m, which was higher than estimated balances of £12m in the Medium Term Financial Strategy 2023-28 due to higher than anticipated 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 £1.781m compared to £475k estimated in the Medium Term Financial Strategy 2023-28 (Appendix A section 9.2).
- The interest rate achieved on investments was 5.11% (2.10% in 2022/23).

4.3 Risk Benchmarking

The following reports the outturn position against the security and liquidity and yield 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 31st March 2024. The Council's actual average security risk for the portfolio as at 31st March 2024 is 0.007%, compared with the 0.012% for the budgeted portfolio. This reflects a very low risk portfolio and equates to a potential financial loss of £342 on the investment portfolio of £9m using individual risk of default percentages (£8.543m 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 2023/24 strategy set a maximum limit of 75% of the portfolio to be held in non-specified investments. At 31st March 2024, 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 0.08 years (29 days).

The actual liquidity indicators at 31st March 2024 were as follows:

- Liquid short term deposits of £8.453 million as at 31st March 2024.
- Weighted Average Life of the investment portfolio was 0.098 years (36 days). This reflects the changing investment landscape with a balance between maintaining cash for liquidity purposes and "laddering" deposits on a rolling basis to lock in the increase in investment rates as duration was extended.

During Q3 there was a short period where liquid funds dipped slightly below the target £5m liquidity level, no short term borrowing was necessary as fixed term investments were due to mature to bring liquidity back to normal operating levels.

Yield

The Local measure of yield benchmark employed is -

- Investments – return above the SONIA o/n rate (local indicator 5)

The average SONIA o/n rate for the financial year was 4.96%, actual return on investments achieved during the year was 5.11%.

4.4 Benchmarking

Link Asset Services is the Council's treasury management advisors who offer a benchmarking club for their clients, which the Council participate in. This is organised on a regional group basis. The group to which City of Lincoln belongs has 14 members within the East Midlands region. The following summary shows performance against the group average, Not Metropolitan districts and the population as a whole, indicating a lower than average risk portfolio, with much lower levels of investment balances achieving a level of return in excess of similar authorities.

Investment Benchmarking	CoLC	Benchmarking Group Average	Non-Met Districts	Population Average
Principal at 31/3/24	£17,543,000	£89,857,259	£35,007,008	£74,437,675
Weighted Average rate of return at 31/3/24	5.47%	5.24%	5.19%	5.17%
Weighted average maturity at 31/3/24	36 days	87 days	70 days	56 days
Weighted average credit risk at 31/3/24	2.6	2.89	2.52	2.53

- 4.5 Financing costs as a percentage of net revenue stream have reduced in 2023/24 when compared with 2022/23, due to a reduction in total borrowing (the council is letting debt mature rather than refinancing while interest rates are high) in turn reducing interest expense. See Appendix A section 7.4.1.

The HRA financing costs to net revenue stream, while less than 22/23, are slightly higher than anticipated due to higher than budgeted level of depreciation charged in year.

- 4.6 The financial year 2023/24 continued the challenging environment of previous years with inflationary pressures placing a burden on budgets, increasing the cost of borrowing and making investing surplus cash and monitoring counterparty risk increasingly important.

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

The powers for a local authority to borrow and invest are governed by the Local Government Act 2003 (LGA 2003) and associated Regulations. A local authority may borrow or invest for any purpose relevant to its functions, under any enactment, or for the purpose of the prudent management of its financial affairs. The Regulations also specify that authorities should have regard to the CIPFA Treasury Management Code and the DLUCH Investment Guidance when carrying out their treasury management functions.

6.3 Equality, Diversity and Human Rights

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

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

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

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

7. Risk Implications

- 7.1 The Local Government Act 2003, the Prudential Code and the Treasury Management Code of Practice include a key principal that an organisations appetite for risk is included in their annual Treasury Management Strategy and this should include any use of financial instruments for the prudent management of those risks, and should ensure that priority is given to security and liquidity when investing.

8. Recommendation

- 8.1 That Executive notes the actual prudential indicators contained within appendices A and B and recommends to Full Council for approval.
- 8.2 That Executive approves the annual treasury management report for 2023/24.

Is this a key decision?

No

Do the exempt information categories apply?

No

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

No

How many appendices does the report contain?

Three

Appendix A – Annual TM Report
Appendix B – Local TM Indicators
Appendix C – Economic Background 23-24 report

List of Background Papers:

Medium Term Financial Strategy 2023-28 & 2024-29
Prudential Indicators 2023/24 & 2024-29
Treasury Management Strategy 2023/24 & 2024-29

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Annual Report on the Treasury Management Service and Actual Prudential Indicators 2023/24

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 2023/24

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

Indicators 1&2 - Capital Expenditure	2023/24 Actual £'000	2023/24 Revised Estimate £'000	2022/23 Actual £'000
General Fund capital expenditure	11,632	15,333	10,818
HRA capital expenditure	14,732	16,120	12,647
Total capital expenditure	26,364	31,453	23,465
Financed by:			
Capital receipts	2,557	2,379	1,934
Capital grants & contributions	6,223	12,606	10,330
Direct Revenue Financing	3,394	3,962	62
Major repairs reserve	9,645	6,886	7,465
Borrowing need	4,545	5,620	3,674
Total Financing	26,364	31,453	23,465

- 2.2 Further details on 2023/24 Capital Expenditure and Financing can be found in the Financial Performance Detailed Outturn 2023/24 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 2023/24 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 2023/24 was approved by Council on 28th February 2023 as part of the Prudential Indicators 2023/24 – 2025/26 and Treasury Management Strategy 2023/24
- 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.

Indicators 3 & 4 - Capital Financing Requirement (CFR)	31 March 2024 Actual £'000	31 March 2024 Revised Estimate £'000	31 March 2023 Actual £'000
CFR - General Fund			
Opening balance 1 April	68,881	68,881	68,407
Plus un-financed capital expenditure	2,832	3,447	1,298
Finance leases	-	-	-
Less MRP/VRP*	(867)	(867)	(824)
Other adjustment			
Use of capital receipts	-	-	-
Closing balance 31 March	70,846	71,461	68,881
CFR - Housing Revenue Account			
Opening balance 1 April	77,222	77,222	74,451
Plus un-financed capital expenditure	1,713	2,090	2,771
Closing balance 31 March	78,935	79,312	77,222
Total CFR 31 March	149,781	150,773	146,103

4. Treasury Position at 31st March 2024

- 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 31st March), or where the carrying amount is based on fair values.
- 4.3 During 2023/24 the Chief Finance Officer managed the borrowing position to £107.742 million. The treasury position at the 31st March 2024 compared with the previous year was:

Borrowing and Investment Position	31 March 2024		31 March 2023	
	Principal £'000	Average Rate (full year)	Principal £'000	Average Rate (full year)
Borrowing Position				
Fixed Interest Rate Debt	107,742	3.21%	121,962	3.02%
Variable Interest Rate Debt	-	N/A	-	N/A
Total Debt (borrowing) *	107,742	0	121,962	3.02%
Capital Financing Requirement (borrowing only)	149,781	N/A	146,103	N/A
Over/(under) borrowing	(42,039)	N/A	(24,141)	N/A
Investment Position				
Fixed Interest Investments	9,000	5.65%	22,000	2.17%
Variable Interest Investments	8,543	5.30%	14,685	2.01%
Total Investments **	17,543	5.47%	36,685	2.10%
Net Borrowing Position	90,199		85,277	

* 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 2023/24.

- 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 31st March 2024 was £107.742 million as shown below:

Indicator 5 - External Borrowing	31 March 2024 Actual £'000	31 March 2024 Revised Estimate £'000	31 March 2023 Actual £'000
Gross borrowing	107,742	109,242	121,962
Other long term liabilities	0	0	0
Total External debt	107,742	109,242	121,962

The Council made the decision to repay a £1.5m LOBO loan in the final quarter of the year due to the lender demanding an increased interest rate which wasn't in line with market conditions. The council will seek to reborrow this amount in the new financial year when interest rates are forecast to decrease.

The borrowing portfolio at 31st March 2024 is shown below.

Borrowing Type	Lender	Outstanding Loans	No Of Loans	Ave Rate %
LA BORROWING	North Kesteven District Council	2,000,000	1	2.05
MARKET LOANS	BARCLAYS	10,000,000	4	4.24
PWLB	PWLB	95,742,569	32	3.55
Total / Ave Rate		107,742,569	37	3.59

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

Indicator 13 - Maturity Structure of fixed borrowing	31 March 2024 Actual £'000	31 March 2024 Actual %	31 March 2023 Actual £'000
Under 12 months	2,675	2%	12,500
12 months and within 24 months	1,578	1%	2,000
24 months and within 5 years	7,073	7%	3,397
5 years and within 10 years	15,433	14%	11,862
10 years and above	80,983	75%	92,203
Total	107,742	100%	121,962

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

Investment Maturity Structure	31 March 2024 Actual	31 March 2023 Actual £'000
Longer than 1 year	0	0
Under 1 year	17,543	36,685
Total	17,543	36,685

5. The Strategy for 2023/24

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 2023/24

6.1 Borrowing

- 6.1.1 No additional borrowing was taken out during 2023/24; however, a LOBO loan of £4.5m was repaid following the request from the lender to increase the interest rate. This loan was replaced with a preferential borrowing rate from PWLB at a lower interest rate than the previous loan. In addition, £12.720m was repaid as planned during the financial year, plus the repayment of a further LOBO of £1.5m as set out in paragraph 4.4 (total reduction in borrowing of £14.220m)
- 6.1.2 The average rate achieved for borrowing (excluding finance and embedded leases) in 2023/24 was 3.21%, which compares favourably to the target of 3.4%. The average rate has remained low due to an increase in internal borrowing whilst interest rates are high.

Borrowing Interest	31 March 2024 Actual £'000	31 March 2023 Actual £'000
Interest Payable on Borrowing		
- General Fund	1,322	1,408
- HRA	2,317	2,432
Total Interest payable on borrowing	3,639	3,840
Interest payable on finance leases	0	0
- General Fund	0	0
- HRA	0	0
Total Interest Payable on Borrowing	0	0

6.2 Rescheduling

- 6.2.1 Two LOBO loans were repaid during the year due to the lenders requesting increased interest rates. One at £4.5m which had 42 years remaining to maturity which was replaced with a 10 year EIP loan from PWBL and the other £1.5m which will be replaced on a like for like basis in the new financial year.

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 in the following paragraphs.

7.2 External 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 must only be for a capital purpose. This essentially means that the Council is not borrowing to support revenue expenditure. The Prudential code stated that gross external borrowing should not, except in the short term, exceed the CFR for 2023/24 plus the expected changes to the CFR over 2023/24 and 2024/25 from financing the capital programme. This indicator allows the Council some flexibility to borrow in advance of its immediate capital needs. The table

below highlights the Council's gross borrowing position against the CFR. The Council has complied with this prudential indicator.

Indicator 6 - External Borrowing to Capital Financing Requirement	31 March 2024 Actual £'000	31 March 2024 Revised Estimate £'000	31 March 2023 Actual £'000
Debt as at 1 April	121,962	121,962	125,177
Change in debt	(14,220)	(12,720)	(3,215)
Actual Gross debt as at 31 March	107,742	109,242	121,962
Capital Financing Requirement	149,781	150,773	146,103
Under/(Over) Borrowing	42,039	41,531	24,141

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 2023/24 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.

Indicator 7 & 8 - Authorised Limit and Operational Boundary	2023/24 £'000
Authorised Limit (revised estimate)	122,647
Operational Boundary (revised estimate)	118,942
Maximum gross borrowing position during 2023/24	121,962
Average gross borrowing position during 2023/24	113,474
Minimum gross borrowing position during the year	104,743

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.

Indicators 9 & 10 - Ratio Financing Costs to Net Revenue Stream	2023/24 Actual %	2023/24 Revised Estimate	2022/23 Actual %
General Fund	15.14%	14.80%	17.90%
HRA	30.44%	28.80%	33.50%

The reduction in financing costs as a % of net revenue stream in 2023/24 when compared with 2022/23, is due to the council letting debt mature rather than refinancing while interest rates are high, therefore carrying less debt and less interest paid.

The HRA financing costs to net revenue stream are slightly higher than anticipated due to higher than budgeted levels of depreciation charged in year.

8. Investment Position

8.1 The Council's investment policy is governed by DLUHC Guidance, which has been implemented in the Annual Investment Strategy approved by Council on 28th February 2023. 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.

8.2 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.

Balance Sheet Resources (draft)	31/03/2024 £'000	31/03/2023 £'000
General Fund		
Balances	2,376	2,420
Earmarked reserves	8,107	7,040
Provisions	730	1,985
Usable capital receipts	1,663	13
Total	12,876	11,458
HRA		
Balances	1,136	1,184
Earmarked reserves	4,507	3,509
Usable capital receipts	6,339	6,405
Total	11,982	11,098
Total General Fund & HRA	24,858	22,556

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.

8.3 Investments during the year have been in-line with limits below -

	2023/24 Limits
Indicator 11 - Upper Limit for Fixed Interest Rates	100%
Indicator 12 - Upper Limit for Variable Interest Rates	75%
Indicator 14 - Maximum Principal Sums Invested for longer than 365 days	£7m

9. Investments Held by the Council

9.1 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 £36.319m and received an average return of 5.11%. A comparable performance indicator is SONIA overnight average rate (4.96%).

- 9.2 In 2023/24, £1.781m interest was earned on balances (£1.167m in 2022/23). This is £1.306m more than the £475k estimated in the Medium Term Financial Strategy 2023-28 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.

	MTFS 2023-28 Budget £'000	Outturn 2023/24 £'000
Interest earned on Investments		
General fund	167	718
HRA	308	1,063
Total interest earned	475	1,781
Average balance invested in year	12,000	36,319
Average interest rate achieved	4.44%	5.11%

* 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 2024.

- 9.3 The investment portfolio as at 31st March 2024 is shown below.

Investments	Principal £	Rate %	Investment Period (Days)
Babergh District Council	3,000,000	5.75	364
SMBC Bank International Plc	2,000,000	5.7	182
Lloyds Bank Corporate Market - NRFB	2,000,000	5.61	182
Close Brothers	2,000,000	5.55	183
Total Fixed Short term Investments	9,000,000		
BNP Paribas Insticash Sterling	1,543,000	5.3	Call
Federated Short-Term Sterling Prime Fund	7,000,000	5.26	Call
Total Money Market Fund Investments	8,543,000		
Total Investments / Average Rate	17,543,000	5.47	

- 9.4 The Economic Background for 2023/24 (Section 8) sets out the economic conditions during this period. Below is Link's forecast for interest rates at 25th March 2024.

Link Group Interest Rate View	25.03.24													
	Mar-24	Jun-24	Sep-24	Dec-24	Mar-25	Jun-25	Sep-25	Dec-25	Mar-26	Jun-26	Sep-26	Dec-26	Mar-27	
BANK RATE	5.25	5.25	4.75	4.25	3.75	3.25	3.00	3.00	3.00	3.00	3.00	3.00	3.00	
3 month ave earnings	5.30	5.30	4.80	4.30	3.80	3.30	3.00	3.00	3.00	3.00	3.00	3.00	3.00	
6 month ave earnings	5.20	5.10	4.60	4.10	3.70	3.30	3.10	3.10	3.10	3.10	3.10	3.10	3.10	
12 month ave earnings	5.00	4.90	4.40	3.90	3.60	3.20	3.10	3.10	3.10	3.10	3.10	3.20	3.20	
5 yr PWLB	4.50	4.40	4.30	4.20	4.10	4.00	3.80	3.70	3.60	3.60	3.50	3.50	3.50	
10 yr PWLB	4.70	4.50	4.40	4.30	4.20	4.10	4.00	3.90	3.80	3.70	3.70	3.70	3.70	
25 yr PWLB	5.20	5.10	4.90	4.80	4.60	4.40	4.30	4.20	4.20	4.10	4.10	4.10	4.10	
50 yr PWLB	5.00	4.90	4.70	4.60	4.40	4.20	4.10	4.00	4.00	3.90	3.90	3.90	3.90	

10. Risk Benchmarking

- 10.1 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.
- 10.2 The following reports the current position against the benchmarks originally approved in the 2023/24 Treasury Management Strategy.

Security

- The Council's security risk for the portfolio as at 31st March 2024 is 0.007%, which compares with the 0.012% for the budgeted portfolio. This equates to a potential financial loss of £342 on the investment portfolio of £9m - £8.543m 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 2023/24 strategy set a maximum limit of 75% of the portfolio to be held in non-specified investments. At 31st March 2023, 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 0.08 years (29 days).

The actual liquidity indicators at 31st March 2024 were as follows:

- Liquid short term deposits of £8.453 million as at 31st March 2023.
- Weighted Average Life of the investment portfolio was 0.098 years (36 days).

During Q3 there was a short period where liquid funds dipped slightly below the target £5m liquidity level, no short term borrowing was necessary as fixed term investments were due to mature to bring liquidity back to normal operating levels.

10.3 Performance Indicators set for 2023/24

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 5 local indicators for 2023/24, 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 SONIA overnight average.
- Investments – Investment rate achieved against SONIA overnight average.

- 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.
- The ratio of net income from commercial and service investments to net revenue stream.

11. Regulatory Framework, Risk and Performance

11.1 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;
- 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.

11.2 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.

11.3 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 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.

11.4 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.

Local Treasury Management Indicators

Local Indicators	2023/24 Revised Estimate	2023/24 Actual	2022/23 Actual
1. Borrowing rate achieved (i.e. temporary borrowing of loans less than 1 year)	SONIA o/n rate (4.96%)	1.30%	0.55%
2. Investment rate achieved against the SONIA rate	SONIA o/n rate (4.96%)	5.11%	2.10%
3. Average rate of interest paid on Council debt during the year	3.40%	3.21%	3.02%
4. The amount of interest on debt as a percentage of gross revenue expenditure.	3.60%	3.16%	3.30%
5. Net Income from Commercial and Service Investments to Net Revenue Stream	11.14%	11.11%	11.05%

Economic Background for 2023/24

The following commentary on the economic conditions for 2023/24 is provided by Link Asset Services, the Council's treasury management advisers.

UK Economy

Against a backdrop of stubborn inflationary pressures, the Russian invasion of Ukraine, and war in the Middle East, UK interest rates have continued to be volatile right across the curve, from Bank Rate through to 50-year gilt yields, for all of 2023/24.

Markets have sought an end to central banks' on-going phase of keeping restrictive monetary policy in place on at least one occasion during 2023/24 but to date only the Swiss National Bank has cut rates and that was at the end of March 2024.

UK, EZ and US 10-year yields have all stayed stubbornly high throughout 2023/24. The table below provides a snapshot of the conundrum facing central banks: inflation is easing, albeit gradually, but labour markets remain very tight by historical comparisons, making it an issue of fine judgment as to when rates can be cut.

	UK	Eurozone	US
Bank Rate	5.25%	4%	5.25%-5.5%
GDP	-0.3%q/q Q4 (-0.2%y/y)	+0.0%q/q Q4 (0.1%y/y)	2.0% Q1 Annualised
Inflation	3.4%y/y (Feb)	2.4%y/y (Mar)	3.2%y/y (Feb)
Unemployment Rate	3.9% (Jan)	6.4% (Feb)	3.9% (Feb)

The Bank of England sprung no surprises in their March meeting, leaving interest rates at 5.25% for the fifth time in a row and, despite no MPC members no longer voting to raise interest rates, it retained its relatively hawkish guidance. The Bank's communications suggest the MPC is gaining confidence that inflation will fall sustainably back to the 2.0% target. However, although the MPC noted that "the restrictive stance of monetary policy is weighing on activity in the real economy, is leading to a looser labour market and is bearing down on inflationary pressures," conversely it noted that key indicators of inflation persistence remain elevated and policy will be "restrictive for sufficiently long" and "restrictive for an extended period."

Of course, the UK economy has started to perform a little better in Q1 2024 but is still recovering from a shallow recession through the second half of 2023. Indeed, Q4 2023 saw negative GDP growth of -0.3% while y/y growth was also negative at -0.2%.

But it was a strange recession. Unemployment is currently sub 4%, against a backdrop of still over 900k of job vacancies, and annual wage inflation is running at above 5%. With gas and electricity price caps falling in April 2024, the CPI measure of inflation - which peaked at 11.1% in October 2022 - is now due to slide below the 2% target rate in April and to remain below that Bank of England benchmark for the next couple of years, according to Capital Economics. The Bank of England still needs some convincing on that score, but upcoming inflation and employment releases will settle that argument shortly. It is noted that core CPI was still a heady 4.5% in February and, ideally, needs to fall further.

Shoppers largely shrugged off the unusually wet weather in February, whilst rising real household incomes should support retail activity throughout 2024. Furthermore, the impact of higher interest rates on household interest payments is getting close to its peak, even though fixed rate mortgage rates on new loans have shifted up a little since falling close to 4.5% in early 2024.

From a fiscal perspective, the further cuts to national insurance tax (from April) announced in the March Budget will boost real household disposable income by 0.5 - 1.0%. After real household disposable income rose by 1.9% in 2023, Capital Economics forecast it will rise by 1.7% in 2024 and by 2.4% in 2025. These rises in real household disposable income, combined with the earlier fading of the drag from previous rises in interest rates, means GDP growth of 0.5% is envisaged in 2024 and 1.5% in 2025. The Bank of England is less optimistic than that, seeing growth struggling to get near 1% over the next two to three years.

As for equity markets, the FTSE 100 has risen to nearly 8,000 and is now only 1% below the all-time high it reached in February 2023. The modest rise in UK equities in February was driven by strong performances in the cyclical industrials and consumer discretionary sectors, whilst communications and basic materials have fared poorly.

Despite its performance, the FTSE 100 is still lagging behind the S&P 500, which has been at an all-time high for several weeks.

USA Economy.

Despite the markets willing the FOMC to cut rates as soon as June 2024, the continued resilience of the economy, married to sticky inflation, is providing a significant headwind to a change in monetary policy. Markets currently anticipate three rate cuts this calendar year, but two or less would not be out of the question. Currently, policy remains flexible but primarily data driven.

In addition, the Fed will want to shrink its swollen \$16 trillion balance sheet at some point. Just because the \$ is the world's foremost reserve currency (China owns over \$1 trillion) does not mean the US can continually run a budget deficit. The mix of stubborn inflation and significant treasury issuance is keeping treasury yields high. The 10 year stands at 4.4%.

As for inflation, it is currently a little above 3%. The market is not expecting a recession, but whether rates staying high for longer is conducive to a soft landing for the economy is uncertain, hence why the consensus is for rate cuts this year and into 2025...but how many and when?

EZ Economy.

Although the Euro-zone inflation rate has fallen to 2.4%, the ECB will still be mindful that it has further work to do to dampen inflation expectations. However, with growth steadfastly in the slow lane (GDP flatlined in 2023), a June rate cut from the current 4% looks probable.

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121. Treasury Management Stewardship and Actual Prudential Indicators Report 2023/24 (Outturn)

Purpose of Report

To consider the annual Treasury Management stewardship report, a requirement of the Council's reporting procedures under regulations issued under the Local Government Act 2003. The report covered the treasury management activities and the actual prudential and treasury indicators for 2023/24.

The report met the requirements of both the CIPFA Code of Practice on Treasury Management and the CIPFA Prudential Code for Capital Finance in Local Authorities.

Decision

(1) That the actual prudential indicators, as contained within Appendices A and B to the report be noted and recommended to Full Council for approval.

(2) That the annual Treasury Management report for 2023/24 be approved.

Alternative Options Considered and Rejected

None.

Reasons for the Decision

During 2023/24 the Council complied with its legislative and regulatory requirements. The key prudential indicators for the year with comparators were detailed at paragraph 2.1 of the officer's report, together with other prudential and treasury indicators found at Appendix A and B.

The Chief Finance Officer had confirmed that borrowing had only been undertaken for a capital purpose and that the statutory borrowing limit, (the Authorised Limit) had not been breached.

The Council had adopted the CIPFA Code of Practice for Treasury Management in the Public Sector and operated its treasury management service in compliance with this Code and the above requirements. These required that the prime objective of treasury management activity was the effective management of risk, and that its borrowing activities were undertaken in a prudent, affordable and sustainable basis.

This report fulfilled the requirement of the Prudential Code to ensure adequate monitoring of the capital expenditure plans, prudential indicators (PIs) and treasury management response to these plans. It included a review of compliance with Treasury and Prudential Limits in 2023/24 and showed the status of the Prudential Indicators at 31st March 2024. For the 2023/24 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 28^h February 2023)
- a quarterly treasury update (Executive Q1 21st August 2023 & Q2 19th February 2024)
- a mid-year treasury update report (Executive 20th November 2023)
- an annual report following the year describing the activity compared to the strategy (this report)

The regulatory environment placed a greater onus on members for the review and scrutiny of treasury management policy and activities than in previous years. This report was important in that respect, as it provided details of the outturn position for treasury activities and highlighted compliance with the Council's policies previously approved by members.

In compliance with the Prudential Code treasury management reports were 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 30th January 2024 in order to support their roles in scrutinising the treasury management strategy and policies.

Key Issues to Note from Activity during 2023/24 were detailed at paragraph 4.2 of the officer's report.