

EXECUTIVE

Monday, 24 February 2025
6.00 pm
Committee Room 1, City Hall

Membership: Councillors Naomi Tweddle (Chair), Donald Nannestad (Vice-Chair), Bob Bushell, Rebecca Longbottom and Joshua Wells

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

A G E N D A

SECTION A	Page(s)
1. Confirmation of Minutes - 20 January 2025	3 - 10
2. Declarations of Interest	
Please note that, in accordance with the Members' Code of Conduct, when declaring interests members must disclose the existence and nature of the interest, and whether it is a disclosable pecuniary interest (DPI) or personal and/or pecuniary.	
CLIMATE AND CORPORATE STRATEGY	
3. Vision 2030 Strategic Plan	11 - 46
4. Accredited Real Living Wage Increase October 2024	47 - 48
5. Pay Policy Statement 2025/2026	49 - 58
QUALITY HOUSING	
6. Pets, Medical Assistance Dogs and Emotional Support Animals' Policy (Housing Tenants)	59 - 70
REDUCING INEQUALITY	
7. Renewal of Public Spaces Protection Order Allowing for the Gating of St Peter's Passage	71 - 86
CUSTOMER EXPERIENCE, REVIEW AND RESOURCES	
8. Procurement Act 2023 & Contract Procedure Rules	87 - 160

9. Quarter 3 2024/2025 Operational Performance Report	161 - 216
10. Treasury Management and Prudential Code - Quarterly Update	217 - 228
11. Financial Performance - Quarterly Monitoring	229 - 266
12. Medium Term Financial Strategy 2025-2030	267 - 448
13. Council Tax 2025/2026	449 - 454
14. Prudential Indicators 2024/2025 to 2027/2028 and Treasury Management Strategy 2025/2026	455 - 546
15. Strategic Risk Register - Quarterly Review	547 - 550
16. Exclusion of the Press and Public	551 - 552

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

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

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

SECTION B

CUSTOMER EXPERIENCE, REVIEW AND RESOURCES

17. Strategic Risk Register - Quarterly Review	553 - 568
--	-----------

[Exempt Para 3]

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

Apologies for Absence: None.

72. Confirmation of Minutes - 6 January 2025

RESOLVED that the minutes of the meeting held on 6 January 2025 be confirmed and signed by the Chair as a true record.

73. Declarations of Interest

No declarations of interest were received.

**74. Charterholme Delivery - Eastern Access and First 52 Homes
(ONE@CHARTERHOLME)**

Purpose of Report

1. To provide an update on the delivery of the Eastern Access, including the rail overbridge, and the agreements which were in place with Network Rail and Lincolnshire County Council.
2. To provide an update on the development of the first 52 homes and to set out options for the management of the residual public open spaces within this phase.
3. To outline the ongoing work with partners in relation to the detailed design of the site wide infrastructure and the prospective funding arrangements to support its delivery

Decision

1. That the progress with the delivery of the Eastern Access and the provisions that had been agreed to assist in managing the longer-term risks for the Council be noted.
2. That the proposals for the management of the retained areas in respect of the first 52 homes, namely that these were to be retained by the Council and a service charge levied as set out within the officer's report be approved.
3. That the work towards a potential future funding package to support accelerated delivery be noted.

Alternative Options Considered and Rejected

To transfer the residual green spaces and common areas of the land into a Management Company, which would ultimately be managed independently of the Council, with costs recovered via a service charge on the new home-owners.

Reasons for the Decision

Conditional approval by Executive in July 2024 to progress with the delivery of the eastern site access from Tritton Road to include a vehicle and multi-user bridge oversailing the railway line was subject to final approval of the technical designs and legal agreements being in place with Network Rail and Lincolnshire County Council (LCC) regarding construction, adoption, maintenance and the granting of rights for the resulting infrastructure. This had now been secured. The City and County Council had entered into respective bridge agreements with Network Rail to cover the arrangements for construction and adoption of the asset in September 2024, allowing the City Council to enter into contract with John Graham Construction Ltd for delivery of the bridge and access road, which was progressing well.

The City Council had also entered into a Section 278 Agreement with LCC which permitted carriageway works to the existing highway at Tritton Road to form the bell-mouth and a new signalised junction to serve the site once housing development commenced. Additional works to tie in with Tritton Road and Dixon Street junctions was also part of this scope of works.

In addition to the bridge works, the City Council had now entered into a Development Agreement with Lindum Developments Limited for the delivery of the first 52 homes, following the Executive decision in July 2024 and final approval of the legal drafting and associated finances, in line with that decision.

Works had now commenced on site for the first phase of 19 homes, which were due to be completed in summer/autumn 2025 onwards.

In preparation for the marketing and sale of these first homes, the development site had now been rebranded with the launch of 'Charterholme' in December 2024. The first 52 homes would be known as 'One@Charterholme' for marketing purposes.

By way of further preparation, ahead of housing sales and the delivery of the development over the next 2-3 years, arrangements for the management of the residual green spaces and common areas also needed to be determined.

Retention of the residual green spaces and common areas of land by the Council allowed for flexibility for the management of the first phase to be embedded with any future management arrangement to ensure consistency across the development.

It was also proposed that a service charge be implemented in order to cover these costs, being commonplace on new developments of this nature and a mechanism to ensure that quality spaces were maintained. This was particularly important for this gateway site, to set the standards for future phases and given that this phase consisted of 100% market homes. It was also considered appropriate to ensure a consistent approach to the funding arrangements for open spaces within the subsequent development parcels.

A further report to Executive would be presented in due course to set out the site wide management arrangements, once the design and scope for the central green area was further developed and the design parameters for the

development parcels had been crystalised, alongside the funding arrangements for the delivery of the site wide infrastructure.

As set out in previous reports, officers were continuing to work with partners such as Homes England to seek to secure a further funding package to support the delivery of the wider site infrastructure such that the Council could maintain its role as master developer and deliver fully serviced housing sites to the market, for third party development or for the direct delivery of its own Council housing stock.

A full business case for funding was being prepared for completion this Spring, with a decision expected in Summer 2025. A further report would be tabled to update on the design and funding proposals once there was more information to present.

75. Draft Medium Term Financial Strategy 2025-2030

Purpose of Report

To recommend to Executive the draft Medium-Term Financial Strategy (MTFS) for the period 2025 - 2030; the draft budget and Council Tax proposal for 2025 - 26; and the draft Capital Strategy 2025 - 2030.

Decision

13.1 That Executive agreed, for further consultation and scrutiny:

- The Draft Medium Term Financial Strategy 2025 - 2030, and
- The Draft Capital Strategy 2025 - 2030.

Including the following specific elements:

- A proposed Council Tax increase of 2.95% for 2025/26.
- A proposed housing rent increase of 2.7% for 2025/26.
- The Council's membership of the Lincolnshire Business Rates Pool in 2025/26.
- The Draft General Fund Revenue Forecast 2025/26 - 2029/30, as shown in Appendix 1 of the officer's report, and the main basis on which this budget had been calculated, as set out in paragraph 4 of the report.
- The Draft Housing Revenue Account Forecast 2025/26 - 2029/30, as shown in Appendix 2 of the officer's report, and the main basis on which this budget had been calculated, as set out in paragraph 5 of the report.
- The Draft General Investment Programme 2025/26 - 2029/30, as shown in Appendix 3 of the officer's report, and the main basis on which the programme had been calculated, as set out in paragraph 6 of the report.

- The Draft Housing Investment Programme 2025/26 - 2029/30, as shown in Appendix 4 of the officer's report, and the main basis on which the programme had been calculated, as set out in paragraph 7 of the report.

13.2 That delegated authority be given by Executive to the Chief Finance Officer to approve the final Business Rates Base for the financial year commencing on 1 April 2025 and ending 31 March 2026 and submission of the base (via the NNDR1 return) to the Ministry of Housing, Communities and Local Government (MHCLG) by 31 January 2025, with changes to the base estimated in the Draft Medium Term Financial Strategy 2025/30 being reported to the Executive as part of the Final MTFS 2025-30 on 24 February 2025.

Alternative Options Considered and Rejected

As detailed throughout the report.

Reasons for the Decision

The refresh of the MTFS needed to be seen in the context of a high level of financial uncertainty for the Council in relation to future Government funding levels. Significant changes to future public sector departmental spending through the Spending Review 2025, the allocation of this funding to local government through reforms to the distribution methodologies, and the implementation of a Business Rates Reset, were as yet unknown but all of which had the potential; to fundamentally affect the Council's funding trajectory and MTFS.

In addition, the announcement of the English Devolution White Paper, which set out the Government's plans to widen and deepen devolution in England and reform local government structures, could have fundamental implications for all tiers of local government.

Furthermore, the Council continued to face cost and demand pressures, along with pressures on income streams and new statutory requirements. Inflation, pay awards, national insurance contribution increases, higher maintenance and construction costs, higher borrowing costs and reductions in local income streams all had a significant impact on the Council's cost base. The Council also continued to see increased demand for services, by those who relied on the safety net provided by local government, driven in part by the cost-of-living crisis and a housing shortfall. In addition, new regulatory and statutory requirements added further cost pressures particularly in relation to recycling and housing standards/building safety.

As a result of these factors, the Council, and local government as a whole, were yet again having to update their medium-term financial strategies in an uncertain environment. It was a long time since the Council had any stability and certainty beyond a one-year timeframe, which made financial planning, and the subsequent impact on service delivery, in this climate extremely challenging.

The target savings were smaller in the first two years, then increased longer-term to address the underlying shortfalls between costs and targets.

The Council would continue to build on its successful financial planning to date, driving down the net cost of services by implementing changes in the way in

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

Prior to submission of the final MTFS 2025-2030 and the budget and Council Tax proposal for 2025/26 to Full Council on 4 March 2025, the budget proposals would be subject to further consultation and scrutiny.

76. Collection Fund Surplus Deficit - Business Rates

Purpose of Report

To inform the Executive of the estimated balance for the Business Rates element of the Collection Fund and the surplus or deficit to be declared for 2024/25.

Decision

That the action of the Chief Finance Officer in declaring a business rates deficit of £1,560,563 for 2024/25 be confirmed, subject to the confirmation of the business rates base by 31 January 2025, with any amendments to the declared deficit to be notified to the relevant preceptors and be included in the Final Medium Term Financial Strategy 2025-30, to be presented to Executive 24 February 2025.

Alternative Options Considered and Rejected

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

Reasons for the Decision

At the Executive meeting on 6 January 2025 the Council declared a deficit on Council Tax of £400,924 for the financial year 2024/25, of which it's share was £56,359.

The Council would declare a deficit on the Business Rates Collection Fund of £1,150,563 for 2024/25 subject to the confirmation of the Business Rates base by 31 January 2025, of which its share was £624,225.

This deficit had arisen primarily due to the in-year and backdated element of Check Challenge and Appeals against the Ratings List.

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

Based on the forecast position of the in-year Collection Fund as at 31 March 2025 and taking into account an adjustment for the difference between prior year estimates compared to the actual outturn, it was estimated that there would be a deficit of £1,150,563 on the business rates element of the Collection Fund in 2024/25.

77. Council Dwelling and Garage Rents 2025-26

Purpose of Report

To propose to Council that an increase to current council house rents of 2.7% be approved within the terms of the Government's Rent Policy for social housing and to seek approval for the introduction of revised rents from Monday 7 April 2025.

To propose to Council that an increase of 3% on Council garage rents be approved for 2025/26, in line with the Authority's Fees and Charges increase.

Decision

1. That Council be recommended to approve the basis of rent calculation for individual Council house rents, as set out in paragraph 2 and 4 of the officer's report, which increased dwelling rents by 2.7% for social housing and affordable rents (from 7 April 2025).
2. That Council be recommended to increase garage rents for 2025/26, by 3% from 7 April 2025, in accordance with the proposal set out in paragraph 2 of the officer's report.
3. That the report and recommendation be referred to Full Council on Tuesday 21 January for approval to be sought.

Alternative Options Considered and Rejected

As detailed in the report.

Reasons for the Decision

Having considered the impact on tenants and financial pressures the Council had in delivering services, a rental increase of 2.7% to dwellings and 3% for garages for the 2025-26 financial year was proposed, as outlined in section four of the officer's report.

The proposed levels of rent for 2025/26 would come into effect from Monday 7 April 2024. Budgeted rental income for the year, subject to approval, would be circa £36,371,680.

The average 52-week net rent for Council dwellings would increase by £2.36 per week, across all property and rent types, under the proposed 2.7% increase.

The average 52-week rent for Council garages would increase by £0.27 per week under the proposed 3% increase.

Annual increases to housing rents were capped at CPI + 1% per annum for dwelling rents, with September 2024 being the applicable CPI figure for rent setting for 2025-26.

CPI in September 2024 was 1.7%. Therefore, the maximum housing rents could be increased in 2025-26 was 2.7%.

The financing for council housing was changed in April 2012 – the ‘Self-financing Regime’ was introduced under which local authorities were required to buy themselves out of the national housing subsidy regime in return for the keeping of future rental income at local level. The valuation of the housing stock and the Council’s Housing Revenue Account (HRA) Business Plan was based on rental income rising in line with the Government’s rent convergence policy and rent guidelines.

The Council’s ability to charge rents was governed by the Rent Standard, one of the economic standards that the Regulator of Social Housing (RSH) expected providers of social housing to comply with. It set the requirements around how registered providers set and increased rents for social housing in line with Government policy as set out in Policy Statement on Rents for Social Housing, detailed at 3.1, 3.2 and 3.4 of the officer’s report.

The Council had taken a considered approach regarding rental increases to tenants and their households within the last few years, balanced against our need to be financially sustainable and to continue to deliver services. In 2022/2023 a lower increase was approved at 3.6% (compared to a 4.1% maximum) and in 2023/2024 at 6.5% (compared to a 7% maximum) respectively.

78. Extract from Performance Scrutiny Committee - 5 December 2024 - Portfolio Holder Under Scrutiny - Quality Housing

Purpose of Report

To receive concerns raised by Performance Scrutiny Committee around health statistics in the City, requesting that current health statistics be reviewed together with liaison with the Local MP with a view to receiving suggestions on what improvements could be made locally.

Decision

That further member discussions be held in February 2025, following on from the outcome of additional information from the Community Leadership Scrutiny Committee on 28 January 2025, when external health bodies were to present reports on health inequalities and links to poverty in the City

Alternative Options Considered and Rejected

None.

Reason for the Decision

This action was agreed as a way forward in light of concerns raised by Councillor Gary Hewson, Chair of Performance Scrutiny Committee in relation to health in the city in which he highlighted that every year the statistics showed that regionally and nationally it was very poor.

79. Exclusion of the Press and Public

RESOLVED that the press and public be excluded from the meeting during consideration of the following items of business because it was likely that if members of the public were present there would be a disclosure to them of

'exempt information' as defined by Section 100I and Schedule 12A to the Local Government Act 1972

80. Leasing of Beaumont Manor

Purpose of Report

As detailed in the exempt report to the Executive.

Decision

That the recommendation to the Executive, as set out in the exempt report, be approved.

Alternative Options Considered and Rejected

As detailed in the exempt report to the Executive.

Reasons for the Decision

As detailed in the exempt report to the Executive.

81. Leisure Services Contract Update

Purpose of Report

As detailed in the exempt report to the Executive.

Decision

That the recommendation to the Executive, as set out in the exempt report, be approved.

Alternative Options Considered and Rejected

As detailed in the exempt report to the Executive.

Reasons for the Decision

As detailed in the exempt report to the Executive.

SUBJECT: VISION 2030 STRATEGIC PLAN

DIRECTORATE: CHIEF EXECUTIVE AND TOWN CLERK

REPORT AUTHOR: ANGELA ANDREWS, CHIEF EXECUTIVE AND TOWN CLERK

1. Purpose of Report

- 1.1 To present to members the final draft Vision 2030 content (Appendix A) which sets the Council's strategic plan for the next five years.
- 1.2 To present to members the final draft Vision 2030 Delivery Plan for the first 12-18 months (Appendix B) which sets initial priority actions and focus for resources.

2. Executive Summary

- 2.1 Vision 2030 sets out the Council's priorities and ambitious aspirations for the city over the next 5 years. It builds on progress made through Vision 2020 and Vision 2025 and forms phase three of the Council's vision for the city. The priorities and aspirations for the city have been effective in progressing the Council's long-term vision and further progress will be made through working in partnership and collaboration with others as well as through Council services and projects.
- 2.2 Vision 2030 has been developed recognising the impacts of national policy changes in a number of key areas, alongside Devolution and Local Government Reform and as such, the delivery plan supporting Vision 2030 focus on priorities for the first 12-18 months. This will allow for adaptability to any legislative policy and economic changes.

3. Vision 2030

- 3.1 Vision 2030 builds on the successes of Vision 2025 and has been developed by drawing on Lincoln's City Profile, performance data, feedback from Lincoln's communities and partners and through an assessment of the impact of key challenges and opportunities. Priorities have been set using a strong evidence base, a clear understanding of the city and its communities and a commitment to providing services to residents who need them most.
- 3.2 To set the context of the future plans, a review of progress so far is considered, along with an assessment of evidence from the Lincoln City Profile outlining opportunities and challenges for the city.
- 3.3 "Together, let's deliver Lincoln's ambitious future" is underpinned by five strategic priorities
 - Let's drive inclusive, sustainable economic growth
 - Let's reduce all kinds of inequality
 - Let's deliver quality housing

- Let's enhance our remarkable place
- Let's address the challenge of climate change

Each priority is supported by a number of aspirations for Lincoln.

3.4 'Together, let's drive inclusive, sustainable, economic growth';

- Let's build a strong, inclusive and sustainable future for Lincoln
- Let's continue to help businesses & communities prosper
- Let's support a culture of innovation & collaboration
- Let's support opportunities for skills, education and employment
- Let's attract investment

3.5 'Together, let's reduce all kinds of inequality';

- Let's work with partners and our communities to address the impacts and causes of poverty
- Let's support our neighbourhoods and communities to thrive
- Let's improve the health and quality of life for people living in Lincoln
- Let's help people feel safe and welcome in their communities
- Let's help people succeed and support the most vulnerable in our city

3.6 'Together, Let's Deliver Quality Housing';

- Let's provide housing which meets the varied needs of our residents
- Let's work together to tackle homelessness and rough sleeping in Lincoln
- Let's improve housing conditions for all
- Let's provide trusted, tenant-led landlord services
- Let's build thriving communities

3.7 'Together, let's enhance our remarkable place';

- Let's show the world what Lincoln has to offer
- Let's cherish and enhance our natural environment and green spaces
- Let's preserve the unique character of our city
- Let's deliver a rich and varied cultural experience
- Let's provide interesting, exciting and vibrant places to enjoy

3.8 'Together, let's address the challenge of climate change'

- Let's maximise opportunities for achieving net zero carbon
- Let's reduce our carbon footprint
- Let's make our properties more energy efficient
- Let's work with others to make our infrastructure adaptable and resilient to climate change
- Let's encourage more walking, cycling, and public transport use in the city
- Let's ensure that our new developments set the standards for sustainability

3.9 For each of the priorities, Vision 2030 explains why these are important and how the Council plans to take action. It should be noted that there are synergies between the priorities, and there are a number of actions where the outcome supports

multiple priorities. This is particularly notable for climate change which is addressed through workstreams across all the priorities.

- 3.10 Vision 2030 also revisits the Council's core values and builds on the One Council approach making sure that when customers access Council services, they receive the support they need, have a good experience and that services continue to be run as efficiently as possible.

4. Consultation

- 4.1 The proposals for Vision 2030 and the action plan have been consulted on through a combination of face-to-face sessions and online survey which have been used to engage with our residents and community, staff, elected members, businesses, key stakeholders and focus groups with Lincoln Tenants Panel and representatives from Lincoln's diverse community.
- 4.2 There was broad agreement for the proposed priorities and aspirations and a largely even spread across the actions identified for the first 12 – 18 months when asked to select the most important.
- 4.3 The feedback received through consultation helped shape the document, particularly in terms of being clearer on what is meant by each priority. It has also given further confidence that the areas of focus within Vision 2030 are the ones that matter to our residents and stakeholders. This included an emphasis on the natural environment and action needed to address climate change, the importance of providing housing that meets a range of needs, a focus on local neighbourhoods to be connected and engaged, the importance of understanding growth and climate change together, the value of tourism, art, culture and heritage and the need to make sure that core services continue to support the day to day lives of communities as well as delivering greater plans for the city.

5. Strategic Priorities

- 5.1 Vision 2030 sets out the Council's strategic priorities and aspirations for the city over the next five years.

6. Organisational Impacts

6.1 Finance

- 6.1.1 The Council's Strategic Plan is the thread that links the Council's integrated policy and financial planning framework. It is underpinned by the MTFs, which aims to ensure that all financial resources are directed towards delivery of the vision and flows through to the Council's other key plans and strategies, service planning and individual staff performance appraisals. This ensures that the Council's vision and strategic priorities drive the activity and allocation of resources of the Council.
- 6.1.2 The new Vision 2030 promotes a clear view of the Council's strategic focus and in particular its key priorities. These priorities are a commitment by the Council to use the resources it employs over the coming years to make a positive difference to the city and its residents.

6.1.3 Appendix B sets out the Delivery Plan and priority actions for the first 12-18 months of Vision 2030. The Delivery Plan should be read in conjunction with both Vision 2030 and the Council's Medium Term Financial Strategy. The Delivery Plan highlights specific Vision 2030 project funding from the Vision 2030 Reserve for one off costs to support the initial delivery in 2025/26 and 2026/27. The initial allocation of funding from the reserve to specific actions and projects is £482,000 and will be drawdown as each project progress. In addition, other priority actions are funded through existing agreed budgets, specific earmarked reserves or external funding.

6.2 Legal Implications including Procurement Rules

There are no legal implications arising from this report.

6.3 Equality, Diversity and Human Rights

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

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

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

There are no direct equality and diversity implications arising from this report however, equality and diversity will be considered during the implementation of projects throughout the life of Vision 2030. Additionally, the Council's equality and diversity objectives will be reviewed alongside Vision 2030's launch.

6.4 Significant Community Impact

Collectively, the priorities, aspirations and actions included within Vision 2030 will have a significant impact on the lives of Lincoln's residents through the services they receive and from longer term enhancements across the city.

7. Risk Implications

7.1 (i) Options Explored

Risks will be reviewed across both service delivery and project plans.

7.2 (ii) Key Risks Associated with the Preferred Approach

Any key risks to delivery of Vision 2030 will be addressed through the Strategic Risk Register.

8. Recommendation

8.1 That Executive agree the final draft contents of Vision 2030 Strategic Plan (Appendix A).

- 8.2 That Executive agree the final draft Vision 2030 Delivery Plan for the first 12-18 months (Appendix B).
- 8.3 That Executive refer the Vision 2030 Strategic Plan and the Vision 2030 Delivery Plan to Council for approval.

Is this a key decision? Yes

Do the exempt information categories apply? No

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

How many appendices does the report contain? Two

List of Background Papers: None

Lead Officer:

Emily Kate Holmes
Assistant Director Transformation & Strategic
Development
emily.kate.holmes@lincoln.gov.uk

This page is intentionally blank.

Vision 2030 Draft Content FINAL FEBRUARY 2025

Foreword

The Vision for Lincoln outlined in this document reflects the aspirations of our communities and the collective ambitions of our valued partners and organisations, all of whom contribute to making Lincoln a remarkable place to live, work, and thrive.

This document follows on from our Vision 2025, which was adopted in early 2020. Shortly after, Lincoln and the world changed forever with the onset of the global pandemic. COVID-19 presented unprecedented challenges, halting two years of Vision 2025's delivery as we focused on supporting our city through such difficult times.

Yet, Lincoln's remarkable resilience has allowed us to emerge stronger, ready to move forward with renewed energy and ambition.

As we look towards 2030, we recognise the challenges and opportunities of an ever-changing world persist. Rapid technological advancements, shifting economic landscapes, and evolving societal needs call for a clear vision, a strong sense of purpose, and guiding values that shape our decisions.

Vision 2030 builds on the progress of our Visions 2025 and 2020, presenting a roadmap to address today's most pressing issues while embracing opportunities for a brighter future.

Our vision for Lincoln is one of inclusivity, and sustainability, a city where social progress flourishes, cultural diversity thrives, and generational and economic challenges are met with innovation and collaboration.

Recognising the potential impacts of national policy changes in a number of areas, alongside Devolution and Local Government Reform, the action plans supporting Vision 2030 prioritise its first 12 to 18 months, ensuring adaptability to legislative, policy and economic changes.

We cannot achieve this vision alone. Success requires strong partnerships, shared commitments, and collective determination to ensure Lincoln continues to be a city that works for everyone. Together, we will address challenges and seize opportunities to build a brighter future.

We hope this Vision for Lincoln 2030 resonates with your aspirations for our city, and we look forward to working alongside you to bring this vision to life.

Angela Andrews, CPFA
Chief Executive and Town Clerk
Naomi Tweddle
Leader of the Council

Introduction

Lincoln's Vision 2030 is our strategic plan for the next five years.

Building on the successes of Vision 2025, our new strategic plan has been developed by drawing on Lincoln's City Profile, performance data, feedback from our communities and partners, assessing the impact of key challenges and opportunities and reviewing progress with key projects and programmes.

[Type here]

Our priorities are set using a strong evidence base, a clear understanding of our place and communities and a commitment to providing services for residents who need them most.

The priorities and aspirations for the city have been effective in progressing our long-term vision for the city and further progress will be achieved through working in partnership and collaboration with others as well as through council services and projects.

Our Vision

Our vision

Together, let's deliver Lincoln's ambitious future

The strategic priorities that underpin our vision:



The aspirations that underpin our five strategic priorities are:

'Together, let's drive inclusive, sustainable, economic growth';

- Let's build a strong, inclusive and sustainable future for Lincoln
- Let's continue to help businesses & communities prosper
- Let's support a culture of innovation & collaboration
- Let's support opportunities for skills, education and employment
- Let's attract investment

'Together, let's reduce all kinds of inequality';

- Let's work with partners and our communities to address the impacts and causes of poverty
- Let's support our neighbourhoods and communities to thrive
- Let's improve the health and quality of life for people living in Lincoln
- Let's help people feel safe and welcome in their communities
- Let's help people succeed and support the most vulnerable in our city

'Together, Let's Deliver Quality Housing';

- Let's provide housing which meets the varied needs of our residents
- Let's work together to tackle homelessness and rough sleeping in Lincoln
- Let's improve housing conditions for all
- Let's provide trusted, tenant-led landlord services
- Let's build thriving communities

‘Together, let’s enhance our remarkable place’;

- Let’s show the world what Lincoln has to offer
- Let’s cherish and enhance our natural environment and green spaces
- Let’s preserve the unique character of our city
- Let’s deliver a rich and varied cultural experience
- Let’s provide interesting, exciting and vibrant places to enjoy

‘Together, let’s address the challenge of climate change’

- Let’s maximise opportunities for achieving net zero carbon
- Let’s reduce our carbon footprint
- Let’s make our properties more energy efficient
- Let’s work with others to make our infrastructure adaptable and resilient to climate change
- Let’s encourage more walking, cycling, and public transport use in the city
- Let’s ensure that our new developments set the standards for sustainability

Progress

Vision 2030 builds on the progress of our Visions 2025 and 2020 and, to set the context of our future plans, a look back on progress so far should be considered.

Inclusive Economic Growth

Lincoln continues to demonstrate impressive economic growth, marked by a diverse range of investments that support both local businesses and large-scale developments. One of our most significant projects is Charterholme, previously known as Western Growth Corridor, which represents Lincoln’s most ambitious development to date. This £500 million investment will deliver 3,200 homes, a business park and essential infrastructure. Since Charterholme’s launch in 2024, key infrastructure projects have already been completed, including a signalised junction at Skellingthorpe Road and a bridge over Boultham Catchwater. Additionally, the eastern access route, supported by a £20 million Levelling Up Fund grant, is progressing, and a new bridge over the railway is set for completion by March 2026, unlocking future phases of housing and improving connectivity. The project is a key part of our vision for a thriving, sustainable future, with a strong emphasis on energy efficiency and community well-being.

The Cornhill Market regeneration is another example of our focus on revitalising the city centre. Reopened in May 2024, this £7.8 million project has transformed the historic 1930s market into a vibrant and modern hub while preserving its unique character. Funded by the Towns Fund, City of Lincoln Council, and a Heritage Action Zone grant, the market now features bespoke stalls, a food court, and a mezzanine, alongside improved public amenities. It provides a platform for local businesses, including first-time traders, and ties into Lincoln’s growing nighttime economy. Recognised for its sustainable practices and heritage preservation, the project won the East Midlands Regeneration and Restoration Award in 2024. The neighbouring redevelopment of City Square, a key public realm scheme in the city centre, has benefitted from repaving, which was designed to accommodate outdoor stalls, al fresco dining and community events, enhancing social and commercial activity.

Other major initiatives contributing to inclusive growth include our management of the Town Deal and the delivery of £2.8 million in community-focused projects through the UK

Shared Prosperity Fund (UKSPF). The Town Deal, backed by £19 million of government funding, oversees 13 regeneration projects designed to enhance public spaces, boost local economic activity, and create new opportunities for businesses and residents. Completed projects include the Cornhill Market, The Drill Hall, a community grocery at Beaumont Manor, the Hospitality, Events, Arts and Tourism (HEAT) Institute, and Lincoln City Football Club Community Skills & Education Hub; all of which have already made a tangible difference, supporting creativity, cultural engagement, and community resilience.

Additional projects are actively under development, including The Barbican Production & Maker Hub for Creative Industries, Greyfriars, Lincoln Be Smarter, Lincoln Connected, Sincil Bank Regeneration Transport Improvements, and assessing the viability of future development on Tentercroft Street and Wigford Way. These projects will supply creative hubs, transport improvements, and enhanced urban infrastructure, which will further drive Lincoln's regeneration efforts. Most of the work we have carried out has been a project as a part of the High Street Heritage Action Zone (HSHAZ).

Events in Lincoln is our initiative to bring cultural vibrancy year-round to the city centre and uphill area, attracting visitors and supporting our businesses and residents. Additionally, we supported major local events such as Lincoln Pride, and Steampunk. We also provided funding through a small events grant programme and offered advice and guidance for various other community events.

Our managed workspaces provide workshops, studios and offices for business. The Terrace is a modern, vibrant building in the heart of the Lincoln's city centre that provides a total of 50 workshops, studios and offices for businesses in the creative industries sector. One of Lincoln's creative hubs, it provides a space for like-minded entrepreneurs and businesses to thrive and develop.

Our Central Lincolnshire Local Plan which sets out the shape and scale of development in Lincoln and our neighbours North Kesteven and West Lindsey was adopted in April 2023. In 2024 the Plan was judged by the Royal Town Planning Institute to be the region's best. The plan is ambitious and covers a range of policies that inform planning decisions for targeting energy efficient buildings, renewable energy, adaptation and resilience to climate change, and much more.

Quality Housing:

Our 30-year Housing Revenue Account Business Plan is in place with the priorities being Estate regeneration, delivering new homes, addressing climate change and developing and improving core services. We have ambitious targets for providing new homes of all types and improving our existing stock. We continue to drive down our impact on the environment and hope to move all of our existing properties into an EPC rating of C or better.

Lincoln is making significant strides in providing quality, sustainable housing to meet the growing needs of its residents. We have added over 250 new high quality homes to our stock over the corporate plan period, we have also delivered a much needed 70 unit extra care facility in the Moorland area. One of our most notable recent developments is Hermit Mews, where 11 new homes have been completed and are now tenanted. This development, which includes six three-bedroom and five two-bedroom homes, has been designed with sustainability at its core. Energy-efficient features such as air source heat pumps, triple glazing, and water butts for rainwater reuse are integral to the homes, reducing energy consumption and promoting eco-friendly living. Additionally, the use of a local contractor has helped reduce carbon emissions from travel, further supporting the

city's commitment to sustainability. Each property is equipped with electric vehicle (EV) charging points and parking spaces, addressing the growing demand for green transportation options. The development has also achieved a 17% biodiversity net gain through landscaping improvements and the introduction of grassed gardens, ensuring a positive impact on the local environment.

A further key project contributing to the city's housing stock is Charterholme. This development is progressing at pace and will provide Lincoln with much-needed affordable housing. The construction of the first 52 sustainable homes is now underway, with the first 19 expected to be complete during 2025. Work has already commenced on the construction of a new bridge that will provide essential access to the area and to the first properties. The development is a key part of Lincoln's long-term strategy to provide affordable, high-quality homes, with a focus on sustainability and community well-being. Once completed, Charterholme will significantly contribute to the city's housing supply, particularly affordable homes, and help to alleviate pressure on the local housing market.

In addition to these new developments, we have continued to deliver our housing improvement programme which aims to continually improve the standard of council homes that we provide. We have invested in our Housing fleet and launched a new Scheduled Repairs process which improves customer service and choice, enhances the efficiency of our housing repairs service and reduces our carbon footprint. The city's housing repairs service has shown strong performance in ensuring the quality of existing council properties, we are now able to carry out nearly 30,000 repairs and improvements each year. We have delivered interventions to support residents living in homes in the private sector, including a heating scheme, which saw £200K of funding allocated to improve central heating in private homes.

Within private sector housing the Council has a regulatory role over landlords which includes dealing with housing condition complaints and Houses in Multiple Occupation licensing. The work of this team includes Disabled Facilities Grants (DFGs), bringing long-term empty private sector homes back into use and carrying out checks on properties referred to us by the Homes for Ukraine scheme.

Through our regulatory role over landlords in the private sector, we have addressed housing condition complaints, Houses in Multiple Occupation licensing, delivered Disabled Facilities Grants and brought long-term empty privately owned properties back into use. Along with neighbouring authority partners we launched the Good Home Lincs resource which provides information, advice and support for homeowners on maintenance, improvements and repairs.

Tackling Climate Change

We are committed to addressing the challenges of climate change, working in partnership with the Lincoln Climate Commission to implement the ambitious Lincoln 2030 Climate Action Plan (CAP). Key initiatives include exploring community energy schemes, district heat networks, sustainable education programs, and electric vehicle-sharing schemes. The community-driven "Climate Hope Lincoln" initiative has also been instrumental in fostering local engagement, with 80 individuals and organisations actively involved in climate action. These efforts have contributed to a 50% reduction in Lincoln's greenhouse gas emissions since 2005, though challenges such as a 3% rise in transport-related emissions in 2022 remain.

To further reduce emissions, we have taken significant steps, establishing an Environmental Management System (EMS) for monitoring and reducing emissions, and securing a Green accreditation with a 93% score from Investors in the Environment.

Efforts to enhance energy efficiency extend to our infrastructure, with projects such as the refurbishment of the Cornhill Market and Lincoln Crematorium reducing energy consumption. Investments in electric vehicle infrastructure have made the city a leader in Greater Lincolnshire, with 112 public charging devices currently available. Our private housing retrofit schemes and social housing decarbonisation initiatives are also making homes more energy-efficient, with 84% of council homes now rated EPC 'C' or above. Additionally, action has been taken to improve the energy efficiency and reduce the carbon footprint of Yarborough Leisure Centre with funding from Sport England's Swimming Pool Support Fund. A 120.7KWp photovoltaic (PV) solar panel system was installed and improvements to the Air Handling Unit within the centre were made. This green energy replaces traditional non-renewable sources, resulting in a reduction of carbon dioxide emissions and reducing annual energy costs.

Through ongoing programs like our Air Quality Management Plan and sustainable transport initiatives, we aim to create a healthier environment. Recent data highlighted reductions in nitrogen dioxide emissions across the city, supported by improvements in traffic flow and the opening of the Lincoln Eastern Bypass allowing us to formally revoke the Air Quality Management Area at the end of 2024 signalling our progress in achieving cleaner air for Lincoln residents.

Reducing Inequality:

Since 2020, we have made significant progress in reducing inequality across Lincoln. Our Welfare Team, support more than 7,000 residents a year to navigate benefits, pensions, grants, and tax credits, securing an additional £1.6 million in annual income for those we have. We continue to provide essential support and advice, ensuring financial security for our most vulnerable residents. We have worked with our partners to make sure that residents and households that are struggling have access to advice and support to mitigate the impacts of the cost-of-living crisis. This includes energy support, benefits, financial advice and support, food support, help with housing, wellbeing and warm spaces. We have delivered more than £2 million pounds of Household Support Fund payments to residents who needed it.

We have championed financial inclusion through partnerships like the Lincolnshire Financial Inclusion Partnership, practical support for residents struggling with food and energy insecurity and our work with the Greater Lincolnshire Food Partnership has helped transform food into a public good, supporting initiatives such as subsidised cooking classes, local grocery programs, and school breakfast provisions.

We have supported refugees, resettling Syrian, Afghan, and Ukrainian families, and ensuring safe accommodation and integration. In collaboration with our partners, we continued to support individuals off the streets and into stable housing through our Homelessness Strategy aimed at further reducing rough sleeping.

We have also invested in the Sincil Bank Revitalisation Programme, improving infrastructure and creating new homes, while fostering stronger community relationships through the Sincil Bank Community Hub. This has ensured our most diverse communities have access to the resources they need. Through initiatives like Lincoln Embracing All Nations (LEAN), we continue to support our city's diverse communities, working to create a central space for engagement and support.

Alongside a contribution of £150K from the UK Shared Prosperity Fund (UKSPF) programme, a community grant scheme was run in partnership with Investors in Lincoln,

who are contributing £150K. The scheme was led by the City's Neighbourhood Manager and managed through newly established community panels in each of Lincoln's 11 Wards. Each panel being chaired by Local Members. Each Ward had £25K to allocated across local communities with up to £2500 per project. The final round of grant allocation was completed in 2024 with 124 project supported in total. The UKSPF committed 89% of its funding by March 2024 to initiatives addressing key local needs, such as youth employment, elderly support, and cost-of-living challenges. Projects like the "No Wrong Door" triage system and the community bakery are directly improving access to services and creating employment opportunities, while sustainability-focused schemes support local business growth. These projects aim to address local needs while promoting sustainability and long-term economic growth.

In the city centre, our coordinated approach to tackling anti-social behaviour and rough sleeping has ensured effective support and enforcement. Positive partnership working with Lincolnshire Police, Lincoln BIG, Project Compass, and the Rough Sleeper Team has enabled the sharing of information, prioritisation of resources, and identification of emerging issues, ensuring a cohesive response to challenges. Understanding our residents has allowed us to offer support as well as enforcement action to address the challenges and concerns from our communities. Our commitment to tackling community safety and antisocial behaviour concerns has resulted in a significant upgrade to our CCTV provision in the city and successful external funding bids resulted in additional staffing resources into the Public Protection and Anti-Social Behaviour Team.

We have continued to support local good causes to fundraise in their community by providing the Lincoln Community Lottery and our Social Responsibility Charter has recognised and celebrated local organisations going above and beyond to support their employees and local community.

One of our Social Responsibility Charter signees is Lincoln City Football Club and Lincoln City Foundation who through social responsibility commitments have delivered range of programmes under the key areas of, Mental Health and Wellbeing, Community Cohesion, Education and Employability, and Sport and Physical Activity. This includes an adult activity programme, community development support to a local neighbourhood, a range of children's and youth activities, and an extensive programme of education support. The Charter is an important tool for the Foundation to use, whether that is to support internal growth and employee engagement, to understand the local businesses that align with their social responsibility values or even to understand how they can work with others to make Lincoln a better place to live and work.

Another social responsibility charter organisation SERCO who aligned their social value activity with the needs of local communities. They have focused on a Volunteering Programme to encourage their employee's participation in the community, Educational support and SEND employability and Community Sponsorship.

Remarkable Place

We have continued to enhance Lincoln's green spaces, strengthening community engagement, and preparing for future challenges in waste management and environmental health.

Our commitment to high-quality parks and open spaces has been reaffirmed with the city now holding four Green Flag Awards, an achievement made even more remarkable by Hope Wood receiving this recognition on its very first submission. This milestone reflects

the dedication of our officers and volunteers in maintaining and improving our parks for residents and visitors alike. Meanwhile, our rewilding efforts continue to flourish, with more areas left to grow naturally, supporting biodiversity and enhancing the city's green landscape.

At Boutham Park, the successful completion of both restoration phases has allowed the park to settle into a vibrant future as a much-loved community space. Hartsholme Country Park remains a popular destination, where we have invested in essential flood management infrastructure here. Hope Wood continues to take shape as a vital nature reserve, transforming previously underused land into a rich, biodiverse habitat. Our commons have also benefited from reinvestment, supported by partnerships such as our matchday parking agreement with Lincoln City FC.

Engagement with our parks remains high and education and outreach have also expanded through ranger-led and self-guided activities. The Outdoor Classroom Project has strengthened its work with local schools and scout groups, while specialist workshops have provided enriching experiences for children with disabilities and elderly residents with dementia. Our winter tree-planting efforts added 155 new trees across the city, further complemented by large-scale planting at Hope Wood.

Our Food, Health, and Safety service continues to be high performing, completing food inspections and helping our businesses achieve compliance in an average of 7 days against a 15-day target. Over the Vision 2025 period, they exceed expectations. Over the past five quarters, 99.52% of food inspections have been completed, with businesses achieving compliance in an average of just 6.99 days, far ahead of the 15-day target. We have responded to critical food safety incidents, from tackling pest infestations to ensuring the safe reopening of Cornhill Market and the new Stack entertainment venue. Our Environmental Health and Safety teams have played a vital role in protecting the community, responding to urgent issues such as gas leaks, sewage overflows, and dangerous electrical faults in residential and commercial properties. The aftermath of Storm Babet in October 2023 brought a surge in rodent complaints, which were swiftly addressed to maintain public health and safety.

The city's private hire trade is showing strong post-pandemic recovery, with rising applications and growing driver numbers. Despite the challenges of 'out of town' vehicles, Lincoln has maintained high licensing standards by prioritising public safety while supporting the sector's resurgence.

Our community centres have become more vibrant hubs for residents, with an increase in both usage and footfall. We have made investment to these over recent years. For our leisure and health services we have taken proactive steps to ensure affordability and sustainability amid economic challenges. The Council successfully secured Sport England funding for solar panels and energy recovery systems, which were installed in the latter half of 2024 to reduce long-term utility costs at leisure facilities. Innovation has shaped our approach to public health, exemplified by the permanent installation of an EGYM at Yarborough. This AI-driven fitness system has seen high engagement, with 464 unique users each month, an 80% retention rate, and measurable health benefits, including an average reduction in bio age of 11.8 years and 22% strength improvement. This investment is particularly beneficial for older residents, supporting healthy aging and overall wellbeing.

Lincoln – Our Opportunities & Challenges

As a Council we set our priorities and make our decisions based on evidence. This includes key data and statistical evidence that we present in the Lincoln City Profile. If you would like to know more about this, please visit www.lincoln.gov.uk.

Economy

Lincoln has fared well through the nationally difficult years of recession, cost of living challenges, inflation and weak annual GDP changes. Our city has a good mix of retail, cultural and leisure offerings for residents and visitors alike. In 2023, the Lincoln visitor economy increased to £264 million.

In addition, the city's reputation as a key location for engineering and scientific development is evidenced by the growth in university opportunities and local business. Lincoln's economy has experienced some welcome improvements that benefit both residents and businesses such as full-time workers seeing increases in their annual salary and 97% of new businesses surviving their first year of trading - but we have still faced challenges. These challenges are not unique to Lincoln and are experienced by other areas across the country. Despite the growth of the Lincoln economy, our GVA (gross value added - a measure of prosperity) has only increased slightly in recent years, the economic activity rate in Lincoln has decreased, consequently those who are economically inactive (not in paid work, not looking for or available to start work) has therefore increased, and we continue to have a low paid and predominantly low skilled population. Unemployment, although reducing slightly, is still a concern at 4.2% and median earnings for full-time workers in Lincoln continue to lag behind East Midlands and England averages.

Financial Inclusion

The welfare of a city's residents has a direct effect on their use of crucial services offered by private sector companies and local government. The welfare system is designed for those who need support from central and local government the most. It is designed to protect and promote the economic and social wellbeing of its residents, based on the principles of equal opportunity, distribution of wealth and above all public responsibility for residents who are unable to provide themselves with a basic quality of life.

Over recent years we have had a strong focus on supporting those needing help and as a result, Lincoln's welfare state has seen some improvements, including a drop in the number of housing benefit recipients and a slight decrease in Universal Credit claimants. However, in recent years the cost-of-living challenge and the financial pressures this has placed on households across the city, have resulted in a significant increase in the percentage of children living in low-income households, an increase in the total number of people claiming universal credit, and a wide reaching need for support provided through the Government funded Household Support Fund.

30.5% of our children are living in households in relative poverty which is higher than the national average. The latest figures for percentage of workless households with dependent children show an increase to 10.8% and the city has a relatively high number of Disability Living Allowance and Personal Independence Payment recipients compared to our nearest neighbours. The latest figures for fuel poverty indicate that over 7,500 households in Lincoln are in fuel poverty. Household energy bills are expected to increase again nationally, and this will have a further impact on our households.

Crime

While crime overall is the responsibility of the police, as a key partner we continue to support projects that deter crime and improve public safety, and a number of these form part of this five-year programme. In a similar trend to the rest of the country, the total reported criminal offences in Lincoln have increased, including in crime categories Robbery, Shoplifting and Violence and Sex Offences. The latest data shows that Lincoln has the highest total crime rate per 1,000 amongst our CIPFA nearest neighbours and the highest compared to other Lincolnshire districts. However, Lincoln has seen improvements

in several areas - the rates of Burglary, Criminal Damage and Arson, Drug offences, Possession of Weapons, Public Order offences and Theft from the Person. The prevalence of some forms of crime will, realistically, be linked to many of the positive attributes the city has to offer including its higher education institutions, its status as a shopping and tourist destination, and its nighttime economy. There is a very strong correlation between crime and unemployment rates in Lincoln and we have some of the highest reoffending rates in England and Wales with a 32.2% binary reoffending rate and a 5.8 reoffences rate. From consultations and resident and stakeholder feedback we know that feeling safe in their communities and reducing the impact of anti-social behaviour is important and we will continue to work with our partners to address these often complex challenges.

Children and Young People

A strong and effective education at a young age helps to develop a child or young person's own thoughts and perspectives about the world. It also prepares them for work, which in a city such as Lincoln, is a big contribution to the economy and the overall skill levels of our population. Educational development is not just about the academic performance of young people and is just as much related to supporting young people into all forms of personal development, such as apprenticeships and traineeships.

Over recent years the average Attainment 8 score and Progress 8 score have both further deteriorated since their introduction in 2017, performing below East Midlands and England in both measures. The percentage of Lincoln residents with a Regulated Qualifications Framework (RQF) Level 1 or 2 is lower than residents of East Midlands and England, whilst the number of residents achieving Level 3 RQF are lower than those in England. However, the percentage of Lincoln residents achieving Level 4+ RQF is greater than both East Midlands and England.

In recent years Lincoln has reported high level of pupil absence from school, in addition to having the 2nd highest percentage of pupils eligible for free school meals amongst our Lincolnshire neighbours.

Lincoln remains a young city with 35.3% of the population in the 15-34 age bracket and we work with our partners and communities to listen to young people to better understand their views, needs and aspirations. We also work closely with partners and across all services to support and safeguard young people in our city and are committed to protecting the most vulnerable in our communities.

Housing

High quality housing that is affordable and flexible can help people of all situations to grow and achieve their true potential. By having a place to call home, people not only feel that they belong in their community, but they are more likely to look after their surroundings, which raises and maintains the appearance of the city.

There is a housing crisis throughout the country with an acute shortage of affordable housing.

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

Lincoln's housing data has seen some encouraging improvements, a key measure is the housing affordability ratio (the ratio of prices paid to salary earned) which is the third most affordable when compared to cities similar to ours, in part due to the lower salaries in Lincoln. This effectively means more people can afford to get on the purchasing ladder. The average price paid for a property in Lincoln has increased for the sixth consecutive

year, which is positive for those already owning homes, but could eventually affect the affordability ratio making it harder to get on the housing ladder. We still face challenges, as every city does, with average private rental costs in properties of all sizes increasing in line with the East Midlands and England rates.

There is a national housing crisis and, as the urban centre of an otherwise mostly rural county, the effects of this are very strongly felt in the city. As a landlord to more than 20% of the city's residents the council's decisions have a direct impact on the quality of life of people living in its homes and their security of tenure. Demand for housing in the city is very high and is influenced by more than 27% of residents in the city living in privately rented accommodation. Demand increased substantially since the Covid-19 pandemic and the subsequent cost-of-living crisis, with notable rises in the number of people presenting to the council who can no longer sustain the costs of renting in the private sector. The number of people in Lincoln on the council housing register has continued to increase in recent years, along with the number of households assessed as homeless, and there are far fewer homes available, of the right type, than the city needs in order to meet local demand.

The number of households owed a homeless prevention or relief duty has risen above pre-pandemic levels across Lincolnshire, with Lincoln being the 12th highest in England out of 296 authorities. Higher needs are also being identified in these households, with many households presenting with multiple support needs. Mental health needs are 67% higher across the county, accounting for a quarter of all support needs.

Environment

Our environment is suffering at the hands of climate change. The air we breathe, the outside spaces we enjoy and the places we call home are being threatened by over consumption of fossil fuels, single use materials, as well as rising CO 2 levels and global temperatures. Having declared a climate emergency in 2019, we continue to focus on this priority as a key element of this plan.

As one of the city's principal landowners, the council has influence over several key aspects of our environment, including the amount and quality of greenspace, vehicle charging infrastructure in our car parks, decarbonisation and energy efficiency of our buildings. This includes over 7,500 council homes, of which over 80% already have an EPC rating of C or above.

Working in partnership with the University of East Anglia and with support from the Net-Zero Innovation Fund, numerous areas of woodland and grassland, which absorb and recapture significant volumes of carbon dioxide (in hectares) have been supported, Lincoln's environment is continuing to see some very encouraging improvements, such as decreases in energy consumption, increased decarbonisation of public buildings, more electric vehicles and another year of decreases in CO 2 contributions. Gas and electricity consumption had been decreasing over several years however figures from the Department for Energy Security and Net Zero show residents of Lincoln used slightly higher amounts of gas and electric in 2023 than 2022 but consumption of both is still reduced from 2019. Household waste volumes have also decreased. Lincoln has seen continually improving air quality for over 5 years, with every area of the City meeting National Air Quality standards– in fact, Lincoln dropped to just third lowest CO 2 levels out of a group of comparable local authorities.

Health

A 'healthy' city is not an outcome but is instead a process of continuous development to offer residents improved physical and social environments that allows them to support not only their own personal goals, but also community goals of belonging, trust and physical and social safety. Thus, the goal of having a healthy city is more than just about the

physical health of its population and is a much broader scope of health-related activities. The outcomes for some of this will expectedly be seen in generational changes rather than immediate shifts in health data.

The most recent health data available includes low comparative Healthy Lives, Healthy Places, Healthy People and Healthy Eating scores when measured against the England average which need to be addressed in partnership with organisations across our health system.

Male life expectancy has continued to drop in recent years, and Lincoln suffers from having the third lowest life expectancy for both males and females compared to a similar group of local authorities, in addition to continuing high mortality rates for circulatory related diseases and cancer sufferers. Lincoln has seen an increase in the prevalence of smoking in people aged 18 and over, with smoking rates now significantly higher than the England average, and an increase in suicide rate, which remains considerably higher than the overall rate for England, and the highest when compared to cities similar to ourselves.

Acute vulnerability may also be increasing, as 'deaths of despair' reach all-time highs across the county, with rate particularly high in Lincoln. Combined deaths from alcohol, drug misuse and suicide in Lincolnshire have increased by 40% between 2019 and 2022. Suicide prevention remains a key priority for Lincoln, which continues to face higher-than-average suicide rates. Between 2020 and 2022, three city wards recorded five or more suicides: figures matched by only two other wards in the whole of the county. Research presented at the 2024 Lincolnshire Suicide Prevention Conference highlights a correlation between robust mental health support and lower suicide rates. Further studies are set to be carried out to explore whether access to local mental health services impacts Lincoln's rates, helping to inform future strategies and improve support for residents.

Deprivation is inextricably linked to health inequalities, and we know that there is a socioeconomic gradient in almost all health outcomes. People living in poverty are significantly more likely to experience poor physical and mental health throughout their lifetime and affecting their quality of life. Digital Exclusion is a barrier that Lincoln residents face, particularly in areas of deprivation. Lincoln has 5 of the top 10 and 8 of the top 20 most digitally deprived areas in Lincolnshire. This affects access to education, employment, health services, DWP, support and advice and social connections.

We have seen health improvements in some areas, with the rate of self-harm decreasing along with the number of alcohol related conditions. Lincoln's percentage of physically active adults was higher than the rate for England and similar cities, the percentage of adults with excess weight was lower than the rate in both East Midlands and England, and Lincoln had the highest performing dementia rates when compared to the England average baseline.

Consultation – what is important to our residents

The proposals for Vision 2030 and the action plan have been consulted on through a combination of face-to-face sessions and online survey which have been used to engage with our residents and community, staff, elected members, businesses, key stakeholders and focus groups with Lincoln Tenants Panel and representatives from our diverse community.

There was broad agreement with our proposed priorities and aspirations and a largely even spread across the actions identified for the first 12-18 months when asked to select the most important. The feedback received has helped shape this document, particularly in detailing what we mean by each of the priorities and has given further confidence that the areas we are focusing on are the ones that matter to our residents and stakeholders. This included an emphasis on our natural environment and action needed to address climate change, the importance of providing housing that meets a range of needs, a focus on our local neighbourhoods to be connected and engaged, the importance of understanding

growth and climate change together, the value of tourism, art, culture and heritage and the need to make sure our core services continue to support the day to day lives of our communities as well as delivering our greater plans for the city.

There was lots of helpful feedback that we will continue to refer to when progressing with our delivery and we welcome ongoing thoughts and suggestions from our community. You can share feedback on our priorities and action plan with us by contacting policy@lincoln.gov.uk and we welcome residents who are interested in joining our Citizens Panel. For more details, please see www.lincoln.gov.uk

Our Vision

Our City – Beyond 2030

In 2030, our city continues to be a prosperous and desirable place to live, work and visit. Lincoln remains a nationally recognised historic city and the quality of our historic core has been protected and celebrated. Our natural, built and historic environments are enhanced through high quality design that our communities are proud of.

Our local economy provides real opportunities for people to live, work, invest and visit. Skills and education attainment have continued to improve, shifting towards a higher skilled, higher paid economic base. Our businesses are thriving, and new businesses have located to the city. Growth in Lincoln has provided some of the solutions to the challenge of climate change by improving the infrastructure in our communities with all new developments making positive impacts, providing resilience to climate change and managing flood risks. Green infrastructure has improved sustainable access and enhanced our natural environment, which has positive benefits to our residents physical and mental health.

Lincoln remains the economic driver for the Lincolnshire area and our city centre continues to provide the primary destination for shopping and leisure for our residents and neighbours. Our visitor economy is thriving and our city is renowned for its heritage, arts and cultural offer and a city centre that is safe day and night.

We see positive impact on the health and wellbeing of our residents, reduced health inequalities and residents live healthier lives from birth, through education, working life and older age. Residents, workers and visitors travel across the city by sustainable travel modes such as public transport, walking and cycling, benefiting their health and the local environment and everyone can enjoy access to good quality green spaces. There are fewer residents living in poverty and those residents who are struggling, or are dealing with challenging circumstances, find that support is available and can be accessed quickly.

New homes are built and lived in, meeting the needs of our communities. Homes which are efficient, heated and powered by renewable energy and located in the right places, reducing travel by car. Homes in communities which are safe, welcoming with access to green spaces, where estate regeneration has resolved previous challenges like parking, crime and anti-social behaviour by improving the look and feel of streets and neighbourhoods. Homes that are in clean and green neighbourhoods where residents are connected within their community and to the wider city. Communities where they feel safe, supported and welcome. Homes that are provided to City of Lincoln Council tenants will have excellent core housing services and we will be ranked amongst the top performing social landlords.

Lincoln continues to progress and thrive through strong partnership and collaboration with local partner organisations from across sectors that have flourished.

Our Priorities and Aspirations
Together, let's drive inclusive economic growth
What this means and why this is a priority: Inclusive economic growth is growth that delivers social benefits, tackles inequalities and makes sure that the benefits are spread more fairly between people and places. It is about supporting a thriving economy that everyone can contribute to and benefit from across the city that also considers the social and environmental outcomes it achieves for our people and places.
'Together, Let's drive inclusive, sustainable, economic growth'
<ul style="list-style-type: none">· Let's build a strong, inclusive and sustainable future for Lincoln· Let's continue to help businesses & communities prosper· Let's support a culture of innovation & collaboration· Let's support opportunities for skills, education and employment· Let's attract investment
What we will do An Inclusive Economic Growth Strategy will set out how we will address economic inequalities in the city and support our residents through a range of interventions. To develop this strategy and action plan we will consider the emerging anti-poverty strategy, investment in and marketing of the city, our Housing Strategy, local carbon developments, infrastructure, business support strategy, sector development work across health, advanced manufacturing, visitor economy, science and construction. We will progress work on our City Centre Masterplan which will facilitate the delivery of new schemes across the city by influencing development, policy and delivery. We will also work with partners, championing the needs our city and communities, to influence the development of strategies and actions under the remit of the Greater Lincolnshire Combined County Authority so that it supports the needs of the city now and in the future. Support and influence the development of a strategy for skills development and economic growth under the Greater Lincolnshire Devolution Agreement. We will build on our successful progress with Charterholme which is the creation of an inclusive and sustainable new community within the heart of Lincoln, providing 3,200 new homes, a local centre with a range of neighbourhood service provision including a new primary school and a new Leisure Village with a range of commercial opportunities. This is the largest project undertaken in the city for decades, will be jointly delivered by City of Lincoln Council and Lindum Western Growth Community Ltd, bringing more than £500 million worth of investment into Lincoln over its lifetime and providing hundreds of jobs locally. Improved transport infrastructure will help alleviate some of Lincoln's worst traffic problems. Work on site commenced in 2023 with up to 300 new homes delivered by 2025. Over the period of Vision 2030 we will deliver the Tritton Road all purpose bridge onto the site, secure development partners to work with us over the next 15-20 years to deliver the housing pipeline for Lincoln, secure additional funding to deliver the spine road and associated infrastructure, continue to deliver new homes across the city and support the Leisure Strategy. We will improve our infrastructure through growth, and the development in Charterholme will upgrade drainage and improve capacity to protect against flooding in the area.

[Type here]

Lincoln's sustainable and inclusive economic growth is centred on it becoming a smart place that is truly digitally enabled. Having smart digital networks will support business innovation as well as access to transport, healthcare and a range of other services. We will build on this work with partners to further implement a digital network to ensure access for all across the city.

Building upon the support we already provide to start up and small businesses, we will continue to develop our workspaces and business premises offer so that businesses of all sizes and types can make Lincoln their home. We restored the grade II Cornhill Market and City Square creating an anchor destination within the Cornhill Quarter to support high quality independent trading, promoting local produce and start-up retail and creative businesses. We will continue to support and expand the Cornhill Market and City Square offer.

We will develop a financially sustainable free for all events programme for the City. Events support the vibrancy of our city by providing an all-year-round cultural experience for visitors and residents that cements Lincoln as a key destination locally, regionally and nationally.

Let's reduce all kinds of inequality

What this means and why this is a priority:

Lincoln has some of the most deprived areas of deprivation in the city and latest data shows that 30.5% of our children are living in households in relative poverty. Although much work has taken place, some of our residents are still struggling and feeling the impact of the cost-of-living crisis. Addressing the key causes of deprivation remains important, as well as continuing to provide immediate support to those residents that need it.

'Together, let's reduce all kinds of inequality'

- Let's work with partners and our communities to address the impacts and causes of poverty
- Let's support our neighbourhoods and communities to thrive
- Let's improve the health and quality of life for people living in Lincoln
- Let's help people feel safe and welcome in their communities
- Let's help people succeed and support the most vulnerable in our city

To support our residents and reduce all kinds of inequality, we will work with our partners to develop and implement an anti-poverty strategy and action plan to address both the impacts and causes of poverty in our city. This will support the immediate needs of our residents here and now as well as seeking to reduce poverty in the city over time. Our workstreams will include food, fuel, digital and hygiene poverty, accessibility, welfare and the impact of poverty on health & wellbeing, education and employment. We will continue to be providing a range of support to residents of Lincoln to help them through the continuing cost of living crisis.

We will work with training providers, businesses and our partners to increase opportunities for local people to access training and employment. This will support the development of targeted training programmes to support staff on low pay and for disadvantaged groups. This will support careers advice in schools linked to our local economy and will improve community access to education and training providers with a particular focus on supporting adults into work.

[Type here]

We will support the development and promotion of advice, guidance and training offer to make sure our residents can access a greater training offer and opportunities to develop new skills. Collectively the support offered will help tackle poverty and provide opportunities for stable employment and career progression.

Lincoln has 5 of the top 10 and 8 of the top 20 most digitally deprived areas in Lincolnshire. Lack of, or limited, digital access impacts on education, skills & training, accessing health services, access to and applying for employment, social inclusion. Improving digital inclusion is an important intervention to tackle inequalities. We will support digital inclusion in Lincoln through working with our partners and across organisations in the voluntary sector, with other public sector, faith and health partners. We will connect our communities with support.

Lincoln's neighbourhoods are so important. We will continue to support local communities, neighbourhoods, community assets and service provision at a local level that meets the needs of, and engages with, local communities and partners on what matters to them now and in the future. We are expecting one further year of UKSPF funding in 2025-26 to build upon the successful community initiatives that have been delivered across the City over the past two years.

District Council services have a significant impact on the health and wellbeing of our residents, through housing & homelessness, activity & wellbeing, environment & sustainability, economic inclusion & community engagement. Delivery across these themes aims to provide a health and diverse offer to appeal to as many of our residents as possible, targeting interventions focused on local outcomes. We will continue to build on relationships with local health partners to ensure provision is accessible and meeting the needs of Lincoln residents and addressing health inequalities.

Partnership working is key to reducing inequality and we will continue to work through strategic partnerships and multi-agency process to support and protect our residents. We will support residents who are struggling and those who are most vulnerable. We will provide assistance for those who are rough sleeping, or are at risk of rough sleeping, we will address anti-social behaviour and community safety concerns from our communities, we will protect vulnerable adults, children and young people and residents experiencing domestic abuse and we will help people feel safe and welcome in their communities.

Let's deliver quality housing

What this means and why this is a priority:

Our priority, 'Let's deliver quality housing' has aspirations and actions that relate both to us a landlord and for housing across the city of all tenures. There are some key areas of work already in progress which will help us address the changes with the Regulator of Social Housing, deliver actions agreed in our Housing Revenue Account 30 Year Business Plan, and take the actions needed to meet the challenge, we, and other councils are facing with budget pressures for temporary accommodation.

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

'Together, Let's Deliver Quality Housing'

Let's provide housing which meets the varied needs of our residents

- Let's work together to tackle homelessness and rough sleeping in Lincoln
- Let's improve housing conditions for all
- Let's provide trusted, tenant-led landlord services
- Let's build thriving communities

What we will do:

We will deliver against the Housing Revenue Account 30 Year Business Plan priorities to build affordable homes, enhance our estates, reduce our carbon impact and improve the services that we provide to our tenants. We know that our tenants place core housing services such as repairs, caretaking and estate & tenancy management as a priority. We will continue to enhance these services and respond to the needs of our tenants. We will achieve an energy performance rating of C for all of our housing properties by 2030, protecting the environment, reducing our carbon footprint and making homes cheaper to run for our tenants. To continuously improve core services provided to our tenants we will follow the new consumer standards which fall under the Regulator of Social Housing. To do this we will continue to listen to our tenants and monitor their satisfaction with services received. We will make sure we understand and adapt to the diverse needs of our tenants, learn from complaints and make sure that information about landlord services is clear and accessible. We will use feedback and performance data to make changes and improvements to our services, policies and procedures. We have invested in replacing our ageing IT platform and digital services making it easier for tenants to request services, share information with us and be kept informed with progress and updates.

We will continue to prioritise the quality of our stock, decent homes standards, health and safety, adaptations, repairs, maintenance and planned improvements. Our estates are at the heart of our neighbourhoods and communities. We will invest in and improve the wider environment of our estates and ensure that these shared spaces are safe for all to enjoy.

Our 5-year Housing Investment Programme will ensure that we continue to meet our legal obligations as a landlord. We have already invested significantly over recent years to achieve the Decent Homes Standard and now we seek to maintain an enhanced Lincoln Standard. The 5-year housing programme amounts to £72.958m focusing on housing investment of £63.520m to develop and improve core housing services and supporting the Lincoln Standard, regeneration in our estates and neighbourhoods and reduce our carbon emissions and £9.438m for additional affordable housing.

As highlighted by the investment programme, Lincoln has ambition plans to address housing needs across the city. To deliver these, there needs to be capacity and construction skills to deliver locally. We will work with partners to develop and secure this resource.

Our approach to delivering Quality Housing will also help us achieve our climate change ambitions. In addition to our commitment to move all of our existing council home properties into an Energy Performance Certificate (EPC) rating of C or better by 2030, we will deliver against our dedicated Decarbonisation Strategy, invest in innovative new technology to proactively monitor housing conditions and actively pursue external funding opportunities for improvements to EPC ratings.

Housing has a critical impact on the health and wellbeing of local residents - both our tenants, private rented or owner occupier. Housing and Homelessness is one of the 5 key lever areas in the district role on health and wellbeing. Prevention of homelessness is a key priority and to meet the needs of people at risk of homelessness we must ensure we have a range of temporary accommodation options and minimise the use of bed and breakfast accommodation. Further work with local partners as a system to develop early interventions to prevent the need for homelessness will also take place. The Renters' Rights Bill aims to

[Type here]

transform the experience of private renting by giving renters greater security and stability so that they can stay in their homes for longer, build lives in their communities and avoid the risk of homelessness. We will adopt the powers within the Renters Rights Bill once this has become law to further regulate private sector housing to help reduce homelessness and to improve the health and wellbeing of residents.

Let's enhance our remarkable place

What this means and why this is a priority:

This priority covers a number of areas from our natural environment, parks and open spaces, grounds and street waste to culture, arts, events, heritage and leisure. We know that our public spaces and green spaces in the city centre and in local neighbourhoods are vitally important to our residents.

'Together, let's enhance our remarkable place'

- Let's show the world what Lincoln has to offer
- Let's cherish and enhance our natural environment and green spaces
- Let's preserve the unique character of our city
- Let's deliver a rich and varied cultural experience
- Let's provide interesting, exciting and vibrant places to enjoy

Three core areas of service delivery, Grounds Maintenance, Street Cleansing and Waste Collections are provided by significant contracts. We will prepare for these to be operational from Autumn 2026 and closely monitor to make sure they deliver value for money, and the outcomes expected to keep our city clean. We will also prepare for the changes to the way that waste is collected and processed as a result of the Environment Act 2022. Mandatory food waste collections set to be introduced in April 2026 will require an additional 2.4 million collections annually which is one of our biggest operational shifts in recent years. We will continue to provide our popular Garden Waste Collection subscription service. Our mixed dry recycling system is already aligned with the latest requirements, with further expansion planned to include plastic film collections by 2027. As we prepare for a new waste contract in September 2026 and explore options for a separate paper and card collection service in 2027, we remain committed to delivering an efficient and sustainable service.

We will work with our partners to find opportunities to introduce further greenery into the city centre and improve the physical environment and we will develop options for future enhancements at Hartsholme and Charterholme Country parks. We are committed to continue to plant trees and encourage wildflower meadows in a range of environments across the city to both tackle climate change and enhance our natural environment. We know that access to green and blue space is good for people's health, both for opportunities to be more physically active and just being outside in good quality green spaces has wider health benefits.

The Central Lincolnshire Sport & Leisure Strategy identifies the need for more leisure provision in the city and our current provision needs review and support. We will review leisure options with partners to assess opportunities for provision through making best use of existing assets and linking future opportunities.

Lincoln has a rich and varied array of cultural assets across the city. We will further develop our partnerships with Heritage Trust of Lincolnshire, tenants of these buildings and other partners to secure ways to protect and sustain these important heritage and cultural assets in the City.

We will explore new opportunities for arts, culture and events delivery by working with our partners to collectively maximise the impact of all our events in the City. Together we will build creative talent in the city that underpins the economic vitality of the city centre & uphill Lincoln. This will ensure the city becomes recognised for a variety of high-quality festivals throughout the year, bringing trade to the local economy for residents and tourists alike. These events will be developed, and a range of new events and festivals created, to keep the city centre and surrounding areas vibrant and dynamic.

Let's address the challenge of climate change

What this means and why this is a priority:

In July 2019, the City of Lincoln Council agreed a motion declaring a Climate and Environmental Emergency and in 2020, the Lincoln Climate Commission was formed. This brings together expertise, energy and ambition from a number of disciplines, stakeholders and communities to support the innovation needed to face this significant challenge. The Lincoln 2030 Climate Action plan will be successful through collaboration as no single organisation can directly influence all the emissions within our city. To make a difference requires action from across all sectors as well behaviour change from individuals. It is increasingly important to our residents, partners and members to address this issue by making changes to our daily lives to reduce emissions now and in the future. Our ambition for Lincoln is;

'Together, let's address the challenge of climate change'

- Let's maximise opportunities for achieving net zero carbon
- Let's reduce our carbon footprint
- Let's make our properties more energy efficient
- Let's work with others to make our infrastructure adaptable and resilient to climate change
- Let's encourage more walking, cycling, and public transport use in the city
- Let's ensure that our new developments set the standards for sustainability

As a council we will work with partners on the Lincoln Climate Commission to deliver the action plan, align policies and monitor delivery against this ambitious plan to support the people of Lincoln. Our ambition for Lincoln is to be a city that enables residents, visitors and businesses to live more sustainably. We will lead by example, supporting, enabling and empowering our workforce and our community to implement ways to reduce their own impact on the environment. We have committed to make our own properties more energy efficient, allocating funds from our Housing Investment Programme as well as seeking external funding opportunities. We will support behaviour change campaigns and initiatives that help reduce our collective carbon footprint and we will work with single use, plastic free leaders to help further enable us all to reduce our use of single use plastic. We know that people living in poverty are more affected by climate change because they cannot afford protections to mitigate the effects of environmental crises.

The scale of the challenge for addressing climate change cannot be underestimated. To really make a difference, interventions that help us to reduce our carbon footprint are included in actions across all of our Vision 2030 priorities. This includes funding applications to improve the SAP ratings of 200 homes within our own housing properties by providing solar power, replacement windows, loft insulation or air source heat pumps or making sure that new build homes are energy efficient and use sustainable materials. It also includes a focus in our places to improve the natural environment, through activities supporting estate regeneration or by finding ways to introduce more greenery across the city or planting more trees and wild flowers. The changes to the way waste is collected and processed, alongside awareness raising within our community on how they can take

[Type here]

climate action in their daily lives will also help. This cannot be achieved by the city council alone and we will work with partners to better understand the impacts of this in our city and seek to provide the support needed.

One Council

In Lincoln, our customers are at the heart of everything we do. We strive to make sure that when they access council services they have receive the support they need and have a good experience.

The delivery of our key priorities is underpinned by our 'One Council' approach which covers Organisational Development, Best Use of Assets, Technology and Creating Value Processes. This work programmes for these include;

- Understanding and meeting the needs of our many customers, including resident, visitors, businesses, workforce, public and voluntary organisations
- Embracing digital technologies so that customers can access information, check service updates and make requests when they want to, in the way they want to whilst making sure that equitable access is available for those who cannot or choose not to engage with digital services or technology.
- Delivering excellent and consistent customer services through multiple channels with customers choosing the most cost-effective method that meets their needs.
- Redesigning services and project delivery to maximise efficiencies and improve customer experience.

Over Vision 2030 we will building on our One Council approach to make sure that we continue to run our services effectively.

Our Finance

Our Vision and strategic priorities directly influence our financial approach. We keep reserves and balances at a prudent level, to ensure money is not left as dormant and inaccessible for the delivery of services that meet the needs of our residents and to progress ambitions for the city, but while still recognising the need to maintain our financial sustainability. Providing vital services now and using funds available to invest in the city is a key intervention to manage future demand and generate economic growth in the city.

Alongside allocation of funding to support Vision 2030 programmes the council's budget also supports the delivery of day to day services that support our priorities. Highlights for these include;

- Provision of a small business support team and workspaces for start-up and small businesses costing £0.240m per year.
- Provision of a Welfare Advice and Welfare Reform Support Services costing £310k per year enabling just under c£1.6m of additional benefits entitlement to be claimed within the City and administrating cost-of-living support schemes, financial inclusion projects and welfare advice.
- Maintaining a no change scheme in respect of Local Council Tax Support. The scheme still provides a maximum entitlement of 100% and costs the Council c£1.3m per year.
- Undertaking neighbourhood working, focusing on the Sincil Bank revitalisation, working in partnership and with the community to make it a better place to live and work, with a dedicated team and community chest funding of £0.218m per year.
- Delivery of Homelessness & Rough Sleeping Initiatives totalling £1.87m in 2025/26.

[Type here]

- Annual spend of c£2.3m on street cleansing covering 350km of roads/paths and 30,000sqm of pedestrian areas, including a new annual City Centre Spring Clean.
- Annual spend of c£3.7m on refuse and recycling, collecting from around 46,000 domestic properties.
- Annual spend of £1.6m on providing and maintaining parks and open spaces within the City, including Hartsholme County Park, Boultham Park, the Arboretum and the Lawn, recreational grounds and commons and Hope Wood.
- Provision of a range of public protection, regulatory and anti-social behaviour services focussed on ensuring community and environmental safety and protection of the built environment, totalling £1.8m per year, including delivery of a range of new measures designed to maintain a safe and vibrant city centre.
- Facilitating and delivering a range of climate change initiatives, through a dedicated Climate Change Manager.

We will continue to develop and implement a savings programme in order to deliver both savings needed in the short term and to prepare for longer-term targets. We will deliver this through our Towards Financial Sustainability (TFS) Programme which aims to bring our net service costs in line with available funding. Over the last decade and a half, we have delivered annual savings of nearly £10.5 million.

For more information on our budgets, you can find our Statement of Accounts and Medium Term Financial Strategy at www.lincoln.gov.uk

Insert graphic – Council Tax, where it goes

Core Values

Insert graphic and details

Our core values reflect our culture and our expectations for our services and policies. They are present in the way that we work with our residents, our partners and across our services. These values are intrinsic to what we do and we want these to be memorable, simple and clear. Put simply, our core values are;

GRAPHIC

- **Let's be approachable**
We will be accessible to all our residents and customers and will work with professionalism and compassion
- **Let's be innovative**
We will ensure our services are delivered in new and innovative ways
- **Let's be trusted to deliver**
We will be a Council that can be relied on to meet the needs of our residents and customers and each other.

Summary/ Final page

Through new ways of working we will deliver the following strategic priorities

[Type here]



These will be achieved by ensuring that our core values sit at the heart of professional, high performing, service delivery.

As set out at the beginning of our plan, we have developed this plan at the beginning of significant policy and governance changes nationally and we will revisit our plan and priority again in 2026/27.

Vision 2030 - Delivery Plan
12 - 18 months

Vision Priority	Aspiration	Programme/Project name	Brief description For aspiration over the 5 years	Dir.(s)	Overarching Action Vision 2030 12-18 months	Individual Projects / Sub- Actions for Vision 2030 12-18 months from April 2025	Finance Commentary	Financial Allocation to Vision 2030 Reserve 25/26 - one off cost £K	RI	Hsg	CC	RP	IG
Let's reduce all kinds of inequality	Let's work with partners and our communities to address the impacts and causes of poverty	Anti-Poverty Strategy and Action Plan	We will work with our partners to develop and implement an anti-poverty strategy and action plan to address both the impacts and causes of poverty in our city. This will support the immediate needs of our residents here and now as well as seeking to reduce poverty in the city over time. Our workstreams will include food, fuel, digital and hygiene poverty, accessibility, welfare and the impact of poverty on health & wellbeing, education and employment.	CX	Work with key partners to develop an anti-poverty strategy and action plan	1. Work with key partners to develop an anti poverty strategy and action plan 2. Deliver evidence based interventions as agreed in the strategy and action plan	Funding to deliver identified interventions will be needed as these develop. Funding opportunities and partnership support will also be explored. £40K is recommended for initial allocation This will be requested from UKSPF for consideration.	N/A	*	*	*		*
Let's reduce all kinds of inequality	Let's work with partners and our communities to address the impacts and causes of poverty	Cost of Living Support	Providing a range of support to residents of Lincoln through the cost of living crisis	CX	Continue to support residents with cost-of-living	Continue to develop and deliver local cost of living support activities linked with anti-poverty action plan development	Funded from existing budgets.	N/A	*				
Let's reduce all kinds of inequality	Let's help people succeed and support the most vulnerable in our city	Access to Training and employment	We will work with training providers, businesses and our partners to increase opportunities for local people to access training and employment. This will support the development of targeted training programmes to support staff on low pay and for disadvantaged groups. This will support careers advice in schools linked to our local economy and will improve community access to education and training providers with a particular focus on supporting adults into work.	ALL	Work with key partners to develop an anti-poverty strategy and action plan	1. Incorporate learning, best practice and opportunities into the developing Anti-Poverty & Inclusive Growth strategies 2. Develop and deliver a handyman scheme to assist vulnerable customers with repairs that are outside of the repairs policy and provide an outlet for basic improvements to their homes 3. Develop a workstream specifically focused on young people in the city 4. Review data and intelligence on the impacts on education, employment and economic inclusion from living with a long term condition or disability 5. Link initiatives with our own Workforce Development Programme, using our position as a large employer to support opportunities for our residents	Funding to deliver identified interventions will be needed as these develop. £20K is recommended for initial allocation. Funding opportunities and partnership support will also be explored.	N/A	*	*			*
Let's reduce all kinds of inequality	Let's help people succeed and support the most vulnerable in our city	Access to Training and employment - third sector support	We will support the development and promotion of advice, guidance and training offer to make sure our residents can access a greater training offer and opportunities to develop new skills. Collectively the support offered will help tackle poverty and provide opportunities for stable employment and career progression.	DMD	Work with key partners to develop an anti-poverty strategy and action plan	1. Incorporate learning, best practice and opportunities into the developing Anti-Poverty & Inclusive Growth strategies 2. Utilise our internal and external comms strategy alongside our partnerships and networks to share advice, guidance and development opportunities	linked with the above	ked with the abo	*				*
Let's reduce all kinds of inequality	Let's support our neighbourhoods and communities to thrive	Tackle Digital Exclusion	Lincoln has 5 of the top 10 and 8 of the top 20 most digitally deprived LSOAs in Lincolnshire. Lack of, or limited digital access impacts on education, skills & training, accessing health services, access to and applying for employment, social inclusion. This is a key focus of health partners for both prevention and tackling health inequalities. Support for Digital Inclusion in Lincoln will work across organisations including voluntary sector, DWP, faith and health partners – connecting existing provision for foodbanks, warm spaces, financial inclusion and digital support (access, provision, skills). A project that supports digital inclusion would also support the council's channel shift agenda.	CX	Work with partners to deliver interventions to reduce digital exclusion	1. Support the adoption and delivery of the Integrated Care System Digital Inclusion Strategy 2. Work with partners to deliver a programme of activity across Lincoln, connecting with community support schemes such as warm spaces, food banks, community hubs	Funding to deliver identified interventions will be needed as these develop. Funding opportunities and partnership support is available. £10K is recommended for initial allocation This will be requested from UKSPF for consideration.	N/A	*				*
Let's reduce all kinds of inequality	Let's support our neighbourhoods and communities to thrive	Neighbourhood Working 2025-2030	Lincoln's neighbourhoods are so important. We will continue to support local communities, neighbourhoods, community assets and service provision at a local level that meets the needs of, and engages with, local communities and partners on what matters to them now and in the future.	ALL	Further enhance the way we work with, listen to and support our neighbourhoods and communities	1. Manage transition activities from Sincil Bank in readiness for future neighbourhood working 2. Include learning and evidence from mini-neighbourhood renewal assessments and estate improvements into our focused neighbourhood management work 3. Develop actions and tools to make sure key messages are delivered across our neighbourhoods and communities and that meaningful mechanisms are in place to engage with and listen to our communities 4. Connect schemes across communities and community assets to deliver services, support and outreach effectively with our partners 5. Support the development of Portland Street Offices and adjacent buildings	Funded from existing revenue and capital budgets and external funding streams	N/A	*	*	*	*	*
Let's reduce all kinds of inequality	Let's support our neighbourhoods and communities to thrive	Supporting Ward Councillor's work in our neighbourhoods and communities	Support our local ward councillors role in community work at a local level by sharing guidance, tools, local information and best practice	CX	Further enhance the way we work with, listen to and support our neighbourhoods and communities	1. Refresh and expand current ward profiles 2. Develop a community engagement toolkit 3. Deliver training on the Community Toolkit for ward members	Funding to develop and design the toolkit alongside external training £10K is recommended. This will be requested from UKSPF for initial consideration.	N/A	*	*		*	*

Vision 2030 - Delivery Plan
12 - 18 months

Vision Priority	Aspiration	Programme/Project name	Brief description For aspiration over the 5 years	Dir.(s)	Overarching Action Vision 2030 12-18 months	Individual Projects / Sub- Actions for Vision 2030 12-18 months from April 2025	Finance Commentary	Financial Allocation to Vision 2030 Reserve 25/26 - one off cost £K	RI	Hsg	CC	RP	IG
Let's reduce all kinds of inequality	Let's improve the health and quality of life for people living in Lincoln	District Council role in Health and Wellbeing	District Council services have a significant impact on the health and wellbeing of our residents, particularly the 5 lever areas of; housing & homelessness, activity & wellbeing, environment & sustainability, economic inclusion & community engagement	ALL	Address health inequalities through our services and with our local health partners	1. Enhance use of data and capturing performance measures to clearly articulate and demonstrate the impact of district council services on health and wellbeing of our communities 2. Develop and implement a user-friendly outcome template, including options for both individual or programme case studies	Funded from existing budgets	N/A	*	*	*	*	*
Let's reduce all kinds of inequality	Let's improve the health and quality of life for people living in Lincoln	Collaboration with local health partners	Build on relationships with local health partners to ensure provision is accessible and meeting the needs of Lincoln residents – collaborating to address gaps or challenges as identified	ALL	Continue to engage with strategic partnerships and multi-agency processes to support and protect our residents	1. Continue to prioritise mental health support and awareness raising 2. Health Inequalities projects o be delivered following the outcome of pilot project bid and local discussions with new health inequalities manager at ICB. 3. Consider development of Lincoln Strategic Health & Wellbeing Framework - with links to neighbourhood working and place based interventions	Funded from exisiting budgets.	N/A	*				*
Let's reduce all kinds of inequality	Let's help people succeed and support the most vulnerable in our city	Collaboration with strategic partnerships and multi-agency working	Continue to engage with strategic partnerships and multi-agency process to support and protect our residents	ALL	Continue to engage with strategic partnerships and multi-agency processes to support and protect our residents	Work closely with system strategic partnerships to ensure that multi-agency processes and interventions support the needs of Lincoln residents 1. Safer Lincolnshire Partnership 2. Lincolnshire Integrated Care Partnership, Public Health & NHS partners 3. Lincolnshire Domestic Abuse Partnership 4. Lincolnshire Safeguarding Children Partnership 5. Lincolnshire Safeguarding Adults Board 6. Multi-agency case management work	Funded from existing budgets.	N/A	*	*			
Let's reduce all kinds of inequality	Let's help people succeed and support the most vulnerable in our city	To try to eradicate the need for rough sleeping in the city	To provide assistance, accommodation and support to those sleeping rough, or at risk of rough sleeping	DHI	Continue to engage with strategic partnerships and multi-agency processes to support and protect our residents	1.Deliver the actions in the City of Lincoln Homeless Strategy 2024-29 2. Deliver actions and interventions as set out in the Lincoln Homelessness Strategy 2024-29 3. RST provision to continue targeted work and support	Grant funding for Homelessness & Rough Sleeping totals £1.87m in 25/26	N/A	*	*			
Let's reduce all kinds of inequality	Let's help people succeed and support the most vulnerable in our city	To work with the government's and other relevant agencies with regard to National Asylum Dispersal Scheme and other Asylum Schemes.	We will work with LA partners/CVC/Health and Central Government to ensure necessary support is in place to receive individuals who may present or be placed to the City	DHI	Continue to engage with strategic partnerships and multi-agency processes to support and protect our residents	Continue to fulfil the Council's statutory obligations with regard to those individuals who present to the City Continue to provide evidence to government on the demand for suitable accommodation for vulnerable residents across the City Closely monitor external funding or initiatives provided by other agencies, for example the potential for LCC to remove HRS.	Funded from external funding allocations..	N/A	*	*			
Let's reduce all kinds of inequality	Let's help peeople feel safe and welcome in their communities	Safer Communities	To address anti-social behaviour and other community safety concerns across the city	DCE	Agree next steps to make the city centre and uphill area even safer day and night Agree next steps for Safer Communities work across the City	1. Agree next steps for Safer City Centre work through launching the evening economy strategy and finalising the overall partnership strategy for tackling crime and anti social behaviour 2. Include and develop a community safety workstream in neighbourhood working proposals - which covers both private residents and tenants 3. Develop place based action plans and interventions to support evidence based emerging challenges - including environmental issues.	Additional posts were previously funded through 50% Safer Streets 5 and 50% Vision 2025 Reserve Funding is in place until March 2025. From April 2026 the full cost would fall to the City Council. For 25/26 this is a shortfall in funding of £91.3k p,a for 2 x PPSAB Officers	95	*	*		*	
Let's drive inclusive economic growth	Let's build a strong, viable, inclusive and prosperous future for Lincoln Let's attract investment Let's continue to help businesses and communities prosper Let's support a culture of innovation and collaboration Let's support opportunities for skills, education and employment	Inclusive Economic Growth Strategy	An Inclusive Economic Growth Strategy will set out how we will address economic inequalities in the city and support our residents through a range of interventions	DMD	Develop an Inclusive Economic Growth Strategy and delivery plan.	Develop an Inclusive Economic Growth Strategy and action plan to include; 1. Links with anti-poverty strategy 2. Investment/Marketing Strategy 3. Business Support Strategy 4. Commercially successful Cornhill Market / City Square offer 5. Infrastructure Strategy 6. Housing Strategy 7. Low Carbon development 8. Tackling health inequalities through economic drivers 9. Skills based initiatives 10. Deliver outputs with partners from Town Fund 11. Deliver outputs with partners from UKSPF 12. Sector development work - advanced manufacturing/LSIP/Innovation/Spark/Visitor Economy/Construction/health	Funding to develop and deliver key interventions will be needed as this develops. This amount is a recommended allocation from the Vision 2030 Reserve which can be drawn upon once initiatives are determined and approved subject to business case.	50	*	*	*	*	*
Let's drive inclusive economic growth	Let's build a strong, viable, inclusive and prosperous future for Lincoln	City Centre Masterplan	The City Centre Masterplan is an important document influencing development, policy and delivery. The completion of the new CCMP will facilitate the delivery of new schemes across the city	DMD	Develop a City Centre Masterplan	1. Complete the master planning work 2. Deliver a feasibility study and preferred delivery for Tentercroft Street 3. Deliver feasibility work for Wigford Way preferred scheme 4. Implement new governance arrangements - including developing the Town Deal Board into new Lincoln Place Board 5. Facilitate and directly deliver as appropriate the Council schemes within the new CCMP	Funded from existing budget. £75,000 allocated in earmarked reserve	N/A		*	*	*	*

Vision 2030 - Delivery Plan
12 - 18 months

Vision Priority	Aspiration	Programme/Project name	Brief description For aspiration over the 5 years	Dir.(s)	Overarching Action Vision 2030 12-18 months	Individual Projects / Sub- Actions for Vision 2030 12-18 months from April 2025	Finance Commentary	Financial Allocation to Vision 2030 Reserve 25/26 - one off cost £K	RI	Hsg	CC	RP	IG
Let's drive inclusive economic growth	Let's build a strong, viable, inclusive and prosperous future for Lincoln Let's attract investment	Charterholme	Charterholme is the creation of an inclusive and sustainable new community within the heart of Lincoln, providing 3,200 new homes, a local centre with a range of neighbourhood service provision including a new primary school and new recreation and commercial opportunities. Work on site commenced in 2023 with the first junction and access from Skellingthorpe Road. The first phase of 52 homes is now underway on Council-owned land accessed from this junction. At the same time, work is also now well underway to construct the new access and bridge over the railway from Tritton Road to the east of the site. This access will provide the opportunity to open up the wider site and to deliver the associated site wide infrastructure, including the spine route to connect the 2 junctions.	DMD	Continue to develop and progress work within Charterholme by delivering the Bridge onto the site	1. Delivery of the first 52 market homes on Phase1a Skellingthorpe Road 2. Delivery of the Tritton Road all purpose bridge 3. New branding and comms for Charterholme 4. Secure funding to deliver the spine road and associated infrastructure 5. Finalise the design and planning process for the site wide infrastructure to enable delivery from 2026 (subject to funding) 6. Secure development partners to work with us over the next 10-15 years to deliver the housing pipeline 6. Support the Leisure Strategy with Charterholme component	Funded from existing budget. Significant capital expenditure from both HRA and GF - current budgets in MTFS are £21m Part way through process of securing Homes England repayable grant to fund whole package of infrastructure works to open up potential delivery of 1000 homes on CLC land	N/A		*	*	*	*
Let's drive inclusive economic growth	Let's continue to help businesses and communities prosper Let's support a culture of innovation and collaboration	Digital City	Lincoln's sustainable and inclusive economic growth is centred on it becoming a smart place that is truly digitally enabled. Having smart digital networks will support business innovation as well as access to transport, healthcare and a range of other services. We will work with partners to implement this digital network to ensure access for all across the city.	DMD	Finalise the programme of work for digital city	1. Continue to support private sector investment in fixed ibre provision to premises/homes across the city 2. Review outcomes from the delivery pf the Lincoln Made Smarter & Lincoln Connected projects for any good practice that can shared or included in tackling digital exclusion	Funded from existing budget.	N/A	*				*
Let's drive inclusive economic growth	Let's continue to help businesses and communities prosper	City Centre Vibrancy - Cornhill Market & City Square	By restoring the grade II Cornhill Market and City Square, we will create a strong, sustainable indoor and outdoor market offer in Lincoln. This will create an anchor destination within the Cornhill Quarter which will support high quality independent trading, promoting local produce and start-up retail and creative businesses.	DMD	Active marketing and events to promote footfall in Cornhill Market and City Square. Support packages of varying types including training to support start-up, fledgling and small retail/service based businesses as part of supporting the development of independent businesses needed to maintain a vibrant and thriving modern city centre. Support to cultural and community groups within the market building to promote the community aspects of the space.	1. Reboot Cornhill Market business plan following the first 9 months of being operational 2. Create a 12 months events package in collaboration with market traders 3. Engage with a marketing agency ot amplify Cornhill Market as a destiantion 4. Engage with cultural organsisations, such as Zest to engage with young people 5. Introduce Teenage Market to Lincoln to facilate early entry to market for young people	Funding allocated to support activity in the Cornhill Quarter	50				*	*
Let's drive inclusive economic growth	Let's continue to help businesses and communities prosper	Small Business Growth & Support	Building upon the support we already provide to start up and small businesses, we will continue to develop our workspaces and business premises offer so that businesses of all sizes and types can make Lincoln their home. Lincoln Science and Innovation Park, alongside BG Futures, Mosaic and Spark house will continue to drive partner collaboration in support of small businesses.	DMD	We will continue to support small businesses	1. Rescope offers part of the Inclusive Economic Development Strategy. 2. Continued delivery of the small business support strategy programme 3. Re-procure Think Tank concession contract	Links with funding allocated for interventions following the development of the Inclusive Growth Strategy	N/A					*
Let's drive inclusive economic growth	Let's continue to help businesses and communities prosper	Central Car Park	We will modernise the operations in our Central Car Park by replacing our end of life payment infrastructure with pdated technology in our ticket machine which will improve customer experience. We will also invest in improvements to pedestrian access and additional safety measures.	DCE		1. resolve remaining issues associated with fabric of the building - lifts, cracking, waterproof surfaces 2. Replace payment and access system 3. Undertake some essential safety works	Funded from existing budget 100K funded from existing budget (Revenue surplus) In addition there is £150k , funded through borrowing, approved for the lift replacements (if required).	N/A				*	*
Let's drive inclusive economic growth	Let's support opportunities for skills, education and employment	Devolution	Influence the development of strategies and actions under the remit of the Greater Lincolnshire Combined County Authority so that it supports the needs of the city now and in the future.	ALL	Support and influence the development of a strategy for skills development and economic growth under the Greater Lincolnshire Devolution Agreement	1. Support and influence the development of a strategy for skills development and economic growth under the Greater Lincolnshire Devolution Agreement	Funded from existing budget - officer time.	N/A	*				*
Let's drive inclusive economic growth	Let's continue to help businesses and communities prosper	Events in Lincoln	Events support the vibrancy of our city by providing an all-year-round cultural experience for visitors and residents that cements Lincoln as a key destination locally, regionally and nationally	DCE DMD	Develop a sustainable free for all events programme for the City	Develop a sustainable free for all events programme for the City	Links with Remarkable Place and the funding allocated to the events programme	N/A				*	*
Let's deliver quality housing	Let's provide housing which meets the varied needs of our residents	Housing Pipeline for Lincoln - continue to develop new homes across the city and add additional homes to our stock	Over the next 15-20 years we will deliver housing priorities for Lincoln - including council housing and other tenures to facilitate quicker delivery across all housing needs in the city	DMD DHI	Deliver against the Housing 30 Years Business Plan priorities and commitments in relation to the provision of additional homes in our stock. Develop new Housing Strategy for the City in line with Central Lincolnshire Local Plan and new MCA.	1. Secure development partners to work with us over the next 15-20 years to deliver a housing pipeline for Lincoln - including council housing and other tenures to facilitate quicker delivery across all housing needs in the city. 2. Continue to develop new homes across the City and add, net, additional homes to our stock - achieving circa 50 per annum 3. Launch new Housing Startegy for the City.	Funded from existing budget as agreed through HRA Business Plan and Homes England grant where available.	N/A		*			*
Let's deliver quality housing	Let's provide housing which meets the varied needs of our residents	Developing skills locally to deliver housing	Lincoln has ambition plans to address housing needs across the city. To deliver these, there needs to be capacity and skills to deliver locally. Working with partners we will develop proposals to develop and secure this resource.	DMD	Investigate ways that we can work with partners to develop local construction skills to support delivery of new homes	Develop proposals for developing skills locally to deliver housing	Funding to deliver will be needed once interventions are determined (likely 26/27 for delivery). Links with Reducing Inequality and Inclusive Growth programmes and budget allocations.	N/A	*	*			*

Vision 2030 - Delivery Plan
12 - 18 months

Vision Priority	Aspiration	Programme/Project name	Brief description For aspiration over the 5 years	Dir.(s)	Overarching Action Vision 2030 12-18 months	Individual Projects / Sub- Actions for Vision 2030 12-18 months from April 2025	Finance Commentary	Financial Allocation to Vision 2030 Reserve 25/26 - one off cost £K	RI	Hsg	CC	RP	IG
Let's deliver quality housing	Let's work together to tackle homelessness and rough sleeping in Lincoln	Temporary Accommodation	Prevention of homelessness is a key priority and to meet the needs of people at risk of homelessness we must ensure we have a range of temporary accommodation options and minimise the use of bed and breakfast accommodation. Further work with local partners as a system to develop early interventions to prevent the need for homelessness will also take place.	DHI DCE	Research, review and develop proposals to address the temporary accommodation challenges we are facing Review options for tackling even more empty homes in the private sector. (DCE)	Review options and agree proposals to address Temporary Accommodation (TA) Challenges Develop proposals for short, medium and long term options for increasing TA and Move On Accomadation. This can include, but not limited to; 1) review smaller available sites in and around existing stock and within the HRA. 2) consider modular temporary units for short alleviation of emergency short term TA and reduce TA costs. 3) Review options for tackling even more empty homes in the private sector.	Temporary Accommodation is a significant cost pressure is within the General Fund. We will consider an invest to save process which sees potential options for accommodation being provided in the HRA stock which will result in lower recharges to the GF. Capital receipts and/or borrowing could be utilised for invest to save initiatives.	N/A	*	*	*		*
Let's deliver quality housing	Let's provide trusted, tenant-led landlord services Let's provide housing which meets the varied needs of our residents Let's improve housing conditions for all	Housing Revenue Account 30 Year Business Plan	The new 30 year business plan sets out the income and expenditure plans for the delivery of council housing until 2054 with a focus on 4 main objectives; - Core Housing Services - New Homes - Estate Regeneration - Decarbonisation	DHI	Deliver against the Housing Revenue Account 30 Years Business Plan	Progress delivery of the Housing 30 Year Business Plan including; a) Estate & Neighbourhood Regeneration b) Accommodation- delivering new homes c) Decarbonisation - addressing climate change d) Service Improvement - develop and improve core Houisng Services	HRA BP has £266m available across the plan period, with £38m unallocated resources in 5-year MTFS Rent levels assumed at CPI+1% - now being consulted by new Govt. New borrowing and grants are also included for consideration. Service charges review will increase revenue for core services.	N/A		*	*	*	*
Let's deliver quality housing	Let's improve housing conditions for all	Housing and Health	Housing has a critical impact on the health and wellbeing of local residents - both our tenants, private rented or owner occupier. Housing and Homelessness is one of the 5 key lever areas in the district role on health and wellbeing	DHI DCE CX	Seek to improve the quality of existing properties across all tenures to reduce the cost of poor housing to health, care and society	1. Support, deliver or facilitate activity to improve the quality of existing properties across all tenures and reduce the cost of poor housing to health, care and society. 2. Work closely with system strategic partnerships to ensure that multi-agency processes and interventions support the needs of Lincoln residents	Funding to deliver identified interventions will be needed once determined. Funding opportunities and partnership support will also be explored. Links with action that may be needed to implement the powers within the Renters Rights Bill (below) as well as action within our own housing stock	N/A	*	*			
Let's deliver quality housing	Let's improve housing conditions for all	Renters Rights Bill	The Renters' Rights Bill aims to transform the experience of private renting by giving renters greater security and stability so that they can stay in their homes for longer, build lives in their communities and avoid the risk of homelessness	DCE	Adopt the powers within the Renters Rights Bill once made into law to further regulate private sector housing.	Adopt the powers within the Renters Rights Bill and assess the new investigatory powers proposed for councils in relation to private sector housing. Impacts include; a) No fault evictions b) Decent Homes Standards for private sector c) Awaabs Law - statutory timeframe for landlords to make homes safe d) New Private Sector Ombudsman Service e) New investigatory powers	Funding to deliver identified interventions will be needed as these develop and as new powers come into force. Links with action above where housing conditions impact health and wellbeing. This will be reviewed if additional external funding becomes available. Funds are allocated to support transition into new operations	30	*	*		*	
Let's enhance our remarkable place	Let's cherish and enhance our natural environment	Grounds Maintenance, Street Cleansing and Waste Collection Contracts	These three core areas of service delivery are provided by a significant contract that was re-procured in 2024. Significant preparations for mobilisation need to be made to be operational from September 2026.	DCE	Implement the new Grounds Maintenance, Street Cleansing and Waste Collections Contracts	1. Implement the new Grounds Maintenance, Street Cleansing and Waste Collections Contracts 2. Consider the staffing structure to ensure that NEC4 contract demands can be met and serviced, so as to ensure high quality service delivery and mitigate against potential contractual claims. 3. Link with opportunities for channel shift	Contract Start Date Sept 26 Levels of new Burdens funding support remain uncertain contract base prices- Summer 24 Need further information from Government on Green Waste and Food Waste. These are identified risks in the MTFS	N/A				*	
Let's enhance our remarkable place	Let's cherish and enhance our natural environment	Environment Act 2022 - operational changes	There are significant national and county wide changes coming to the way that waste is collected and processed.	DCE	Implement the new Grounds Maintenance, Street Cleansing and Waste Collections Contracts	1. Assess the impact of the new Environment Act 2022 and the changes needed for a new Food Waste service from April 2026 2. Assess the impact of the new Environment Act 2002 and the position on paper and card collections in the future	This is to be confirmed and is subject to ongoing interventions with LCC	N/A			*	*	
Let's enhance our remarkable place	Let's cherish and enhance our natural environment	Greening the City	We will work with our partners to assess opportunities to introduce further greenery into the city centre and improve the physical environment	DCE DMD DHI	Include options for Greening the City Centre as part of the City Centre Masterplan and identify some 'quick win' opportunities	1. Include options for Greening the City as part of the City Centre Masterplan as a specific theme 2.Review opportunities for interim greening activity - including opportunities for external funding 3. Review opportunities for links and funding with nature on prescription initiatives 4. Undertake scoping exercise for Gateway Park/ Green Space	Funding for for interim options is needed while larger plans are developed. This amount is a recommended allocation from the Vision 2030 Reserve which can be drawn upon once initiatives are determined and approved subject to business case. Concept project valued at £400K Up to £1 million would make a significant difference Funding opportunities and partnership support will also be explored. This amount is a recommended allocation from the Vision 2030 .	50			*	*	*

Vision 2030 - Delivery Plan

12 - 18 months

Vision Priority	Aspiration	Programme/Project name	Brief description For aspiration over the 5 years	Dir.(s)	Overarching Action Vision 2030 12-18 months	Individual Projects / Sub- Actions for Vision 2030 12-18 months from April 2025	Finance Commentary	Financial Allocation to Vision 2030 Reserve 25/26 - one off cost £K	RI	Hsg	CC	RP	IG
Let's enhance our remarkable place	Let's cherish and enhance our natural environment	Green Masterplan	A Green masterplan for Hartsholme and Charterholme Country Parks will develop options for the future enhancement of these	DCE DMD	Undertake preliminary green masterplan work on Hartsholme and Charterholme Country Parks for their future enhancement	To prepare for the delivery of a conservation management plan in advance of a full masterplanning exercise covering both Hartsholme Country Park and Charterholme	First 12-18 months is preliminary work only. For future years / next steps, funding for a minimum £100K in consultancy to develop -supporting strategies -consultation -concept design -funding applications Note - subject to final designs, final project could well cost in excess of £10million	10			*	*	*
Let's enhance our remarkable place	Let's deliver a rich and varied cultural experience Let's provide interesting, exciting and vibrant places to enjoy	Arts Culture & Events	Develop a programme that builds creative talent in the city that underpins the economic vitality of the city centre & uphill Lincoln. This will ensure the city becomes recognised for a variety of high-quality festivals throughout the year, bringing trade to the local economy for residents and tourists alike. These events will be developed, and a range of new events and festivals created, to keep the city centre and surrounding areas vibrant and dynamic.	DCE DMD	Explore opportunities for arts, culture and events delivery by working with our partners to collectively maximise the impact of all our events in the City	1. Review opportunities for arts, culture and events delivery, working with our partners to collectively maximise the impact of all our events in the City. 2. Commission an evaluation tool to help measure the impact and value of events to help shape strategic direction of future event programmes	Current events programme is approx. £275kpa Approx £150K of this is allocated for Christmas lights until Christmas 2025 Funding of an additional £10K for evaluation tool will be allocated from the Vision 2030 Reserve for 25/26.	10				*	*
Let's enhance our remarkable place	Let's preserve the unique character of our city	Heritage & Cultural Asset Programme	There are a rich and varied array of cultural assets across the city. We will further develop our partnerships with Heritage Trust of Lincolnshire, tenants of these buildings and other partners to secure ways to protect and sustain heritage and cultural assets in the City	DCE DMD CX	<u>Research and assess ways to protect and sustain heritage and cultural assets in the City</u>	1. Review progress with our Heritage Asset Programme and review priorities & opportunities should further grant funding be available 2. Commission bespoke stock condition assessments for our ancient monuments e.g. Roman Walls 3. Work with Heritage Lincs Trust where further grant funding opportunities arise 4. To complete the renovation of Greyfriars	12-18 months focus is on review of progress and options - not currently on immediate interventions/delivery. Initial activity will be on condition surveys linked to the budget allocated to this work across all our assets.	N/A				*	*
Let's enhance our remarkable place	Let's provide interesting, exciting and vibrant places to enjoy	Leisure Strategy	The Central Lincolnshire Sport & Leisure Strategy identifies the need for more leisure provision in the city. Additionally, our current provision needs review and support. We will review leisure options with partners to assess opportunities for provision - making best use of existing assets and linking future opportunities.	DCE DMD	Develop a proposal for Yarborough Lesiure Centre and Birchwood Leisure Centre by 2030 that addresses the issues associated with these ageing assets	1. Develop contingency options for delivery of current leisure provision given the ageing facilities and continued challenges facing the sector 2. Develop investment options to take facilities beyond current operational life of 2030 (YLC) 3. Wider longer term strategy debate on role of city council in leisure provision for a future discussion prior to role out of above investment strategy 4. Building on work by Central Lincolnshire on a Built Facility Strategy and a Playing Pitch Strategy, to consider the scope and breadth of further strategy work related directly to the provision of a leisure village on Charterholme in accordance with the existing planning condition for the site.	Costs for contingency options will be determined as these options are reviewed and developed. Funding allocated for Strategy Development	90	*		*	*	
Let's enhance our remarkable place	Let's cherish and enhance our natural environment	Tree planting and wild flower meadows	We are committed to continue to plant even more trees in a range of suitable environments across the city over the next five years – not just to help tackle climate change but also to enhance our natural environment.	DCE	Continue to develop Hope Wood as the City's newest woodland site	1. Continue planting in the first 12-18 months of Vision2030, with Hope Wood being a particular focus 2. Further develop areas covered by wildflower planting.	Links to existing schemes and projects - including Greening the City and Climate change.	N/A			*	*	
Let's address the challenge of Climate Change	Let's maximise opportunities for achieving net zero carbon	Work with partners on the Lincoln Climate Commission and deliver our Climate Action Plan	In 2019 we declared a Climate and Environmental Emergency and the Lincoln Climate Commission was established in 2020 to harness the collective energy, vision and ambition of key stakeholders across Lincoln to deliver a step-change in its response to the climate emergency. The Commission provides the opportunity to ensure policies align with stated aims, and to monitor delivery against a realistic yet ambitious action plan, that ultimately supports the people of Lincoln.	DMD		1. Continue to work with the Lincoln Climate Commission and delivery of our Climate Action Plan. 2. Refresh and develop further climate actions, and measures for inclusion across priorities and service plans	Funded from existing budgets. 20K per annum allocated in specific earmarked reserve.	N/A			*		
Let's address the challenge of Climate Change	Let's maximise opportunities for achieving net zero carbon Let's reduce our carbon footprint	Support behaviour change to Reduce Carbon Footprint and to deliver interventions that support our Climate Action Plan	Our ambition for Lincoln is to be a city that enables residents, visitors and businesses to live more sustainably. We will lead by example; supporting, enabling and empowering our workforce and out community to implement ways to reduce their own impact on the environment.	DMD	Deliver a Carbon Reduction campaign to support behaviour change both internally in our services and to support our residents to reduce their carbon footprint	1. Deliver a campaign to support behaviour change both internally in our services and to support our residents to reduce their carbon footprint 2. Pilot carbon literacy programme for businesses in the city to support their carbon reduction journey.	Funding to deliver campaigns and initiatives will be needed as these develop, including plastic free work and climate literacy.	45			*		*

44

Vision 2030 - Delivery Plan
12 - 18 months

Vision Priority	Aspiration	Programme/Project name	Brief description For aspiration over the 5 years	Dir.(s)	Overarching Action Vision 2030 12-18 months	Individual Projects / Sub- Actions for Vision 2030 12-18 months from April 2025	Finance Commentary	Financial Allocation to Vision 2030 Reserve 25/26 - one off cost £K	RI	Hsg	CC	RP	IG
Let's address the challenge of Climate Change	Let's reduce our carbon footprint	Single Use Plastics	The council and its partners are going to be single use plastic free. We will work with single use plastic free community leaders, that will help to further enable the community to reduce their use of single use plastic. We will carry out a plastic free audit and identify replacements where possible across all the council's premises.	DMD	We will take a robust approach to reducing single use plastic	Take a robust and targeted approach to reducing single use plastic by; 1. Annual review and update of the CoLC Single Use Plastic Audit and Action Plan 2. Supporting the Plastic Free Lincoln Steering group to apply for Plastic Free Lincoln	Linked to the above.	N/A			*	*	
Let's address the challenge of Climate Change	Let's ensure that our new developments set the standards for sustainability Let's make our properties more energy efficient	Maximising carbon reduction in shaping, designing and delivering new development	The Council's ambition is to demonstrate through its own new developments the implementation of reduced/net zero carbon initiatives and principles - in shaping, designing, implementing and then operating developments where feasible.	DMD DHI DCE	Shape and deliver new developments to cut their climate change impact as much as feasible whilst maximising opportunities for net zero carbon subject to Government Policy	1. Minimising carbon footprint on Charterholme development e.g. bridge/housebuilding 2. Energy efficient homes with sustainable materials and delivery - e.g. Jasmin Green 3. New homes on Boultham Park Road - EPC A rated.	Funded from existing budgets.	N/A		*	*		*
Let's address the challenge of Climate Change	Let's make our properties more energy efficient	Warm Homes Social Housing Fund	The Council has committed to make our own properties more energy efficient. An application has been submitted to Warm Homes Social Housing Fund Wave 3 to target 200 homes within our housing stock with a SAP rating of Band D or below. This work will deliver insulation and low carbon heating works to increase the SAP (Standard Assessment Procedure) rating of these properties into Band C or above.	DHI	Improve the energy efficiency of our properties	Subject to funding bid outcome, work will be delivered through a framework contract between July 2025 and June 2026 and will include: 1) 191 Properties to receive Solar PV including batteries 2) 79 Properties to receive replacement Windows 3) 66 Properties to receive loft insulation top-ups 4) 14 Properties to receive Air Source Heat Pumps	Subject to outcome of funding application Funded from external funding and exissting budget Grant Request - £1,929,411 Council contribution - £2,346,660 Total project funding - £4,276,071	N/A		*	*		
Let's address the challenge of Climate Change	Let's maximise opportunities for achieving net zero carbon	Poverty & Climate Change		CX DMD	Assess the links between poverty and climate change to help deliver interventions within Lincoln's communities.	Review the links between poverty and climate change to assist with delivering the anti-poverty action plan	Links with Anti Poverty Strategy and action plan	N/A	*		*		*
Let's address the challenge of Climate Change	Let's cherish and enhance our natural environment	Greening the City		DCE DMD DHI	Include options for Greening the City Centre as part of the City Centre Masterpan and identify some 'quick win' opportunities	1. Include options for Greening the City as part of the City Centre Masterplan as a specific theme 2.Review opportunities for interim greening activity - including opportunities for external funding 3. Review opportunities for links and funding with nature on prescription initiatives 4. Undertake scoping exercise for Gateway Park/ Green Space	Funding for for interim options is needed while larger plans are developed. This amount is a recommended allocation from the Vision 2030 Reserve which can be drawn upon once initiatives are determined and approved subject to business case. Concept project valued at £400K Up to £1 million would make a significant difference Funding opportunities and partnership support will also be explored. This amount is a recommended allocation from the Vision 2030 .	As above			*	*	*
Let's address the challenge of Climate Change	Let's cherish and enhance our natural environment	Green Masterplan	A Green masterplan for Hartsholme and Charterholme Country Parks will develop options for the future enhancement of these	DCE DMD	Undertake preliminary green masterplan work on Hartsholme and Charterholme Country Parks for their future enhancement	To prepare for the delivery of a conservation management plan in advance of a full masterplanning exercise covering both Hartsholme Country Park and Charterholme	Funding for a minimum £100K in consultancy to develop -supporting strategies -consultation -concept design -funding applications First 12-18 months is preliminary work only. This sum may not be needed in full Note - subject to final designs, final project could well cost in excess of £10million	As above			*	*	*
Let's address the challenge of climate change	Let's cherish and enhance our natural environment	Environment Act 2022 - operational changes	There are significant national and county wide changes coming to the way that waste is collected and processed.	DCE	Implement the new Grounds Maintenance, Street Cleansing and Waste Collections Contracts	1. Assess the impact of the new Environment Act 2022 and the changes needed for a new Food Waste service from April 2026 2. Assess the impact of the new Environment Act 2002 and the position on paper and card collections in the future	This is to be confirmed and is subject to ongoing interventions with LCC	N/A			*	*	
Let's address the challenge of climate change	Let's cherish and enhance our natural environment	Tree planting and wild flower meadows	We are committed to continue to plant even more trees in a range of suitable environments across the city over the next five years – not just to help tackle climate change but also to enhance our natural environment.	DCE	Continue to develop Hope Wood as the City's newest woodland site	1. Continue planting in the first 12-18 months of Vision2030, with Hope Wood being a particular focus 2. Further develop areas covered by wildflower planting.	Links to existing schemes and projects - including Greening the City and Climate change.	N/A			*	*	
Let's address the challenge of climate change	Let's provide trusted, tenant-led landlord services Let's provide housing which meets the varied needs of our residents Let's improve housing conditions for all	Housing Revenue Account 30 Year Business Plan	The new 30 year business plan sets out the income and expenditure plans for the delivery of council housing until 2054 with a focus on 4 main objectives; - Core Housing Services - New Homes - Estate Regeneration - Decarbonisation	DHI	Deliver against the Housing Revenue Account 30 Years Business Plan	Progress delivery of the Housing 30 Year Business Plan including; a) Estate & Neighbourhood Regeneration c) Decarbonisation - addressing climate change	HRA BP has £266m available across the plan period, with £38m unallocated resources in 5-year MTFS Rent levels assumed at CPI+1% - now being consulted by new Govt. New borrowing and grants are also included for consideration. Service charges review will increase revenue for core services.	N/A		*	*	*	*

Vision 2030 - Delivery Plan
12 - 18 months

Vision Priority	Aspiration	Programme/Project name	Brief description For aspiration over the 5 years	Dir.(s)	Overarching Action Vision 2030 12-18 months	Individual Projects / Sub- Actions for Vision 2030 12-18 months from April 2025	Finance Commentary	Financial Allocation to Vision 2030 Reserve 25/26 - one off cost £K	RI	Hsg	CC	RP	IG
Let's address the challenge of climate change	Let's support our neighbourhoods and communities to thrive	Neighbourhood Working 2025-2030	Lincoln's neighbourhoods are so important. We will continue to support local communities, neighbourhoods, community assets and service provision at a local level that meets the needs of, and engages with, local communities and partners on what matters to them now and in the future.	ALL	Further enhance the way we work with. listen to and support our neighbourhoods and communities	2. Include learning and evidence from mini-neighbourhood renewal assessments and estate improvements into our focused neighbourhood management work 3. Develop actions and tools to make sure key messages are delivered across our neighbourhoods and communities and that meaningful mechanisms are in place to engage with and listen to our communities 4. Connect schemes across communities and community assets to deliver services, support and outreach effectively with our partners	Funded from existing revenue and capital budgets and external funding streams	N/A	*	*	*	*	*
Let's address the challenge of climate change	Let's build a strong, viable, inclusive and prosperous future for Lincoln Let's attract investment	Charterholme	Charterholme is the creation of an inclusive and sustainable new community within the heart of Lincoln, providing 3,200 new homes, a local centre with a range of neighbourhood service provision including a new primary school and new recreation and commercial opportunities. Work on site commenced in 2023 with the first junction and access from Skellingthorpe Road. The first phase of 52 homes is now underway on Council-owned land accessed from this junction. At the same time, work is also now well underway to construct the new access and bridge over the railway from Tritton Road to the east of the site. This access will provide the opportunity to open up the wider site and to deliver the associated site wide infrastructure, including the spine route to connect the 2 junctions.	DMD	Continue to develop and progress work within Charterholme by delivering the Bridge onto the site	1. Delivery of the first 52 market homes on Phase1a Skellingthorpe Road 2. Delivery of the Tritton Road all purpose bridge 3. New branding and comms for Charterholme 4. Secure funding to deliver the spine road and associated infrastructure 5. Finalise the design and planning process for the site wide infrastructure to enable delivery from 2026 (subject to funding) 6. Secure development partners to work with us over the next 10-15 years to deliver the housing pipeline 6. Support the Leisure Strategy with Charterholme component	Funded from existing budget. Significant capital expenditure from both HRA and GF - current budgets in MTFS are c£21m Part way through process of securing Homes England repayable grant to fund whole package of infrastructure works to open up potential delivery of 1000 homes on CLC land	N/A		*	*	*	*
One Council - Internal Priority		Workforce Development	There are significant challenges across the Local Government Sector with recruitment and retention of staff with the skills to deliver statutory requirements and local priorities. Prolonged use of agency staff is not sustainable.	CX		Implement Workforce Development Strategy & action plan - including activity to reduce agency usage, build resilience and grow our own – linking sector and service specific opportunities	Funded from existing budget. Allocated to reservices £45k corporate training, £90kprofessional trainee scheme £28k staff wellbeing	N/A					
One Council - Internal Priority		Communications Strategy	We will make sure that our communication and engagement with residents, stakeholders and staff is accessible	CX		Agree a new Internal & External Comms Strategy and implement action plan and standards	£52,230 in 25/26 - one off then ongoing budget pressure c£215k over remaining period of MTFS. is needed to make the Fixed Term post permanent and deliver member aspirations for local comms and social media presence. This can either be allocated as a one-off pilot or, if the establishment is permanently increased, the savings target will be impacted.	52					
One Council - Internal Priority		Connect with our Communities	We will make sure that work in our communities and neighbourhoods is based on local need, involvement and collaboration	ALL		Focus on ensuring messaging reaches our local neighbourhoods and residents know what is being delivered and the difference being made. Link with future of neighbourhood working developments Support activity that captures views and voices from local residents	link with external comms and member engagement	N/A	*	*	*	*	*
One Council - Internal Priority		Government Policy	The change in Government will see changes in policy and guidance. We will respond to consultation to help shape this where we can and be ready to implement changes to local delivery as necessary.	ALL		Review new and emerging Government Policy that support Lincoln's priorities and ambitions	Funded from existing budget.	N/A	*	*	*	*	*
One Council - Internal Priority		ICT Infrastructure	There are some are some key areas within the council's ICT provision that need to be considered and implemented to sustain service beyond early 2025 and into Vision 2030.	CX		Invest in core ICT infrastructure to sustain service delivery in a cost effective way - reviewing core infrastructure platform, desktop equipment and provision of applications. 1. Agree options for core infrastructure post November 25 2. Deliver Housing IT platform change. 3. Progress SaaS delivery where the business case is clear for priority legacy systems 4. Progress Unit4/Agresso SaaS 5. Prepare options for device replacement programme for 26/27 onwards 6. Agree options for network edge replacement in line with use of City Hall	The pressure identified for 25/26 is to maintain service provision and has been built into the 25/26 budget proposals.. A report to Executive will be presented to request the use of Capital Receipts to fund the first wave of device replacement for GF and HRA through alternative reserves. This is necessary expenditure and finance options for first wave in 24/25 / early 26/27 have been modelled with a total of £344K (£281 GF)	N/A					

Vision 2030 - Delivery Plan
12 - 18 months

Vision Priority	Aspiration	Programme/Project name	Brief description For aspiration over the 5 years	Dir.(s)	Overarching Action Vision 2030 12-18 months	Individual Projects / Sub- Actions for Vision 2030 12-18 months from April 2025	Finance Commentary	Financial Allocation to Vision 2030 Reserve 25/26 - one off cost £K	RI	Hsg	CC	RP	IG
One Council - Internal Priority		Business Intelligence, Service Assurances and Improvements	The Council's performance reports provide robust and transparent information on progress against targets and priorities and the City Profile provides a strong evidence base for policy shaping. The Council has further service and operational business intelligence that can be used to support continuous improvement. A continued focus on how day to day services contribute towards and impact our priorities, alongside wider programmes and projects will support assurances that we are 'getting the basics' right.	ALL		Support all services with performance data and business intelligence to both identify areas for improvement and share good practice Celebrate and share successes both internally and externally Focus on front line service improvements from those area where complaints most received Focus resource from across services on the areas identified for assurance	Internal staffing resources, with possibility to work with the university for bespoke pieces of work.	N/A					
One Council - Internal Priority		Corporate Social Value	We will develop a corporate approach to social value that will ensure our Social Value Policy is embedded within our procurement practices where relevant and proportionate to do so. This will help ensure that, through the delivery of contracts, our contractors deliver added social value towards the priorities and aspirations of Vision 2030	CX		1. Monitor how Social Value is generated through procured contracts is used, to ensure a consistent approach across the authority in order to ensure the best outcome for our residents. 2. Consider new ways to to measure benefits of both social value in contracts and delivery of services	Funded from existing budget.	N/A					
One Council - Internal Priority		Corporate Asset Maintenance	We will make the best use of our assets.	CX			Full Stock Condition Surveys on corporate assets were last undertaken in 2014 . These are now due to and full stock condition surveys need to be commissioned to provide an up to date assessment of current repairs liability. Funding from existing budgets has been identified for the initial one-off survey costs. Outcome of the surveys will likely result in a need to allocate further resources, capital elements could be funded through capital receipts but general R&M will need further revenue resources allocating	N/A		*	*	*	*

SUBJECT: ACCREDITED REAL LIVING WAGE INCREASE OCTOBER 2024

DIRECTORATE: CHIEF EXECUTIVE AND TOWN CLERK

REPORT AUTHOR: ALI THACKER – HR AND PAYROLL TEAM LEADER

1. Purpose of Report

- 1.1 To recommend to Executive the proposed increase to the real living wage announced by the Living Wage Foundation in October 2024.

2. Background

- 2.1 The Council is committed to maintaining its Living Wage accreditation and to do so the Council has six months to implement the accredited living wage following an increase.
- 2.2 In October 2024 it was announced that the real living wage would increase from £12.00 an hour to £12.60 an hour.

3. Implementation

- 3.1 The aim of implementing the accredited living wage is to ensure that no employees are paid below the accredited living wage hourly rate.

Since achieving accreditation, the Council has taken an active role externally to encourage Lincoln businesses to also pay the real living wage.

As of 31.12.2024, there are 33 employees who are paid less than the proposed living wage rate of £12.60. 17 are on SP02 and 16 are on SP03.

4. Strategic Priorities

4.1 Let's drive economic growth

Provision of the living wage to employees supplies them with a higher disposable income which is likely to be spent locally.

4.2 Let's reduce all kinds of inequality

Provision of the living wage protects the poorest people in Lincoln by providing a wage which is considered to be at a level to provide a living, in contrast to the minimum wage.

5. Organisational Impacts

5.1 Finance

There would be no financial impact as budgets take into account an assumed pay award which is over and above £12.60 per hour.

6. Recommendation

- 6.1 To recommend to Executive implementation of the latest living wage uplift during April 2025.

Is this a key decision? No

Do the exempt information categories apply? No

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

How many appendices does the report contain? None

List of Background Papers: None

Lead Officer: Ali Thacker

HR and Payroll Team Leader
Ali.thacker@lincoln.gov.uk

SUBJECT:	PAY POLICY STATEMENT 2025/2026
DIRECTORATE:	CHIEF EXECUTIVE AND TOWN CLERK
REPORT AUTHOR:	ALI THACKER - HR AND PAYROLL TEAM LEADER

1. Purpose of Report

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

2. Background

- 2.1 Section 38 (1) of the Localism Act 2011 requires local authorities to produce a Pay Policy Statement for each financial year. This must be approved by Council by the end of March.
- 2.2 The Government requires local authorities to produce pay policy statements which articulate an authority's own policies towards a range of issues relating to pay of its workforce, particularly its senior staff and its lowest paid employees.
- 2.3 The Government also considers that decisions on pay policies should be taken by elected members, as those directly accountable to local communities. The Act therefore requires the pay policy statement and any amendments to be considered by a meeting of Full Council and cannot be delegated to any committee.

3. Pay Policy 2025/26

- 3.1 In order to comply with the Act, the pay policy statement must include the Council's policy on:
- The level and elements of remuneration for chief officers
 - The remuneration of the lowest paid employee, and the definition of 'lowest paid employee'
 - The relationship between the remuneration of chief officers and other officers
 - Specific aspects of chief officers' remuneration, including at appointment, increases, termination and any other payments.
- 3.2 The Act defines remuneration to include pay, charges, fees, allowances, benefits in kind, increase in enhancements of pension entitlements, and termination payments.

The Pay Policy Statement must be:-

- approved formally at Full Council by the end of March each year but can be amended at any time during the year
- published on the Council's website
- complied with when the Council sets its terms and conditions for chief officers

The City of Lincoln Pay Policy Statement is attached at Appendix 1.

4. Strategic Priorities

4.1 Let's reduce all kinds of inequality

By producing the pay policy statement, the Council ensures, in relation to any remuneration that it is being transparent and accountable.

5. Organisational Impacts

5.1 Finance

There are no direct financial implications arising from this report. The Council's employee cost budgets are set in accordance with the Pay Policy Statement.

5.2 Legal Implications including Procurement Rules

The legal considerations are set out in the body of the report and therefore there are no additional legal implications arising. The pay policy statement complies with the statutory requirements.

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

The requirements of the Equality Act are considered as part of the recruitment, selection and pay structure processes.

6. Recommendation

- 6.1 That the Pay Policy Statement be forwarded to Council with a recommendation to approve.

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:

Ali Thacker (HR and Payroll Team Leader)
Email address: ali.thacker@lincoln.gov.uk

This page is intentionally blank.

APPENDIX 1

City of Lincoln Council Pay Policy Statement 2025/26

1. Introduction

The City of Lincoln Council recognises the need to manage scarce public resources while balancing the need for remuneration at all levels to be adequate to secure and retain high quality employees who are dedicated to public service.

It is important that the City of Lincoln Council is able to determine its own senior pay structures in order to address local priorities and compete in the local labour market.

It is recognised that senior management roles in local government are complex and diverse functions which operate in a political environment where national and local pressures may conflict. The City Council's ability to attract and retain high calibre leaders capable of delivering a complex agenda during times of financial pressure is crucial especially when the numbers of senior management roles are reducing.

2. Legislation

Section 38 (1) of the Localism Act 2011 requires local authorities to produce a pay policy statement for each financial year. The Act provides details on matters that must be included in the policy and guidance from DCLG, JNC for Chief Officers of Local Authorities and ALACE have been used in preparing this statement.

The Pay Policy Statement must be:

- approved formally at full Council by the end of March each year but can be amended at any time during the year
- published on the Council's website
- complied with when the Council sets its terms and conditions for Chief Officers

3. Context

The Council, like all other local authorities, continues to face unprecedented and uncertain times as it copes with the challenge of delivering public services with a much lower level of financial resources than previously.

The Council continues to do all that it can to minimise the effects arising from annually reduced resources on the public sector and those employed by the Council and will prioritise those services that are needed the most.

It has taken sensible steps to comprehensively review the services it delivers, and the way that it delivers them, so that its limited resources are used to

APPENDIX 1

maximum effect, and it will continue to build on its record of delivering new and better ways of doing things.

4. Scope

In order to comply with the Act, the pay policy will include the Council's policy on:

- The level and elements of remuneration for Chief Officers
- The remuneration of the lowest paid employee, and the definition of 'lowest paid employee'
- The relationship between the remuneration of Chief Officers and other officers
- Specific aspects of Chief Officers' remuneration, including at appointment, increases, termination and any other payments.

The Act defines remuneration to include pay, charges, fees, allowances, benefits in kind, increase in enhancements of pension entitlements, and termination payments.

5. Senior Pay

In this Policy the senior pay group covers the top four tiers of the organisation. These are the Chief Executive, Strategic Directors and Assistant Directors.

The Joint Negotiating Committee (JNC) for Chief Officers of Local Authorities and the Joint Negotiating Committee (JNC) for Chief Executives adopted a modified version of the HAY job evaluation scheme for authorities to use to facilitate a review of senior posts.

In 2003 the Employers Organisation was engaged by the City Council to evaluate senior management posts using the HAY Job Evaluation Scheme. This exercise was repeated in 2005.

In early 2015 a restructure of the Council took place which saw the introduction of two Statutory Officer posts and they, together with the Assistant Directors, were given a wider remit in terms of strategic service delivery. As a result of the restructure, a further salary evaluation was undertaken, and the following salary ranges were agreed.

Chief Executive	-	£119,867	-	£135,122
Strategic Directors	-	£92,000	-	£107,045
Statutory Officers	-	£78,635	-	£84,500
Assistant Directors	-	£68,687	-	£75,539

The percentage differentials between grades are between 76 and 79% of the Chief Executives bandings for Strategic Directors, 62 and 65% Chief Executives bandings for Statutory Officers and 70 to 74% Strategic Directors bandings for Assistant Directors.

APPENDIX 1

Since this date salary increases will be in line with the negotiated settlements as agreed by the JNC for Chief Officers and Chief Executives.

5.1 Current Salary Levels for Chief Officers

Chief Executive annual salary bands

CX01 £119,867

CX02 £124,223

CX03 £128,573

CX04 £132,935

CX05 £135,122

Strategic Directors' annual salary bands (76 to 79% of Chief Executives pay bandings)

CD01 £92,000

CD02 £96,443

CD03 £100,880

CD04 £105,326

CD05 £107,045

Statutory Officers annual bands (62 to 65% of Chief Executives pay bandings)

SO01 £78,635

SO02 £80,099

SO03 £81,566

SO04 £83,030

SO05 £84,500

Assistant Directors annual bands (70 to 74% of Strategic Directors pay bandings and 55 – 57% of Chief Executive pay bandings)

CO01 £68,687

CO02 £70,400

CO03 £72,113

CO04 £73,832

CO05 £75,539

Any national pay award, once agreed, would be applied.

5.2 Allowances and Benefits for the Chief Executive and Chief Officers

There are no other additional elements of remuneration in respect of overtime, bank holiday working, stand-by payments, enhanced payments for evening or weekend working paid to senior staff, as they are expected to undertake duties outside their contractual hours and working patterns without additional payment. In line with this we do not operate an 'earn back' scheme and do not consider this would be appropriate at this time.

APPENDIX 1

5.3 Severance of Chief Officers Contracts

There is no severance package for Chief Officers, outside of those relating to entitlements under the JNC Terms and Conditions, the policies of City of Lincoln Council and the Local Government Regulations which relate to all employees on termination or dismissal.

5.4 Publication of Information Relating to Chief Officer Pay

Rates of pay are published in accordance with the Localism Act.

5.5 Additional Fees

The Chief Executive is the Returning Officer for the City of Lincoln Council. The Returning Officer is the person who has the overall responsibility for the conduct of elections. The Returning Officer is an officer of the Council who is appointed under the Representation of the People Act 1983, although appointed by the Council the role of the Returning Officer is one of a personal nature and distinct and separate from their duties as an employee of the Council. The Returning Officer is personally responsible for:

- the nomination process for candidates and political parties;
- provision and notification of polling stations;
- appointment of presiding officers and polling clerks;
- appropriate administration and security of polling stations;
- preparation of all ballot papers;
- the actual Count and Declaration of Results;
- issue, receipt and counting of postal ballot papers;
- all candidates' election expenses return

6. Pay Structure

The pay structure for employees who are covered by the National Joint Council for local Government Services (Green Book) are calculated using the Greater London Provincial Council Job Evaluation Scheme. Employees only receive a pay rise when it has been agreed nationally with the Joint Negotiating Committee. Employees can move up a spinal column point within their grade after each year of service until the highest spinal column point is reached.

The Salaries for employees covered by the Joint Negotiating Committee for Local authority Craft and Associated Employees (Red Book) are within the Craft Development scheme which was agreed under the terms of a local agreement in 2006. Employees under the Craft Development Scheme are paid according to their skills and ability linked to their specific craft.

Employees only receive a pay rise when it has been agreed nationally with the Joint Negotiating Committee.

APPENDIX 1

The Council does not have a policy that would allow any employee to minimise tax payments.

7. Living Wage

The Council became an accredited member of the Living Wage Foundation in October 2013.

The Council has previously implemented the living wage increases. Depending on the outcome of the pay award negotiations for 2024/25 will determine whether the Council would progress to seek approval to implement the latest living wage rate. The Council implemented the living wage increase of £12.00 per hour in April 2024.

8. Relationship Between Pay Rates

The lowest paid employee within the Council is on a scale S1B and is paid £23,845 (FTE). The hourly rate for this lowest scale is currently above the living wage rate (£12.3595).

The highest graded post is that of Chief Executive of £135,122 per annum.

Therefore, the ratio between the Chief Executives pay and the lowest paid employees is 5.7:1. This is considered to be acceptable currently and the ratios have decreased slightly on last year due to the consistent application of the pay award.

9. Pension Contributions

All employees who are members of the Local Government Pension Scheme make individual contributions to the scheme in accordance with the following table.

Local Government Pension Scheme – contribution bands with effect from the 1 April 2023.

Band	Salary Range	Contribution Rate
1	£0 - £17,600	5.5%
2	£17,601 - £27,600	5.8%
3	£27,601 - £44,900	6.5%
4	£44,901 - £56,800	6.8%
5	£56,801 - £79,700	8.5%
6	£79,701 - £112,900	9.9%
7	£112,901 - £133,100	10.5%
8	£133,101 - £199,700	11.4%
9	More than £199,701	12.5%

Employers' contributions to the LGPS vary depending upon how much is needed to ensure benefits under the Scheme are properly funded and are set

APPENDIX 1

independently. The rules governing the pension scheme are contained in regulations made by Parliament.

10. Travel

Essential car user allowance has been removed from all employees except where it is provided as a reasonable adjustment in relation to disability. Mileage is paid at the prevailing HMRC rate for all employees.

11. Professional Fees

Professional fees are only paid to practising Solicitors who require membership in order that they can lawfully act as a Solicitor, and the Chief Finance Officer (s151 Officer) who are required to be a member of a Professional Accounting Body.

12. Market Supplements

No market supplements are paid.

13. Discretionary Payments

The Council has an approved Change Management Policy which includes an Early Retirement and Redundancy policy, and this will be applied equally to all members of staff. The Council has a flexible retirement policy.

14. Decision Making

Decisions on remuneration are made by Executive.

15. Disclosure

This Pay Policy Statement will be published on the Council's Website. In addition, details of employees paid above £50,000 are disclosed.

16. Review

This Pay Policy will be reviewed annually in line with the Localism Act and any guidance issued by the MHCLG.

February 2025

SUBJECT:	PETS, MEDICAL ASSISTANCE DOGS AND EMOTIONAL SUPPORT ANIMALS' POLICY (HOUSING TENANTS)
DIRECTORATE:	HOUSING AND INVESTMENT
REPORT AUTHOR:	MARIANNE UPTON, TENANCY SERVICE MANAGER

1. Purpose of Report

- 1.1 To present the reviewed Pets, Medical Assistance Dogs and Emotional Support Animals Policy document and highlight changes.

2. Lincoln Tenants Panel Consultation (LTP)

LTP have been involved in this area of work.

LTP were asked at a meeting in January 2024 to co-create an updated version of the Pets Policy which was due for review.

LTP members created a sub-group to review the existing policy and research best practice and policies of other housing providers in the local area.

The group provided amendments to the policy document and made suggestions about making it easier to read. They provided examples of information from other organisations that they found easy to engage with.

They were fundamental in the inclusion of information about Medical Assistance Dogs and Emotional Support animals and recognising the importance of animals in supporting tenants with their wellbeing.

The amended policy was discussed at a meeting in February and further amendments agreed with LTP and a final version circulated in May 2024 that incorporated all of the LTP suggestions.

3. Background

- 3.1 A report was presented to Housing Scrutiny Sub-Committee on 8 August 2024 to highlight the intention to fully review the existing Pet Policy following a new Dangerous Dogs ban and because it had not been reviewed since 2013.
- 3.2 This review has been completed in partnership with Lincoln Tenants Panel, who are satisfied that the attached Policy meets legislation and the needs of our tenants.

4. Proposed Amendments

- 4.1 All references to legislation and guidance have been updated.

- 4.2 The Policy now makes clear reference to current, and future, banned breeds with exemptions and how the Council will respond to them.
- 4.3 There is information in the policy about supporting the health and wellbeing of tenants by clarifying our approach to Medical Assistance Dogs and Emotional Support animals.
- 4.4 To ensure an emphasis on responsible animal care and a commitment to protect their welfare in our properties.

5. Strategic Priorities

5.1 Let's reduce all kinds of inequality

To have a fair and consistent approach for our tenants who wish to have pets.

5.2 Let's deliver quality housing

Quality housing is not solely about the condition of the property. It is also about making a positive environment where people can thrive. For many people, the ability to have pets enhances their wellbeing and home.

Enforcement of the policy will prioritise the safety and welfare of humans and animals. If the contents of the policy are breached, the Council will work with the tenants to agree improvement plans which could include taking actions to improve welfare issues and this could include working with appropriate partners to take any necessary enforcement action.

6. Organisational Impacts

6.1 Finance (including whole life costs where applicable)

There are no financial implications in reviewing this policy.

6.2 Legal Implications including Procurement Rules

There are no legal implications of reviewing this policy.

6.3 Equality, Diversity and Human Rights

Although the review of the policy may have an impact on tenants who currently own XL Bully dogs, the change is legislative and beyond the control of the Council.

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

7. Risk Implications

7.1 (i) Options Explored

There are no risks associated with the revised policy.

7.2 (ii) Key Risks Associated with the Preferred Approach

N/A.

8. Recommendation

8.1 That the policy be approved as attached.

Is this a key decision?	No
Do the exempt information categories apply?	No
Does Rule 15 of the Scrutiny Procedure Rules (call-in and urgency) apply?	No
How many appendices does the report contain?	1
List of Background Papers:	Pets Policy

Lead Officer:

Marianne Upton, Tenancy Services Manager
Email address: marianne.upton@lincoln.gov.uk

This page is intentionally blank.



City of Lincoln Council Pets, Medical Assistance Dogs and Emotional Support Animals Policy



Let's deliver
quality
housing

January 2025

Contents

Section	Page
Policy Objectives	3
Policy Scope	3
Policy statement	3
Medical Assistance dogs and Emotional Support animals	5
Short-term fostering of pets	6
Visiting pets	6
Changing circumstances	6
Right of appeal	7
Monitoring and review	7
Other external and internal influences on this policy	7



Policy Objectives

The objectives of this policy are:

- to provide a framework that will deliver a positive, fair and sensitive policy on council tenants keeping pets in their homes
- to align our policy on pets with the relevant conditions of tenancy as set out in our secure and introductory tenancy agreements
- to enable us to create operational procedures that deliver this policy in a consistent manner but also allowing for the correct degree of flexibility when considering individual requests to keep pets that fall outside of this policy statement
- to express through this policy the acknowledgment of the importance of pets to people's well-being, including their psychological, emotional and physical health
- to express through this policy the acknowledgment of the importance of protecting the welfare of animals being kept as pets, medical assistance dogs or emotional support animals, and take positive steps to protect them from harm in our properties
- to acknowledge the disruption to people's lives that uncontrolled and irresponsible pet ownership can have on the welfare of the animal and on the lives of others. This policy sets out our position on dealing with uncontrolled and irresponsible pet ownership in our properties

Policy Scope

This policy applies to everyone who is currently housed or eligible to be housed by us, including independent living schemes. It does not apply to leaseholders, whose lease terms will determine the matter of pet ownership.

Policy Statement

We actively support the responsible keeping of pets in our properties, recognising the health benefits that pets can bring to people's lives but also recognising the damage to other people's lives that the irresponsible keeping of pets can cause.

We are positive about residents keeping pets, not just cats and dogs but rabbits, budgerigars and fish. The type of pet we consider suitable include, but is not necessarily restricted to:

- dogs
- domestic, non-feral cats
- domesticated rabbits
- budgerigars and other similar caged birds
- fish suitable to be kept in domestic aquariums
- domesticated rodents such as rats, mice, gerbils and hamsters
- non-poisonous insects and spiders
- non-poisonous snakes and reptiles under two feet in length fully grown.



We recognise that some of our properties are more appropriate for keeping certain types of pets than others.

Anyone wishing to have a pet in their home must ask us for permission first.

There are certain overriding terms and conditions that must be satisfied in order that consent to keep a pet will be given. They are:

- that, unless explicitly agreed otherwise, no more than two domestic pets will be allowed in any one property; but there may be properties whose size and/or layout means that only one may be kept
- that any dog kept is not a breed that is prohibited by the Dangerous Dogs Act 1991, unless it is subject to an Exemption and all the exemption criteria are met, such as XL Bully dogs
- that the animal is considered suitable for the property. No wild, dangerous or poisonous creatures, or livestock, including horses, ponies, fowl or game birds or similar or animals covered by the Dangerous Wild Animals Act 1976 will be allowed
- that the pet will not be the subject of any breeding or business activity from the property or locality

Consent to pet ownership will not be given for multi-storey flat blocks (4 floors or more) for dogs or cats (except registered medical assistance dogs or emotional support animals).

Consent to pet ownership will not normally be given unless we are satisfied that the prospective owner will be able to care for the animal's needs correctly and continuously in flats and maisonettes that do not have direct access to outside space.

All tenants seeking permission to keep a pet will be required to complete an application and sign a declaration and undertaking. This will include the following conditions:

- All pets, except for caged birds, insects and fish must be registered with a local vet
- The pet will not be the subject of any breeding or business activity from the property (this includes outside and inside)
- The owner will look after their pet in compliance with the principal terms of the Animal Welfare Act 2006, including:
 - ✓ feeding them a proper diet
 - ✓ protecting them from pain, suffering, injury or disease. This includes physical and psychological/emotional suffering or distress etc (for example leaving a dog alone in a property for an unacceptable length of time, usually no more than 4 hours)
 - ✓ providing a suitable environment that will allow the pet to exhibit normal behaviour patterns with or apart from, other animals.
- The owner will walk their dog away from where they live and keep it on a lead at all times within the communal parts of where they live, inside and outside
- The dog will not be allowed to wander unaccompanied and unrestrained in the communal parts of where they live, inside and outside
- Except for house cats that will never leave the internal property, cats must have access to the outside (this may be the tenant carrying their cat to the main door and collecting them upon their return or through a window or patio door). Owners must provide the cat with a litter tray inside the dwelling (at least one per cat),



- which must be emptied regularly, securely bagged and placed in their outside bin or communal bins
- The pet is properly house-trained (if applicable) and must not be allowed to foul communal areas, inside and outside. If any incident of fouling occurs the owner must clean it up and disinfect the area immediately
 - Cat flaps may only be fitted to external property doors (not communal doors) and only after seeking and being given permission to make changes to the home. When the tenant leaves, they must reinstate the door as it was originally
 - That owners must not allow their pets to create unreasonable levels of noise
 - Relevant licences are obtained and shown to our satisfaction in the case of rare or exotic creatures. We must satisfy ourselves of the proper security of the animal
 - Dogs and cats must be microchipped, and the owner's details kept up to date, and their certificate must be open to examination by us
 - Dogs and cats must be neutered
 - Dogs must wear a collar with an ID tag displaying their owner's name and address, including postcode.

Although the conditions above might seem extensive, when viewed collectively as above they are considered to be normal and reasonable elements of responsible pet ownership.

If the pet owner refuses to comply with relevant conditions above permission will not be given for the pet to be kept; and the tenant will be liable to enforcement action for breach of tenancy if they go ahead and acquire the animal anyway.

Similarly, if permission is sought and given and subsequently we find that relevant conditions above have not been complied with we may revoke permission and take enforcement action after giving the tenant reasonable time to comply.

If a tenant acquires a pet without first seeking and being granted permission:

- they will be required to find an alternative permanent home for the animal if it falls outside acceptable groups of pets as set out above; or
- they will be required to complete a pet application retrospectively and be shown to have complied with all the conditions set out above if the pet falls in to acceptable groups of pets, failing which they may be required to find an alternative permanent home for the animal.

If the pet owner subsequently breaks any of the conditions set out above and, after a reasonable period of time, does not remedy that breach they will cause themselves liable to enforcement action in breach of tenancy.

Where an external structure such as an aviary, is considered necessary, tenants must apply for permission to make changes to your home before starting any work.

Medical Assistance dogs and Emotional Support animals

Medical Assistance dogs and Emotional Support animals will still need permission granting to live in a council property, so that a record is kept of an animal being present at the property.

Medical Assistance dogs are trained to support disabled people and people with medical conditions in a variety of ways. An assistance dog is a highly trained dog that is prepared and trained to carry out tasks and alerts to mitigate a person's disabilities, regardless of whether those disabilities are related to a physical condition or a mental health condition.



The Equality Act 2010, (EA2012 section 173) lays out that in relation to protecting the rights of disabled people accessing private hire transport, an Assistance dog means:

- a) a dog which has been trained to guide a blind person
- b) a dog which has been trained to assist a deaf person
- c) a dog which has been trained by a prescribed charity to assist a disabled person who has a disability that consists of epilepsy or otherwise affects the person's mobility, manual dexterity, physical coordination or ability to lift, carry or otherwise move everyday objects
- d) a dog of a prescribed category which has been trained to assist a disabled person who has a disability (other than one falling within paragraph (c)) of a prescribed kind.

A task trained assistance dog is an 'auxiliary aid,' so classed as medical equipment and not a dog. They are often identified by wearing a jacket, a harness, or a brightly coloured collar and lead. By law, an assistance dog cannot be denied entry to a public place even if it is not a pet friendly place.

Permission will be granted for all medical assistance dogs, even if there are already two animals at the property. Should one of the existing pets no longer be at the property, permission will not be granted to replace that pet so that there will only be two animals at the property.

Emotional support animals do not need any specific task-training like an assistance animal because they are simply an emotional companion. The bond with their owner and their presence helps alleviate the emotional symptoms associated with the disability. They may for example boost confidence and reduce loneliness.

Emotional support animals do not have the same legal rights as assistance animals. There is no legal registration process for emotional support animals, but people in need of them can have a "prescription" from a qualified medical professional that outlines their need for an emotional support animal.

Permission for an emotional support animal, in line with the policy on other pets, will not be unreasonably refused if a prescription has been provided. Emotional support animals must meet the requirements in the Policy Statement above.

Short-term fostering of pets

If permission has been sought & the conditions above (including the maximum number) are met, short term fostering will be considered the same as long term ownership.

Tenants will be responsible for informing us when the fostering arrangements have ended.

Visiting pets

Friends and relatives are allowed to visit tenants with their pets. These pets will be expected to comply with all relevant conditions as set out in the Policy Statement above.

Changing circumstances

Some tenants may at some point become unable to care for their pet in accordance with the conditions set out in the Policy Statement above. In such circumstances we will make every effort to work with the tenant to try to enable the pet to remain with them and be cared for properly with adequate additional support. In the end, however, the pet's welfare and



neighbouring tenants must be factors to consider when deciding whether the pet owner is able to keep their pet.

Where a tenant is unable to care for their pet, or has died, it is the tenant's responsibility (or their Executor) to contact the responsible person listed on the application for permission to re-house the pet.

Where a tenant has died without a will or any relatives, the council will contact a local animal charity to collect the pet(s).

Right of appeal

If a tenant is either refused permission to keep a pet or previous permission is withdrawn, they have a right of appeal to the Housing Appeals Panel (HAP) within 28 days of the letter being sent refusing permission. The decision of HAP will be final.

Monitoring and review

This policy will be reviewed every three years unless required earlier through legislative or regulatory changes.

Other external and internal influences on this policy

This policy has been created and should be implemented in conjunction with the following internal documents:

- Allocations policy
- Equality, diversity and human rights policy and strategy
- Anti-social behaviour, harassment and hate crime policies
- Tenancy Agreement
- Communal Areas Policy
- Environmental Policy
- Tenant Improvements Policy
- Animal Policy

Similarly, this policy has been created and should be implemented in conjunction with the external documents and publications, including but not limited to:

- Housing Act 1985
- Housing Act 1996
- Housing Act 2004
- Homelessness Act 2002
- Homelessness Reduction Act 2017
- Anti-Social Behaviour Act 2003
- Civil Partnership Act 2004
- Housing and Regeneration Act 2008
- Equality Act 2010
- Localism Act 2011
- Dangerous Dogs Act 1991
- Dangerous Dogs Exemption Schemes (England and Wales) Order 2015
- Dangerous Wild Animals Act 1976
- The Animal Welfare Act 2006
- The Microchipping of Cats and Dogs (England) Regulations 2023

This page is intentionally blank.

SUBJECT: RENEWAL OF PUBLIC SPACE PROTECTION ORDER ALLOWING FOR THE GATING OF ST PETER'S PASSAGE

DIRECTORATE: COMMUNITIES AND ENVIRONMENT

REPORT AUTHOR: BEN JACKSON, PUBLIC PROTECTION, ANTI-SOCIAL BEHAVIOUR & LICENSING SERVICES MANAGER

1. Purpose of Report

- 1.1 To brief Executive members on the process and consideration given to date, to review an existing Public Space Protection Order allowing for the gating of St Peter's Passage in the City Centre area of Lincoln.
- 1.2 To seek approval from the Executive on proposals regarding the review of the existing Public Space Protection Order (PSPO), which prevents access to this passageway.

2. Executive Summary

- 2.1 In October 2014 the Secretary of State enacted new powers from the Anti-Social Behaviour, Crime and Policing Act. These powers also made changes to some of the relevant existing legislation and the Council is required, within the period of three years, to reconsider its Designated Public Place Orders (DPPOs) and either withdraw or replace them with new Public Space Protection Orders (PSPOs).
- 2.2 The PSPO's are more flexible and can be applied to a much broader range of issues, with local authorities having the ability to design and implement their own prohibitions or requirements where certain conditions are met. These conditions centre on the impact to the quality of life in the locality, persistence, and whether the impact makes the behaviour unreasonable.
- 2.3 In October 2021 the Executive approved the implementation of a PSPO permitting the access of St Peter's Passage to be restricted by way of gating at each end of the passage. A map of the passageway is shown in Appendix A.
- 2.4 A PSPO has a maximum duration of 3 years. It is therefore advisable to review the order after 3 years to determine whether it should be subject to extension or variation. As part of the review, we have sought the views of both the public and relevant partner agencies by way of a public and partner consultation, this consultation has also been published on social media for greater reach. This consultation period opened on Friday 13 September 2024 and closed on Friday 11 October 2024.
- 2.5 The purpose of the review is to consider the following points:
 1. Do you support the renewal of the Public Space Protection Order permitting the gating of St Peter's Passage?

2. Do you have any additional comments you wish to share with us?

- 2.6 The City of Lincoln, much like other towns and cities nationally, saw an increase in on street ASB particularly associated with substance misuse. Prior to the gating of St Peter's Passage some of these issues had manifested in the city centre particularly with St Peters passage being used for crime and ASB including the passage being used for urination and defecation. The gating of St Peter's Passage has removed the public health risk associated with behaviour and the associated crime and ASB.

3. Background

- 3.1 Following increased complaints of drug use, drug paraphernalia, urination, defecation and criminal activity occurring in St Peter's passage in 2018 the initial PSPO was approved to gate the passageway restricting access for the public. This was renewed in 2021.
- 3.2 At the time of the decision the passageway was in an unsanitary condition and posed a health and safety risk to members of the Public, Street Cleaning Employees and Partner Agencies that access the Passage.

4. Public Space Protection Orders

- 4.1 The Anti-Social Behaviour, Crime and Policing Act came into force on 20 October 2014. This Act contains the provisions for the Public Space Protection Order, which was enacted by order of the Secretary of State on the 20 October 2014
- 4.2 Local authorities have the power to make Public Spaces Protection Orders if satisfied on reasonable grounds that two conditions are met.

The first condition is that:

- a) Activities carried out in a public place within the Authority's area have had a detrimental effect on the quality of life of those in the locality, or
- b) It is likely that activities will be carried out in a public place within that area and that they will have such an effect.

- 4.3 The second condition is that the effect, or likely effect, of the activities:

- a) is, or is likely to be, of a persistent or continuing nature,
- b) is, or is likely to be, such as to make the activities unreasonable, and
- c) justifies the restrictions imposed by the notice.

Activities can include things that a person or a group does, has done, or should do (to reduce the detrimental effect).

- 4.4 A Public Space Protection Order is an order that identifies the space to which it applies ("the restricted area" within which the impact has or is likely to occur[ed]) and can make requirements, or prohibitions, or both within the area. This means that the local authority can, by virtue of the order, require people to do specific things in a particular area or not to do specific things in a particular area. The local authority can grant the prohibitions/requirements where it believes that they are reasonable

to prevent or reduce the detrimental impact. The order can be made to apply to specific people within an area, or to everybody within that area. It can also always apply, or within specified times and equally to all circumstances, or specific circumstances. The order can apply for a maximum of three years upon which the process of reviews and consultation must be repeated to ensure the issues are still occurring and the order is having the required effect. Thereafter it can be extended for a further three years and, upon the reviews and consultation taking place, can be extended more than once for further periods of three years. This will be the third renewal.

- 4.5 The Anti-Social Behaviour Crime and Policing Act rescinded powers known as gating orders. This Power has now been replaced by Public Space Protection Orders.

5. The Current PSPO

- 5.1 The current PSPO permits for the gating of St Peter's Passage as shown in Appendix A. The passage has been gated since July 2019.
- 5.2 Planning permission is in place for the gates that are currently on St Peter's Passage.
- 5.3 The management of the passage and the gates, i.e., if a key is lost, is provided by Lincoln BIG.

6. The Consultation

- 6.1 On Friday 13 September 2024 a public and partner consultation was launched. The consultation lasted 28 days and closed at 5pm on Friday 11 October 2024. There were a total of 180 respondents from the public consultation.

As part of the consultation partners were approached directly seeking their views and any evidence, they may hold in relation the proposed PSPO. Specifically, we asked the public and partners the following:

1. Do you support the renewal of the Public Space Protection Order permitting the gating of St Peter's Passage?
2. Do you have any additional comments?

- 6.2 We have directly approached all members of the Lincoln Anti-Social Behaviour Risk Assessment Conference (ASBRAC) and the Safer Lincolnshire Partnership as well as approaching the following partners.

- Lincolnshire Police
- Lincolnshire County Council Highways Team
- Lincoln BIG
- Framework
- YMCA
- Talking Point (formally We Are With You)
- NHS Neighbourhood team

In addition to this we have also advised all Ward Councillors of the consultation and City of Lincoln Council Communications team have put out information of the public consultation on Social Media Platforms.

- 6.3 In response to the consultation, we have received a total of 180 maximum responses. 87.8% of the responses supported the continuation of the gating of St Peter's Passage. 12.2% opposed. The opportunity to comment was 32.5% supported the renewal. 16.3% opposed the renewal and 51.3% were general comments neither supporting nor opposing.

A copy of the comments received is provided in Appendix B.

7. The Proposal

- 7.1 To continue the PSPO in its current form for a further period of 3 years.
- 7.2 To continue to work collaboratively with partners to actively manage and design out ASB across the city centre.

8. Strategic Priorities

8.1 Let's drive inclusive economic growth

Projects within the city centre to tackle anti-social behaviour enhance our city making it a more attractive city for investment.

8.2 Let's reduce all kinds of inequality

The service seeks to reduce inequality through its work with individuals and communities.

8.3 Let's enhance our remarkable place

Projects within the city centre to tackle anti-social behaviour serve to improve and enhance the city.

9. Organisational Impacts

9.1 Finance (including whole life costs where applicable)

It is unlikely there are any financial cost for the Council. Management of the gates is undertaken by Lincoln BIG who have agreed they are willing to continue with that arrangement.

9.2 Legal Implications including Procurement Rules

There are no implications for legal or procurement.

9.3 Equality, Diversity and Human Rights

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

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

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

Consideration has been given to equality, diversity and Human rights, this decision does not materially impact these and serves to improve the quality of life for our community.

9.4 Human Resources

There are no implications on human resources.

9.5 Land, Property and Accommodation

The continuation of the PSPO would remove a public right of way, consultation has previously been done with Lincolnshire County Council Highways, who are satisfied in principle with the proposal.

All landowners within the area are required to be consulted, which has been satisfied through the consultation conducted.

9.6 Significant Community Impact

Whilst the PSPO does close a public right of way the diverted route is not any further and would be considered a safer route.

9.7 Corporate Health and Safety Implications

The gating of St Peter's Passage improves Health and Safety for the public, our employees and partner agencies.

10. Risk Implications

10.1 (i) Options Explored

- a. Continue with the gating of St Peter's Passage; this has minimal risk associated with it. There has been no evidence of displacement and feedback through the consultation has suggested the gating of the passage has improved the local area.
- b. Remove the gates and reopen St Peter's Passage; from the consultation we believe this will lead to ASB becoming prevalent in that area and the feedback from Lincoln BIG was that when the passage gates were opened for a couple

of days following the locks being damaged that ASB started again immediately.

10.2 (ii) **Key Risks Associated with the Preferred Approach**

The preferred approach is to continue with the gating of St Peter's Passage. From the previous 3 years no key risks have been identified.

11. **Recommendation**

11.1 That the Executive consider fully the comments from Policy Scrutiny Committee (Appendix C).

11.2 If satisfied with the proposal that approval be given to the PSPO to be renewed for a further period of 3 years.

Is this a key decision? No

Do the exempt information categories apply? No

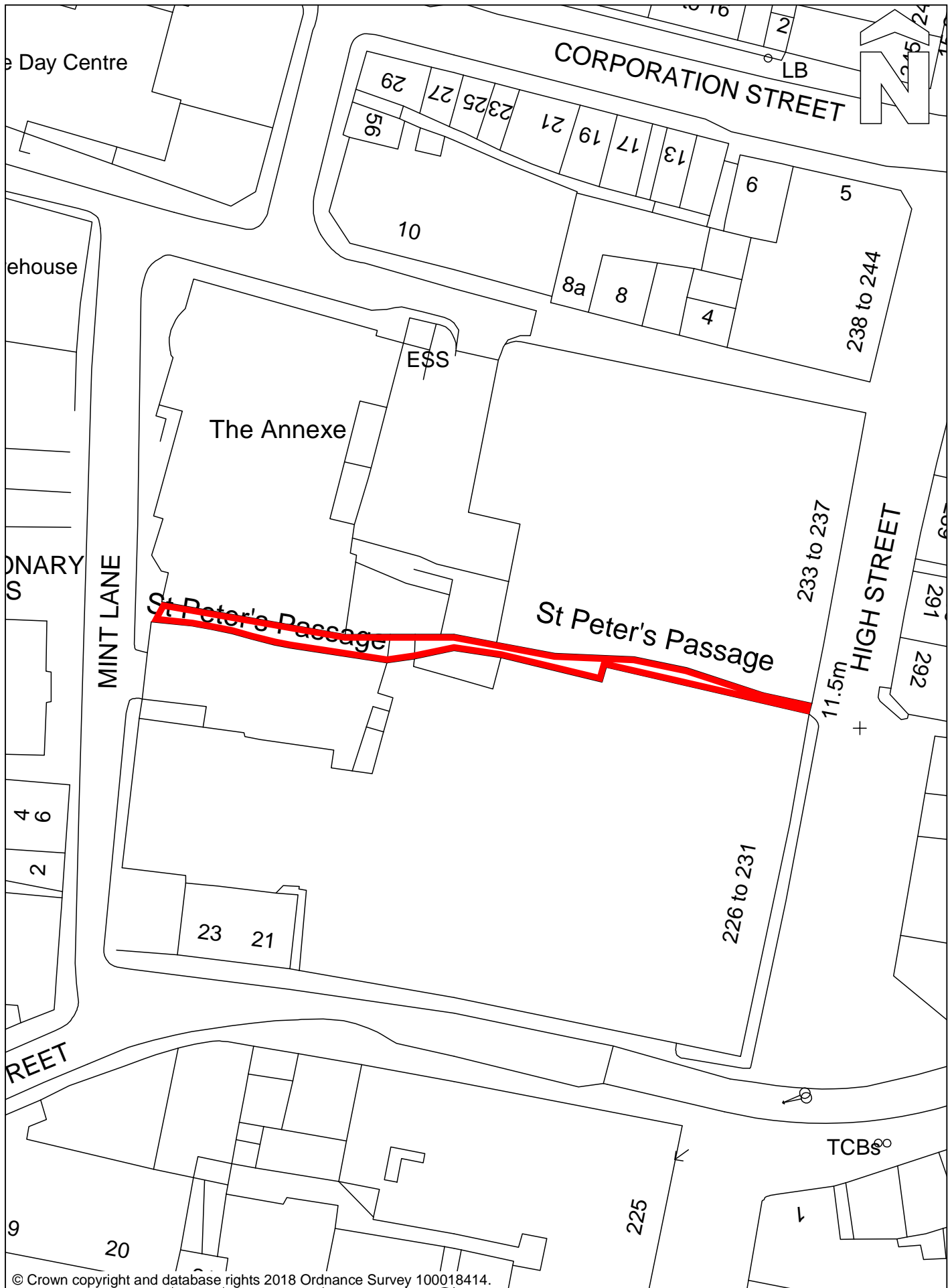
Does Rule 15 of the Scrutiny Procedure Rules (call-in and urgency) apply? No

How many appendices does the report contain? 3

List of Background Papers: None

Lead Officer: Ben Jackson- PPASB + Licensing Service Manager
Email address: Ben.jackson@lincoln.gov.uk

APPENDIX A



© Crown copyright and database rights 2018 Ordnance Survey 100018414.

St Peter's Passage PSPO

Scale: 1:600 at A4

Version 1: 24-Jul-2018

This page is intentionally blank.

Public Space Protection Order Consultation – St Peter’s Passage – Results Summary

The maximum number of respondents per question was 180.

It is important to note that for those questions where respondents were asked to select all that apply, the percentages are based on the total number of responses received.

Additionally, for those comments based questions, in some cases the comments provided cover more than one topic. In these instances, each comment has been placed under the topic with the greatest weighting.

About You

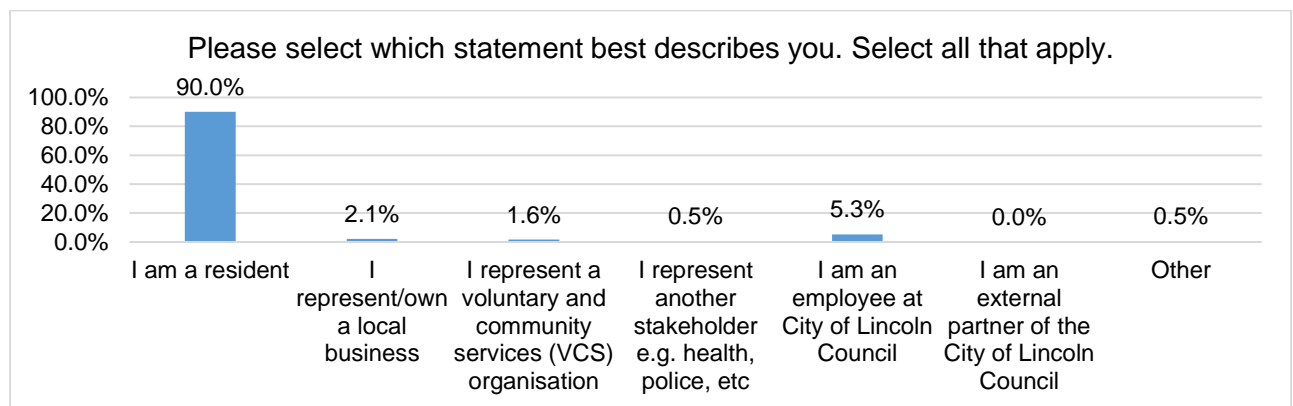


Figure 1

Figure 1 shows that out of those that responded to the consultation, the majority selected ‘I am a resident’ with a figure of 90.0% (171 respondents). 5.3% (10 respondents) selected ‘I am an employee at City of Lincoln Council’.

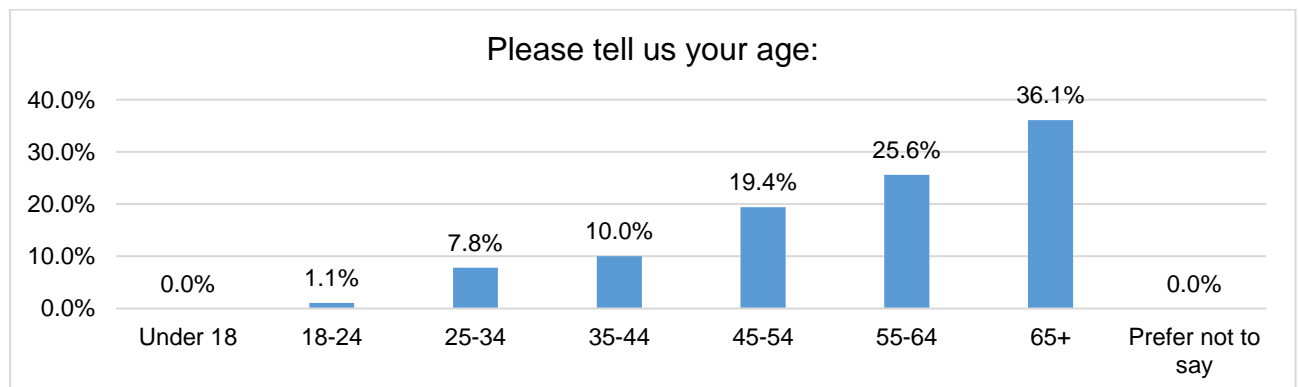


Figure 2

Figure 2 shows that out of those that responded to the consultation, the majority selected ‘65+’ with a figure of 36.1% (65 respondents). 25.6% (46 respondents) selected the next age bracket below this which was ‘55-64’.

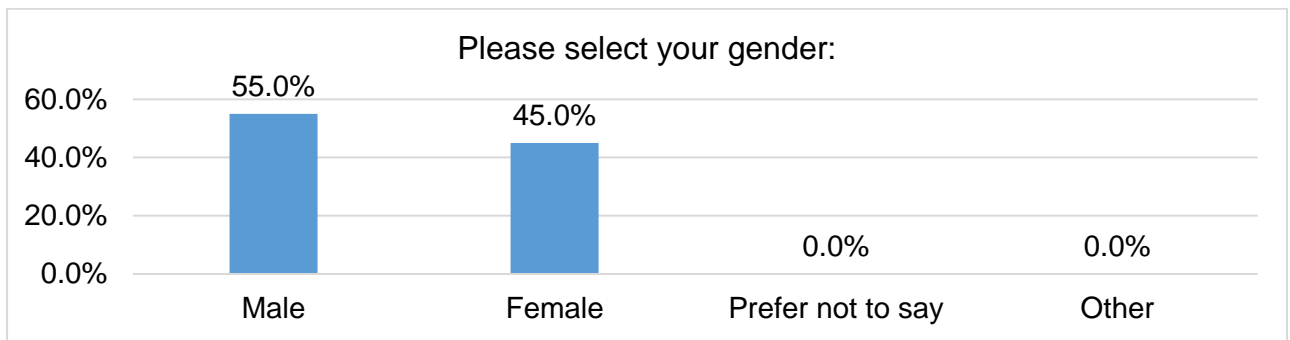


Figure 3

Figure 3 shows that out of those that responded to the consultation, the majority were 'Male' with a figure of 55.0% (99 respondents). 45.0% (81 respondents) were 'Female'.

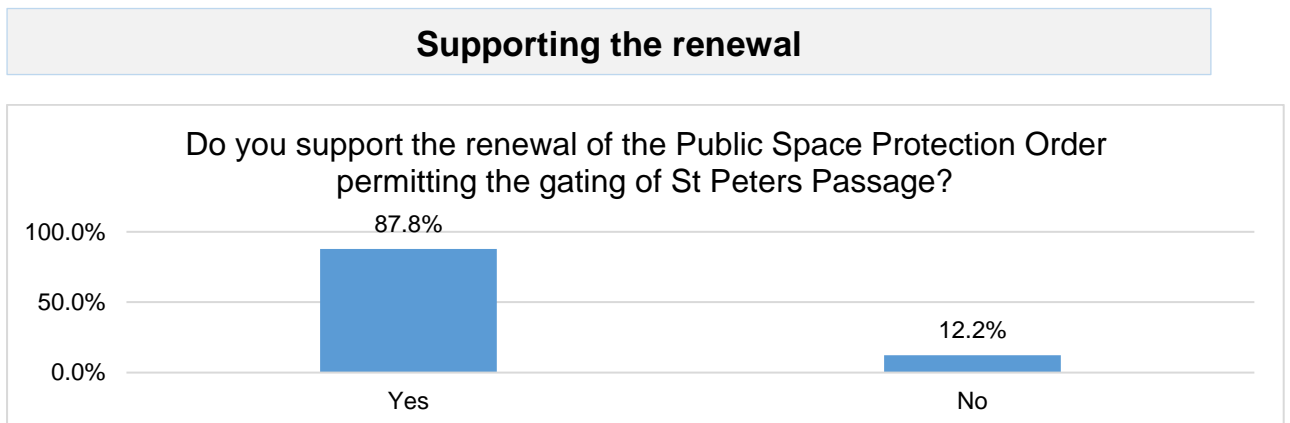


Figure 4

Figure 4 shows that out of those that responded to the consultation, the majority supported the renewal of the Public Space Protection Order permitting the gating of St Peters Passage with a figure of 87.8% (158 respondents) compared to only 12.2% (22 respondents) who were not in favour of this approach.

The question below was a comments-based question. Figure 5 is an overview of the comments received with a more detailed breakdown shown underneath.

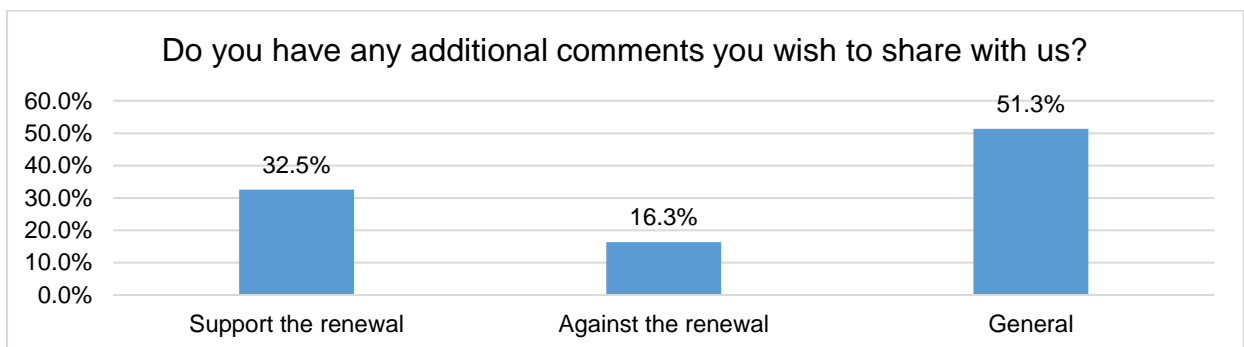


Figure 5

Support the renewal – 26 comments
Would be handy to use the passage but there are other means of accessing the two streets and the benefits from reducing ASB outweigh the need to use the passage
It is a shame that this has to be done, but on health grounds alone it needs to be done. Walked through in the past and never again.
This gate stops the misuse of the passageway from the mentioned in the statement. A gate would also be useful for the passageway leading to Tentercroft street carpark, as the same is happening there.

Fully support this
I think this kind of initiatives are very useful and I support them. The open spaces of our city should be available for all of us to enjoy and not just become ulcers that you don't want to be around.
I would look at completely closing if possible
It has worked. If the pathway cannot be kept safe for people, any other way it should be gated.
It is essential for public safety and hygiene.
It was truly awful before being blocked off and has been much better since.
Re-opening of the passage would be an invitation to anti-social behaviour and public order offences. This would be injurious to individuals and unacceptable to other members of the public.
It is right that hidden places such as the Passage should be closed to prevent fouling and other forms of nuisance, but there clearly is a need for those "living on the streets" to have access to appropriate toileting / hand washing facilities
The whole area is increasingly being used by drunks and drug users and it is becoming more intimidating to walk there after dark. I welcome any steps to prevent misuse of these areas
Needs to be done as it's a disgusting thing people are doing
Gating the passage is a result, to some extent, of the lack of public toilet facilities. The passage should be well lit during the evening, and if gated the protection order should allow for it to be opened during the day to ensure right of access.
Fully support this as this will detract drug use and other activities from this area
The area still has its issues with homelessness and drug abuse. Opening the pathway would only result in previous problems occurring again. Stronger police presence in the area is required.
I do believe and hope that in due course it will be possible to reopen this pathway, however, I am not sure that the time is right yet.
It is helping to keep drug users and people using it as a toilet out of the city
Any measures that stop/prevent anti-social behaviour are good
It is good that this remains gated off.
This is a reasonable step under the circumstances.
The level of antisocial behaviour dropped dramatically after the installation of the gates and as such I support the renewal
If the order were not continued the previous problems with the alley way would recur immediately
As a city council you are protecting residents, the majority of whom wouldn't probably come into town if they were being confronted with such an awful place, misused by the few.
We support the continuation of the PSPO for St Peters Passage as it heavily reduces the level of ASB in the area. If the gates were to be removed there would be an immediate increase in crime and ASB in this area which will negatively impact the businesses in the area. This was seen when the locks on the gate were recently changed.
As long as it's gated only at night

Against the renewal – 13 comments
Cutting off this passage is a hinderance to residents who could use it as a shortcut, there are several other passages all of which have remained open, including one directly opposite St Peters Passage. While I acknowledge drug use is a problem, it is also a problem down the other passages and measures can be put in place such as adequate lighting to make it less favourable for people to use this location.
Fundamentally I am against the closure of any public right of way as it goes against the principle of the right to access. However I agree to the PSPO and, I hope the Council have taken due diligence in respect to the cost of cleaning against the loss of the right of access.
A right of way lost because of the lack of monitoring and cleaning. The actions of a few anti-social people should not dictate a policy of closing off public pathways
I am fed up with inept council officials stopping people from doing things or going places or even having gatherings. Let people be free to do what they want.

The anti-social behaviour should be addressed by the police, instead of blocking the passage and removing the access way for all.
Needs to open for cut through
The main reason for the misuse of the area is because of the lack of legitimate facilities of a good standard throughout the city centre. The passage way was used by disabled people to get from disabled bays to the high street gating the passage stopped this.
I would like for the passage to be unrestricted, may be this could be in the day time with night time lockup, similar to what happens at Dawber Gardens
Where will it end closing public rights of way. You need to find a solution to the problem not just close things. Put up lights along there or cameras.
It should be open to the public
Surely the passage should only be closed after say 8pm. As it is a public right of way perhaps cctv and bright lighting may be a better deterrent. For people with mobility issues need these cut through to minimise the length of their journeys.
Closing amenities due to ASB isn't the way forward. Other solutions need to be found.
Why are you gating Lincoln's history, you should leave it open!

General – 41 comments
N/A
The gate appears to be open or accessible from Mint Lane as I've witnessed a rough sleeper leaving their belongings down the passage.
No
Like all things in life spoilt by a minority, the rest of us have to suffer. I'm a great believer in naming and shaming.
No
Make sure the passage is kept clean and fresh
Provide more public toilets
Several passages in the vicinity are also being used as toilets and i sometimes catch couples engaged in "sexual activity" (This includes the bridge under the Council offices).
The people who were using the passage for ant-social behaviour need help and support.
Viewed recently - in shocking state of dirtiness with much rubbish about.
No
The provision of toilets at night in Lincoln is poor. Given that there are homeless people on the streets, this is an issue which needs to be addressed. Apparently the lifts in the bridge over the level crossing on St Mary's Street are also being used as a toilet.
More police etc in high street people openly exchanging small packets
Yeah. Use the EXTRA surplus money from your off street car parking, gained since 1 September 2023 that is not ring fenced to reinstate ALL male and female toilets across town. Making them free for people to use and abuse.
Not sure the name or brand the German DE people use some special paint as it's urinated on, it somehow sprays back. Invest in some.
Sadly you don't use dummy cctv cameras otherwise stick one up, or can you fix a mirror on opposite buildings to use other cameras!
I would wish to know if shutting the passage has stopped the problem completely. It's unfortunate that any rights of way have to be closed but if they are being misused, I see no alternative.
A better provision of public conveniences in town centre might help to prevent similar problems in such passageways
None at present
To prevent use as a toilet and drug taking space
Offer more support for the homeless and maybe employ staff to clean the areas more often. The city centre is so dirty. Put additional lighting down the passage, it is a useful cut through.
Bring the gate forward, cover it so you can't see down it and pour a load of bleach to remove the smell

Similar passages should also be closed off for public access
Putting a gate up is like mending a hole in a ship, sure it stops the leak, did anyone stop to wonder what caused the leak to begin with? I suspect not, we've all got our bills to pay so why bother eh
It isn't a passageway I would use.
The area should be policed and cleaned. What makes this area any different to the glory hole or the arches at the Stonebow
Keys should be easily available to security, police, ambulance staff (medics) and fire-brigade for emergencies.
It was always smelly and made me feel nervous, came to avoid it.
A comprehensive survey of locations similar to St. Peter's Passage should be taken in order to enhance the High Street environment and deter anti-social behaviour to a greater extent.
It was always a smelly and dimly lit area, often used as a urinal rather than a cut through. There are 2 other ways to Mint Lane, either through Park Street or Mint Street, adding barley a minute or so to walking time.
Ideally there needs to be some history on display
Safety and security should be paramount.
Keep the area clean
No additional comments
No
It would seem that Park St. and Mint St. allow plenty of access between High St. and Mint Ln. without the need of St. Peters Passage.
I would go down there more but I find the smell and stuff down there intimidating as a female.
It might be better to electrify the gates.
Will the gating of St Peters Passage prevent people going in there.
The mess left by pigeons should be cleaned regularly.
I do think that the issue described is still present and that places this passage simply support this, unfortunately. Saying this - it bears another question how we get the issue of unsocial behaviour and drug misuse under control?
I believe that it should be bricked up.
Public toilets should be provided.

Total number of comments received = 80 comments

This page is intentionally blank.

26. Renewal of Public Spaces Protection Order Allowing for the Gating of St Peters Passage

Ben Jackson, Public Protection and Anti-Social Behaviour (PPASB) and Licensing Manager presented a report that sought approval from Executive to renew the existing Public Space Protection Order (PSPO) which allowed for the gating of St Peter's Passage. The passage ran from the High Street, next to House of Fraser, through to Mint Lane in the upper High Street area of Lincoln city centre.

Following an increasing number of complaints of drug use, drug paraphernalia, urination, defecation and criminal activity, the original PSPO was approved in 2018, and the passage was gated in July 2019 which restricted access to the public.

PSPOs, enforced under the Crime and Policing Act 2014, could be in place for a maximum of three years, and the PSPO was renewed in 2021 following a review. The report proposed that the passage be gated for a further three years and details of the public and partner consultation carried out from 13th September to 11th October 2024 were considered.

It was noted that Appendix B in the report was incorrect and should have been a copy of the current St Peters Passage PSPO. This would be rectified before the report was submitted to Executive.

In response to questions from Members, it was confirmed that:

- The consultation had received 180 responses with 87.8% in favour of continuing the PSPO to gate the passage.
- Following recent repairs to the gate, a request had been submitted for more intensive cleaning to the passage area which had been subjected to litter and other waste being left around the gate.
- The PSPO could not be extended to include the passageway down to Lincoln Snooker Club on the opposite side of the High Street due to health and safety reasons, but more CCTV cameras had been installed to help improve the area.
- In addition to CCTV, some of the Council's anti-social behaviour officers were involved with Hot Spot Policing patrols in the area with Lincolnshire Police.
- Due to the Government's Safer Streets funding coming to an end at the close of the financial year, it was important that deterrents and preventative measures were in place beforehand to ensure the funding was maximised.

- It had previously been highlighted that some of the individuals presenting as rough sleepers or engaging in anti-social behaviour in the area were City of Lincoln Council tenants. The Housing Team was working with PPASB Officers to support individuals out of the area or enforce against anti-social behaviour.
- Some of the issues surrounding the passage resulted from the active night-time economy in that area of Lincoln.

RESOLVED that:

1. The Policy Scrutiny Committee note the Renewal of Public Spaces Protection Order Allowing for the Gating of St Peter's Passage report and appendices.
2. Any comments be referred to Executive.

EXECUTIVE**24 FEBRUARY 2025**

SUBJECT:	PROCUREMENT ACT 2023 & CONTRACT PROCEDURE RULES
DIRECTORATE:	CHIEF EXECUTIVE AND TOWN CLERK
REPORT AUTHORS:	CAROLYN WHEATER – CITY SOLICITOR, HEATHER CARMICHAEL PROCUREMENT MANAGER

1. Purpose of Report

- 1.1 To seek Executive approval to the new Procurement Act 2023 and the subsequent revision of the Council's Contract Procedure Rules, and in doing so to note any comments from Audit and Policy Scrutiny Committee.

To refer the changes to the contract procedure rules to Council.

2. Executive Summary**Procurement Act**

- 2.1 The Procurement Act 2023 (PA23) received Royal Assent in October 2023 and is due to come into force in February 2025. The Act will supersede existing legislation governing public procurement, including the Public Contract Regulations 2015.

- 2.2 The PA23 has been designed to create a simpler, more flexible commercial system which meets the UK's needs. The aim of the Act is to provide a number of benefits to suppliers and buyers including:-

- Cutting red tape and supporting innovation
- Improving transparency by creating a fully open and transparent system, meaning everyone has access to public procurement data
- Faster competitive processes for emergency buying, allowing buyers to meet urgent needs quickly and efficiently
- Simplifying the process of working with the public sector, supporting more small to medium enterprises (SME's) to bid for contracts

- 2.3 This transformation of public procurement represents a huge change for all public bodies and is seen as a significant opportunity to make procurement processes better to deliver outcomes for the taxpayer.

2.4 Contract Procedure Rules

- 2.5 In order to comply with the PA23 the Procurement Manager has updated and refreshed the Council's Contract Procedure Rules (CPR's). These CPR's, which are required by the Local Government Act 1972, set out the rules by which the

Council spends money on the goods, services and works needed to deliver services to the residents of Lincoln.

2.6 The CPRs have seven main purposes:

- To support the delivery of the Council's Corporate Objectives
- To provide a legal framework for the Council's procurement activities
- To provide an auditable framework for the Council's procurement activities
- To help the Council obtain value for money so that in turn it may provide value for money services to the public
- To comply with the UK law governing spending of public money
- To comply with UK law as required through the Public Contract Regulations (2015) and Procurement Act 2023
- To protect staff and members of the Council from undue criticism or allegation of wrongdoing.

2.7 The revised CPR's adopt the whole procurement lifecycle approach, and the intention is that these are easier to read, make clear the requirements linked to contract values and give clarification to the limited circumstances where an exception to the normal route can be applied. The CPR's set out the Council's own rules for contracts and procurement, and are the layer below procurement legislation.

3. PA 2023

3.1 The PA23 makes significant changes to the Public Contract Regulations 2015, some of which are outlined below (though not an exhaustive list):-

3.2.1 That 'procurement' is to be seen in its widest sense, so the term now means not only the procurement process itself, but also pre-market steps in the route to award, the operation and management of the contract once awarded, and the exit whether by termination or expiry.

3.2.2 Pre-market engagement sees the introduction of two new public notices; Planned Procurement Notices and Preliminary Market Engagement Notices.

3.2.3 Competitive Tendering Procedure – moves from six procedures to the creation of one concept of competitive tendering procedure, which may be either a single stage open procedure or; 'any other competitive procedure that the authority considers appropriate,' introducing the freedom to design a procedure.

3.2.4 A new concept is introduced of 'excluded suppliers' – excluded on a mandatory ground and 'excludable suppliers' excludable on a discretionary ground.

3.2.5 Allows the modification of the term of the procurement provided the tender deadline has not passed.

3.2.6 Allows for the direct award of a contract in special/limited cases.

- 3.2.7 Introduces a new concept of an open framework which can operate for a maximum of eight years and allow new suppliers to join during the lifetime of the framework.
- 3.2.8 Reduces the standstill period after a contract has been awarded, from 10 to 8 days.
- 3.2.9 Where a contract is valued at more than £5 million, introduces a requirement to publish at least three key performance indicators (KPI's) via a contract performance notice.
- 3.2.10 Introduces Contract Change Notices which will be required for all contract amendments, except where this doesn't change the scope of the notice.
- 3.2.11 Introduces a central digital platform for suppliers to register and store their details so that they can be used for multiple bids, and be able to view all opportunities in one place.

3.3 Transition

- 3.4 The new PA23 will only apply to new procurements commenced from the date the Act comes into force. This means contracts let prior to 24 February 2025 will continue to be governed by previous legislation and will not be subject to the requirements of the PA23.

3.5 Notices

- 3.6 Linked to the transparency thread running through the PA23, the most significant change for public authorities contemplating entering into a contract is the number of notices that are now required to be published. As identified above, whilst not all mandatory, these notices apply even before the contract has been identified and throughout the contract period until expiry of such.
- 3.7 This a significant step change for the Procurement Manager to manage and once the contract has been awarded, for the identified contract manager to monitor, review and publish.
- 3.8 There are now a significant number of contract notices required to be published covering the following stages:
 - Planning stage
 - Procurement stage
 - Contract award and extension
 - Contract performance
- 3.9 Whilst the transparency of the above is understood, the pushing out of this increased information does have a significant draw on resources and poses an increased risk of challenge as there is so much more information available.
- 3.10 It is clear that whilst the proposed changes by the PA23 will see a reduction in the amount of 'red tape' for the market and businesses, this will not be the case for

contracting authorities such as the Council. The Act does require additional work and steps during each procurement.

3.11 Pipeline Notice

- 3.12 One of the main changes to be introduced is the publishing of a Pipeline Notice. This is seen as an important new step as contracting authorities can provide the market with information about current and future public contract opportunities by publishing a forward-looking procurement pipeline.

This is seen as a particular benefit to SME's and social enterprises as it provides them with time to plan for future work.

This is a requirement for any contract with an estimated value of more than £2 million. It is the collection of individual procurements that make up a contracting authority's procurement pipeline over the next reporting period. The 'reporting period' is 18 months, commencing on the first day of the financial year in which the notice is published.

4. Contract Management

- 4.1 Whilst there is already a procedure in place for any contract exercise to identify a Contract Manager, whose responsibility it is to monitor, and manage the contract for the length of the term and all relevant performance issues, the Act will now place additional responsibilities on that contract management. As identified above, the PA23 places additional responsibilities for the duration of the contract for the publishing of any relevant notice, once the award notices have been completed by the Procurement Manager. There will also be a requirement for relevant Assistant Director's, Service Managers or Contract Managers to identify any contracts which may need to be included in the pipeline notice

5. Contract Procedure Rules

- 5.1 As identified above the CPR's are a legal requirement and form part of the Constitution. Whilst the CPR's have been updated to reflect the necessary changes under the PA23, they also set out the process to be followed for contracts for goods, services and works and all relevant thresholds for these which sit under the PA23. They also identify that there may be occasions where they may be an exception to the normal route for entering into a contract, and these exceptions are listed and limited to those as set out.
- 5.2 They also identify that whilst there may be the necessity and the wish to use a Framework agreement, that a simplified procedure will still be required to make clear why a framework has been used.

6 Training

- 6.1 Appropriate training will be undertaken on the PA23 and the revised CPR's with Members, Corporate Management Team, Assistant Director's and Contract

Managers, over the coming months to ensure that all those who have a role in contracts are fully prepared for the Act coming into force in February.

6.2 Strategic Priorities

N/A.

7. Organisational Impacts

7.1 Finance

There will be a cost of circa £22,000 to assist with the implementation of the Act to cover training as outlined above, and to purchase a suite of documents relevant to implementing the Act. This cost is accommodated within existing budgets.

7.2 Legal Implications Including Procurement Rules

As outlined in the report.

Equality, Diversity and Human Rights

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

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

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

The Procurement Act 2023 and the Council's contract procedure require the Council to conduct all contracts in a fair, transparent and non-discriminatory manner.

8. Risk Implications

8.1 If the Council does not implement the Act properly or does not update the CPR's as necessary, there will be a risk of challenge to the procurement process.

9. Recommendation

9.1 That Executive note the new Procurement Act and revision to the Contract Procedure Rules, and refer the Contract Procedure Rules to Council for approval.

Is this a key decision? No

Do the exempt information categories apply? No

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

How many appendices does the report contain? 3

List of Background Papers: 1

Lead Officer: Carolyn Wheater – City Solicitor
Carolyn.wheater@lincoln.gov.uk

Contract Procedure Rules

November 2024

1.	Scope of Contract Procedure Rules
1.1	Overview
	<p>These Contract Procedure Rules (CPR's) set out the rules by which we spend money on the supplies (goods), services and works we need to deliver services to the residents of Lincoln. They are an integral part of the Council's Constitution and must be used for any purchase or procurement exercise by ALL employees of the Council or any authorised person buying on behalf of the Council.</p> <p>The following sections provide a high-level snapshot of the requirements set out within these CPR's:</p> <p>Section 4 – para 4.3 – page 14 – Summary Table of Applicable Thresholds</p> <p>Section 16 – page 59 – 60 – Procurement Flowcharts</p> <p>As a public authority the Council has a duty to allow the market the freedom of opportunity to trade with it. If the Council fails in this duty, a potential supplier or contractor may have a legitimate cause for complaint.</p> <p>The CPRs have seven main purposes:</p> <ul style="list-style-type: none"> • To support the delivery of the Council's Corporate Objectives • To provide a legal framework for the Council's procurement activities • To provide an auditable framework for the Council's procurement activities • To help the Council obtain value for money so that in turn it may provide value for money services to the public • To comply with the UK law governing spending of public money • To comply with UK law as required through the Public Contract Regulations (2015) and Procurement Act 2023 • To protect staff and members of the Council from undue criticism or allegation of wrongdoing <p>Some of the rules set out in the document are required by law, others have to be put in place to provide a complete, clear and coherent framework in which people can work.</p> <p>These CPRs recognise that the Council has certain responsibilities as a public authority for which it needs to act collectively:</p> <ul style="list-style-type: none"> • to make the best use of shared buying power • to produce information to comply with the law • to understand the big picture of spending activity to allow the Council to plan, to measure and improve performance and to train and develop its officers. <p>These Rules DO apply to:</p>

	<ul style="list-style-type: none"> • all contracts for the supply of works, goods or services (including consultancy and agency staff) to the Council, regardless of value • partnership and collaborative arrangements with other public bodies • concession contracts. • contracts for the purchase or sale of any interest in land, (including leasehold interests), where the Council imposes design requirements, and/or specifications and certain outputs (land development transactions) <p>They DO NOT apply to:</p> <ul style="list-style-type: none"> • contracts for the purchase or sale of any interest in land, (including leasehold interests) which do not impose the above * • contracts of employment for the appointment of individual members of staff, including members of staff sourced through employment agencies • sponsorship agreements • supply of works, goods and services by the council or one of its public sector partners. However, the City Solicitor and the Chief Finance Officer must be consulted where the Council is contemplating this route. <p>These CPRs promote good commercial practice, public accountability and deter corruption. Following these procedures is the best defence against allegations that a procurement activity has been undertaken incorrectly, fraudulently or unlawfully. These procedures cover contract and procurement activity undertaken on behalf of the Council and within a partnership arrangement, regardless of the source of funding.</p> <p>Officers responsible for procurement and contracting, MUST ensure compliance with these CPRs, the Public Contract Regulations 2015, Procurement Act 2023, Financial Procedure Rules, applicable Grant Fund spending regulations and conditions, and with all UK legal requirements.</p> <p>In addition to the above, due regard to statutory guidance issued by the Crown Commercial Service must be paid, as required by the Public Contract Regulations 2015 and the Procurement Act 2023 (PPN's).</p> <p>These CPR's do not contain procedures relating to making payments and undertaking purchasing activity, i.e. raising purchase orders or using a purchasing card. These procedures are found within Financial Procedures Rules.</p> <p>It should also be noted that these CPR's lay down minimum requirements. More stringent requirements may be appropriate for particular contracts and procurements, dependent on a number of factors.</p> <p>In accordance with the Constitution, the City Solicitor has the authority to make minor amendments to these CPR's, more comprehensive amendments must be approved by Full Council.</p>
1.2	Basic Principles/Compliance
	<p>All procurement activity, including the entering into contracts, on behalf of the Council, must:</p> <ul style="list-style-type: none"> • comply with these Contract Procedure Rules

	<ul style="list-style-type: none"> • comply with the Council's Financial Procedure Rules • comply with all relevant UK legislation • adhere to procurement principles by being undertaken in a transparent, non-discriminatory and proportionate manner • achieve best value in respect of the use of public money • demonstrate high regard to integrity <p>Each Director and Assistant Director is responsible for ensuring that his/her department/section complies with these Contract Procedure Rules, Financial Procedure Rules and ALL applicable legislation. They MUST ensure that procurement requirements are appropriately planned, resourced, reported, monitored and awarded. They may delegate the practical elements of the processes to competent officers within their departments, who are then equally responsible for ensuring these CPRs are adhered to.</p> <p>All members of staff and consultants engaged in any capacity to manage or supervise the procurement of any works, goods or services for the Council and/or the subsequent contract MUST comply with these CPR's.</p> <p>In addition to the above, all those involved in any form of procurement/entering into a contract/contract management, must ensure:</p> <ul style="list-style-type: none"> • relevant professional advice is sought, in a timely manner, from Procurement, Legal and Finance. • any external grant funding is used in line with these rules and the conditions to which it was assigned. Where there is conflict Procurement, Legal and Finance advice should be sought • any conflict of interest is declared • payment is only made for goods, services and works delivered at the contract price, the quantity and quality standards quoted for • the budget holder monitors all expenditure through their budget • a fully signed/sealed contract (dependent on value) is entered into prior to the commencement of the provision • an appropriate contract manager is identified, who is accountable for ensuring the contract delivers the goods, services and/or works as set out within the contract • the contract manager follows the required contract management monitoring, and this is fully documented to provide a clear audit trail • the Council's retention policy is adhered to <p>It is also proposed that these CPRs are reviewed on a regular basis to ensure that they are still fit for purpose and that a full review will be undertaken every three years.</p>
1.3	Contracts
	<p>A contract is an arrangement made by, or on behalf of the Council, with a third party, instructing them to undertake works or for the supply of goods or services.</p> <p>This includes:</p> <ul style="list-style-type: none"> • the supply of goods • the delivery of services • the execution of works • the hire, rental, repair, maintenance or lease of goods/equipment

	<ul style="list-style-type: none"> the appointment of agency staff or consultants <p>It does not include:</p> <ul style="list-style-type: none"> Partnering arrangements (albeit there may be a requirement for a legal arrangement to be entered into) Membership of and/or subscriptions to a recognised bodies (and associated work that they undertake on our behalf) Contracts of employment which make an individual an employee of the council Agreements regarding acquisition, disposal or transfer of land Awarding of grant monies
1.4	Joint Commissions
	<p>Where the council jointly procures/commissions services with other public sector bodies i.e. local authorities, health authorities etc. the following shall apply:</p> <ul style="list-style-type: none"> A lead authority will need to be determined for the purposes of the provision to be procured and their processes will be adhered too, and any subsequent contract entered into, will be deemed compliant with these CPR's thus meaning no exception to normal routes is required If the procurement/commission is with a NHS body, then adherence to specific regulations will apply i.e. the NHS bodies & LA Partnership Arrangement Regulations 2000 as amended by the NHS Bodies & LA Arrangements (Amendment) Regulations 2015 <p>Where the Council works jointly to procure/commission any goods, services and/or works with other organisations such as those from the private sector, where there are no legislative requirements, the following shall apply:</p> <ul style="list-style-type: none"> Regardless of who the identified lead is, these CPR's will apply as the Council has a legal duty to ensure adherence to various legislation etc Where the contract is procured on behalf of the Council but not in joint names, then there may be a requirement for the third party to indemnify the Council and vice versa.

2.	Roles & Responsibilities
2.1	Overview - Tree of Responsibility
	<p>This section sets out the Tree of Responsibility in terms of ensuring that the Council has a robust governance process in place to ensure adherence to the requirements of these CPR's.</p> <p>There is a "golden thread" that runs through from Corporate Management Team (CMT) to Contract Managers and in order for these CPR's to be effective, it is essential that all involved understand and comply with them.</p> <p>Whilst inevitably there may be some elements of overlap within the responsibilities of different areas, it should be clear what is required from individual roles when overseeing or undertaking a procurement exercise.</p>
2.2	Procurement Manager
	<p>The Procurement Manager is responsible for:</p> <ul style="list-style-type: none"> ensuring that all procurement undertaken is done so in strict accordance with these CPR's, Public Contract Regulations 2015, The Procurement Act 2023 (depending on when the procurement was commenced/contract entered into). for ensuring that the CPR's are kept up to date on a regular basis and that a full review is undertaken at least every three years. Where appropriate or requested by an Officer within the authority, ensure that any framework arrangement/agreement (ESPO, Scape, CCS etc.) is fully compliant prior to any discussions being entered into or procurement exercise undertaken. ensuring that where a procurement activity is undertaken electronically via the Councils recognised portal (currently Pro Contract), that all requirement stages are completed. This will include the initial entry being made on the Corporate Contracts Register. However, it should be noted that it is then ultimately the responsibility of the relevant Contract Manager to ensure that all details held on the Contracts Register are correct and up to date. ensuring that all staff and elected members are aware of their responsibilities under these CPR's and receive adequate training and guidance. <p>In addition to the above, the Procurement Manager is ultimately responsible for ensuring that where a procurement activity is required, that it hasn't been split into smaller requirements in order to avoid undertaking the necessary procurement process.</p> <p>In conjunction with the City Solicitor, they have responsibility for ensuring that any exception to the normal procurement route is captured and recorded so as to provide a full audit trail of decisions being made. It should be noted though that exceptions to the normal route can only be granted where the contract value is below the relevant threshold.</p>

2.3	City Solicitor
	<p>The City Solicitor has delegated responsibility for ensuring that these CPRs are properly administered, adhered too and reflect the most up to date legislation and statutory guidance.</p> <p>As stated above (para 2.2), the City Solicitor will in conjunction with the Procurement Manager, ensure that any exception to the normal route is captured and recorded so as to provide a full audit trail of decisions being made.</p>
2.4	Corporate Management Team (CMT)
	<p>Corporate Management Team (CX, Director of Major Developments, Director of Housing & Investment, Director of Communities & Environment) are collectively responsible for ensuring that all staff fully understand their responsibilities with under the CPR's and comply with them, and that resources are in place via the Procurement Manager/City Solicitor to provide adequate training and guidance.</p> <p>Director's duties are as follows:</p> <ul style="list-style-type: none"> • To ensure that their officers seek and obtain value for money and secure continuous improvement in all procurements. • To ensure no contract is entered into by their Directorate without there being adequate and agreed budget provision, in accordance with FPR's, and by adhering to these CPR's • To ensure compliance with all applicable legislation and seeking advice from the Procurement Manager, where appropriate, prior to the commencement of any procurement related activity • To ensure that Non-Commercial Considerations (i.e. personal conflicts, peer pressure) do not influence any decision to seek quotations or tenders or to enter into any contract. • To ensure all staff (including any agents or consultants acting on their behalf) dealing with procurement for their directorate, are fully aware of and comply with these CPRs and to arrange adequate training on their operation. Ideally training on these should form part of their induction process to the post they hold. • To ensure every contract has a named officer with responsibility for it. • To ensure that their officers keep records of all signed contracts and copies of all relevant documentation to provide a full audit trail of actions taken. • To ensure that the Council's Contracts Register for all contracts greater than £5000 in value is kept up to date • To ensure the Corporate Procurement Pipeline is kept up to date with all procurements greater than £2m in value to be carried out for the next 18 months.

2.5	Assistant Directors
	<p>All Assistant Directors are responsible for ensuring that Officers within their respective areas adhere to the requirements of these CPR's.</p> <p>It is their responsibility to ensure that procurement is undertaken compliantly and that all contracts entered into:</p> <ul style="list-style-type: none"> • Sign off all tender documents prior to the tender going live, where the tender is over the threshold for goods and services (this also applies to works contracts even though the threshold for this is significantly more) • Appear on the Council's contracts register as soon as they are signed and in advance of any goods/services being received and/or works being undertaken • All contracts are managed in accordance with the requirements of the Council's contract management guidance (see section 12) • Appointed/designated contract managers within their area have undertaken the relevant training and fully understand the requirements <p>Risk Registers are in place and reviewed in accordance with the Council's Lincoln Project Management Model (LPMM) and risk register requirements (see section 14).</p>
2.6	Legal Services
	<p>Legal Services are responsible for ensuring that all contracts entered into are lawful and provide adequate protection to the council, and that they are properly signed/sealed.</p> <p>It is their responsibility to ensure that the form of contract is relevant, appropriate and proportionate to the provision, and/or to raise any shortcomings in relation to proposed forms, especially where appointments are being made via the use of frameworks/agencies and changes cannot be made. In addition to this they are also responsible for ensuring that any external grant funding requirements are reflected appropriately.</p> <p>They are also responsible for providing advice/guidance in relation to all legal matters, that may form part of, or be associated with, the required provision. This will may include the following, but it should be noted that this list is not exhaustive:</p> <ul style="list-style-type: none"> • Subsidy Control • Collateral Warranties • Deeds of Warranties • Framework provisions • Use of providers own form of contract i.e. agency staff, recruitment agencies etc
2.7	Chief Finance Officer (S151) & Financial Services
	<p>The Chief Finance Officer (S151) is the officer responsible for the proper administration of the financial affairs of the Council and as such have a duty to provide financial advice and support in relation to all procurement activities and ensure compliance with Financial Procedure Rules.</p> <p>In addition to the above, they are also responsible for:</p>

	<ul style="list-style-type: none"> ensuring that processes detailed within these CPR's are reflected where necessary and compliment the requirements of Financial Procedure Rules. Any conflicts identified, should be discussed with both the Procurement Manager and City Solicitor in order for a resolution to be found and be reflected within both CPR's and FPR's. ensuring that where appropriate, contracts entered into provide adequate financial protection to the council. Whilst suppliers are able to self-certify in respect of their financial standing as part of the procurement activity, a review of this will be undertaken by Financial Services. In addition to this, Financial Services will also undertake financial checks at agreed points during the contract period, as notified by contract managers, as well as in response to a contract manager raising warnings/concerns over a contractors financial standing. ensuring that the form of contract, and the proposed terms/provisions within it, are relevant, appropriate and proportionate from a financial perspective i.e. inflationary clauses, capped liabilities etc. Where it is not, then any shortcomings should be addressed, so that any amendments can be enacted or where it is an appointment being made via the use of frameworks/agencies and changes cannot be made the contract manager is aware of the risks and procedures are put in place to help mitigate these. reviewing the provision being procured and provide the requirements in relation to the insurance cover required. ensuring that any financial related external grant funding requirements are reflected appropriately. In conjunction with the City Solicitor providing advice/guidance in relation to all finance related matters, that may form part of, or be associated with, the required provision. This will may include the following, but it should be noted that this list is not exhaustive: <ul style="list-style-type: none"> Performance Bonds Parent Company Guarantees Framework provisions Use of providers own form of contract i.e. agency staff Embedded Leases
2.8	Service Managers (if not contract managers)
	Service managers are responsible for ensuring that all procurement related activity undertaken by them and their staff within their service area follow the requirements of these CPR's.
2.9	Contract Managers
	Contract Managers are responsible for ensuring that they manage the contract effectively, efficiently and in accordance with these CPR's (primarily section 12). In summary this will include:

	<ul style="list-style-type: none"> • Monitoring performance of the supplier/contractor against the agreed programme or service level, as appropriate. • Monitoring the continuing level of operational and financial risk (including the risk of fraud) to which the Council may be exposed. • Facilitating the resolution of issues between the supplier/contractor and the key user(s) • Ensuring the prompt settlement of invoices / payments correctly and properly submitted by the supplier/contractor in accordance with the contract. • Ensuring that key certifications are in place i.e. insurance levels, performance bonds
2.10	Elected Members
	<p>Whilst there is no direct responsibility arising from CPRs in relation to the role of elected members, as members are precluded from entering into contracts on behalf of the authority, they should have an awareness of the requirements of these, and the requirements placed on officers with regard to procurement and contract management, in order to ensure effective scrutiny.</p>

3.	Exceptions to the Normal Route
3.1	Overview
	<p>Whilst the expectation is that any tendering of contracts will be compliant with these CPR's, it is acknowledged that there that may be exceptional situations where it is not possible to follow the normal route.</p> <p>This section sets out those limited occasions where an exception to the normal route may apply:</p>
3.2	Exceptions
	<p>Any exception to the normal route is provided for in exceptional circumstances, as identified below, and only with the agreement of both the City Solicitor and Procurement Manager as well as the relevant Assistant Director/Director.</p> <p>It should be noted that an exception can only be granted where the total value of the provision being procured DOESN'T exceed the relevant threshold. Where the value of the provision exceeds this, this action will require the publication of a Transparency notice and will need to satisfy the mandatory requirements of the relevant procurement legislation.</p> <p>Exceptions are as follows:</p> <ul style="list-style-type: none"> i. Where urgent/emergency repairs are necessitated by breakdown or other failure of buildings, plant, machinery or ICT software/equipment, necessary to maintain and ensure efficient and continuous service delivery. <i>The relevant definition of "emergency" or "urgent" describes it as "brought about by events unforeseeable by and not attributable to the contracting authority."</i> ii. Where renewals, repairs and upgrades to buildings, plant, appliances, machinery, vehicles or ICT equipment/software can only be efficiently carried out and most economically supplied with regard to time, cost and speed of delivery, by the original contractor/supplier or their successors or other sole specialists, subject to it not exceeding the relevant thresholds when aggregated. iii. Where urgent alternative arrangements are required to maintain the delivery of critical services due to the failure of an existing service provider or supplier. iv. Where an emergency situation exists as defined in the Council's Emergency Plan and/or the Corporate Business Continuity Plan v. Works orders placed with utility companies i.e. for re-routing cables or pipework vi. Where the City Solicitor and the Procurement Manager are satisfied that there is only one potential supplier of the required goods, supplies or services vii. Where it is not possible for the direct approach to be made to a local supplier as per the definition in the Local Purchasing Strategy. However, this is only where the City Solicitor and the Procurement Manager are satisfied that there are no more providers.

	<p>viii. Where it is not possible to request two quotations from local suppliers it is acceptable for all quotations to be from non-local suppliers. However, this is only where the City Solicitor and the Procurement Manager are satisfied that there are no more providers.</p> <p>The use of the Exceptions to Normal Route template is a requirement for all exceptions covered within this section and a copy if this can be found within paragraph 17. Sign off from the relevant Assistant Director/Director is required prior to the completed form being sent to the Procurement Manager and/or City Solicitor for final approval PRIOR to any procurement activity taking place.</p>
3.3	<p>Specific Processes for Selected Areas (specific category types)</p> <p>In addition to the above exceptions, there is also the exception process in respect of specific category types (below relevant threshold) and this allows for a direct approach to be made to a single supplier up to the relevant threshold, as follows:</p> <ul style="list-style-type: none"> • Where the appointment is in respect of specialist legal advice or for a barrister for defence or prosecution of a specific case. Appointment can only be made by the City Solicitor or an authorised representative. • Where the appointment is in respect of specialist services in respect of The Representation of the Peoples Act then each election i.e. City, County, PCC, BID etc. can be procured on an individual basis with the agreement of the Democratic Services and Elections Manager in conjunction with the City Solicitor. • Where the appointment is in respect of specialist services in respect of a General Election and/or a government authorised election such as a Referendum, then this can be procured on an individual basis with the agreement of the Democratic Services and Elections Manager in conjunction with the City Solicitor. • Where the appointment is in respect of specialist financial advice or specialist internal & external audit support. Appointment can only be made by the Chief Finance Officer or an authorised representative • Where the appointment is in respect of specialist property advice in respect of a one-off bespoke project. Appointment can only be made by the Strategic Property Services Manager or an authorised representative • Where the appointment is in respect of specialist planning advice in respect of a one-off bespoke project. Appointment can only be made by the Assistant Director Planning. <p>Whilst the above provides an exception to the normal procurement process it is still a requirement of the appointment that all the relevant governance and contractual arrangements are put in place. This may include the drawing together of a contract; issuing a brief and receiving the contractor's response; ensuring insurances are in place etc. Advice should always be sought from the Procurement Manager and/or City Solicitor prior to the commencement of this.</p>

4.	Thresholds
4.1	Council Set (below mandatory legal threshold)
	<p>The following values have been set by the authority and should be followed when undertaking a procurement exercise. All thresholds set by the Council are exclusive of VAT, whereas those set under the relevant procurement legislation are inclusive. There is summary table at the end of this section which provides an at a glance guide.</p> <p>The Threshold levels are set out in paragraph 4.2.</p> <p>In respect of Goods, Services & Light Touch Regime (LTR) the following applies:</p> <p>Less than £5,000 – there is no requirement for any formal procurement process to be followed but a purchase order is still required to be raised. There is also no legal requirement for the contract to be recorded within the Councils contracts register, however this would be seen as good practice.</p> <p>£5,001 to £15,000 – there is no requirement for any formal procurement process to be followed. However, it is the responsibility of contract managers and their Assistant Directors, to ensure that they have undertaken a due diligence review prior to entering into any arrangement and that they are satisfied that it doesn't expose the Council to any unnecessary risk i.e. required insurance levels in place, H&S assessment undertaken etc. Where the review flags up any concerns the use of the contract managers checklist should be undertaken. The councils contract register needs to be updated on award and the raising of a purchase order is required</p> <p>£15,001 to £30,000 – a direct approach can be made to one single supplier. You cannot make an approach to multiple suppliers separately. Completion of the contract managers checklist is required and ideally use of the Council's Request for Quotation template (this is not mandatory). The councils contract register needs to be updated on award and the raising of a purchase order is required</p> <p>£30,001 to Relevant Threshold for Goods & Services – a quotation exercise to be undertaken using the Council's Request for Quotation (RFQ) template. This process is to be undertaken electronically utilising the Council's procurement portal. The councils contract register needs to be updated on award and the raising of a purchase order is required</p> <p>APPOINTMENT OF CONSULTANTS OR AGENCY STAFF:</p> <p>All of the following thresholds allow for a direct approach to be made to one consultant or agency. However, it is the responsibility of the appointing officer to ensure that the appointment delivers best value for money, and it is advisable for a file note to be made detailing this. If this cannot be demonstrated, then a quotation exercise as detailed within the Goods & Services section above should be followed (over £30,001)</p> <p>Less than £5,000 – Discussion with HR is required to compliance with IR35. Officers will be expected to undertake a review of any terms and conditions (T&C's) being imposed by the supplier in order to ensure that the Council isn't exposed to unnecessary risk etc. There is no need for the contract managers checklist to be completed or an entry made on the contracts register. However, there is the need for a Purchase Order to be raised.</p>

	<p>£5,001 to £15,000 – As per the requirement above for up to £5,000 however the appointment needs to be entered onto the Council's contracts register. Authorisation of the appointment should be made by the Assistant Director</p> <p>£15,001 to £75,000 – Completion of the contract managers checklist is required and where possible the relevant T&Cs should be circulated with this for review by Legal and Financial Services. The appointment needs to be entered on the Council's contracts register and a purchase order raised. Authorisation of appointment needs to be made by relevant Director.</p> <p>£75,001 to Relevant Threshold for Goods & Services – Completion of the contract managers checklist is required and where possible the relevant T&Cs should be circulated with this for review by Legal and Financial Services. The appointment needs to be entered on the Council's contracts register and a purchase order raised. Authorisation of appointment needs to be made by CMT.</p> <p>APPOINTMENT OF RECRUITMENT AGENCY:</p> <p>Less than £5,000 – Officers will be expected to undertake a review of any T&C's being imposed by the supplier in order to ensure that the Council isn't exposed to unnecessary risk etc. There is no need for the contract managers checklist to be completed or an entry made on the contracts register. However, a Purchase Order is to be raised.</p> <p>£5,001 to £50,000 – a direct approach can be made to one single supplier. You cannot make an approach to multiple suppliers separately. Use of the Council's Request for Quotation template is required as well as completion of the contract managers checklist. The councils contract register needs to be updated on award and the raising of a purchase order is required</p> <p>£50,001 to Relevant Threshold for Goods, Services and Light Touch - a quotation exercise to be undertaken using the Council's Request for Quotation (RFQ) template. This process is to be undertaken electronically utilising the Council's procurement portal.</p> <p>IT LICENCES AND MODULES UPGRADES:</p> <p>Up to the threshold for Goods, Services and Light Touch – a direct approach can be made to a single supplier. Completion of the contract managers checklist is required and where possible, the relevant T&Cs should be circulated with this for review by Legal and Financial Services. The appointment needs to be entered on the Council's contracts register and a purchase order raised. Where the total value of the contract is below £5,000, there is no requirement for any formal procurement process to be followed, however, a purchase order is still required to be raised.</p> <p>WORKS AND CONCESSION CONTACTS:</p> <p>Less than £5,000 – there is no requirement for any formal procurement process to be followed but a purchase order is still required to be raised.</p> <p>£5,001 to £30,000 – there is no requirement for any formal procurement process to be followed. However, it is the responsibility of contract managers and their Assistant Directors, to ensure that they have undertaken a due diligence review prior to entering into any arrangement and that they are satisfied that to doesn't expose the Council to any unnecessary risk i.e. required insurance levels in place, H&S assessment undertaken etc. Where the review flags up any concerns the use of the contract managers checklist</p>
--	--

	<p>should be undertaken. The councils contract register needs to be updated on award and the raising of a purchase order is required</p> <p>£30,001 to £1,000,000 – a direct approach can be made to one single supplier. The use of the RFQ direct approach template is mandated. Completion of the contract managers checklist is required. You cannot make an approach to multiple suppliers separately.</p> <p>£1,000,001 to £2,500,000 - a quotation exercise to be undertaken using the Council's RFQ template. This process is to be undertaken electronically utilising the Council's procurement portal.</p> <p>£2,500,001 to Threshold - a quotation exercise to be undertaken using the Council's RFQ template. This process is to be undertaken electronically utilising the Council's procurement portal.</p> <p>Exceptions to the Above</p> <p>Whilst all of the above thresholds are in place, Officers can, where they feel it would provide better value for money, advertise the opportunity to the marketplace and/or follow the quotation route rather than make a direct approach. In these circumstances full engagement with the relevant processes is required as detailed within this document. However, prior to this process being undertaken, a file note should be made as to why this was the chosen route which should be signed off, by the relevant Assistant Director for that area.</p> <p>Where a framework is being utilised, the above thresholds do not apply, and the framework providers requirements will need to be followed. However, the contract managers checklist will still be required to be completed and circulated along with the framework providers form of contract and any specific framework information relating to terms i.e. insurance levels etc.</p>										
4.2	Statutory Set (Goods & Services, Light Touch and Works)										
	<p>The relevant thresholds as revised under Public Contract Regulations 2015 on 1st January 2024 are as follows:</p> <table border="1"> <thead> <tr> <th>Type</th><th>Threshold (inc. of VAT)</th></tr> </thead> <tbody> <tr> <td>Goods & Services</td><td>£214,904</td></tr> <tr> <td>Works</td><td>£5,372,609</td></tr> <tr> <td>Light Touch</td><td>£663,540</td></tr> <tr> <td>Concessions Contract</td><td>£5,372,609</td></tr> </tbody> </table>	Type	Threshold (inc. of VAT)	Goods & Services	£214,904	Works	£5,372,609	Light Touch	£663,540	Concessions Contract	£5,372,609
Type	Threshold (inc. of VAT)										
Goods & Services	£214,904										
Works	£5,372,609										
Light Touch	£663,540										
Concessions Contract	£5,372,609										
4.3	Summary Table of Proposed Levels										
	<p>The following table provides an at a glance summary of the procurement requirements based on the various contract value thresholds.</p>										

Value	Goods Services & Light Touch	Consultancy & Agency Staff	Recruitment	IT Licences & Module Upgrades	Works
Up to £5,000	No Formal Requirement				
£5,001 to £15,000	No Formal Requirement				
£15,001 to £30,000	Direct Approach				No Formal Requirement
£30,001 to relevant threshold	RFQ process	Direct Approach	Direct Approach	Direct Approach	n/a
£15,001 to £75,000	n/a	Direct Approach	Direct Approach	Direct Approach	n/a
£75,001 to relevant threshold		Direct Approach	Direct Approach	Direct Approach	n/a
£30,001 to £1,000,000	n/a	n/a	n/a	n/a	Direct Approach
£1,000,001 to £2,500,000	n/a	n/a	n/a	n/a	RFQ process
£2,500,001 to relevant threshold	n/a	n/a	n/a	n/a	RFQ process

5.	Calculating the Contract Value
5.1	Overview
	Prior to the commencement of any procurement activity, it is essential that the procurement lead (this can be the contract manager or the operational lead) calculates the total contract value. In order to do they will need to determine the estimated annual spend and the preferred length of contract, including all extension provisions, so that when multiplied together, it provides an estimated annual cost.
5.2	Determining the contract length
	<p>It is important when determining the length of time, the contract will be in place for, that the following is considered:</p> <ul style="list-style-type: none"> • How long will the council utilise the provision being procured • Does the marketplace have an optimum length that it will quote for • Is there a high churn of suppliers in the marketplace • Is the marketplace volatile • How does the proposed length reflect internal trends in spend • Impact of inflationary factors • Length of time spent procuring v initial period of contract
5.3	Determining the total value
	<p>Where a contract/provision has been in place historically, the use of annual spend data held by the Council will help to determine estimated spend. The usual process is to look at the spend over a three-year period to provide an average and then review this to ensure that it is realistic given known parameters/volume of the requirement moving forward along with any inflationary factors that need to be considered. Financial Services will be able to help with the element.</p> <p>Where it is a new contract/provision then officers will need to utilise any market intelligence available and/or their own professional intelligence in this area.</p> <p>It is also important to remember that when calculating the contract value in respect of those which exceed the relevant threshold that VAT is included within the calculation as the thresholds stated are shown in this way. The contract value to be procured will then be:</p> <p><i>Annual spend x total years provision to be in place for</i></p>

6.	Procurement Routes for above threshold contracts
6.1	Overview
	<p>Where the contract value exceeds the relevant procurement threshold, then the legal requirements and processes must be complied with. Where the procurement is commenced prior to the 24th February 2025, adherence should be made to the requirements of Public Contract Regulations 2015. After this date adherence to the Procurement Act 2023 should be followed.</p> <p>Section 9 of these Contract Procedure Rules contains more detailed guidance as the processes to be followed.</p> <p>Specific guidance should always be sought from the Procurement Manager prior to the commencement of any procurement activity that exceeds the procurement threshold.</p>
6.2	Public Contract Regulations 2015 (PCR2015)
	<p>Where the procurement activity was commenced prior to 24th February 2025, then PCR 2015 will apply. This will also apply in respect of any management, variations, modifications in relation to the provision in place. There are five types of contract award procedure under the 2015 Regulations.</p> <p>These are:</p> <ul style="list-style-type: none"> • Open • Restricted • Competitive Dialogue • Competitive with negotiation • Innovation Partnership <p>There are no restrictions in the legislation on the use of the open and restricted procedures. The competitive dialogue, competitive with negotiation and innovation partnership procedures can only be used in certain specified circumstances. Predominantly, the council uses the open and restricted route, and these are covered in more detail in section 9.</p>
6.3	Procurement Act 2023 (PA23)
	<p>Where the procurement activity was commenced on or after the 24th February 2025, then PA23 will apply. This will also apply in respect of any management, variations, modifications in relation to the provision in place as well as the requirement to publish any notices for the duration of the contract as stipulated within the Act.</p> <p>The new Act uses only three procedures, not including frameworks and dynamic markets (the new name for dynamic purchasing systems).</p> <p>The new procurement procedures are:</p> <ul style="list-style-type: none"> • Open Procedure • Competitive Flexible procedure • Direct award.

6.4	Frameworks, Dynamic Purchasing System & Dynamic Markets
	<p>The Council allows for the use of frameworks, dynamic purchasing system (DPS) and dynamic markets (DM) where appropriate. They can help to balance the need to achieve/demonstrate value for money with the resource impact of undertaking a quotation/full tender process.</p> <p>A procurement framework, also known as a framework agreement, is an umbrella agreement put in place between a provider or range of providers that enables buyers to place orders for goods, services and works, without facing the lengthy tendering process for each individual task. Suppliers can only be included at the start of the framework and not at any other time. They can only be in place for a maximum of four years.</p> <p>A Dynamic Purchasing System (DPS) is similar to a framework agreement, but new suppliers can join at any time. It is to be run as a completely electronic process and should be set up using the restricted procedure. They have no restriction in length of contract period.</p> <p>A dynamic market under the Procurement Act 2023 is a list of qualified suppliers who are eligible to participate in future procurements. A dynamic market may be split into categories/parts, with suppliers only eligible to participate in the parts for which they have qualified. DM's must remain open to new suppliers to join at any time. Dynamic markets are available for all types of purchases of goods, services or works, other than those purchased under concession contracts unless the concession contract is also utilities contracts.</p> <p>Where a framework has been identified it is paramount that prior to the commencement of any activity in relation to the appointment of a supplier by this means, both value for money and compliance checks are undertaken. The Procurement Manager will be responsible for ensuring that the Council has been named within the original contract notice (this may be via the framework stating that it can be used by all UK LA's). Contract Managers/Operational Leads will be responsible for ensuring that rates quoted for on the framework reflect those available in the marketplace.</p> <p>In addition, it is also a key requirement that the framework agreements are reviewed by the relevant sections to ensure that they are fit for purpose. Framework agreements in general cannot be amended and must always be awarded in accordance with their documentation. This may leave the Council exposed to more risk and so an assessment of this will need to be undertaken prior to a final decision being made to continue via this procurement route.</p> <p>Frameworks can be used, where the agreement allows for an award via a direct approach or further competition/mini competition. Where its being utilised by way of further competition, then it is essential that the agreement is reviewed to ensure all evaluation of submissions is compliant. For example, in some cases the framework will stipulate the award criteria to be used.</p>
6.5	Concession Contract
	A concession contract is an arrangement between the Council and a supplier, where the supplier is given the right to exploit works and/or services provided for

	<p>their own gain. Suppliers under this regime are often referred to as the “Economic Operator.”</p> <p>Economic Operators can either receive consideration for their services solely through third party sources, or partly through consideration from the Council, along with income received via third parties.</p> <p>There are two types of concession contracts: works and service concessions.</p> <p>A works concession is where the economic operator undertakes the development of, operates and maintains infrastructure.</p> <p>A service concession is where the economic operator provides services of general economic interest. This could be where the Council allow the operator to operator a café in a council site, utilising council owned assets BUT they carry all the commercial risk in terms of profit & loss, and no payment is made by the Council to the operator in return for running the service.</p>
6.6	Light Touch Regime (LTR)
	<p>The LTR is a specific set of rules in relation to certain service contracts that tend to be of lower interest to the marketplace. They were prior to the implementation of PCR2015, known as Part B services and were predominantly social, health and education services. Not all Part B services are now covered under the LTR.</p> <p>Section 10 of these CPR’s provides more detail as to how to undertake this type of procurement exercise.</p>
6.7	Contracting Authority to Contracting Authority
	<p>The Council may enter into arrangements with other contracting authorities. This can be in respect of two or more public authorities coming together to deliver public functions in circumstances where a separate legal organisation such as a Teckal company is not formed. Legal advice should always be sought in respect of setting up these arrangements, but it should be noted that there is no requirement to undertake a procurement in accordance with these rules.</p> <p>If the setting up of such an arrangement is considered to be meet the requirement of a Teckal company, then Legal and/or procurement advice should be sought prior to the arrangement being formalised into a contract. Where an entity meets the needs of a Teckal company there is no requirement to undertake a procurement in accordance with these rules.</p>

7.	Steps to be taken Prior to Commencing a Procurement Activity																																
7.1	Contract Managers Checklist																																
	<p>The Council has in place an agreed and formal Contract Managers Checklist. There is one in respect of a new procurement exercise and one for a variation to or extension of a current provision. These must be completed prior to the commencement of any dialogue with any suppliers, whether they are the incumbent or potential suppliers.</p> <p>The latest versions of the forms can be found within Net Consent along with various appendices which will help provide you with guidance as to how they need to be completed. Advice is available from the various section leads as identified in the checklist and this checklist will form the master source document as the procurement process progresses.</p>																																
7.2	Approvals in Place																																
	<p>Authority to commence with any procurement should always be in place prior to the commencement of any procurement activity. The following table details the requirements where the budget is in place. Where it's not, then authority for funding will need to be authorised in accordance with FPR's prior to the award of the procurement exercise:</p> <table><tr><td>Type</td><td>Value (£)</td><td>Authority Required</td></tr><tr><td>Goods & Services</td><td>Up to £25,000</td><td>Service Manager</td></tr><tr><td>Goods & Services</td><td>£25,001 to £75,000</td><td>Assistant Director</td></tr><tr><td>Goods & Services (except consultancy & agency appointments)</td><td>Over £75,001</td><td>Director</td></tr><tr><td>Goods & Services (consultancy & agency appointments)</td><td>Over £75,001</td><td>CMT</td></tr><tr><td>Works</td><td>Up to £25,000</td><td>Service Manager</td></tr><tr><td>Works</td><td>£25,001 to £500,000</td><td>Assistant Director</td></tr><tr><td>Works</td><td>£500,001 to £2,500,000</td><td>Director</td></tr><tr><td>Works</td><td>£2,500,001 to threshold</td><td>CMT</td></tr><tr><td>Works</td><td>Over Threshold</td><td>CMT/Executive</td></tr></table>			Type	Value (£)	Authority Required	Goods & Services	Up to £25,000	Service Manager	Goods & Services	£25,001 to £75,000	Assistant Director	Goods & Services (except consultancy & agency appointments)	Over £75,001	Director	Goods & Services (consultancy & agency appointments)	Over £75,001	CMT	Works	Up to £25,000	Service Manager	Works	£25,001 to £500,000	Assistant Director	Works	£500,001 to £2,500,000	Director	Works	£2,500,001 to threshold	CMT	Works	Over Threshold	CMT/Executive
Type	Value (£)	Authority Required																															
Goods & Services	Up to £25,000	Service Manager																															
Goods & Services	£25,001 to £75,000	Assistant Director																															
Goods & Services (except consultancy & agency appointments)	Over £75,001	Director																															
Goods & Services (consultancy & agency appointments)	Over £75,001	CMT																															
Works	Up to £25,000	Service Manager																															
Works	£25,001 to £500,000	Assistant Director																															
Works	£500,001 to £2,500,000	Director																															
Works	£2,500,001 to threshold	CMT																															
Works	Over Threshold	CMT/Executive																															
7.3	Business Case for using Frameworks																																
	<p>Business cases/file notes will be required as follows:</p> <ul style="list-style-type: none">Where a direct approach for goods, services and light touch, via a framework is being undertaken and the value of the appointment exceeds																																

	<p>that set by the council by way of a direct approach but is less than £75,000 a short file note/business case (see section 18) should detail the rationale as to why this process has been taken and should be signed off by the relevant Service Manager</p> <ul style="list-style-type: none"> • Where a direct approach for goods, services and light touch, via a framework is being undertaken and the value of the appointment exceeds £75,001 but is less than threshold (and there is no allowance for a direct approach within the council's set levels), a short file note/business case should detail the rationale as to why this process has been taken and should be signed off by the relevant Assistant Director • Where a direct approach for goods, services and light touch, via a framework is being undertaken and the value of the appointment exceeds threshold a short file note/business case should detail the rationale as to why this process has been taken and should be signed off by the relevant Director • Where a direct approach for works, via a framework is being undertaken and the value of the appointment exceeds £25,000 but is less than £75,000 a short file note/business case should detail the rationale as to why this process has been taken and should be signed off by the relevant Service Manager • Where a direct approach for works, via a framework is being undertaken and the value of the appointment exceeds £1,000,001 but is less than £2,500,000 a short file note/business case should detail the rationale as to why this process has been taken and should be signed off by the relevant Assistant Director • Where a direct approach for works, via a framework is being undertaken and the value of the appointment exceeds £2,500,000,001 but is less than threshold a short file note/business case should detail the rationale as to why this process has been taken and should be signed off by the relevant Director • Where a direct approach for works, via a framework is being undertaken and the value of the appointment exceeds threshold a short file note/business case should detail the rationale as to why this process has been taken and should be signed off by the relevant Board and/or CMT • Where the provision is currently outsourced and there is an option for it to be delivered in house then a detailed business case should be signed off by CMT then Executive, with the agreement of any relevant committees. (initial discussions should be held informally to determine whether there is the capacity or appetite for it to be brought in house)
7.4	Social Value
	<p>The Public Services (Social Value) Act 2012, which came into force on 31st January 2013, requires all public bodies in England and Wales, for the first time to legally consider how the services they commission and procure might improve the economic, social and environmental well-being of their area.</p> <p>The Council has developed a set of outcomes/principles that will enable it to consider the economic, social and environmental well-being of the City and its residents when commissioning/procuring its contracts. These outcomes/principles are based on the vision, values and priorities set by the Council. More specifically the following has been defined as the Social Value position for the Council:</p>

	<p><i>“A process by which benefits can be made that will improve the quality of life & life chances of City of Lincoln residents and enhance our Civic pride in the city.”</i></p> <p>It should be noted that the only legal requirement for SV to be considered for inclusion within a procurement activity is when the value exceeds the relevant threshold. However, it is the Council’s aim that consideration will be given in respect of all procurement exercises, where appropriate and relevant to do so.</p>
7.5	Subsidy Control
	<p>Following the UK leaving the European Union, State Aid rules have been replaced by Subsidy Control.</p> <p>A subsidy is where a public authority such as central or local government provides support to an enterprise that gives them an economic advantage, this could be a grant, cash payment, a loan on favourable terms, or free use of office space or equipment.</p> <p>The Council has in place guidance on this and as part of the completion of the contract managers checklist, the implications of Subsidy Control should be considered.</p> <p>Advice specifically in relation to this, should be sought from the City Solicitor, and any decision as to whether something is a subsidy is decided by a panel comprising the City Solicitor, Chief Finance Officer and Director of Major Developments</p>
7.6	Key Performance Indicators (KPI’s)
	<p>A Key Performance Indicator (KPI) is a measurable target that indicates how a supplier is performing in terms of meeting the goals set within the parameters of the contract.</p> <p>It is essential that KPI’s are fit for purpose and enable both the Council and the supplier to determine whether performance is at the required standard, as well as providing evidence to understand where there maybe issues and how these can be addressed.</p> <p>KPI’s should be reviewed as part of the ongoing contract management meetings and where necessary amended to reflect the current requirement.</p> <p>There is no minimum requirement as to the number of KPI’s a provision should have in place. It is more essential to ensure that they provide meaningful information as well as being relevant and proportionate.</p> <p>Guidance in relation to KPI’s shows that the best plans use between five and seven KPIs to track and manage progress. It also references that the best structured KPI plans include each element of what is called “SMART” criteria:</p> <ul style="list-style-type: none"> • Specific: define what each KPI is intended to measure, and why it is important • Measurable: KPIs should include standards for measurement • Achievable: the KPI should be a realistic, achievable goal

	<ul style="list-style-type: none"> • Relevant: KPIs are intended to move a business forward, so they need to be relevant to improving outcomes • Time-bound: it's important to set a realistic time frame based on past performance, and make sure that the team sticks to the agreed-upon deadlines <p>The Procurement Act 2023 (see section 9) requires at least three KPI's in contracts with a value in excess of £5m must be set. It is also a requirement that all these KPI's are published on the relevant platform by way of a notice annually, and that the top three are identified and highlighted. KPI's will also need to be included within the original call for competition notice at the start of the procurement exercise as well as on termination too. Advice on this should be sought from the Procurement Manager in respect of this.</p>
7.7	External Grants/Funding
	<p>Some procurement exercises are wholly, or part funded through the use of external grants. Whilst this is a most welcome source of funding it can bring about additional risks and requirements that the Council would not usually encounter. Some funding bodies will as part of the grant conditions, insist that a procurement is undertaken in a certain way or that an award cannot be made until they have received a detailed procurement report, and this has been signed off by them. It is therefore crucial to understand what, if any, requirements are attached to the accepting of the external funding and how these impact on the Council's usual route.</p> <p>The contract managers checklist has a section for this and as such, should capture all the relevant information, in order for an informed decision to be made.</p> <p>In addition, the Council has in place a Grants Register and this is held by Financial Services. Guidance should be sought prior to the application for any external funding from Chief Finance Officer/Financial Services as detailed within FPR's.</p>
7.8	Pre-Market Engagement
	<p>Prior to the commencement of any procurement activity, it can be advantageous to consult with suppliers in order to:</p> <ul style="list-style-type: none"> • Gain an insight into what/where the market is currently and how that can be used to help shape the requirement being tendered • Help to shape, prepare and plan the procurement <p>Section 9 of these CPR's looks in more detail as to how legislation governs this process when above threshold. However regardless of the value of the contract, the principle of being Open, Fair and Transparent should be applied regardless.</p> <p>Guidance should be sought from the Procurement Manager prior to any discussions being held with any supplier, the incumbent included.</p>

7.9	Appointment of Consultants/Agency Staff
	<p>Officers should consult with the Procurement Manager and/or Legal Services prior to the commencement of any engagement with a third party (Agency or a Consultant directly).</p> <p>The contract managers checklist should be completed and circulated along with any specific terms and conditions to which the third parties are insisting the Council are signed up too. These can then be reviewed, and any risks highlighted to the contracting officer.</p> <p>Where risks are identified, these should be reviewed by the relevant Assistant Director, and it is their decision as to whether the appointment is to be made. This decision should be captured on the contract managers checklist.</p> <p>An assessment will also need to be undertaken in respect of IR35 and Human Resources will be able to support this process – again this is captured on the checklist.</p> <p>Each appointment of an individual consultant will be viewed as a separate contract and as such the thresholds as detailed within paragraph 4.1 will apply.</p>

8.	Below Threshold Processes
8.1	Overview
	<p>Where the value of the provision being procured is below the relevant threshold then the Council set thresholds will apply as shown in Section 4. Officers must not sub-divide requirements in order to circumvent the relevant regulations. The principles of above threshold procurement apply and should be adhered to – Open, Fair and Transparent.</p> <p>In general, the use of a Standard Questionnaire (SQ) or any assessment of bidders in order to reduce the numbers of those bidders being invited to the tender stage is not allowed for, albeit there are certain exceptions to this. It is however acceptable for bidders to be asked “suitability” questions but these need to be relevant to the provision being procured and also proportionate. Advice can be sought from the Procurement Manager as to the suitability of the questions being proposed and the use of an SQ.</p>
8.2	Goods, Services & Light Touch Regime
	<p>The following all relates to the procuring of goods, services and light touch regime.</p> <p>Goods are items that are usually (but not always) tangible, such as office equipment, fleet, or IT Hardware.</p> <p>Services are activities provided by other people, such as surveys, project management, training.</p> <p>Light Touch Regime primarily covers off Social Care elements</p> <p>Taken together, it is the production, distribution, and consumption of goods and services which underpins all economic activity and trade.</p>
8.3	Direct Approach under £5k
	<p>A direct approach can be made to one single supplier. You cannot make an approach to multiple suppliers separately.</p> <p>Officers will be expected to undertake a review of any T&C’s being imposed by the supplier in order to ensure that the Council isn’t exposed to unnecessary risk etc. There is no need for the contract managers checklist to be completed, an award notice to be published or an entry made on the contracts register. However, there is the need for a Purchase Order to be raised.</p>
8.4	Direct Approach over £5k but below Relevant Council Set Threshold
	<p>A direct approach can be made to one single supplier. You cannot make an approach to multiple suppliers separately. Please see section 4.1 for the relevant contract value levels.</p> <p>The contract managers checklist needs to be completed prior to contact being made with the supplier so as to ensure that all the relevant sections are covered.</p>

	<p>Ideally, the direct approach RFQ template should be issued to the supplier along with the form of contract (T&C's) and other relevant appendices where necessary.</p> <p>The template should include suitable assessment questions to which the supplier is expected to respond. This will then form part of the contract and will enable all parties to see what the requirement of the Council was and how the supplier has stated they will ensure this is delivered.</p> <p>This can then be emailed to the supplier for completion with a required return date. A review of the response should be undertaken by the contract manager to ensure that it demonstrates compliance with the requirement and that it is detailed enough to ensure that the contract can be managed effectively. Clarifications can be sought where needed from the supplier. Once it is deemed compliant then the Contract Manager should contact the Procurement Manager to ask for a formal award letter to be issued to the supplier and Legal Services should be supplied with all the relevant information in order for the contract to be populated. This will include all the documents issued to the supplier along with their responses.</p> <p>Once the contract has been signed, the contracts register needs to be updated and this is the responsibility of the contract manager. A copy of the contract should be kept by the contracts manager as well as one also being lodged with Legal Services and the final copy being issued to the supplier.</p> <p>A purchase order should also be raised in respect of the contract being let and advice on this can be sought from Financial Services.</p>
8.5	Request for Quotation over £5k but below Relevant Council Set Threshold
	Where the market is not known or there is a concern in relation to Best Value being achieved etc., Officers are required to follow the process set out within 8.6 below rather than that detailed in 8.3/8.4 above.
8.6	Request for Quotation over Relevant Council Set Threshold but below Threshold
	<p>A quotation exercise is to be undertaken using the Council's RFQ template. This process is to be undertaken electronically utilising the Council's procurement portal. Guidance on this should be obtained from the Procurement Manager as it is their responsibility to create the specific tender portal.</p> <p>The contract managers checklist should be completed and circulated to the relevant officers and all responses incorporated within the RFQ template where applicable.</p> <p>A minimum of 4 suppliers should be selected to provide quotations, of which at least 2 should be "local", as defined within the Local Policy (see section 14). Where less than the four submit a quotation, the process can still continue but it should be noted that an award does not have to be made if quotations received are not deemed suitable.</p> <p>A formal assessment criterion needs to be determined and this should be split between price and quality. There is no corporate approach to this, it is based on a bespoke case by case basis and should always be relevant and proportionate</p>

	<p>to the contract being let. The Procurement Manager can provide examples of previously used criteria and help shape these to fit the provision being tendered.</p> <p>Once all the documentation has been finalised and signed off as required, then the Procurement Manager will upload to the electronic procurement portal. The selected suppliers will then be found on the system and will be formally invited to partake in the procurement activity.</p> <p>The portal will be “live” for a minimum of 4 weeks but again this will depend on the complexity of what is being tendered. The Procurement Manager will be responsible for the monitoring of the portal and will download all clarifications received from bidders. The Procurement Manager will then utilise a Q&A log which will capture all clarifications and ensure that all bidders see all correspondence. Only commercially sensitive clarifications/questions will be answered directly to the supplier and a determination on this status will be undertaken by the Procurement Manager in conjunction with the City Solicitor.</p> <p>A deadline for clarifications from bidders will be set (usually a week before the bid deadline) as well as a deadline for bids being submitted.</p> <p>No late submissions will be accepted.</p> <p>The evaluation of submissions will be undertaken as details of which are set out in these CPR’s.</p> <p>Once the contract has been signed, the contracts register needs to be updated and this is the responsibility of the contract manager. A copy of the contract should be kept by the contracts manager as well as one also being lodged with Legal Services and the final copy being issued to the supplier.</p> <p>A purchase order should also be raised in respect of the contract being let and advice on this can be sought from Financial Services.</p> <p>There is also the option, as there is with all procurement, where the marketplace is unknown, or Officers feel that it would be advantageous for an “open” process to be followed. This will still be undertaken in the same way as detailed above but rather than invite a selected number of suppliers to bid for the provision, a contract notice is issued for below threshold value and the opportunity is opened up to any supplier within the marketplace. Advice will need to be sought from the Procurement Manager prior to the commencement of any activity.</p>
8.7	Agency Staff & Consultants
8.7.1	Less than £5,000
	<p>A direct approach can be made to one agency or consultant, but the appointing officer must be able to demonstrate value for money (the criteria for this should be based on the appointing officer’s knowledge of the marketplace etc). Discussion with HR is required to compliance with IR35. Officers will be expected to undertake a review of any T&C’s being imposed by the supplier in order to ensure that the Council isn’t exposed to unnecessary risk etc. There is no need for the contract managers checklist to be completed or an entry made on the contracts register. However, there is the need for a Purchase Order to be raised.</p>

8.7.2	£5,001 to Threshold for Goods & Services
	<p>A direct approach can be made to one agency or consultant, but the appointing officer must be able to demonstrate value for money (as per above). Completion of the contract managers checklist is required and where possible the relevant T&Cs should be circulated with this for review by Legal and Financial Services. Discussion with HR is required to compliance with IR35, where applicable. The appointment needs to be entered on the Council's contracts register and a purchase order raised.</p> <p>Where a direct approach is not being followed then the process as detailed within paragraph 8.6 above should be adhered too.</p>
8.8	Recruitment Agencies
8.8.1	Less than £5,000
	<p>A direct approach can be made to one agency or consultant, but the appointing officer must be able to demonstrate value for money. Officers will be expected to undertake a review of any T&C's being imposed by the supplier in order to ensure that the Council isn't exposed to unnecessary risk etc. There is no need for the contract managers checklist to be completed or an entry made on the contracts register. However, there is the need for a Purchase Order to be raised.</p>
8.8.2	£25,001 to £50,000
	<p>A direct approach can be made to one agency or consultant, but the appointing officer must be able to demonstrate value for money. Completion of the contract managers checklist is required and where possible the relevant T&Cs should be circulated with this for review by Legal and Financial Services. The appointment needs to be entered on the Council's contracts register and a purchase order raised.</p> <p>Where a direct approach is not being followed then the process as detailed within paragraph 8.6 above should be adhered too.</p>
8.8.3	£50,001 to Threshold for Goods & Services
	The process as detailed within paragraph 8.6 above will need to be adhered to.
8.8.4	Frameworks, Dynamic Purchasing Systems & Dynamic Markets
	<p>As detailed in paragraph 6.4 within these CPR's, the use of the above is permitted.</p> <p>There are no statutory thresholds in place in respect of the processes to be followed whilst using frameworks. So, whilst in essence, you can award a contract via a framework for any value, each framework provider will set their own rules as to how the provision must be used. This may mean that some of the following apply, however, please note that this list is not exhaustive, and guidance should always be sought from the Procurement Manager prior to the commencement of any engagement with either a framework provider or individual supplier.</p>

	<ul style="list-style-type: none"> • Some will have specific value bands especially with regard to works contracts • Some will allow for a direct call-off/approach from the framework • Some will allow for only further competition to be undertaken • Some will allow for the formation of your own form of contract i.e. specific clauses as allowed for within a NEC4/JCT <p>Legislation in respect of Dynamic Purchasing Systems and Dynamic Markets is slightly different to that of frameworks as detailed above under the new PA23 and prior to the use of either of these routes, advice should be sought from the Procurement Manager.</p>
8.9	Works
	<p>The following paragraphs relate to the procuring of works.</p> <p>Works is defined as a contract issued to carry out construction, installation, erection, repair, renovation, maintenance, alteration of any movable or immovable property.</p>
8.10	Direct Approach under £5k
	<p>Officers will be expected to undertake a review of any T&C's being imposed by the supplier in order to ensure that the Council isn't exposed to unnecessary risk etc. There is no need for the contract managers checklist to be completed or an entry made on the contracts register. However, there is the need for a Purchase Order to be raised.</p>
8.11	Direct Approach over £5k but below £1,000,000
	<p>A direct approach can be made to one single supplier. You cannot make an approach to multiple suppliers separately. The contract managers checklist needs to be completed prior to contact being made with the supplier so as to ensure that all the relevant sections are covered. The direct approach RFQ template should be issued to the supplier along with the form of contract (T&C's). Once the contract has been signed, then the contracts register needs to be updated and a purchase order raised.</p>
8.12	Request for Quotation over £1,000,001 but below £2,500,000
	<p>A quotation exercise to be undertaken using the Council's RFQ template. This process is to be undertaken electronically utilising the Council's procurement portal. A minimum of 3 suppliers should be selected to provide quotations, all of which should be "local", as defined within the Local Policy (see section 14). It should be noted that the process can still continue should less than the 3 suppliers submit a quotation. Once the contract has been signed, then the contracts register needs to be updated.</p>

8.13	Request for Quotation over £2,500,001 but Threshold
	<p>A quotation exercise to be undertaken using the Council's RFQ template. This process is to be undertaken electronically utilising the Council's procurement portal. A minimum of 4 suppliers should be selected to provide quotations, all of which should be "local", as defined within the Local Policy (see section 14). It should be noted that the process can still continue should less than the 4 suppliers submit a quotation. Once the contract has been signed, then the contracts register needs to be updated.</p> <p>There is also the option as there is with all procurement where the marketplace is unknown, or Officers feel that it would be advantageous for an "open" process to be followed. This will still be undertaken in the same way as detailed above but rather than invite a selected number of suppliers to bid for the provision, a contract notice is issued for below threshold value and the opportunity is opened up to any supplier within the marketplace. Advice will need to be sought from the Procurement Manager prior to the commencement of any activity.</p>
8.14	Request for Quotation over £5k but below Threshold
	<p>There is the option that where there is a concern in relation to undertaking a Direct Approach, Officers can follow an "open" process. This will still be undertaken in the same way as detailed above (para 8.11 to 8.13) but rather than invite a selected number of suppliers to bid for the provision, a contract notice is issued for below threshold value and the opportunity is opened up to any supplier within the marketplace. Advice will need to be sought from the Procurement Manager prior to the commencement of any activity.</p>
8.15	Communication With and Clarification of Tender Documents by Bidders
	<p>No form of communication is allowed for with bidders other than via the electronic procurement portal. If site visits are contemplated for within the tender process, lead officers should ensure that minimal communication is undertaken and that where clarifications are sought from the bidder these are requested to be submitted through the electronic procurement portal. These will then be responded to by following the protocol as outlined below.</p> <p>Bidders are allowed to seek clarity on the information included within the tender documentation. Clarifications can only be made electronically through the procurement portal. If Bidders seek clarification via any other method, then no response will be given, and they will be asked to submit via the portal.</p> <p>Where clarifications are received the use of Q&A log will be required and this will detail the clarification sought and the Council's response. It will not detail who raised the clarification, but the Q&A log must be shared with all bidders.</p> <p>Clarifications will have to be submitted within the permitted timeframe detailed within the tender documents.</p>
8.16	Evaluation Process and Role of Evaluation Team Members
	<p>Where tender submissions are received, they will need to be formally reviewed and assessed in accordance with the selection and/or award criteria laid out within the tender documents. These Officers will need to ensure that they have</p>

	<p>read and fully understand the tender documents issued and will be required to have a training/refresher session with the Procurement Manager to ensure that they are aware of the requirements of evaluating tender submissions.</p> <p>Evaluations will be based on the requirements as detailed within the relevant tender documents but in general will be based on the following:</p> <ul style="list-style-type: none"> • A price/quality split which has been set in order to provide the most economical tender being awarded • A set of assessment questions in relation to the quality submission, each of which will have weighting/score attached to it • An overall scoring matrix which will determine whether the submission is non-complaint to excellent. This will be applied to the question weighting to determine its score per question then added together to provide an overall score <p>It is the role of the Evaluation Team Members to undertake the initial review and ghost marking on an individual basis prior to a moderation/scoring meeting being held.</p> <p>They will also be expected to complete an evaluators scoresheet which will provide comprehensive reasoning and justification as to why the score attributed to each supplier's assessment question was as such.</p>
8.17	Clarification of Submissions by Evaluators
	<p>Where submissions are reviewed, and the evaluators need to clarify any elements of the submission with Bidders this will be undertaken via the electronic procurement portal. A Q&A log will be produced for each individual bidder, and they will be asked to respond to this within a detailed timeline. This will usually be no longer than one working day, given that clarifications will be based on information they should have to hand. They are not being asked to redraft their submissions.</p> <p>All Q&A logs will be shared with all evaluation team members regardless of who has raised the clarification.</p> <p>Advice on responses given may be required from other services not formally part of the evaluation team i.e. Finance and Legal and this will be permitted.</p>
8.18	Presentations
	<p>The use of presentations is permitted where it is deemed proportionate and relevant to the procurement activity being undertaken. It will be a requirement of the tender documentation to include full details of the process. This will include but not be limited to the following:</p> <ul style="list-style-type: none"> • Setting the presentation question • scoring attributable to the presentation question set • mechanism for how the presentation will work

8.19	Moderation/Scoring Meeting
	<p>Once all submissions have been evaluated/reviewed individually by the team then a moderation meeting will be held whereby the scores will be discussed to ensure that there are no major discrepancies. Depending on the detail held within the tender documentation this meeting will either be to moderate the scores so that they are within one mark of each in order to ensure consistency or be to discuss each question and agree to an agreed score. Details of this process will be detailed within the relevant tender documentation issued as part of the procurement process.</p> <p>The meeting will require all evaluators to attend and will be chaired by the Procurement Manager</p>
8.20	Award
	<p>Once the submissions have been fully appraised/reviewed and the contract manager/lead officer satisfied with the outcome then the formal award can be made. The Procurement Manager will issue a letter to all suppliers who have bid informing them of the outcome.</p> <p>Direct Approach – letter issued to the successful supplier notifying them of our intention to enter into contract with them based on their submission.</p> <p>Quotation exercise (under threshold) – letter issued to the successful supplier notifying them of our intention to enter into contract with them based on their submission. Letters also issued to the unsuccessful suppliers detailing their scoring for each question along with those of the successful supplier. In addition, feedback will be given as to why it was deemed that their submission could only score as it did.</p>

9.	Above Threshold Processes
9.1	Overview
	<p>Above threshold procurement is determined by following the requirements set out within the relevant legislation.</p> <p>Where the procurement activity has commenced prior to the 24th February 2025, then it will be subject to the requirements laid out within Public Contract Regulations (2015).</p> <p>All procurement activity commenced after this date will be subject to the Procurement Act 2023.</p> <p>There are some significant differences between the two and the following paragraphs detail the high-level processes which need to be adhered in respect of both. Further advice should be sought from the Procurement Manager prior to the commencement of any procurement activity.</p>
	<i>Public Contract Regulations (2015)</i>
9.2	Pre-Market Engagement
	<p>Premarket engagement is allowed for within the regulations and allows for the consultation of suppliers (both incumbent and prospective) in order for officers to:</p> <ul style="list-style-type: none"> • understand fully what the market can deliver in general terms in relation to the provision being procured • prepare and plan the procurement activity • use experts to help inform and refine the provision being procured <p>It is essential that all steps possible are taken to ensure that the procurement legal requirements of being Transparent, Proportionate and Non-Discriminatory are adhered to at all times. Officers also need to ensure that any engagement doesn't lead to distortion of competition by being shaped by one supplier more than another. The provision/requirement whilst taking into account feedback from the marketplace needs to primarily still be based on and meet the full needs of the Council.</p> <p>Full minutes/comprehensive notes must be kept of the meetings held and ideally where possible all suppliers should be asked the same initial questions. It is essential that this is undertaken as these can be disclosable and may be appended to the tender documentation issued to be fully transparent.</p> <p>Ideally a Prior Information Notice (PIN) should be published by the Procurement Manager notifying the market that this process is being undertaken and asking those that interested in taking part register their interest.</p> <p>The Procurement Manager should always be consulted prior to any engagement with the market in relation to a forthcoming tender.</p>

9.3	Open Process
	The “open” procedure is where there is a limited marketplace, and it is not anticipated that there will be a high volume of interest. It is a one stage process which assesses both the history/standing of the contractor alongside its ability to deliver the specification. Submissions are undertaken by way of Invitation to Tender. The documentation is a combination of the Selection Questionnaire (SQ) and Invitation to Tender (ITT) used within the restricted process.
9.4	Restricted Process
	<p>The “restricted” procedure is where it is anticipated that the marketplace is large, and interest will be high. This route allows for the shortlisting of suppliers by way of an assessment using a standard selection questionnaire followed by the completion of an ITT by those that have been selected for the second stage. The Standard Selection Questionnaire (SQ) is a standard document which assesses various general aspects of the contractor such as:</p> <ul style="list-style-type: none"> • Financial standing • Company policies i.e. Equality & Diversity, Health & Safety • Previous relevant experience <p>It should be noted that any criteria assessed at this stage cannot be used again at ITT (Award stage).</p>
9.5	Procurement Notices (PIN, VEAT, Contract Notice, Award Notice)
	<p>PCR’s 2015 mandate the use of various procurement notices at various stages of the procurement. The publication of these is the responsibility of the Procurement Manager.</p> <p>The main notices used are:</p> <ul style="list-style-type: none"> • PIN – prior information notice – this can be used as a notice to alert the marketplace that the Council is potentially looking to procure the provision within the next 12 months. It can also be used as a call for expressions of interest in relation to pre-market engagement • Contract Notice – this notice is the formal notification to the marketplace that the proposed procurement activity is to commence • Award Notice – this is the notice that informs the marketplace that the procurement activity has concluded and that an award has been made • VEAT – voluntary ex anti notice - this notice is to inform the marketplace of the intention to enter into a contract where no formal procurement activity has been followed.
9.6	Standard Selection Questionnaire (SQ)
	Following the PCR 2015 coming into force there is a fundamental change in the use of standard selection questionnaire. Historically, Councils’ have used these documents as a way of shortlisting for procurement exercises under thresholds.

	<p>The legislation now clearly states that this is no longer possible for under threshold exercises.</p> <p>Where the tender process is over the relevant threshold and a restricted process is being followed, a SQ can be used. This is a standard document which takes a historic look at the operation of the supplier, from both a financial and experience perspective. Information assessed at this stage cannot then be assessed at the ITT stage.</p> <p>The use of the SQ enables a reduction in the number of bidders to be undertaken. It is essential though that any shortlisting be identified within the contract notice and in the SQ itself. This can either be a range or an exact number.</p>
9.7	Invitation to Tender (ITT)
	<p>All exercises must be conducted by way of using the electronic portal. No other method is permitted. Submissions received after the deadline will not be considered under any circumstances.</p> <p>The standard template must be used, and this has to be finalised prior to the publication of the contract notice.</p> <p>The ITT must:</p> <ul style="list-style-type: none"> • Include a full specification which must describe clearly the Council's requirements in sufficient detail to enable the submission of competitive offers. In preparing the specification, the Lead Officer must have regard to any guidance given from a procurement perspective. • It should also clearly state that the Council is not bound to accept any tender submission. • Detail the award criteria to be applied when evaluating the submission. • Clearly state that submissions will only be accepted electronically.
9.8	Evaluation Process and Role of Evaluation Team Members
	<p>Where tender submissions are received (SQ and/or ITT), they will need to be formally reviewed and assessed in accordance with the selection and/or award criteria laid out within the tender documents. These Officers will need to ensure that they have read and fully understand the tender documents issued and will be required to have a training/refresher session with the Procurement Manager to ensure that they are aware of the requirements of evaluating tender submissions.</p> <p>Evaluations will be based on the requirements as detailed within the relevant tender documents but in general will be based on the following:</p> <ul style="list-style-type: none"> • A price/quality split which has been set in order to provide the most economical tender being awarded. • A set of assessment questions in relation to the quality submission, each of which will have weighting/score attached to it. • An overall scoring matrix which will determine whether the submission is non-complaint to excellent. This will be applied to the question weighting to determine its score per question then added together to provide an overall score.

	<p>It is the role of the Evaluation Team Members to undertake the initial review and ghost mark on an individual basis prior to a moderation/scoring meeting being held.</p> <p>They will also be expected to complete an evaluators scoresheet which will provide comprehensive reasoning and justification as to why the score attributed to each supplier's assessment question was as such.</p> <p>Evaluating Officers must justify all comments on an objective basis. The more contentious the comments the fuller the justification needs to be. Evaluating Officers must take great care to ensure that the scores match the written record for each evaluation and that there is consistency across all Bidders. It is essential that the written record demonstrates why the highest scoring Bidder provided the best submission.</p> <p>Evaluating Officers must ensure that all scoring commentary is in a professional, business-like language which helps to justify the score that has been awarded. Evaluating Officers should be aware that their commentary may be disclosed to Bidders if there is a legal challenge or a Freedom of Information request. Evaluating Officers should be aware that the evaluation process is an activity where the risk of legal challenge is high.</p>
9.9	Communication With and Clarification of Tender Documents by Bidders
	<p>No form of communication is allowed for with bidders other than via the electronic procurement portal. If site visits are allowed for within the tender process that led officers should ensure that minimal communication is undertaken and that where clarifications are sought from the bidder these are requested to be submitted through the electronic procurement portal. These will then be responded too by following the protocol as outlined below.</p> <p>Bidders are allowed to seek clarity on the information included within the tender documentation. Clarifications can only be made electronically through the procurement portal. If Bidders seek clarification via any other method, then no response will be given, and they will be asked to submit via the portal.</p> <p>Where clarifications are received the use of Q&A log will be required and this will detail the clarification sought and the Council's response. It will not detail who raised the clarification, but the Q&A log must be shared with all bidders.</p> <p>Clarifications will have to be submitted within the permitted timeframe detailed within the tender documents.</p>
9.10	Presentations
	<p>The use of presentations is permitted where it is deemed proportionate and relevant to the procurement activity being undertaken. It will be a requirement of the tender documentation to include full details of the process. This will include but not be limited to the following:</p> <ul style="list-style-type: none"> • Setting the presentation question • scoring attributable to the presentation question set • mechanism for how the presentation will work.

9.11	Moderation/Scoring Meeting
	<p>Once all submissions have been evaluated/reviewed individually by the team then a moderation meeting will be held whereby the scores will be discussed to ensure that there are no major discrepancies. Depending on the detail held within the tender documentation this meeting will either be to moderate the scores so that they are within one mark of each in order to ensure consistency or be to discuss each question and agree to an agreed score. Details of this process will be detailed within the relevant tender documentation issued as part of the procurement process.</p> <p>The meeting will require all evaluators to attend and will be chaired by the Procurement Manager</p>
9.12	Alcatel (Standstill Period)
	<p>Where the contract value is over the relevant threshold then the Alcatel period (which is a mandatory standstill period) will need to be followed. This is a 10-day period (calendar not working days) between the issuing of a successful/unsuccessful letter and the formal award letter. Allowance needs to be made for any bank holidays.</p> <p>During this period, no contact can be made with the successful tenderer. The purpose of the standstill period is to give unsuccessful bidders some time to consider the feedback and seek further information, this is also the time when an unsuccessful tenderer can legally challenge the proposed award. They have to do so in writing formally within the 10-day period. If a “challenge” is made, then the Authority has to respond as soon as is possible (preferably within 24 hours of receipt of the letter) in order to not delay the pending award of contract.</p> <p>The City Solicitor and the Procurement Manager are responsible for responding to any challenges received. It is their decision in conjunction with the relevant Director for the service area as to whether the challenge is to be defended. Their combined decision is final and will be communicated to all suppliers/contractors involved where appropriate.</p>
9.13	Award
	<p>Once the Alcatel period has passed without an upheld challenge being made, then the award letter can be issued. This will be undertaken by the Procurement Manager.</p> <p>Once the award letter has been issued and formal confirmation of acceptance of the appointment has been received from the successful bidder then a formal contract award notice will be issued. This will be undertaken by the Procurement Manager.</p>
9.14	Regulation 84 Report
	<p>This report is a requirement of the regulations and captures a full audit trail of the process followed throughout the procurement exercise. It doesn't have to be</p>

	published but has to be available if requested to be disclosed. The Procurement Manager will complete this report and hold on file.																												
	<i>Procurement Act 2023</i>																												
9.15	Procurement Notices (Pre-Commencement; Award; During Contract)																												
	<p>One of the most significant changes within the new Procurement Act is the number of new notices that contracting authorities legally have to produce when undertaking a procurement activity.</p> <p>There are a significant number of Notices that could be required to be published in respect of each procurement activity (contract value dependant) and one of these is a requirement to detail significant advance planning (a minimum of 18 months) of procurement activity. Failure to comply with these requirements will result in a high risk of legal challenge.</p> <p>The following tables shows all the notices that could be required to be published in respect of both the procurement process and also following award, as part of the contract management of the provision.</p> <p>The Procurement Manager will publish these notices as required. However, it is the responsibility of the Contract Manager and their Assistant Director to ensure that all information required to complete this function is provided in a timely manner to the Procurement Manager. It is not the responsibility of the Procurement Manager to populate or chase for this information.</p> <p>Notices numbered 1 to 5 are all published prior to the “go live” date of the tender process</p> <p>Notices numbered 6 to 8 are all part of the “live” tender process</p> <p>Notices numbered 9 to 11 are all part of the award of contract stage</p> <p>Notices numbered 12 to 16 are all part of the contract delivery stage</p> <p>Notices numbered 17 to 18 are all part of the termination process</p> <table border="1"> <thead> <tr> <th></th><th>Notice</th><th>£25k to Threshold (Goods & Services)</th><th>Threshold (Goods & Services) to £1m</th><th>Above £1m</th></tr> </thead> <tbody> <tr> <td>1</td><td>Pipeline Notice (Corporate Procurement Service – annually)</td><td></td><td>Advisable</td><td>Yes (£2m)</td></tr> <tr> <td>2</td><td>Pre-Market engagement activity</td><td></td><td>Yes</td><td>Yes</td></tr> <tr> <td>3</td><td>Lot Division</td><td></td><td>Yes</td><td>Yes</td></tr> <tr> <td>4</td><td>SME barrier removal</td><td></td><td>Yes</td><td>Yes</td></tr> </tbody> </table>					Notice	£25k to Threshold (Goods & Services)	Threshold (Goods & Services) to £1m	Above £1m	1	Pipeline Notice (Corporate Procurement Service – annually)		Advisable	Yes (£2m)	2	Pre-Market engagement activity		Yes	Yes	3	Lot Division		Yes	Yes	4	SME barrier removal		Yes	Yes
	Notice	£25k to Threshold (Goods & Services)	Threshold (Goods & Services) to £1m	Above £1m																									
1	Pipeline Notice (Corporate Procurement Service – annually)		Advisable	Yes (£2m)																									
2	Pre-Market engagement activity		Yes	Yes																									
3	Lot Division		Yes	Yes																									
4	SME barrier removal		Yes	Yes																									

	5	Preliminary Market Engagement Notice		Yes	Yes
	6	Tender Notice		Yes	Yes
	7	Dynamic Market Notice		Yes	Yes
	8	Transparency Notice		Yes	Yes
	9	Assessment Summary		Yes	Yes
	10	Contract Award Notice		Yes	Yes
	11	Contract Notice Details	If below threshold notice used	Yes	Yes
	12	Contract Performance Monitoring		Yes	Yes
	13	KPI Publication (annually)			Yes
	14	Contract Performance Notice (annually)		If monitored	Yes
	15	Contract Change Notice		Yes	Yes
	16	Payment Compliance Notice (annually)	Yes	Yes	Yes
	17	Contract Termination Notice (for any reason, including natural end)	If below threshold notice used	Yes	Yes
	18	Procurement Termination Notice (for any reason other than award)	If below threshold notice used	Yes	Yes
	Further information in relation to the above is available from the Procurement Manager.				
9.16	Open Process				
	<p>The Open Procedure has been carried over from the current regime. It is the only one that has a prescribed form in the Act — namely, a single stage tendering procedure without a restriction on who can submit tenders.</p> <p>The main difference between the current Open Procedure and the new one is that the minimum time limits set out between the publication of a contract notice and the deadline for the receipt of tenders is no longer procedure specific. Instead, time limits are generally dependent on other factors, as set out in s.54 of the Act. This means that the Open Procedure no longer has its own specific time limits.</p>				

9.17	Competitive Flexible Process
	<p>This procedure is described in the Act as a competitive tendering procedure <i>“which is such procedure as the contracting authority considers appropriate for the purpose of awarding the public contract.”</i></p> <p>In essence it could be used to construct a “restricted process” as previously allowed within PCR (2015).</p> <p>S.20 of the Act clarifies that when using this procedure, contracting authorities may:</p> <ul style="list-style-type: none"> • limit the number of participating suppliers — either generally or in respect of particular tendering rounds or selection processes • provide for the refinement of award criteria • prevent participation of suppliers that didn’t submit a tender in an earlier round of tendering or were excluded following an earlier round • let a contract by using lots (to which the number of lots a supplier is bidding for can be limited). <p>This represents a significant shift away from the current regime. There is no mandatory process for the procedure provided that it’s “a proportionate means of awarding the public contract, having regard to the nature, complexity and cost of the contract” (as stated in the Act). Again, there are no procedure specific time limits beyond the general time limits in s.54.</p> <p>This move away from a regulated framework for undertaking a procurement procedure is designed to offer more flexibility to contracting authorities and allow them to design their own procurement procedures that best fit the opportunity for which they are advertising. This helps to meet their needs without the contract in question being straitjacketed into a specific procedure. Also, a more complex procurement can require a more complex procurement procedure without any need to justify whether any gateway for such procedure is met.</p> <p>It should be noted, however, that such flexibility also places a significant burden on contracting authorities. A contracting authority must ensure that whatever process they design for a specific procurement complies with the general procurement objectives and meets the proportionality requirement mentioned above. Given the increased transparency requirements woven throughout the Act, there will be greater scrutiny on the contracting authority’s approach.</p> <p>Regulation 19 of the Procurement Regulations 2024 (which expands on a number of points in the Act) sets out what would be required in a tender notice for a competitive flexible procurement.</p> <p>These requirements include:</p> <ul style="list-style-type: none"> • a description of the process that the procedure will follow • clarity on the number of suppliers that will be invited at different stages • any limits on the number of tenderers • how tenders can be submitted.

	<p>This demonstrates a need for a fully realised process to be established prior to going to market.</p> <p>Advice should be sought from the Procurement Manager at the earliest opportunity to ensure compliance.</p>
9.18	Direct Award/Negotiated Procedure without Prior Publication
	<p>Direct awards are available in limited circumstances under the current regime as part of the Negotiated Procedure without Prior Publication.</p> <p>Under s.41, the new Act allows for direct awards — provided that one of the limited grounds in Schedule 5 is present. While this is relatively similar to the current regime, the direct award ability is widened out to additional abilities in s.42 and s.43.</p> <p>It should be noted that this is not direct awards as allowed for under threshold values (i.e. Council set levels) and also those which are allowed within any framework arrangements.</p>
9.19	Evaluation Process and Role of Evaluation Team Members
	<p>Where tender submissions are received, they will need to be formally reviewed and assessed in accordance with the selection and/or award criteria laid out within the tender documents. These Officers will need to ensure that they have read and fully understand the tender documents issued and will be required to have a training/refresher session with the Procurement Manager to ensure that they are aware of the requirements of evaluating tender submissions.</p> <p>Evaluations will be based on the requirements as detailed within the relevant tender documents but in general will be based on the following:</p> <ul style="list-style-type: none"> • A price/quality split which has been set in order to provide the most economical tender being awarded • A set of assessment questions in relation to the quality submission, each of which will have weighting/score attached to it • An overall scoring matrix which will determine whether the submission is non-complaint to excellent. This will be applied to the question weighting to determine its score per question then added together to provide an overall score <p>It is the role of the Evaluation Team Members to undertake the initial review and ghost mark on an individual basis prior to a moderation/scoring meeting being held.</p> <p>They will also be expected to complete an evaluators scoresheet which will provide comprehensive reasoning and justification as to why the score attributed to each supplier's assessment question was as such.</p> <p>Evaluating Officers must justify all comments on an objective basis. The more contentious the comments the fuller the justification needs to be. Evaluating Officers must take great care to ensure that the scores match the written record for each evaluation and that there is consistency across all Bidders. It is essential that the written record demonstrates why the highest scoring Bidder provided the best submission.</p>

	Evaluating Officers must ensure that all scoring commentary is in a professional, business-like language which helps to justify the score that has been awarded. Evaluating Officers should be aware that their commentary may be disclosed to Bidders if there is a legal challenge or a Freedom of Information request. Evaluating Officers should be aware that the evaluation process is an activity where the risk of legal challenge is high.
9.20	Presentations
	See paragraph 9.10.
9.21	Moderation/Scoring Meeting
	See paragraph 9.11.
9.22	Clarification of Bids
	See paragraph 9.12.
9.23	Award
	<p>This is one of the most significant areas of change within the new Act.</p> <p>Where previously the suppliers were notified whether they had been successful or not by way of a letter which then enacted the standstill period this is now replaced by the publication of an Assessment Summary Notice on the required procurement platform. Once published this should be followed by letters being issued to each bidder as previously undertaken but only once the letters have been issued does the standstill period commence. The standstill period has also been changed and this is now 8 working days rather than 10 calendar days.</p> <p>Once this period has been successfully navigated, then the contract needs to be issued for signing by both parties and only on completion of this (and within 30 days of this being completed), is the Contract Award Notice published.</p>
9.24	Regulation 84 Report
	This report is a requirement of the regulations and captures a full audit trail of the process followed throughout the procurement exercise. It doesn't have to be published but has to be available if requested to be disclosed. The Procurement Manager will complete this report and hold on file.

10.	Light Touch Regime
10.1	Overview
	<p>The light touch regime is a specific set of rules which covers certain service contracts that tend to be of low interest to competition. These services replace those that prior to the PCRs (2015) were known as Part B services and include areas such as social, health and educational services as defined by Common Procurement Vocabulary (CPV) codes.</p> <p>The threshold for LTR procurements is detailed within Section 4.</p> <p>There are a number of regulations within the PA23 which clearly define how a LTR procurement should be undertaken. Further guidance on this can be obtained from the Procurement Manager prior to the commencement of any related procurement activity.</p>

11.	Contract Formalities
11.1	Contract Register
	<p>The Contract Manager is responsible for ensuring that the Council's contract register is kept up to date with all the relevant information pertaining to all contracts with a total value over £5,000 which fall within their remit. This will be in relation to the initial entry following award (where the award has been made by way of a direct approach or via a framework provision) and also any subsequent modifications such as a variation and allowed for extensions. Please note that all contracts mean:</p> <ul style="list-style-type: none"> • procured the "normal" way via RFQ/Full Tender • procured via a framework • procured via a direct approach • procured which relate to agency or consultancy appointments • procured via an exception to the normal route <p>However, where the initial procurement exercise was undertaken electronically (by way of a RFQ or full tender process or mini competition via a framework) it will be the responsibility of the Procurement Manager to populate the initial contract register entry and assign this to the named contract manager. It will then be the contract manager's responsibility to ensure that this is correct and assume responsibility for the entry moving forward.</p> <p>The Council's contract register can be viewed at:</p> <p>www.eastmidstender.org click view contract register</p> <p>Entries/amendments/updates will be made through the Council's procurement portal, Pro Contract. Log In (due-north.com)</p> <p>Guidance and training are available from the Procurement Manager.</p>
11.2	Contract Documentation
	<p>Contract Managers should ensure that contracts are in place clearly set out requirements in respect of contract management and performance, in addition to requirements re specification, pricing, business continuity and exit plan, where relevant.</p> <p>The Contract Manager is responsible for ensuring that all tender documentation originally issued, and the supplier's submission is pulled together into the relevant contract template. This should be undertaken in conjunction with Legal Services and a thorough check made to ensure that no amendments have been made to the original form of contract etc that has not been officially agreed too.</p> <p>Contract Managers will need to issue the contract to the supplier for signing and then on return ensure that two copies of the contract are signed/sealed as per paragraph 11.4 below. Once fully signed by both parties, one copy should be issued to the supplier and the other lodged with Legal. They should also ensure that they retain a copy of all contracts for which they are responsible to enable contract management and monitoring to be undertaken effectively and efficiently.</p>

11.3	Supplier/Sub-contractor/Supply Chain														
	<p>In accordance with relevant legislation every contract must state that the council will pay the supplier's undisputed invoices within 30 days from receipt of a valid invoice.</p> <p>In addition, the contract should also require that the supplier has a responsibility to pay their sub-contracted suppliers within 30 days of them submitting an undisputed, valid invoice. Please note that this is not 30 days from when the Council has paid the main supplier. It should also be noted that this process should pass down through the supply chain.</p>														
11.4	Contract Signing and Sealing Requirements														
	<table><tr><th>Total Contract Value</th><th>Method of Completion</th><th>By Whom</th></tr><tr><td>Up to £25,000</td><td>Signature</td><td>Service Manager with responsibility for the area</td></tr><tr><td>£25,001 to £75,000</td><td>Signature</td><td>Assistant Director with responsibility for the area</td></tr><tr><td>Above £75,000</td><td>Signature/ Sealing</td><td>Legal & Democratic Service Manager/City Solicitor</td></tr></table>			Total Contract Value	Method of Completion	By Whom	Up to £25,000	Signature	Service Manager with responsibility for the area	£25,001 to £75,000	Signature	Assistant Director with responsibility for the area	Above £75,000	Signature/ Sealing	Legal & Democratic Service Manager/City Solicitor
Total Contract Value	Method of Completion	By Whom													
Up to £25,000	Signature	Service Manager with responsibility for the area													
£25,001 to £75,000	Signature	Assistant Director with responsibility for the area													
Above £75,000	Signature/ Sealing	Legal & Democratic Service Manager/City Solicitor													
11.5	Lodging of Contracts														
	<p>Where possible all contracts should be lodged with Legal Services and a copy kept by the contract manager. However, the minimum requirement in respect of the lodging of contracts is as follows:</p> <p><u>Total contract value over £75,000</u></p> <p>Once a contract or an agreement has been sealed, then legal services will retain one original copy to be allocated a deed packet number and then stored in the Deed Room, with another original copy to go to the other party(ies). Officers will then be notified of the deed packet number for your records. The Contract Manager must keep a copy of any contract or agreement entered into, with a note confirming that the original is in the deed room with the relevant number so it can be traced if needed.</p> <p><u>Total contract value under £75,000</u></p> <p>Whilst it is not a requirement, it is good practice for any signed contract or agreements to store the original documents with Legal Services so that it can be allocated a deed packet number and then stored in the deed room, with the other original going to the other party(ies). Again, you will be given a deed packet number for records. It is advisable that the Contract Manager retains a copy of any contract or agreement entered into, with a note confirming that the original is in the deed room with the relevant number so it can be traced.</p>														

12.	Contract Management						
	<p>Contract management must be an integral part of the consideration when seeking to award a new Contract. All contracts should have in place a named Contract Manager. It is their responsibility to ensure that:</p> <ul style="list-style-type: none"> • the contract delivers all the elements that have been tendered for • that suppliers are paid in a timely manner but only for services/works that have been delivered • that all contract related report information is provided in a timely manner • that the supplier has in place a dedicated contract manager • that contract management meetings are held, and the details recorded in accordance with the risk assessment of the contract • they know and understand their contract fully • they obtain all relevant certificates i.e. insurance on an annual basis • all associated costs, KPI's, deliverables, requirement etc is reviewed on a regular basis and formally updated to reflect current position as and when required <p>It should be noted that, whilst all of the above are elements that should be included within contract management, it should be set at a level that is proportionate and relevant to the provision being managed.</p> <p>All Contracts should contain a dispute resolution procedure. If a contractor raises a dispute, which is not clearly within the terms of a contract, the contract manager must not enter into any form of negotiation regarding a settlement until discussions have been held with the relevant Assistant Director, The City Solicitor and the Chief Finance Officer.</p>						
12.1	Contract Management Risk Assessment						
	<p>The following table, based on the Council's Contract Tiering Tool, sets out the frequency of which contract management meetings should be undertaken. The requirement for contract management meetings should be clearly set out in the contract documentation.</p> <table border="1"> <thead> <tr> <th>Total Value of Contract (£)</th><th>Process to Be Followed</th></tr> </thead> <tbody> <tr> <td>Value is Under Current Threshold for Goods & Services but includes for Works, LTR, Concessions etc.</td><td> <p>Six monthly contract meetings initially but can be flexed to annual if no issues or concerns with contract deliver.</p> <p>Where contract includes for delivery of specific events a formal post event debrief meeting should take place.</p> </td></tr> <tr> <td>Over threshold for goods & services but below £2.5m - Works Contract only</td><td> <p>Goods & Services should have in place quarterly contract management meetings initially but can be flexed to half yearly if no issues or concerns with contract delivery.</p> <p>Works will be monthly project meetings.</p> </td></tr> </tbody> </table>	Total Value of Contract (£)	Process to Be Followed	Value is Under Current Threshold for Goods & Services but includes for Works, LTR, Concessions etc.	<p>Six monthly contract meetings initially but can be flexed to annual if no issues or concerns with contract deliver.</p> <p>Where contract includes for delivery of specific events a formal post event debrief meeting should take place.</p>	Over threshold for goods & services but below £2.5m - Works Contract only	<p>Goods & Services should have in place quarterly contract management meetings initially but can be flexed to half yearly if no issues or concerns with contract delivery.</p> <p>Works will be monthly project meetings.</p>
Total Value of Contract (£)	Process to Be Followed						
Value is Under Current Threshold for Goods & Services but includes for Works, LTR, Concessions etc.	<p>Six monthly contract meetings initially but can be flexed to annual if no issues or concerns with contract deliver.</p> <p>Where contract includes for delivery of specific events a formal post event debrief meeting should take place.</p>						
Over threshold for goods & services but below £2.5m - Works Contract only	<p>Goods & Services should have in place quarterly contract management meetings initially but can be flexed to half yearly if no issues or concerns with contract delivery.</p> <p>Works will be monthly project meetings.</p>						

	<table border="1" data-bbox="343 192 1353 1111"> <tr> <td data-bbox="343 192 667 1111"> <p>Goods & Services over threshold plus works over £2.5m</p> </td><td data-bbox="667 192 1353 1111"> <p>All contracts to be subject to tiering tool and ranked:</p> <ul style="list-style-type: none"> • Bronze - Goods & Services should have in place quarterly contract management meetings initially but can be flexed to half yearly if no issues or concerns with contract delivery Works will be monthly project meetings. • Silver - Goods & Services should have in place monthly contract management meetings initially but can be flexed to half yearly if no issues or concerns with contract delivery Works will be monthly project meetings • Gold - Monthly contract management meetings should be in place for goods, services and works provisions. No allowance for meetings to be moved to less frequent. <p>Where there is a proposal to move the meetings to a less frequent timeline, then a short evidence-based report should be signed off by the appropriate Director.</p> </td></tr> </table> <p>All Contracts should contain a dispute resolution procedure. If a contractor raises a dispute, which is not clearly within the terms of a contract, the contract manager must not enter into any form of negotiation regarding a settlement until discussions have been held with the relevant Assistant Director, The City Solicitor and the Chief Finance Officer initially.</p>	<p>Goods & Services over threshold plus works over £2.5m</p>	<p>All contracts to be subject to tiering tool and ranked:</p> <ul style="list-style-type: none"> • Bronze - Goods & Services should have in place quarterly contract management meetings initially but can be flexed to half yearly if no issues or concerns with contract delivery Works will be monthly project meetings. • Silver - Goods & Services should have in place monthly contract management meetings initially but can be flexed to half yearly if no issues or concerns with contract delivery Works will be monthly project meetings • Gold - Monthly contract management meetings should be in place for goods, services and works provisions. No allowance for meetings to be moved to less frequent. <p>Where there is a proposal to move the meetings to a less frequent timeline, then a short evidence-based report should be signed off by the appropriate Director.</p>
<p>Goods & Services over threshold plus works over £2.5m</p>	<p>All contracts to be subject to tiering tool and ranked:</p> <ul style="list-style-type: none"> • Bronze - Goods & Services should have in place quarterly contract management meetings initially but can be flexed to half yearly if no issues or concerns with contract delivery Works will be monthly project meetings. • Silver - Goods & Services should have in place monthly contract management meetings initially but can be flexed to half yearly if no issues or concerns with contract delivery Works will be monthly project meetings • Gold - Monthly contract management meetings should be in place for goods, services and works provisions. No allowance for meetings to be moved to less frequent. <p>Where there is a proposal to move the meetings to a less frequent timeline, then a short evidence-based report should be signed off by the appropriate Director.</p>		
12.2	Contract Management Meetings		
	<p>Contract Management Meetings should be subject to a formal agenda which is issued at least 3 working days in advance. All relevant reports/information to be discussed should also be issued with the agenda so as to allow Officers to digest the information and proper scrutiny be undertaken during the meeting. Agendas should contain standing items such as the following, however it should be accepted that not all will need to be discussed at all meetings.</p> <ul style="list-style-type: none"> • Previous Action Points Update • Invoicing/costs • Delivering the requirement/compliance with specification • Performance • Risk Management • Issues <p>Minutes and action points from the meetings should be issued within promptly (ideally within 2-3 working days) following the meeting taking place so as to enable them to be formally agreed by all parties and also to ensure that action</p>		

	<p>points are reviewed and completed by the assigned person(s) where possible, prior to the next meeting.</p> <p>Performance management should also be discussed in detail at these meetings and where necessary any issues with performance addressed.</p> <p>An escalation procedure should also be in place for any disputes arising from the contract and where it is not possible for this to be resolved by the two contract managers.</p> <p>Internally contract management should form part of Directorate Management meetings as a standing item and evidence provided to these (or to the relevant Assistant Director) so that this can be clearly monitored.</p>
--	---

13.	Contract Modifications
	<p>Modifications to contracts can be undertaken where the contract allows for this to happen and/or where it meets the strict requirements of the relevant procurement legislation under which the contract was procured – Public Contract Regulations 2015 and Procurement Act 2023</p> <p>Any modifications to contract need to be formally captured within the contract documentation and as such, no agreement should be entered into without first consulting with the Procurement Manager and/or the City Solicitor</p>
13.1	Contract Extensions – included for within existing provision
	<p>Contract Extensions can only be entered into where the original contract has provision to do so. It is the contract managers responsibility to ensure that they are aware of these provisions as well as the relevant clauses which pertain to the relevant notification periods that must be observed where an extension is to be granted. It is also their responsibility to ensure that they have also discussed any related increases to cost/pricing schedules for the extension period and also any updates to the original contract i.e. specification requirement, KPI's etc.</p> <p>The contract managers checklist for extensions/variations should be completed for these changes so that the relevant officers can ensure that the proposed changes are in line with legislation etc.</p> <p>Legal Services will draft the letter based on the information provided and pass this to the Contract Manager to issue.</p>
13.2	Contract Extensions – not included for within existing provision
	<p>Where there is no provision for an extension within the original contract then an extension cannot be entered into. However, there are limited exceptions to this, and advice should be sought from the Procurement Manager and/or the City Solicitor prior to extending the current term i.e. where regulations are not breached in relation to modifications to contracts.</p> <p>All contract extensions must be updated in the council's contract register and a copy of the extension letter must be lodged with the original contract.</p>
13.3	Contract Variations
	<p>As with contract extensions, variations can only be made where there is provision within the original contract for them to be made. Where provision has not been made, then prior to any being granted, compliance with the relevant legislation which was in place when the procurement was undertaken originally will need to be followed.</p> <p>Any variations that are undertaken should be done so via the contract managers checklist prior to any agreement being entered into with the supplier.</p> <p>Legal Services will provide the formal contract variation documentation once it has been determined that there are grounds within which the variation can be enacted.</p>

	<p>It is the responsibility of the contract manager to provide all the relevant information in order for this instruction to be undertaken and also for ensuring that the variation is formally signed/sealed by both parties involved.</p> <p>The contracts register should also where relevant be updated with any variations granted and the formal variation lodged with the original contract in Legal Services.</p>
--	---

14.	Other Formalities
14.1	Performance Bonds
	<p>A Performance Bond is an insurance policy under which the Council can make a claim if the supplier does not deliver the requirements as detailed within the contract. It is there to provide protection against a level of costs arising from the Supplier's failure.</p> <p>Factors to be considered as to whether a Performance Bond is required will include:</p> <ul style="list-style-type: none"> • If the contract is of a high value • Where it's a construction contract • Where it's a high profile/high risk contract • If there is no retention on a contract • Any other factor considered to be relevant <p>If a Performance Bond is required, then 10% is a reasonable standard percent to use in most circumstances, however, if there were significant contracts with a higher risk, it may mean that consideration is given to increasing this based on the circumstances.</p> <p>This will be included for within the tender documents issued and each bidder will have to agree to put this place prior to the commencement of any contract. The form of contract/terms and conditions may also need to be amended to reflect the use of a performance bond.</p> <p>Advice should always be sought from Financial Services prior to the commencement of any procurement activity, by way of the contract managers checklist.</p>
14.2	Parent Company Guarantees
	<p>A Parent Company Guarantee is a legally binding contract between the council and the parent of a subsidiary company which is entering into the contract (the supplier). If the supplier fails to do what it is supposed to do under the contract, then the Council can require the parent company to step in and ensure the provision is delivered. This will be included for within the tender documents issued and each bidder will have to agree to put this place prior to the commencement of any contract. The form of contract/terms and conditions may also need to be amended to reflect the use of a performance bond.</p> <p>Advice should always be sought from Financial Services prior to the commencement of any procurement activity, by way of the contract managers checklist.</p>
14.3	Financial Reviews/Assessments - During Initial Contract Term & Prior to Extensions
	<p>During the lifetime of a contract regular reviews should be undertaken as to the financial standing of the supplier. Whilst the following is proposed as a minimum</p>

	<p>process to follow, where appropriate and proportionate to the contract being delivered the frequency of reviews maybe regular.</p> <p>Instances when this may arise could be market intelligence showing a significant change in circumstances for the supplier; information received by way of contract monitoring meetings; whistle blowing by supplier employees; supply chain issues etc. All financial reviews will be undertaken by Financial Services.</p> <p>Financial Reviews as a minimum should be undertaken as follows:</p> <table border="1"> <tr> <th>Total Value of Contract (£)</th><th>Process to Be Followed</th></tr> <tr> <td>Value is Under Current Threshold for Goods & Services but includes for Works, LTR, Concessions etc.</td><td>Prior to the end of the initial period of the contract ending and an extension being granted but only where the contract manager has concerns.</td></tr> <tr> <td>Over threshold for goods & services but below £1.5m - Works Contract only</td><td>Prior to the end of the initial period of the contract ending and an extension being granted.</td></tr> <tr> <td>Goods & Services over threshold plus works over £1.5m</td><td> Based on the tiering tool and ranked: <ul style="list-style-type: none"> • Gold – financial review should be undertaken on an annual basis • Silver – financial review should be undertaken on a minimum 2-year period • Bronze – financial review should be undertaken on a minimum 3-year period </td></tr> <tr> <td></td><td></td></tr> </table>	Total Value of Contract (£)	Process to Be Followed	Value is Under Current Threshold for Goods & Services but includes for Works, LTR, Concessions etc.	Prior to the end of the initial period of the contract ending and an extension being granted but only where the contract manager has concerns.	Over threshold for goods & services but below £1.5m - Works Contract only	Prior to the end of the initial period of the contract ending and an extension being granted.	Goods & Services over threshold plus works over £1.5m	Based on the tiering tool and ranked: <ul style="list-style-type: none"> • Gold – financial review should be undertaken on an annual basis • Silver – financial review should be undertaken on a minimum 2-year period • Bronze – financial review should be undertaken on a minimum 3-year period 		
Total Value of Contract (£)	Process to Be Followed										
Value is Under Current Threshold for Goods & Services but includes for Works, LTR, Concessions etc.	Prior to the end of the initial period of the contract ending and an extension being granted but only where the contract manager has concerns.										
Over threshold for goods & services but below £1.5m - Works Contract only	Prior to the end of the initial period of the contract ending and an extension being granted.										
Goods & Services over threshold plus works over £1.5m	Based on the tiering tool and ranked: <ul style="list-style-type: none"> • Gold – financial review should be undertaken on an annual basis • Silver – financial review should be undertaken on a minimum 2-year period • Bronze – financial review should be undertaken on a minimum 3-year period 										
14.4	Fraud & Corruption										
	<p>All Officers involved with the procurement exercise must comply with the Council's Code of Conduct and must not accept any gift, hospitality or reward from a supplier (or a related subsidiary of the company) whilst the procurement activity is in progress. Where Officers believe that there could be a conflict, they should notify the Procurement Manager and/or City Solicitor immediately for them to make a decision as to whether it is appropriate that they are involved within the process further.</p> <p>Any gifts, hospitality and/or rewards should be recorded on the Council's gifts and hospitality Register. It should also be noted that this should be undertaken at any time, not just during a procurement process.</p>										
14.5	Conflict of Interests										
	<p>From time to time there will be conflicts of interests that occur during a procurement activity. This can be where a close relative works for the supplier bidding for work etc. Where an Officer feels there is a conflict, it is their</p>										

	responsibility to notify immediately their Line Manager and also the Procurement Manager. A decision can then be made as to whether there is a conflict of interest. In the event that it is deemed there is a conflict, then the officer will be removed completely from the process in order to remove any risk of challenge to the Council. Any advice on this should be given by the City Solicitor.				
14.6	Purchase Orders				
	A Purchase Order should be raised and issued to the supplier, for each contract that is entered into. Financial Services will provide advice as to how this is to be done and for what amount etc.				
14.7	Local Policy				
	<p>The Council has in place a Local Purchasing Strategy which details its requirements in detail. However, the definition below defines what is meant by “local” and this is to be adhered too when selecting the required number of “local” suppliers when tendering under threshold provisions.</p> <p><i>“Those suppliers whose trading premises are located within Lincolnshire and/or a 20-mile radius of the county of Lincolnshire’s boundary”.</i></p>				
14.8	Form of Contract/Terms & Conditions				
	Procurement activity can include various forms of contract/terms & conditions. It is a legal requirement that the ones being used are published along with the initial contract notice. It is therefore essential that discussions are held with both Legal and Finance as to the suitability of proposed forms/clauses so as to mitigate risk exposure to the Council. The contract managers checklist should be completed, and this should detail the process followed in developing the form of contract. This form will then be used to help respond to any queries raised during the tender process.				
14.9	Risk Register				
	<p>The contract manager must identify, minimise, and manage risk within the contract being procured. This includes supply risk, demand risks, process risks, control risks, environmental and social risks. If a risk is identified, it should be reported to the relevant Assistant Director or Director and then formally monitored as part of the contract management meetings (where there is no formal risk register in place).</p> <p>In line with its approach to contract management meetings and financial assessments, the Council utilises its contract tiering tool to identify where specific risk registers are required. The requirements under the Lincoln Project Management Model (LPMM) are also taken into consideration.</p> <table border="1"> <tr> <td>Total Value of Contract (£)</td><td>Process to Be Followed</td></tr> <tr> <td>Value is Under Current Threshold for Goods & Services but includes</td><td>No formal risk register required, unless identified as part of LPMM.</td></tr> </table>	Total Value of Contract (£)	Process to Be Followed	Value is Under Current Threshold for Goods & Services but includes	No formal risk register required, unless identified as part of LPMM.
Total Value of Contract (£)	Process to Be Followed				
Value is Under Current Threshold for Goods & Services but includes	No formal risk register required, unless identified as part of LPMM.				

	for Works, LTR, Concessions etc.	
	Over threshold for goods & services but below £1.5m - Works Contract only	No formal risk register required, unless identified as part of LPMM.
	Goods & Services over threshold plus works over £1.5m	<p>Based on the tiering tool and ranked:</p> <ul style="list-style-type: none"> • Gold – formal risk register required during procurement process and as part of ongoing contract management for goods and services. For works, risk register required as part of LPMM, during procurement activity and contract period. • Silver – formal risk register required during procurement process for goods and services. For works, risk register required as part of LPMM, during procurement activity and contract period. • Bronze - For works, risk register required as part of LPMM, during procurement activity and contract period.
	<p>Where a formal risk register is required (based on the tiering tool) these should be put in place at the start of the procurement activity. During the procurement activity they should be a standing item on the relevant operation team meeting/board meeting and any amendments captured as the procurement progresses.</p> <p>Following award, they should be a standing item on the contract management meeting and reviewed/updated as part of this process. Where appropriate risks may need to be highlighted to Directorate Management meetings as part of the Contract standing item on those departmental meetings and appropriate action taken/recorded.</p>	
14.10	Collateral Warranties	
	<p>Collateral warranties are used as a supporting document to a primary contract where an agreement needs to be put in place with a third party outside of the primary contract. It can also provide the third-party contractual rights enabling it to claim for losses which would not otherwise be recoverable.</p> <p>The Council has standard Collateral Warranties.</p> <p>This will be included in the tender documents and terms and conditions, as required. Advice can be sought from Legal Services in respect of this.</p>	

15.	Definitions
	The following table provides definitions of the key terms that have been referred to within this document.

Key Term	Definition
Award Criteria	The criteria used by the Council in order to assess/evaluate the suppliers bids against the requirement detailed within the specification. Criteria can be as follows but not limited to: <ul style="list-style-type: none"> • Price, total cost, schedule of rates • Quality such as resources, qualifications, H&S, innovation, risk mitigation, compliance with the requirement, deliverability of scheme, social value, staff experience, company experience, financial standing
Bidders/Tenderers/Suppliers	Those who will be engaged to deliver the provision being let
Chief Finance Officer	This is the Council's statutory lead financial officer and designated S151 officer
City Solicitor & Monitoring Officer	This is the Council's statutory lead legal officer
CMT	Corporate Management Team comprising: Chief Executive, Director of Housing & Investment, Director of Community & Environment and Director of Major Developments
Code of Conduct	Council's policy for regulating the conduct of Officers and Members
Collaborative Arrangements	Use of a framework which is managed by a third party such as Pagabo, Espo OR a joint procurement exercise which involves two or more parties
Constitution	This is a document approved by Full Council which allocates the powers and responsibilities within the Council. It delegates authority to act to the Executive, Committees, Executive Councillors and Officers as well as regulating behaviours of individuals and groups through rules of procedure, codes and protocols
Consultants	An individual contracted for a specific length of time to work on a defined project/provision with clear outcomes to be delivered. They are usually engaged to bring specialist skills or knowledge to the process and to bridge the gap within the Council where there is no ready access to employees with the relevant skillset, experience and/or capacity to undertake the requirements

Contract Register	An electronic register which is held by the Council and contains all contractual engagements entered into with a value of over £5,000. It is a legal requirement for this to be maintained
Contract Tiering Tool??	The corporate mechanism to be used into the assess the contract management requirement of a contract
Corporate Contract	A contract used by more one than one department
Deed	A signed and sealed instrument containing a legal transfer, bargain or contract
Dynamic Purchasing System	A fully electronic compliant "Approved List" which operates on a similar basis to a framework other than suppliers can join at any point while the DPS is liv, subject to them meeting the relevant criteria
Electronic Tendering	A secure online facility for undertaking a procurement process
Estimated Total Contract Value	This is estimated value based on the annual spend x number of years the provision is in place for
Evaluation Team	This is the officers chosen to review, assess and score the submissions received in respect of the provision being procured
Financial Procedure Rules	These are the rules which outline officer responsibilities for financial matters
Form of Contract	This is a type of term and condition and as such is the legal/financial model which determines how the contract will operate
Framework Agreements	A legislation complaint agreement between a third party and a supplier(s), the purpose of which is to establish the terms under which subsequent procurement related appointments/awards can be made by a contracting authority
Framework Supplier	A supplier who has been successful in attaining a place on a framework
Invitation to Tender	A key stage/document within the tender process. Used to assess the supplier's suitability to deliver the stated provision
Modification of a Contract	Any change to the original provision of the tender and/or contract
Parent Company Guarantee	A contract which binds the parent of a subsidiary to act if the subsidiary fails to do so.

PA23	Procurement Act 2023 is the legislation that sets out how procurement should be undertaken. It comes into force with effect from 24 th February 2025. Any procurement undertaken from this date will be governed by these requirements.
PCR 2015	Public Contract Regulations 2015 is the legislation that was embedded into UK law and set out how procurement should be undertaken. Any above threshold procurement from February 2015 to 24 th February 2025 is governed by the requirements of this.
Performance Bond	This is a form of insurance policy which provides protection to the contracting authority in the event that the supplier fails to deliver on the requirements of the contract
Request for Quotation	Procurement process for under threshold value exercises
Seal	Process by which a contract is “signed” when over a certain limit and when executing a deed
Selection/Standard Questionnaire	This is the government form which must be used for over threshold tenders to assess a suppliers suitability based on pre-determined selection criteria
Small and Medium Sized Enterprises (SME's)	Any business with fewer than 250 employees and either an annual turnover of less than £45m or a total balance sheet of less than £40m
Specification	This is the council's requirement in relation to the delivery of the provision being tendered for
Teckal company	This is a company set up by a contracting authority to deliver some of the Council's functions. It is as defined within PCR 2015 regulation 12
Terms and Conditions	These are the legal/financial related clauses which define and determine how the contract will be operated, and which govern all parties involved
Total Contract Value	This is the total value of the successful bidder's response to the requirement being tendered
TUPE	Transfer of Undertakings (Protection of Employment) – this is the legislation that governs the process to be followed where staff are to be transferred from one supplier to another. It is there to ensure that the rights of employees are transferred along with the business
Value for Money	This is where cost and quality combine to produce a service which meets the technical requirements of the provision as well as the cost at an acceptable level

16.	Procurement Flow Chart
	<p>For ease of use the Procurement Flow Chart has been split in order to clearly capture the new processes for below threshold procurement in respect of Goods, Services & Light Touch Regime and Works.</p> <p>There is no detailed flow chart for processes over threshold under the Procurement Act 2023 given the potential variations/complexities around mandatory timelines.</p>

Procurement Flow Chart – Below Threshold for Goods, Services & Light Touch Regime

Identify the need to Procure & estimate the total value of the contract
Contract Value: annual value x contract length
 e.g. £20 k spend per annum x 5-year contract = £100,000 total value of contract

151

**Total Value less than
£5,000**

Competitive quotations are not required. A direct approach to a **single** supplier is acceptable. A local supplier should be engaged where possible. **No requirement** for a formal contract to be in place

**Total Value exceeds
£5,001 but less than
£20,000 (Goods) or
£30,000 (Services/LTR)**

Competitive quotations are not required. Review available frameworks (ESPO, OGC etc). A direct approach to a **single** supplier is acceptable. A local supplier should be engaged where possible. A formal contract **STILL** needs to be in place. Where the market is unknown then the process for above £20,001(Goods) or £30,001 (Services) should be followed.

**Total Value exceeds
£20,001 (Goods) or
£30,001(Services/LTR)
but is under the
Threshold for Goods &
Services**

Four quotations must be requested via the Request for Quotation documentation. The process should be conducted electronically utilising the electronic procurement portal (currently Pro Contract). Where possible at least two of the quotes should be obtained from a local supplier.

Where a compliant framework is being utilised then the above value bands do not apply and an appointment for any value allowed for within the framework agreement can be entered into. Frameworks can be accessed via use of further competition or via direct award

Completion of the Contract Managers checklist is required prior to the commencement of **ALL** procurement activity – this includes a direct award **UNLESS** under £5k total value.

Where a framework agreement is being used and a direct award is being made, it is advisable for a file note to be kept. See Section 18

Full details of contract award (over £5k in total value) need to be held on the Contracts Register. A direct award process, this is the sole responsibility of the contract manager. If the procurement portal is used the Procurement Manager is responsible.

A thorough review of whether there is TUPE implications should be undertaken prior to commencing on any procurement activity and this should be undertaken in consultation with Legal Services and Human Resources.

A purchase order should be raised for all contracts.

Procurement Flow Chart – Below Threshold for Works

Identify the need to Procure & estimate the total value of the contract
Contract Value: annual value x contract length
 e.g. £20 k spend per annum x 5-year contract = £100,000 total value of contract

Total Value less than
£1,000,000

A direct approach to a **single** supplier is acceptable. A local supplier should be engaged where possible. A formal contract required to be in place.

Completion of the Contract Managers checklist is required prior to the commencement of **ALL** procurement activity.

Where a framework agreement is being used and a direct award is being made, it is advisable for a file note to be kept. See Section 18

Total Value exceeds
£1,000,001 but less than
£2,500,000

Three quotations from local suppliers (where possible) must be requested via the RFQ documentation. The process must be conducted electronically utilising the procurement portal.

Full details of contract award (over £5k in total value) need to be held on the Contracts Register. A direct award process, this is the sole responsibility of the contract manager. If the procurement portal is used the Procurement Manager is responsible.

Total Value exceeds
£2,500,001 but is under
Threshold for Works

Four quotations from local suppliers (where possible) must be requested via the RFQ documentation. The process must be conducted utilising the procurement portal.

A thorough review of whether there is TUPE implications should be undertaken prior to commencing on any procurement activity and this should be undertaken in consultation with Legal Services and Human Resources.

Where a compliant framework is being utilised then the above value bands do not apply and an appointment for any value allowed for within the framework agreement can be entered into. Frameworks can be accessed via use of further competition or via direct award

A purchase order should be raised for all contracts.

17.	Exception to the Normal Route Request Template

APPROVAL EXCEPTION TO CONTRACT PROCEDURE RULES
Contact Name:
Job Title:
Date:
Description of Contract – this should include the estimated value; brief details of service; contract duration etc.
Reason for Request – this should relate to the relevant CPR against which the exception is being sort, together with full supporting information.
Assistant Director: (Print & Sign Name) Date:
Recorded and Approved by Procurement Manager: Date:
Approved by City Solicitor: Date:

18.	Business Case/File Note Template
	Below is a template which can be utilised when detailing why a certain process has been followed rather than any other.

BUSINESS CASE TEMPLATE
Contract Manager:
Job Title:
Date:
Description of Process Followed:
Reason for Process Followed:
Assistant Director: (Print & Sign Name) Date:
Recorded and Approved by Procurement Manager: Date:
Approved by City Solicitor: Date:

19.	Contract Managers Checklist
	<p>The following references the two checklists that should be completed along with the relevant appendices which provide additional information to help contract managers understand what the various sections are for. All documentation is available to download within Net consent.</p> <p>Contract Managers Checklist – New Provision/Contract</p> <p>Contract Managers Checklist – Extension/Contract Variation</p> <p>Appendix One – Contract Manager Procedures V8.0 - 08.03.2024</p> <p>Appendix Two – Procedures for Financial Matters in Procurement Processes V3.0 031022</p> <p>Appendix Three – Contract Management Meeting Agenda V 5.0 - 26.02.2024</p> <p>Appendix Four – Addendum to Contract V 2.0 171122</p> <p>Appendix Five - Signing & Sealing Guidelines V 2.0 171122</p> <p>Appendix Six - Sealing Authority V 0.3 171122</p>

This page is intentionally blank.

25. Procurement Act 2023 & Contract Procedure Rules

Carolyn Wheeler, City Solicitor presented a report which sought comments from the Committee on the new Procurement Act 2023 and the subsequent revision of the Council's Contract Procedure Rules.

The new Act was due to come into force on 24th February 2025 and would only apply to new procurements commencing from that date. This meant that contracts let prior to that would continue under the previous legislation

An aspect of the new legislation was to simplify the procurement process and increase transparency, however this had also made it more labour intensive. The requirement for public authorities to publish various notices had been introduced which would apply from before the contract had been identified and continue throughout the contract period until expiry. This increased transparency also meant there was opportunity for the Council to be challenged at every step.

With the introduction of the Act, the Council had taken the opportunity to update the Contract Procedure Rules. These were also considered by the Committee along with the Procurement Flow Chart.

Officer training on the new Act would be rolled out in due course for contract managers. The recent online Member training had been recorded, and the link could be made available to Councillors wishing to familiarise themselves with the changes. It was noted those in attendance at the training were grateful to Officers for their time and expertise.

The Committee discussed the report and procedure rules in detail and was provided with the following responses by Officers to questions:

- Notices would be published on specialist platforms online rather than in physical form. Local companies, relevant to a particular contract, would be informed of the notices and where they could be found, but no further assistance would be provided to them.
- The staff training would emphasise the need for procurement and the procedure rules to always be a topic of discussion on departmental teams' agendas.
- There would need to be consideration given to the Council's key performance indicators during procurement and looking towards the end of the process to ensure performance indicators had been taken into account.
- A monitoring matrix was being developed which would help identify social value within the procurement process, and the opportunity for community legacy needed to be considered at all stages to help boost reducing

inequality. The Council was not mandated to consider social value, but did strive to attain 5-10% impact from each contract.

- Considering the recent change of government and any guidance that might still be forthcoming, Officers assured the Committee they were as prepared as they could be for the introduction of the new Act.

RESOLVED that:

1. The Policy Scrutiny Committee note the new Procurement Act and revision to the contract procedure rules
2. Any comments be referred to Executive.

47. Procurement Act 2023 & Contract Procedure Rules

Carolyn Wheeler, City Solicitor and Heather Carmichael, Procurement Manager presented a report which sought comments from the Committee on the new Procurement Act 2023 and the subsequent revision of the Council's Contract Procedure Rules.

The new Act was due to come into force on 24 February 2025 and would only apply to new procurements commencing from that date. This meant that contracts let prior to that would continue under the previous legislation. It would also affect pre-contract and pre-market enquiries.

An aspect of the new legislation was to simplify the procurement process and increase transparency, however this had also made it more labour intensive. The requirement for public authorities to publish 14 notices on a dedicated Government-run platform had been introduced. The notices would set out the who, why, when and how of the procurement and contract, and each notice would apply to different stages within the process and continue throughout the contract period until expiry.

With the introduction of the Act, the Council had taken the opportunity to update the Contract Procedure Rules. These were also considered by the Committee along with the Procurement Flow Chart.

Officer training sessions on the new Act would be rolled out in due course for contract managers. Training for Members had already taken place.

The Committee discussed the report and procedure rules in detail and was provided with the following responses by Officers to questions:

- There would be no extra resources to support the administration of the new Act, however contract managers would be trained and expected to manage their own contracts with support from the Procurement Manager.
- Unauthorised sub-contracting was not considered to be a high risk when close relationships with contractors were maintained. Certain contracts contained collateral warranties to prevent sub-contracting without permission and, where relevant and required, it could be permitted with agreement by the Council.
- Following a recent piece of work, the raising of purchase orders across the Council had been increased to 76%. Officers felt this was a positive result as increasing it any further would not be practical.
- It would not be the responsibility of the Council's internal audit team to check compliance of the notices for each contract; that would fall to central government who would run the dedicated online platform.

- Suppliers local to Lincoln could not exclusively be considered for over-threshold contracts; the selection area was the Lincolnshire county boundary plus 20 miles. However, the Local Purchasing Policy would be used where possible, and the ability to add social value to a contract would not be impacted.
- Suppliers were required to register on the central government platform and in tandem with this, the Act provided a debarment function where a list of excluded suppliers was maintained which authorities had to check before making procurement decisions.
- The direct award of a contract to a particular supplier could be made to allow for continuation of service if, for example, the contractor became insolvent however, there were internal controls to support this.
- Officer workloads would be reviewed once the Act had come into force, and the number of over-threshold contracts would determine the size of workloads.
- It was unlikely that caselaw would appear any sooner than 12-18 months after the commencement of the Act.
- Under section 4 of the Contract Procedure Rules entitled Thresholds (Council set - below mandatory legal threshold), the wording for contracts worth less than £5,000 would be reviewed as it was felt the wording was unclear around recording of the contract within the Council's contract register.
- Deadlines for invitation to tender would be adhered to and submitted via the electronic portal. Mitigating circumstances for missing the deadline (such as an internet outage) would be reviewed on a case-by-case basis and Officers would be pragmatic about a genuine reason for delay. Consideration would be given to the wording in section 9.8 of the Contract Procedure Rules to assess whether these needed to be tweaked to reflect this, before being submitted to Executive.

RESOLVED that:

- The new Procurement Act 2023 and Contract Procedure Rules, and comments from the Audit Committee be noted.
- Officers be tasked to consider making the suggested amendments to the Procurement Act 2023 and Contract Procedure Rules, as appropriate.
- The Procurement Act 2023 and Contract Procedure Rules be recommended to Executive for approval.

SUBJECT: QUARTER 3 2024/2025 OPERATIONAL PERFORMANCE REPORT

DIRECTORATE: CHIEF EXECUTIVE AND TOWN CLERK

REPORT AUTHOR: BUSINESS INTELLIGENCE OFFICER

1. Purpose of Report

- 1.1 To present to Executive an outturn summary of the Council's performance in quarter 3 of 2024/25.

2. Executive Summary

- 2.1 At the end of quarter 3 2024/25 of the **87** quarterly performance measures and **4** annual performance measures reported during the quarter across the Directorates of Chief Executive's, Communities & Environment, Housing & Investment and Major Developments:

- **12 measures (13.2%)** were Red (below lower target boundary)
- **16 measures (17.6%)** were Blue (within target boundaries – acceptable)
- **38 measures (41.8%)** were Green (meeting or exceeding the higher target)
- **25 measures (27.5%)** were recorded as volumetric
- **0 measures (0.0%)** were recorded as data not being available for this quarter

Out of the **91** performance measures monitored during the quarter **66** had targets allocated to them. Of these targeted measures **54 (59.4%)** were within or exceeding the targets set.

- 2.2 It is important to note that the performance statuses of measures DMD 1–5 are determined by an external partner working alongside the Major Developments Team, rather than by comparing performance measure outturns against set high and low targets, and when determining the performance measure statuses, a range of factors impacting on programme delivery are taken into consideration such as milestone performance, financial performance and associated risks, amongst other factors.

3. Background

- 3.1 Regular monitoring of the Council's performance is a key component of the Local Performance Management Framework. This report covers the key strategic performance measures identified by members and Corporate Management Team (CMT) as of strategic importance.
- 3.2 Each targeted measure is monitored against a target boundary range.

If a performance measure outturn status is Blue (acceptable), the measure is seen as performing on track. If a performance measure outturn status is green, the measure is seen to be achieving or exceeding the aspirational target. If a performance measure

outturn status is red, the measure is seen to be performing below target and should be an area of focus.

- 3.3 Appendix A contains a wider range of performance information, including qualitative data in the form of case studies and service highlights. These are grouped into seven themes, namely the five Vision Priorities and the two inward looking portfolios 'Our People and Resources' and 'Customer Experience and Review'.
- 3.4 The more detailed performance data tables are grouped together in Appendix B, including the suite of corporate measures. Performance data is grouped by directorate, and a colour coding system is used to make it simpler to identify which portfolio each measure relates to. Appendix B also includes a quarterly Communications update.
- 3.5 When read together, Appendices A and B aim to enhance the range of performance information presented via the quarterly reporting process and make it easier to assess and scrutinise the performance of each priority/portfolio.

4. Performance Measure Outturns – Quarter 3 2024/25

- 4.1 As set out in section 3, Appendix A provides an overview of the Council's performance by Directorate and Vision 2025 theme. Highlight reports detailing some of the positive work of the Council during the quarter, and the impact of this, is also included in Appendix A.

Those key highlights include:

- 4.2 Within **Our People and Resources** theme (**PR**), the Council's proactive approach to staff wellbeing has been positively welcomed in assessment feedback, achieving renewal as a recognised 'Mindful Employer' through the 'Charter for Employers Positive About Mental Health'. The team have worked with colleagues and line managers to understand the range of factors that influence mental wellbeing, while additionally increasing the number of Mental Health First Aiders (MHFAs) and staff who are also Applied Suicide Intervention Skills (ASIST) trained.

The results of the Staff Survey have been reviewed and shared, with feedback serving to help guide the Council in developing action plans to maintain and improve effectiveness and culture, develop communication between senior management and employees, identify areas of success, while ensuring residents are placed at the heart of service delivery.

- 4.3 Within the **Reducing Inequality Vision Priority (RI)**, throughout the quarter, support has been made available to residents of the city through the sixth wave of the Household Support Fund, made available to City of Lincoln Council through the UK Government, covering the period from 1 October 2024 to 31 March 2025.

Some of these funds have been used to support individuals and households who are most in need, with a key part of this work focused on helping reduce reliance on foodbanks, instead enabling people to utilise the Lincoln Community Grocery.

The Community Grocery not only provides low-cost, high-quality food, but members are able to access other wraparound support there, including debt advice, money

management support, one on one support and life skills, practical support, and tools needed so seek and find work through job clubs and much more.

- 4.4 Within **Customer Experience and Review theme (CE)**, the Councils Elections team successfully completed the ballot for the Lincoln Business Improvement Group (BIG). The Business Improvement District (BID) ballot required a successful collaboration between several teams across Lincoln BIG and the Council, to ensure that all eligible voters had the opportunity to participate, timely communications were provided, and any queries on the ballot process were answered, ensuring all statutory deadlines were met.

A total of 846 ballot papers were issued during the voting process, with 85.6% of the votes cast in favour of Lincoln Big's proposal.

- 4.5 Within the **Remarkable Place Vision Priority (RP)**, the teams have been celebrating the milestone achievement in Air Quality Improvement across the city, achieved after years of progress, through the opening of the Lincoln Eastern bypass, natural renewal and improved vehicle technology, resulting in the removal of the Air Quality Management Area (AQMA). A new air quality plan will be created to keep a close watch and ensure Lincolns air remains clean for the future.

- 4.6 Within the **Quality Housing Vision Priority (QH)**, the jointly funded redevelopment by the Council and Homes England has successfully completed the Hermit Mews Housing development, delivering 11 high quality, energy efficient new family homes, five two-bed and six three-bed, built on an unattractive and underused garage site, meeting the housing needs of 22 households in the city.

The Housing Repairs Service, jointly with the Customer Service team, have further developed teams' knowledge and cross department working relationships, through effective, supportive job shadowing and improved communication across both City Hall and Hamilton House, driving efficiency, streamlined booking of appointments and first time resolutions for customers.

- 4.7 Within the Inclusive **Economic Growth Vision Priority (EG)**, Sudbrooke Drive Community Centre has seen significant improvement works carried out throughout the quarter, to modernise and enhance the well-used community space for the benefit of residents across the Ermine estate area and city, providing a welcoming environment with enhanced accessibility.

Charterholme, formerly known as Western Growth Corridor, officially launched as a brand in December 2024, with the latest chapter in the development project underway, the construction of the first phase of 52 houses on the gateway site. Infrastructure to create the southern access to the site has been completed, further progressing what will be the largest development project to take place in Lincoln for decades.

- 4.8 Within the Addressing **Climate Change Vision Priority (CC)**, Yarborough Leisure Centre, through funding made available by Sport England, has taken a major step towards sustainability with the installation of a 284 high performance solar panel array on the leisure centres roof, with the initiative set to improve energy efficiency and reduce the facilities carbon footprint.

The project will enable Yarborough Leisure centre to make substantial financial savings on energy costs, which can then be reinvested into services and facilities for the local community, helping to ensure residents can continue to use the facilities, helping Sport England to meet its goal of getting 3.5 million more people active by 2030.

5. Areas to Monitor

To support Appendix A, a full list of all performance measure outturns and supporting service area commentary are provided at Appendix B.

5.1 Those areas to note within Chief Executive's Directorate are:

CS 3 - Average time taken to answer a call to customer services – Whilst average time is higher than preferred, the average wait for a call into the contact centre has reduced slightly since the previous quarter. 3,755 customers requested a call back during the quarter. It is understood that good performance is within the quality of the response and for the caller's issues to be resolved wherever possible, first time. These calls can be complex and can take some time to resolve. However, taking appropriate action and resolving a customer's request at point of call reduces, wherever possible, the need for follow up calls.

AUD 1 - Completion of the Internal Audit annual plan. - Q3 is below target at 48% compared to a target of 55%. This is due to a number of factors including delays being experienced from auditees in completing or starting audits, changes to the audit plan, additional work assessing the new Global Internal Audit Standards, and additional work to support the National Fraud Initiative.

5.2 Those areas to note within Housing and Investment Directorate:

HM1b - Percentage of reactive repairs completed within target time (urgent 3-day repairs only) - This area has seen a slight reduction since quarter 2 figures, this is predominantly down to an increase in the number of properties operatives could not access. Additionally, there has been an increase in the volume of damp and mould inspections, due to being within peak season. The service is currently training new starters on processing records for completion data and expect to see an improvement for quarter 4.

HV1 – Percentage of rent lost through dwelling being vacant - Rent lost through vacant dwellings has increased on the previous quarter, due in part to some of the service challenges experienced in the re-letting process, including a number of long-term voids (100+ days) which were completed and re-let in December. It is worth noting that properties awaiting decisions on disposal orders remain within this outturn figure which are out of control of the void team.

HV 3 - Average re-let time calendar days for all dwellings (including major works) - Performance for the measure has seen a slight improvement during quarter 3, however is impacted along with the above measure HV1. In addition, the amount of time taken to re-let properties between tenants is complex and strongly influenced by external factors.

5.3 Those areas to note within **Director of Communities and Environment**:

AH1 - Number of affordable homes delivered (cumulative) - 11 affordable homes were completed this quarter, which came from the successful completion of the Hermit Mews development that was a 100% affordable housing scheme, delivered by the Council. As Affordable Housing can only be required on major sites (more than 10 dwellings) and the majority of housing sites we deal with in the city are smaller than this, the trigger for Affordable Home provision is often not met.

DM2 - End to end time to determine a planning application (Days) - The outturn for this measure reports an increase in end to end times and partly reflects some short-term sickness in the team. This is not indicative of a wider trend and the service area envisions that an improvement will be seen by year end.

PH2 Average time from date of inspection of accommodation to removing a severe hazard to an acceptable level - demand on the service area has significantly increased, with resources reallocated across the teams to address priority works, which in turn affects the timeframe in which other outturns can be completed.

6. **Corporate Measures**

- 6.1 Those corporate performance measures detailed in Appendix B include the areas of resources, health & wellbeing, sickness, communications, complaints and compliments.
- 6.2 During quarter 3 2024/25 there were 14 leavers, which equated to a turnover figure of 2.2% (based upon employee headcount at the end of December 2024 excluding apprentices). This figure is lower when compared to the previous quarter 2 2024/25 figure of 2.5%. The vacancy figure as at the end of quarter 3 2024/25 stood at 56 FTE. Please note that any posts with less than 37 hours per week vacant have been removed when calculating this figure.
- 6.3 132 appraisals were due for completion, of these, 86 appraisals were recorded as being completed within the ITrent system (65.2%).
- 6.4 It was recognised that the Council has continued its proactive approach to staff wellbeing, and that we continue to recognise the range of factors influencing mental wellbeing, both inside and outside the workplace. The Council has increased the number of Mental Health First Aiders (MHFAs) and staff who are ASIST (Applied Suicide Intervention Skills) trained. The Council was successful in renewing the Charter for Employers Positive About Mental Health which continues until November 2026.
- 6.5 The Council arranged for MSK Physio to attend Hamilton House for a day in December to carry out 30-minute physio appointments for any staff who wished to book one and raised awareness for Disability History Month (UKDHM) 14 November – 20 December 2024 and reinforced our actions and support as a Disability Confident Employer both for applicants and existing staff. The Council also supports Men's Health issues under the Movember theme.

- 6.6 Total sickness levels for the Council stood at 2.61 days lost per FTE at quarter 3. When compared to the previous quarter, sickness levels have decreased (quarter 2 2024/25 figure stood at 2.69 days lost per FTE). Additionally, when compared to the same quarter last year sickness levels have increased (quarter 3 2023/24 figure was 2.03 days lost per FTE).
- 6.7 In quarter 3 2024/25 there were **131** complaints dealt with across the Council. In quarter 3 2024/25, there were 0 Local Government Ombudsman (LGO) complaints decided and 1 Local Housing Ombudsman (LHO) complaints decided. The percentage of complaints responded to within the service standard has improved this quarter and is 95% overall. Only 7 complaints of the 131 responded to were outside of the target times. This boosts the year-to-date response rate to 92%. Alongside complaints monitoring we also monitor compliments that come into the Council, with 41 during this quarter across all services.
- 6.8 Throughout quarter 3 2024/25 the Communications Team have provided support across the Council and city to capture and broadcast the latest news, events and updates in Lincoln providing a detailed overview of social media highlights, key stats and performance, interviews, key events and campaigns, press releases, internal communications, Hub and website statistics on usage.

7. Strategic Priorities

7.1 The City of Lincoln Council's Vision 2025 priorities are:

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

The performance measures under each directorate link across a range of Vision 2025 strategic priorities and portfolios as set out in Appendices A and B.

8. Organisational Impacts

8.1 Finance

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

8.2 Legal Implications

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

8.3 Equality, Diversity and Human Rights

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

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

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

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

9. Risk Implications

9.1 (i) Options Explored

N/A.

9.2 (ii) Key Risks Associated with the Preferred Approach

N/A.

10. Recommendations

10.1 Executive is asked to review and comment on the contents of the Quarter 3 2024/25 Operational Performance Report found at Appendices A and B.

10.2 Executive is asked to confirm that the format of the performance report continues to meet their requirements.

Is this a key decision?	No
Do the exempt information categories apply?	No
Does Rule 15 of the Scrutiny Procedure Rules (call-in and urgency) apply?	No
How many appendices does the report contain?	Two (A and B)
List of Background Papers:	None
Lead Officers:	Business Intelligence Officer Policy & Performance Officer(s)

Quarter 3 2024/25 Operational Performance Report - Performance overview



Business Intelligence Officer
Policy and Performance Officer(s)

Contents

How to read this report 3

Executive summary 4

Our People and Resources..... 5

Vision Priority – Reducing Inequality 5

Customer Experience and Review..... 5

Vision Priority – Remarkable Place 5

Vision Priority – Quality Housing..... 5

Vision Priority – Inclusive Economic Growth..... 5

Vision Priority – Addressing Climate Change 5

How to read this report

This report provides an overview of the council's performance in Quarter 3 of 2024/25 by Directorate and by Vision Priority. This report also contains an overview of the council's performance in relation to its two inward looking portfolios 'Our People and resources' and 'Customer Experience and Review', which sit outside of the Vision Priorities. Also included within this report are highlight reports detailing some of the support provided by the council to Lincoln's communities during the past quarter, service updates and their impact.

Detailed performance measure outturns for quarter 3 2024/25, performance measure commentary provided by service areas and corporate performance measure outturns can be found at Appendix B.

Performance Key:

For all performance measures, outturn data is presented using the following indicators:

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



Performance has improved since last quarter / year



Performance has stayed the same since last quarter / year



Performance has deteriorated since last quarter / year

Performance measure outturns by Vision Priority are categorised below and in Appendix B using the following codes:

PR	Our People and Resources
RI	Reducing Inequality
CE	Customer Experience & Review
RP	Remarkable Place
QH	Quality Housing
EG	Inclusive Economic Growth
CC	Addressing the challenge of Climate Change

Corporate performance measures

Corporate performance measures focus on the council's performance overall and are not specific to service area performance. These corporate performance measures are split into the following categories and are presented at Appendix B:

- Resource information
- Appraisals
- Health & wellbeing
- Communications
- Sickness
- Corporate complaints
- Compliments

Executive summary

During quarter 3 2024/25 the council monitored performance against **87** quarterly performance measures and **4** annual measures. Of these measures **66** had targets allocated to them, of which **54 (59.4%)** were within or exceeding the targets set. The remaining **25** measures were volumetric (untargeted) measures reported for contextual purposes.

The 2024/25 targets for each targeted performance measure were approved by Performance Scrutiny Committee and Executive in March 2024.

Below provides a summary of the quarter 3 2024/25 performance measure outturns by status and by direction of travel. These are displayed by each Directorate and by Portfolio.

Directorate Summary

Performance measure outturns by status					
Status	Chief Executives Directorate	Directorate of Communities & Environment	Directorate of Housing Investment	Directorate of Major Developments	Total
Below target	3 (11.5%)	5 (13.2%)	4 (22.2%)	0 (0.0%)	12 (13.2%)
Acceptable	3 (11.5%)	12 (31.6%)	1 (5.6%)	0 (0.0%)	16 (17.6%)
Above target	12 (46.2%)	13 (34.2%)	8 (44.4%)	5 (55.6%)	38 (41.8%)
Volumetric	8 (30.8%)	8 (21.1%)	5 (27.8%)	4 (44.4%)	25 (27.5%)
Data not available	0 (0.0%)	0 (0.0%)	0 (0.0%)	0 (0.0%)	0 (0.0%)
Total	26	38	18	9	91

Performance measure outturns by direction of travel					
Status	Chief Executives Directorate	Directorate of Communities & Environment	Directorate of Housing Investment	Directorate of Major Developments	Total
Deteriorating	4 (15.4%)	13 (34.2%)	5 (27.8%)	0 (0.0%)	22 (24.2%)
No change	3 (11.5%)	0 (0.0%)	0 (0.0%)	5 (55.6%)	8 (8.8%)
Improving	11 (42.3%)	17 (44.7%)	8 (44.4%)	0 (0.0%)	36 (39.6%)
Volumetric	8 (30.8%)	8 (21.1%)	5 (27.8%)	4 (44.4%)	25 (27.5%)
Data not available	0 (0.0%)	0 (0.0%)	0 (0.0%)	0 (0.0%)	0 (0.0%)
Total	26	38	18	9	91

Priority Summary

Performance measure outturns by status							
	Our People and Resources	Reducing Inequality	Customer Experience & Review	Remarkable Place	Quality Housing	Inclusive Economic Growth	Addressing the challenge of Climate Change
Below target	0 (0.0%)	1 (10.0%)	3 (16.7%)	0 (0.0%)	7 (31.8%)	1 (5.0%)	Currently no measures reported through the quarterly performance reporting process. Progress updates provided
Acceptable	0 (0.0%)	0 (0.0%)	3 (16.7%)	8 (42.1%)	1 (4.5%)	4 (20.0%)	
Above target	2 (100.0%)	4 (40.0%)	6 (33.3%)	7 (36.8%)	9 (40.9%)	10 (50.0%)	
Volumetric	0 (0.0%)	5 (50.0%)	6 (33.3%)	4 (21.1%)	5 (22.7%)	5 (25.0%)	
Data not available	0 (0.0%)	0 (0.0%)	0 (0.0%)	0 (0.0%)	0 (0.0%)	0 (0.0%)	
TOTAL	2	10	18	19	22	20	

	Performance measure outturns by direction of travel						
	Our People and Resources	Reducing Inequality	Customer Experience & Review	Remarkable Place	Quality Housing	Inclusive Economic Growth	Addressing the challenge of Climate Change
Deteriorating	0 (0.0%)	0 (0.0%)	4 (22.2%)	6 (31.6%)	8 (36.4%)	4 (20.0%)	Currently no measures reported through the quarterly performance reporting process. Progress updates provided
No change	1 (50.0%)	0 (0.0%)	2 (11.1%)	0 (0.0%)	0 (0.0%)	5 (25.0%)	
Improving	1 (50.0%)	5 (50.0%)	6 (33.3%)	9 (47.4%)	9 (40.9%)	6 (30.0%)	
Volumetric	0 (0.0%)	5 (50.0%)	6 (33.3%)	4 (21.1%)	5 (22.7%)	5 (25.0%)	
Data not available	0 (0.0%)	0 (0.0%)	0 (0.0%)	0 (0.0%)	0 (0.0%)	0 (0.0%)	
TOTAL	2	10	18	19	22	20	

Factors such as resource pressures, recruitment challenges and the ongoing cost of living challenges have continued to have an impact on performance in quarter 3 2024/25.

The following pages provide an overview of council performance by Vision Priority during quarter 3 2024/25. Also provided are highlight reports for quarter 3 2024/25.

Quarter 3 2024/25 performance measure outturns by status and direction of travel

Measure status	Total	Measure direction of travel	Total
Below target	0 (0.0%)	Deteriorating	0 (0.0%)
Acceptable performance	0 (0.0%)	No change	1 (50.0%)
Above target	2 (100.0%)	Improving	1 (50.0%)
Volumetric	0 (0.0%)	Volumetric	0 (0.0%)
Data not available	0 (0.0%)	Data not available	0 (0.0%)
TOTAL	2	TOTAL	2

Performance measure overview

During quarter 3 2024/25, within the Our People and Resources theme, 2 performance outturns delivered above their high target, WBL 1 - Percentage of apprentices completing their qualification on time, and WBL 2 - Percentage of apprentices moving into Education, Employment or Training.

The measure, WBL 1 - Percentage of apprentices completing their qualification on time, additionally delivered an improving direction of travel when compared to the previous quarter.

WBL 2 - Percentage of apprentices moving into Education, Employment or Training has maintained its direction of travel while remaining above target.

It is important to note that due to the small number of apprentices due to complete during each quarter, the impact on performance is much larger, with the year-to-date number of apprentices moving into Education, Employment or Training for 2024/25 being 7.

Performance measure outturns and supporting commentary can be found at Appendix B.

Highlight Reports

Within Our People and Resources theme, the Councils proactive approach to staff wellbeing has been positively welcomed in assessment feedback, achieving renewal as a recognised 'Mindful Employer' through the 'Charter for Employers Positive About Mental Health'. The team have worked with colleagues and line managers to understand the range of factors that influence mental wellbeing, while additionally increasing the number of Mental Health First Aiders (MHFAs) and staff who are also Applied Suicide Intervention Skills (ASIST) trained.

The results of the Staff Survey have been reviewed and shared, with feedback serving to help guide the Council in developing action plans to maintain and improve effectiveness and culture, develop communication between senior management and employees, identify areas of success, while ensuring residents are placed at the heart of service delivery.

OUR PEOPLE AND RESOURCES

MINDFUL EMPLOYER RENEWAL

We are pleased to announce that the Council has recently been successful in renewing the Charter for Employers Positive About Mental Health.

As a recognised signatory to the Charter, we are committed to creating a supportive and open culture, where colleagues feel able to talk about mental health confidently, and aspire to appropriately support the mental wellbeing of all staff.

We continue to uphold the following values:

1. To provide non-judgemental and proactive support to staff experiencing mental ill-health.
2. To not make assumptions about a person with a mental health condition and their ability to work.
3. To be positive and enabling toward all employees and applicants with a mental health condition.
4. To support line managers in managing mental health in the workplace.
5. To ensure they are fair in the recruitment of new staff in accordance with the Equality Act (2010).
6. To make it clear that people who have experienced mental ill-health will not be discriminated against, and that disclosure of a mental health conditions will enable both the employee and employer to assess and provide the right level of support or adjustment.

As part of the renewal assessment feedback, it was recognised that the Council has continued its proactive approach to staff wellbeing, and that we continue to recognise the range of factors influencing mental wellbeing, both inside and outside the workplace. It was also recognised that the Council has increased the numbers of Mental Health First Aiders (MHFAs) and staff who are ASIST (Applied Suicide Intervention Skills) trained.

Based upon the renewal, the Council will continue to be recognised as a Mindful Employer until November 2026.



OUR PEOPLE AND RESOURCES

STAFF SURVEY

Earlier in the year the Council launched a Staff Survey, looking for staff views and insights to help guide the Council as we move forward to maintain and improve our effectiveness, productivity and culture.

The survey was structured around key themes:

- Job effectiveness
- Employee contribution, performance, and reward
- Council culture
- Services provided by the council
- Equality and diversity
- Health and wellbeing
- Communication

The results have now been shared and reviewed by CMT, with key messages from the survey reporting that the majority of staff understand how their role contributes to the Council meeting its priorities, believe that giving excellent customer service is considered important to the organisation, have a clear understanding of what is expected of them, and are encouraged to learn if they make a mistake, and would recommend the Council as a good place to work.

Areas for improvement identified from the survey results have assisted CMT in developing an action plan, which has already commenced across the Council and Directorates, with a commitment over the forthcoming year to:

- Re-establishing an Employee Recognition Scheme and celebrate the successes across the Council
- Re-promoting the Health and Wellbeing Support and Staff Benefits available to staff, along with promoting more local discounts for staff where possible
- Raising awareness to staff of how we monitor our services and identify areas of success
- Reaffirm our high performing culture, ensuring our residents (and/or customers) are placed at the heart of service delivery, and ensuring that all employees have regular 1-1s and annual appraisals
- Looking at different ways to improve communication between senior management and employees (such as providing more updates from CMT in different formats/settings and building more opportunities for staff to seek information from Senior Management).





Vision Priority – Reducing Inequality

Quarter 3 2024/25 performance measure outturns by status and direction of travel

Measure status	Total	Measure direction of travel	Total
Below target	1 (10.0%)	Deteriorating	0 (0.0%)
Acceptable performance	0 (0.0%)	No change	0 (0.0%)
Above target	4 (40.0%)	Improving	5 (50.0%)
Volumetric	5 (50.0%)	Volumetric	5 (50.0%)
Data not available	0 (0.0%)	Data not available	0 (0.0%)
TOTAL	10	TOTAL	10

Performance measure overview

During quarter 3 2024/25, within the Reducing Inequality Vision Priority there were 4 performance outturns that delivered above their high targets, these include BE 1 - Average days to process new housing benefit claims from date received, BE 2 - Average days to process housing benefit claim changes of circumstances from date received, BE 3 - Number of Housing Benefits / Council Tax support customers awaiting assessment, BE 4 - Percentage of risk-based quality checks made where benefit entitlement is correct.

All 4 of the measures performing above their high targets have further improved when compared to the same quarter of the previous year.

During the quarter, 1 measure delivered below target, PPASB 3 - Number of live cases open at the end of the quarter (across full PPASB service). This outturn has improved in direction of travel when compared to the previous quarter and was as a result of the increase in case load that would be expected by the two additional ASB Officers who joined the team in 2024, as well as the complex ASB cases carried out through the proactive work of the team within the City Centre and surrounding area.

5 measures within this Vision Priority report as a volumetric outturn, including CPT 1 - Number of internal safeguarding referrals received, BE 5 - Number of new benefit claims year to date (Housing Benefits/Council Tax Support), PPASB 1 - Number of cases received in the quarter (ASB cases only), PPASB 2 - Number of cases closed in the quarter (across full PPASB service) and CCTV 1 - Total number of incidents handled by CCTV operators.

Performance measure outturns and supporting commentary can be found at Appendix B.

Highlight Reports

Within the Reducing Inequality Vision Priority, throughout the quarter, support has been made available to residents of the city through the sixth wave of the Household Support Fund, made available to City of Lincoln Council through the UK Government, covering the period from 1 October 2024 to 31 March 2025.

Funds have been used to support individuals and households who are most in need, with a key part of this work focused on helping reduce reliance on foodbanks, instead enabling people to utilise the Lincoln Community Grocery.

The Grocery not only provides low-cost, high-quality food, but members are able to access other wraparound support there, including debt advice, money management support, one on one support and life skills, practical support, and tools needed so seek and find work through job clubs and much more.

HOUSEHOLD SUPPORT FUND

The sixth wave of Household Support Fund ('HSF6') is underway, with almost £300,000 made available to City of Lincoln Council covering the period October 2024 to March 2025. These vital funds help support individuals and households with food, fuel, wider essentials and related costs.

More than half of these monies have already been allocated internally for distribution, as well as to key partners in the City who are helping to ensure these monies reach those most in need.

A key part of this work has been to reduce reliance on foodbanks and helping people to move to accessing Lincoln Community Grocery, - this is proving to be a real success, with many residents now accessing low cost, healthy food through the Grocery - and having access to 'wraparound' support provided.



Reducing Inequality

Quarter 3 2024/25 performance measure outturns by status and direction of travel

Measure status	Total	Measure direction of travel	Total
Below target	3 (16.7%)	Deteriorating	4 (22.2%)
Acceptable performance	3 (16.7%)	No change	2 (11.1%)
Above target	6 (33.3%)	Improving	6 (33.3%)
Volumetric	6 (33.3%)	Volumetric	6 (33.3%)
Data not available	0 (0.0%)	Data not available	0 (0.0%)
TOTAL	18	TOTAL	18

Performance measure overview

During quarter 3 2024/25, within Customer Experience and Review, there were 6 performance outturns that performed above their high target, these include ACC 1 - Average return on investment portfolio, ACC 2 - Average interest rate on external borrowing, DCT 2 Percentage of invoices that have a Purchase Order completed, DCT 3 Average number of days to pay invoices, REV 2 Business Rates – in year collection rate for Lincoln (cumulative), and REV 3 - Number of outstanding customer changes in the Revenues Team.

Of these 6 measures performing above their high targets, 3 measures (ACC 2, DCT 2 and REV 2) improved in performance when compared to the previous quarter. 1 measure (DCT 3) had no change in its direction of travel, and 2 measures (ACC 1 and REV 3), showed a slight deterioration in direction of travel, whilst continuing to perform above their target boundary.

3 measures delivered below target during the reporting period, CS 3 - Average time taken to answer a call to customer services, CS 4 - Average customer feedback score (telephone, face to face and e-mail enquiries), and AUD 1 - Completion of the Internal Audit annual plan.

Of the outturns performing below target, CS 3 and CS 4 showed an improvement in direction of travel, while AUD 1 had no change in its direction of travel, when compared to the previous quarter.

6 measures within the portfolio report as a volumetric outturn, CS 2 - Number of telephone enquiries answered in Customer Services, CS 5 - Footfall into City Hall reception desk, ICT 1 - Number of calls logged to IT helpdesk, ICT 2 - Percentage of first time fixes, REV 4 - Number of accounts created for the My Lincoln Accounts system, and DEM 1 The number of individuals registered on the electoral register as at 1st December (local elections), volumetric annual measure.

Performance measure outturns and supporting commentary can be found at Appendix B.

Highlight Report

Within Customer Experience and Review, the Councils Elections team successfully completed the ballot for the Lincoln Business Improvement Group (BIG). The Business Improvement District (BID) ballot required a successful collaboration between several teams across Lincoln BIG and the Council, to ensure that all eligible voters had the opportunity to participate, timely communications were provided, and any queries on the ballot process were answered, ensuring all statutory deadlines were met.

A total of 846 ballot papers were issued during the voting process, with 85.6% of the votes cast in favour of Lincoln Big's proposal.

OUR PEOPLE AND RESOURCES

LINCOLN BIG VOTING PROCESS

The Lincoln Business Improvement Group (BIG) carried out its fifth voting process from September - November 2024 for its operational period of July 2025-June 2030, which was administered by the Council's Elections team. The close of poll was 25 November 2024, with the result announced after its Annual General Meeting.

A Business Improvement District [BID] is a precisely defined geographical area within which businesses have voted to invest collectively in local improvements.

846 ballot papers were issued to eligible voters, with 353 valid votes cast. 85.6% of votes cast were in favour of Lincoln BIG's proposal.

Running a BID ballot requires working collaboratively with Lincoln BIG and the Council's Business Rates team to ensure all statutory deadlines are met and that all eligible voters can participate. This involved writing to all eligible voters to ensure ballot papers were being issued to appropriate officers, provide timely communications and answering queries on the ballot process. This approach was highly successful.

Our People and Resources



  Together, we'll deliver Lincoln's sustainable future



Vision Priority – Remarkable Place

Quarter 3 2024/25 performance measure outturns by status and direction of travel

Measure status	Total
Below target	0 (0.0%)
Acceptable performance	8 (42.1%)
Above target	7 (36.8%)
Volumetric	4 (21.1%)
Data not available	0 (0.0%)
TOTAL	19

Measure direction of travel	Total
Deteriorating	6 (31.6%)
No change	0 (0.0%)
Improving	9 (47.4%)
Volumetric	4 (21.1%)
Data not available	0 (0.0%)
TOTAL	19

Performance measure overview

During quarter 3 2024/25, within the Remarkable Place Vision Priority there were 7 performance outturns that have delivered above their high targets, these include FHS 2 - Average time from actual date of inspection to achieving compliance, FHS 4 Percentage of Citizens' Panel respondents who are satisfied with the standard of hygiene in restaurants/cafes/ shops and takeaways in Lincoln, SP 2 - Artificial Grass Pitch usage at Yarborough Leisure Centre & Birchwood Leisure Centre, SP 3a - Birchwood Leisure Centre - Number of net promoter score points above or below the average Net Promoter Score for England, SP 3b - Yarborough Leisure Centre - Number of net promoter score points above or below the average Net Promoter Score for England, AM 1 Percentage occupancy of allotment plots, and GM 1 Contractor points recorded against target standards specified in contract - Grounds Maintenance.

4 measures within the Vision Priority report as a volumetric outturn, LIC 2 - Total number of active premises licences, LIC 3 - Total number of active private hire / hackney carriage licences (operators, vehicles and drivers), SP 1a - Quarterly visitor numbers to Birchwood Leisure Centre, which reported 2,864 additional visitors compared to the same quarter in the previous year, and SP 1b - Quarterly visitor numbers to Yarborough Leisure Centre, which also reported an increase of 8,084 visitors when compared to quarter 3 in 2023/24.

Performance measure outturns and supporting commentary can be found at Appendix B.

Highlight Reports

Within the Remarkable Place Vision Priority, the teams have been celebrating the milestone achievement in Air Quality Improvement across the city, achieved after years of progress, through the opening of the Lincoln Eastern bypass, natural renewal and improved vehicle technology, resulting in the removal of the Air Quality Management Area (AQMA).

A new air quality plan will be created to keep a close watch and ensure Lincolns air remains clean for the future.

REMARKABLE PLACE

City of Lincoln Council Celebrates Milestone Achievement in Air Quality Improvement

The AQMA was first declared in 2001 because pollution levels in parts of the city were too high, especially near busy roads.

Now, after years of progress, the council's latest report shows that air pollution has dropped so much that the AQMA is no longer needed.

Improvements in Lincoln's air quality were a result of the opening of the Lincoln Eastern Bypass which helped reduce traffic and pollution along Canwick Road and Broadgate. Natural renewal and improved vehicle technology also mean that cars, buses, and industrial equipment have become cleaner and more efficient over the years, producing less pollution.

Local measures such as the council working on several projects to tackle pollution and make the air cleaner have also contributed to the improvement in air quality. Local measures are presented in the city council's Annual Status Reports, with the latest 2024 Report recently being submitted to Defra for approval. Since the AQMA was last updated in 2018, air quality in Lincoln has continued to improve. **By 2019, every area of the city was meeting national air quality standards, and this has stayed the same ever since.** The council's monitoring shows that pollution has not been close to the danger level in over five years.

Even though the AQMA is being removed, the council will keep a close watch on air quality. A new air quality plan will be created to ensure Lincoln's air stays clean. The strategy will highlight a detailed consultation process involving the community and local businesses to make sure any new problems are dealt with quickly

“

This is fantastic news for Lincoln. Cleaner air means better health for everyone, and it makes our city a better place to live and work.

Thank you to everyone who has helped us achieve this milestone. We will continue working hard to ensure our air remains clean for the future.”




“

“This achievement is a testament to the collective efforts of our community, local businesses, and partners..

While this milestone is worth celebrating, we remain vigilant and committed to ensuring our air quality continues to meet and exceed national standards.

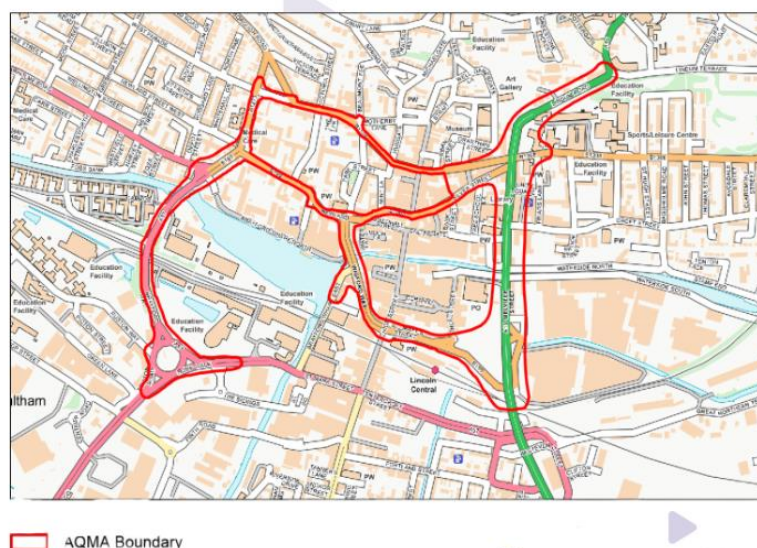
City of Lincoln Council will continue working closely with Defra and other partners to formally notify stakeholders of the AQMA revocation and to lay the groundwork for its forthcoming air quality strategy



Lincoln City Council | Together, let's deliver Lincoln's ambition for the future

REMARKABLE PLACE

Figure D.1 – Map of Non-Automatic Monitoring Site



Lincoln City Council | Together, let's deliver Lincoln's ambition for the future



Vision Priority – Quality Housing

Quarter 3 2024/25 performance measure outturns by status and direction of travel

Measure status	Total	Measure direction of travel	Total
Below target	7 (31.8%)	Deteriorating	8 (36.4%)
Acceptable performance	1 (4.5%)	No change	0 (0.0%)
Above target	9 (40.9%)	Improving	9 (40.9%)
Volumetric	5 (22.7%)	Volumetric	5 (22.7%)
Data not available	0 (0.0%)	Data not available	0 (0.0%)
TOTAL	22	TOTAL	22

Performance measure overview

During quarter 3 2024/25, within the Quality Housing Vision Priority there were 9 performance outturns that performed above their high targets, these include PH 3 - Number of empty homes brought back into use (cumulative), HI 1 - Percentage of council properties that are not at the 'Decent Homes' standard (excluding refusals), HM 1a - Percentage of reactive repairs completed within target time (priority 1 day only), HM 2 - Percentage of repairs fixed first time (priority and urgent repairs) - HRS only, HM 4 - Appointments kept as a percentage of appointments made (priority and urgent repairs) - HRS only, CC1 - Percentage of customers satisfied with their new Lincare Housing Assistance service connection to the control centre, CC 2 - Percentage of Lincare Housing Assistance calls answered within 60 seconds, RC 1 - Rent collected as a proportion of rent owed and RC 2 - Current tenant arrears as a percentage of the annual rent debit.

Of these 9 above target outturns, 6 have further improved since last quarter (HI 1, HM 1a, HM 4, CC 2, RC 1 and RC 2) and 3 measures (PH 3, HM 2 and CC1) report a deterioration in direction of travel compared to the previous quarter, whilst continuing to perform well above target boundaries.

During the quarter there were 7 measures that delivered below target, AH 1 - Number of affordable homes delivered (cumulative), PH 1 - Average time in weeks from occupational therapy notification to completion of works on site for a DFG grant (all DFG's exc. extensions), PH 2 - Average time from date of inspection of accommodation to removing a severe hazard to an acceptable level, HM 1b - Percentage of reactive repairs completed within target time (urgent 3 day repairs only), HS 3 - Successful preventions and relief of homelessness against total number of homelessness approaches, HV 1 - Percentage of rent lost through dwelling being vacant, and HV 3 - Average re-let time calendar days for all dwellings (including major works).

Of the 7 outturns performing below target, PH 1, HS 3, and HV 3 showed an improvement in direction of travel, while AH 1, PH 2, HM 1b and HV1 deteriorated in direction of travel, when compared to the previous quarter.

5 measures within the portfolio report as a volumetric outturn, these include HI 2 - Number of properties 'not decent' as a result of tenants' refusal to allow work, HM 5 - Satisfaction with Repairs, HS 1 - The number of people currently on the Housing Register, HS 2 - The number of people approaching the council as homeless and HS 4 - Number of rough sleepers.

Performance measure outturns and supporting commentary can be found at Appendix B.

Highlight Report

Within the Quality Housing Vision Priority, the jointly funded redevelopment by the council and Homes England has successfully completed the Hermit Mews Housing development, delivering 11 high quality, energy efficient new family homes, five two-bed and six three-bed, built on an unattractive and underused garage site, meeting the housing needs of 22 households in the city.

The Housing Repairs Service, jointly with the Customer Service team, have further developed teams' knowledge and cross department working relationships, through effective, supportive job shadowing and improved communication across both City Hall and Hamilton House, driving efficiency, streamlined booking of appointments and first time resolutions for customers.

QUALITY HOUSING

Hermit Mews Housing Development

Hermit Mews development was successfully completed in October, jointly funded by the council and Homes England, delivering five two-bed and six three-bed high quality, energy efficient new family homes, the first to be offered at social rents in the city since 2016.

Redeveloping this former garage site has transformed the Hermit Street area, supporting implementation of our HRA 30-Year Business Plan by regenerating unattractive and underused land in Sincil Bank, whilst retaining eight garages, improving residents' parking in the local area through provision of 31 new parking bays.

We piloted a new local lettings plan model when allocating these homes, with every home being allocated to existing City of Lincoln tenants, enabling us to meet the housing need of twenty-two households in the city, including reallocating the former homes of the eleven Hermit Mews tenants to people on our Housing Register.

Local schools and community groups were involved in naming Hermit Mews, and the development added social value by ensuring 100% of the supply chain spend was to micro, small, and medium businesses.



Role play equipment was also donated to a local nursery for their outdoor area; pupils from two local schools were supported with transport to the construction week at Lincolnshire Showground; and a wooden plaque was designed by a local social enterprise for the community garden on the corner of Hermit Street and Portland Street.

The development earned a 'Secure by Design' gold award from Lincolnshire Police, demonstrating the positive contribution of designing safe, clean and green neighbourhoods and providing a benchmark for future council housing in the city.

QUALITY HOUSING

Job Shadowing

The housing resource planners and customer service teams have shadowed job roles during this quarter, with members of both teams working across Hamilton House and City Hall, to share knowledge, develop cross department relationships and improve the efficiency of housing calls, reducing call wait times and improving the rate of first time fixes for housing customers.




The teams are looking forward to continuing working together across both sites more regularly following this successful introduction, with data monitoring to prioritise improvements in call wait time and first-time resolutions for customers.

The teams feedback from the days included:

- Communication with planners was easier and quicker, with a reduction in calls to Resource Planners while CSA's were able to answer queries in person, saving time having to wait to ring in
- CSA's were able to speak to HRS Team leaders and get advice quickly
- Easier booking of 3-day appointments and 1-day tickets, improving the experience for customers
- Better knowledge and understanding of how each team works, CSA's able to action housing work tasks immediately, without the need to send an email, improving response times
- Teambuilding benefits of putting names to faces and no longer being strangers with colleagues they regularly speak to





Vision Priority – Inclusive Economic Growth

Quarter 3 2024/25 performance measure outturns by status and direction of travel

Measure status	Total	Measure direction of travel	Total
Below target	1 (5.0%)	Deteriorating	4 (20.0%)
Acceptable performance	4 (20.0%)	No change	5 (25.0%)
Above target	10 (50.0%)	Improving	6 (30.0%)
Volumetric	5 (25.0%)	Volumetric	5 (25.0%)
Data not available	0 (0.0%)	Data not available	0 (0.0%)
TOTAL	20	TOTAL	20

Performance measure overview

During quarter 3 2024/25, within the Inclusive Economic Growth Vision Priority, 10 performance outturns performed above their high targets, these include DM 3 - Number of live planning applications open, DM 5 - Percentage of total decisions made in the quarter that have subsequently been overturned at appeal, DM 5a Number of decisions appealed in the quarter, DM 5b Number of appealed decisions in the quarter overturned by the inspectorate, PS 2 - Sessional car parking income as a percentage of budget requirement, DMD 1 - Percentage spend on Town Deal programme, DMD 2 - Percentage of Town Deal projects on target, DMD 3 - Percentage spend on UKSPF programme, DMD 4 – Percentage of UKSPF projects on target and DMD 5 - Number of businesses receiving business support utilising the UKSPF fund.

During the quarter 1 measure delivered below target, DM 2 - End to end time to determine a planning application (Days), the outturn also reported a deteriorating direction of travel.

6 measures, DM 3, DM 5, DM 5a, DM 5b and PS 1 and PS 2 reported an improving direction of travel compared to the previous quarter, 5 measures DMD 1, DMD 2, DMD 3, DMD 4 and DMD 5 had no change, and 3 measures DM 4, DM 6 and DM, whilst deteriorating in direction of travel, continued to perform well within their target boundary.

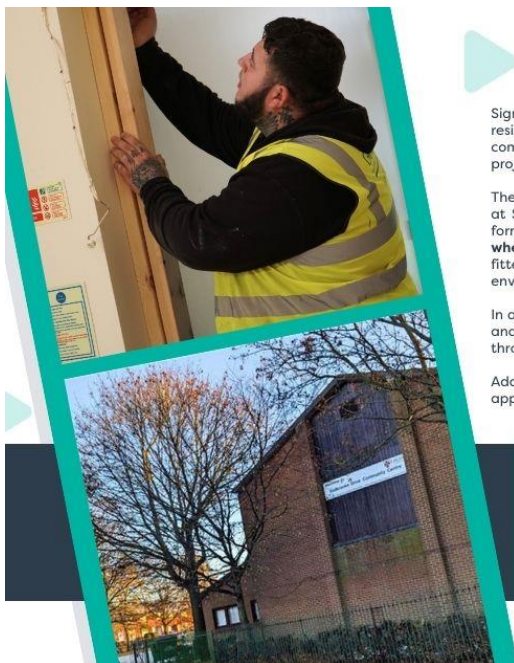
5 measures within the Inclusive Economic Growth Vision Priority report as a volumetric outturn, DM 1 - Number of applications in the quarter, DMD 6 - Percentage occupancy of Greetwell Place, DMD 7 - Percentage occupancy of The Terrace, DMD 8 - Unemployment rate within Lincoln, and DMD 9 - Average wage in Lincoln.

Performance measure outturns and supporting commentary can be found at Appendix B.

Highlight Reports

Within the Inclusive Economic Growth Vision Priority, Sudbrooke Drive Community Centre has seen significant improvement works carried out throughout the quarter, to modernise and enhance the well-used community space for the benefit of residents across the Ermine estate area and city, providing a welcoming environment with enhanced accessibility.

Charterholme, formerly known as Western Growth Corridor, officially launched as a brand in December 2024, with the latest chapter in the development project underway, the construction of the first phase of 52 houses on the gateway site. Infrastructure to create the southern access to the site has been completed, further progressing what will be the largest development project to take place in Lincoln for decades.



INCLUSIVE ECONOMIC GROWTH

Sudbrooke Drive Community Centre

Significant improvement works are being carried out at Sudbrooke Drive Community Centre that will benefit residents in the Ermine Estate area, by developing welcoming and accessible hubs for all and strengthening its community spaces. City of Lincoln Council is supporting **Alive Church** and **Bishop Grosseteste University** to bring projects forward with money coming from the UK Shared Prosperity Fund.

The initial project focuses on modernising the centre and ensuring enhanced accessibility throughout. The works at Sudbrooke Drive Community Centre are progressing well and include a new meeting room that has been formed from **two small rooms**, a **bigger disabled toilet to enable access for a wider range of scooters and wheelchairs**, the **extension for the new store room is progressing well** and new doors and windows will be fitted in the new year to improve the energy efficiency of the building and provide a more welcoming environment.

In addition, a new set of toilets including a second disabled facility will be installed, alongside improved heating and lighting. The main meeting room will be transformed into a café meeting space to welcome the community through the work with Alive Church and to allow for community gatherings.

Additionally, external landscaping and security enhancements will be carried out, contributing to both the appearance and safety of the centre's surroundings.

Inclusive Economic Growth

Cllr Bob Bushell at City of Lincoln Council said: "The refurbishment of Sudbrooke Drive Community Centre is an exciting step in our ongoing efforts to provide accessible, modern, and welcoming facilities for our residents. These improvements will ensure that the centre remains a valuable hub for community activities, offering something for everyone. We look forward to seeing the positive impact this project will have on the local community."

 **CITY OF LINCOLN COUNCIL** | Together, let's deliver Lincoln's ambitious future 

INCLUSIVE ECONOMIC GROWTH

Charterholme

Charterholme, formerly known as Western Growth Corridor, officially launched as a brand in December 2024. The new neighbourhood will be the largest development project to take place in Lincoln for decades.

Charterholme has been more than 100 years in the making and will evolve over the next 25 years to create up to 3,200 homes together with wider land uses including a primary school, local shops and services, businesses, open space and recreational facilities and improved transport infrastructure.

Construction of Charterholme is already underway with delivery of the first phase of infrastructure to create the southern access into the site now completed. This has included a new signalised junction at Skellingthorpe Road and Birchwood Avenue, and a new street into the development and bridge over the Boultham Catchwater, to enable the first phase of homes to be constructed. The development of the first 52 homes on the Council's gateway site is now underway.

Work to the eastern access is progressing and on programme to be completed by March 2026, this will include a new access road and bridge over the railway to provide access into the east of the site.

Inclusive Economic Growth

Cllr Naomi Tweddle, City of Lincoln Council Leader, said: "We're delighted to launch Charterholme, and start a new chapter for this exciting project within the city. Working with partners to bring our vision for this area of the city to life has been incredibly rewarding. Charterholme will be somewhere our communities can thrive and have a real sense of belonging, and its creation is a key priority for the council. The Charterholme name will help provide a strong sense of place for all those who choose to live there."



 **CITY OF LINCOLN COUNCIL** | Together, let's deliver Lincoln's ambitious future 

Vision Priority – Addressing Climate Change

Within the Addressing Climate Change Vision Priority, there are currently no strategic measures monitored through quarterly performance reporting. A range of climate change performance measures are being considered for future reporting.

Highlight Report

Within the Addressing Climate Change Vision Priority, Yarborough Leisure Centre, through funding made available by Sport England, has taken a major step towards sustainability with the installation of a 284 high performance solar panel array on the leisure centres roof, with the initiative set to improve energy efficiency and reduce the facilities carbon footprint.

The project will enable yarborough Leisure centre to make substantial financial savings on energy costs, which can then be reinvested into services and facilities for the local community, helping to ensure residents can continue to use the facilities, helping Sport England to meet its goal of getting 3.5 million more people active by 2030.

ADDRESSING THE CHALLENGE OF CLIMATE CHANGE

Installation of Panels at Yarborough Leisure Centre

Climate Change

Yarborough Leisure Centre, managed by Active Nation in partnership with and on behalf of City of Lincoln Council, is taking a major step towards sustainability with the installation of a 120.7kWp photovoltaic (PV) solar panel system. This green energy initiative, funded by Sport England's Swimming Pool Support Fund Phase Two, aims to improve the facility's energy efficiency and reduce its carbon footprint, aligning with the UK government's Net Zero by 2050 objective.

The project, with a contract value of approximately £350,000, includes two significant upgrades: installing the 284 high-performance solar panel array on the leisure centre's roof and improvements to the Air Handling Unit within the centre. This green energy will replace traditional non-renewable sources, resulting in a reduction of carbon dioxide emissions in addition to substantial financial benefits, saving the centre almost £17,000 annually on energy costs. These savings will enable Yarborough Leisure Centre to reinvest in services and facilities for the local community.

The project is part of a nationwide effort funded through Sport England's £60 million Swimming Pool Support Fund, which supports local authorities across England in **improving the energy efficiency of facilities with public swimming pools**. This investment will help ensure that millions of people can continue to use these facilities, helping Sport England to meet its goal of getting 3.5 million more people active by 2030.

Yarborough Leisure Centre was selected due to its suitability for green energy enhancements, and this funding has made it possible to take a significant step toward a more sustainable future.

Quarter 3 2024/25 Operational Performance Report
- Performance Tables



Business Intelligence Officer
Policy and Performance Officer(s)

Performance measure status key

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

	Performance has improved since last quarter / year
	Performance has stayed the same since last quarter / year
	Performance has deteriorated since last quarter / year

PR	Our People and Resources
RI	Reducing Inequality
CE	Customer Experience & Review
RP	Remarkable Place
QH	Quality Housing
EG	Inclusive Economic Growth
CC	Addressing the challenge of Climate Change

Table 1 - Quarterly Measures by directorate (Chief Executive - CX Communities & Environment - DCE, Housing & Investment - DHI) – The performance status of each targeted measure in Table 1 is determined by comparing the latest outturn against a high and low target.

	Assistant Director	Service Area	PH	Measure ID	Measure	Unit	High or low is good	Low Target	High Target	Previous Data Period	Previous Value	Q3 - 24/25 outturn	Status		Service Area Commentary
188	Carolyn Wheeler – City Solicitor	Procurement Services	CE	PRO 1	Percentage spend on contracts that have been awarded to "local" contractors (as the primary contractor)	%	High is good	20.00	45.00	Q2 - 24/25	64.47	39.47	A		<p>The total contract spend as an authority in quarter 3 was £17,115,120.25.</p> <p>Of that spend, a total of £6,56,188.29 was awarded to "local" contractors. Local is defined as anywhere within Lincolnshire plus a 20 mile radius of the County boundary (as per the Local Agenda Policy).</p> <p>The decrease in the percentage attained in this quarter is due to an overall increase in spend which was attributable to a single contractor based outside of the "local" area who has been engaged for specialist works.</p> <p>For comparison and completeness, as this measure is now reported quarterly instead of annually, in 2023-24 the total annual spend awarded to local contractors was £32,127,770.74, representing 55.98% of the total contract spend of £57,390,696.45.</p>
		Work Based Learning	PR	WBL 1	Percentage of apprentices completing their qualification on time	%	High is good	95.00	100.00	Q2 - 24/25	66.60	100.00	G		In Q3 24/25, the number of apprentices completing their apprenticeship on time was 100% (3/3).
		Work Based Learning	PR	WBL 2	Percentage of apprentices moving into Education, Employment or Training	%	High is good	90.00	95.00	Q2 - 24/25	100.00	100.00	G		In Q3 2024/23 100% (3/3) of apprentices on programme moved into Employment, Education or Training. There were 4 new starters on the apprenticeship scheme during Q3 2024/25. Cumulative figure for 24/25 is 7.
	Emily Holmes - Assistant Director Transformatio	Corporate Policy & Transformation	RI	CPT 1	Number of internal safeguarding referrals received	Number	N/A	Volumetric	Volumetric	Q2 - 24/25	73	89	V		The number of safeguarding referrals is slighter higher than previous quarters. There were 17 child referrals and 72 adult referrals. There are seasonal trends and fluctuations in reporting and an increase in referrals at Christmas and New Year is expected.

	Assistant Director	Service Area	PH	Measure ID	Measure	Unit	High or low is good	Low Target	High Target	Previous Data Period	Previous Value	Q3 - 24/25 outturn	Status		Service Area Commentary
	n & Strategic Development														Safeguarding continues to be embedded throughout the authority and the number of referrals received demonstrates the council's continued commitment to protecting vulnerable people who may be at risk, and the positive impact of staff training to identify when referrals are needed.
		Customer Services	CE	CS 2	Number of telephone enquiries answered in Customer Services	Number	N/A	Volumetric	Volumetric	Q2 - 24/25	41,961	21,517	V		Customer Services received a total of 21,157 telephone enquiries less than both last quarter and the same quarter last year. Of those 10,232 were housing related calls, 5572 were council tax/benefits, 2472 for refuse and 53 for garden waste and elections. There were also 14388 calls received at switchboard, the average wait for switchboard was 49 seconds.
		Customer Services	CE	CS 3	Average time taken to answer a call to customer services	Seconds	Low is good	600.00	300.00	Q2 - 24/25	795.00	697.91	R	▲	<p>The average wait for a call into the contact centre has reduced since the previous quarter, excluding calls received at switchboard.</p> <p>The longest wait on a call before it was answered was 5,707 seconds, the longest a customer waited before abandoning the call was 4,297 seconds.</p> <p>3,755 customers requested a call back during the quarter. For call backs, the average wait is calculated from when the customer called, to when a Customer Service Advisor rang them back, it is not the length of time between when the customer started the call to the call back request.</p> <p>Customers are increasingly selecting the call back option ahead of it being offered at the 5 minute call wait point, rather than waiting in the queue until it is offered.</p> <p>If switchboard calls are included, the average wait would be 423.69 seconds.</p>
		Customer Services	CE	CS 4	Average customer feedback score (telephone, face to face and e-mail enquiries)	%	High is good	75.00	90.00	Q2 - 24/25	61.40	74.66	R	▲	<p>72 responses were received overall, mainly via email.</p> <p>Only 15 responses responded to the feedback score question, which limits the usefulness for quarter 3.</p> <p>Comments received ranged from; "I haven't been given a reason why the bin was not collected on the</p>

	Assistant Director	Service Area	PH	Measure ID	Measure	Unit	High or low is good	Low Target	High Target	Previous Data Period	Previous Value	Q3 - 24/25 outturn	Status	Service Area Commentary
														correct day." "Just thank you for your prompt reply, and I am so grateful for the service you are doing for me" "Sort online form out as couldn't report online the issue" "Quality service, professional in every way..... 10/10 well done"
		Customer Services	CE	CS 5	Footfall into City Hall reception desk	Number	N/A	Volumetric	Volumetric	Q2 - 24/25	10,471	10,777	V	In quarter 3 there were 10,777 interactions at the main reception desk, very slightly less than the previous quarter. This included 486 who were presenting at homeless, 287 attended for pre-booked appoints, a further 369 an officer came to reception to see them. There were 775 directed to the job centre and 194 were redirected to other places other than city hall.
		IT	CE	ICT 1	Number of calls logged to IT helpdesk	Number	N/A	Volumetric	Volumetric	Q2 - 24/25	1,007	1,077	V	The I.T helpdesk received a 18.74% increase in the number of calls logged in Q3 compared to the same quarter in 2023/24, from 907 to 1,077 calls. The service area reports a general increase in calls due to aging and changing infrastructure, resulting in assistance being provided to staff affected, as well as more emails being reported as quarantined during the period.
		IT	CE	ICT 2	Percentage of first time fixes	%	N/A	Volumetric	Volumetric	Q2 - 24/25	73.70	70.30	V	The service area reports a general increase in incidents which can be fixed first time as part of migration of platforms and more emails being reported as quarantined.
	Jaclyn Gibson - Chief Finance Officer	Accountancy	CE	ACC 1	Average return on investment portfolio	%	High is good	3.50	4.50	Q2 - 24/25	5.20	4.89	G	Reduction in interest received quarter 3 following reductions in BOE base rate and fixed term investments with favourable rates ending.
		Accountancy	CE	ACC 2	Average interest rate on external borrowing	%	Low is good	5.50	3.50	Q2 - 24/25	3.26	3.17	G	No further borrowing during the quarter, slight reduction on Q2 due to payments on annuity and EIP loans during the quarter.
		Internal Audit	CE	AUD 1	Completion of the Internal Audit annual plan	%	High is good	55.00	65.00			48.00	R	Q3 is below target at 48% compared to a target of 55% This is due to a number of factors including delays being experienced from auditees in completing or starting audits, changes to the audit plan, additional work assessing the new GIAS, additional work to support the NFI and higher than anticipated time for essential training and development..
		Debtors & Creditors	CE	DCT 1	Percentage of invoices paid within 30 days	%	High is good	95.00	97.00	Q2 - 24/25	95.48	96.70	A	This measure has seen a slight improvement in performance since the previous quarter. Figures are calculated on all supplier invoices and credit notes

	Assistant Director	Service Area	PH	Measure ID	Measure	Unit	High or low is good	Low Target	High Target	Previous Data Period	Previous Value	Q3 - 24/25 outturn	Status	Service Area Commentary
191														(not refunds or grants) paid 01/10/2024 - 31/12/2024. Figures are adjusted based on certain assumptions: 1) No invoice collected for payment by supplier by direct debit or paid by standing order is assumed to be late. 2) No credit note taken by COLC outside of 30 days classified as late. 3) 0.5% of those invoices paid over 30 days assumed to be in dispute at some point and hence paid late after dispute was resolved, therefore not classified as late. 4) 1% of those invoices paid after 30 days assumed were held back from payment because the overall balance with the supplier was in credit. 5) All credit balances refunded by the supplier have been removed. 6) All non paid transactions (matching lines and VAT corrections) removed.
		Debtors & Creditors	CE	DCT 2	Percentage of invoices that have a Purchase Order completed	%	High is good	65.00	75.00	Q2 - 24/25	71.00	76.00	G	▲ Based on supplier expenditure only (none supplier expenditure is excluded) i.e. all invoices and credit notes dated between 01/10/2024 and 31/12/2024. Starting figure: 3,629 invoices and credit notes. Adjustments to starting figure: - Less utility bills where purchase orders are not required (507), Less supplier invoices where a purchase order would be unsuitable for processing (356). Final number of invoices included - 2,766 of which 2,115 were linked to either an Agresso or Universal Housing order number and 651 were not.
		Debtors & Creditors	CE	DCT 3	Average number of days to pay invoices	Days	Low is good	20.00	15.00	Q2 - 24/25	14.00	14.00	G	▬ No change since last quarter. Figures calculated on all supplier invoices and credit notes paid between 01/10/2024 - 31/12/2024. Figures adjusted for those invoices and credit notes where the overall supplier account balance has been in credit and therefore invoices cannot be paid until credit balance has been used.
	Martin Walmsley - Assistant Director of Shared Revenues and Benefits	Housing Benefit Administration	RI	BE 1	Average days to process new housing benefit claims from date received (cumulative)	Days	Low is good	19.50	17.50	Q3 - 23/24	15.24	13.23	G	▲ The service area reports a further decrease in the number of days to process new housing benefit claims from date received during quarter 3, exceeding the high target for the measure by 4.27 days. The team continue to prioritise new claims to ensure people are receiving help to pay their rent. Compared to the same quarter last year performance has improved by 2.01 days.

	Assistant Director	Service Area	PH	Measure ID	Measure	Unit	High or low is good	Low Target	High Target	Previous Data Period	Previous Value	Q3 - 24/25 outturn	Status		Service Area Commentary
		Housing Benefit Administration	RI	BE 2	Average days to process housing benefit claim changes of circumstances from date received (cumulative)	Days	Low is good	8.50	7.00	Q3 - 23/24	5.52	4.77	G	▲	<p>In quarter 2 the outturn for the measure continued to perform well, exceeding the high target by 2.23 days.</p> <p>The service area reports that performance has improved as levels of outstanding work have decreased.</p>
		Housing Benefit Administration	RI	BE 3	Number of Housing Benefits / Council Tax support customers awaiting assessment	Number	Low is good	1,750	1,600	Q3 - 23/24	1,481	866	G	▲	<p>The outturn for the measure has shown further significant improvement compared to both last quarter as well as the same quarter 2023/24.</p> <p>With a 51% reduction in customers awaiting assessment compared to last quarter, of the 868 customers awaiting assessment, 495 of these were waiting for a first contact from the council.</p>
		Housing Benefit Administration	RI	BE 4	Percentage of risk-based quality checks made where benefit entitlement is correct (cumulative)	%	High is good	90.00	93.00	Q3 - 23/24	92.29	94.39	G	▲	<p>Throughout quarter 3 the Benefit and Subsidy team completed 850 checks on benefits assessments, with 797 of the checks correctly assessed in both the Subsidy checks and assessment checks. This is an additional 131 checks on the previous quarter, with 93.76% correctly assessed.</p> <p>Cumulatively this year the Benefit and Subsidy team have completed 1,569 checks on benefits assessments, with 1,481 of the checks correctly assessed in both the Subsidy checks and assessment checks.</p> <p>The service area has new team members with less experience than other team members, so more checks are carried out on inexperienced officers. As such, additional checks have been undertaken to provide support and give additional assurance and it should be noted that only minimal errors were identified.</p>
		Housing Benefit Administration	RI	BE 5	The number of new benefit claims year to date (Housing Benefits/Council Tax Support)	Number	N/A	Volumetric	Volumetric	Q2 - 24/25	2,290	3,519	V		<p>So far this year, the Benefits and Subsidy team have processed 762 claims for Housing Benefit and 2,757 claims for Council Tax Reduction.</p>
		Revenues Administration	CE	REV 1	Council Tax – in year collection rate for Lincoln (cumulative)	%	High is good	75.00	77.00	Q3 - 23/24	76.11	76.02	A	▼	<p>The performance for this outturn remains within the acceptable target range at 76.02%.</p> <p>This is 0.09% reduction in collection rate when compared to the same quarter cumulatively last year. The service area reports collection of Council Tax is difficult as people continue to struggle with the cost of</p>

	Assistant Director	Service Area	PH	Measure ID	Measure	Unit	High or low is good	Low Target	High Target	Previous Data Period	Previous Value	Q3 - 24/25 outturn	Status	Service Area Commentary
														<p>living.</p> <p>Putting customers into financial hardship is something the service area tries to avoid, encouraging customers to get in touch to discuss their accounts to try and get them to enter into payment arrangements, although sometimes this will be a slower process of collection than other methods available.</p>
		Revenues Administration	CE	REV 2	Business Rates – in year collection rate for Lincoln (cumulative)	%	High is good	81.00	84.00	Q3 - 23/24	85.60	85.72	G	<p>▲ The outturn for this measure has exceeded the high target by 1.72%, and has improved on performance outturn at the end of December 2023 by 0.12%</p> <p>Non Domestic Rates can go up and down throughout the year due to properties being entered or removed from listings and the right of appeal regarding the rateable value of the property.</p> <p>For 2024/25, retail relief is 75% for those that qualify, but for 2025/26 this will be 40%.</p>
		Revenues Administration	CE	REV 3	Number of outstanding customer changes in the Revenues Team	Number	Low is good	1,600	1,500	Q3 - 23/24	907	1,116	G	<p>▼ There are a total of 1,116 documents outstanding for Lincoln council tax customers. Of these, 1,059 items of correspondence are in Enterprise (electronic Document Management System) - this includes emails that are indexed, and there are 57 outstanding forms in the Citizens Access Revenues (CAR self-serve portal) queue. This may include customers who have more than one document outstanding.</p> <p>This is an increase of 209 outstanding documents when compared to quarter 3 2023/24.</p> <p>The service areas reports that officers are working towards clearing as many documents as possible before annual billing, to be in the best position possible for the new year.</p>
		Revenues Administration	CE	REV 4	Number of accounts created for the My Lincoln Accounts system (to date)	Number	N/A	Volumetric	Volumetric	Q2 - 24/25	6,222	6,831	V	<p>The total number of customers who have registered on My Lincoln Accounts system by 31st December 2024 has further increased to 6,831. This is an increase of 3,071 accounts since quarter 3 2023/24.</p>
DCE	Kieron Manning - Assistant Director Development Management	Affordable Housing	QH	AH 1	Number of affordable homes delivered (cumulative)	Number	High is good	15	75	Q3 - 23/24	17	11	R	<p>▼ 11 affordable homes were completed this quarter, which came from the successful completion of the Hermit Mews development that was a 100% affordable housing scheme, delivered by the Council.</p> <p>As Affordable Housing can only be required on major sites (more than 10 dwellings) and the majority of</p>

	Assistant Director	Service Area	PH	Measure ID	Measure	Unit	High or low is good	Low Target	High Target	Previous Data Period	Previous Value	Q3 - 24/25 outturn	Status	Service Area Commentary
														housing sites we deal with in the city are smaller than this, the trigger for AH provision is often not met. Added to this is an increased demand from national policy on all development making it less viable and therefore reducing the likelihood of securing AH even on major schemes.
		Development Management (Planning)	EG	DM 1	Number of applications in the quarter	Number	N/A	Volumetric	Volumetric	Q2 - 24/25	199	175	V	The outturn reports a slight reduction in the number of applications submitted in the quarter, which was anticipated given the quarter includes the Christmas period, when large parts of the development industry close for 2 weeks.
		Development Management (Planning)	EG	DM 2	End to end time to determine a planning application (Days)	Days	Low is good	85.00	65.00	Q2 - 24/25	83.84	86.39	R	▼ The outturn for this measure reports an increase in end to end times, and partly reflects some short term sickness in the team. This is not indicative of a wider trend and the service area envisions that an improvement will be seen by year end.
		Development Management (Planning)	EG	DM 3	Number of live planning applications open	Number	Low is good	180	120	Q2 - 24/25	92	90	G	▲ The outturn has slightly reduced from the previous quarter and is reflective of DM 1. This figure remains relatively stable and is reflective of the overall work volumes mapped against resources in the team which is now at full compliment. This figure will change based on the complexity of individual applications at any given time and demonstrates a degree of equilibrium of work load vs resource level within the team.
		Development Management (Planning)	EG	DM 4	Percentage of applications approved	%	High is good	85.00	97.00	Q2 - 24/25	94.00	91.00	A	▼ This outturn remains consistently above 90% on an ongoing basis, due to the positive and proactive approach of officers in negotiating good quality outcomes, either prior to, or during the application process.
		Development Management (Planning)	EG	DM 5	Percentage of total decisions made in the quarter that have subsequently been overturned at appeal	%	Low is good	10.00	5.00	Q2 - 24/25	1.83	0.00	G	▲ There were no overturned appeal decisions from the Inspectorate received in quarter 3. This doesn't provide an indicator of decision quality nor does it always correlate to a higher percentage of applications approved. It simply shows that no applicants have appealed a refusal.
		Development Management (Planning)	EG	DM 5a	Number of decisions appealed in the quarter	Number	Low is good	5	1	Q2 - 24/25	3	0	G	▲ As per DM 5, there were no overturned appeal decisions from the Inspectorate received in quarter 3.

	Assistant Director	Service Area	PH	Measure ID	Measure	Unit	High or low is good	Low Target	High Target	Previous Data Period	Previous Value	Q3 - 24/25 outturn	Status		Service Area Commentary
195		Development Management (Planning)	EG	DM 5b	Number of appealed decisions in the quarter overturned by the inspectorate	Number	Low is good	5	1	Q2 - 24/25	2	0	G	▲	As per DM 5 & DM 5a, there were no overturned appeal decisions from the Inspectorate received in quarter 3.
		Development Management (Planning)	EG	DM 6	Percentage of Non-Major Planning Applications determined within the government target (70% in 8 weeks) measured on a 2 year rolling basis (including extensions of time)	%	High is good	70.00	90.00	Q2 - 24/25	78.59	78.00	A	▼	This critical performance statistic measured nationally remains both strong and consistent and demonstrates that the current resourcing in the team is well matched against the workload.
		Development Management (Planning)	EG	DM 7	Percentage of Major Planning Applications determined within the government target (60% in 13 weeks) measured on a 2 year rolling basis (including extensions of time)	%	High is good	60.00	90.00	Q2 - 24/25	74.00	73.08	A	▼	This critical performance statistic measured nationally remains both strong and consistent and demonstrates that the current resourcing in the team is well matched against the workload.
		Parking Services	EG	PS 1	Overall percentage utilisation of all car parks	%	High is good	50.00	60.00	Q2 - 24/25	51.33	59.00	A	▲	The performance for this measure covers the Christmas period and has remained consistent in achieving within acceptable target boundaries, with an increase in performance of 3% when compared to quarter 3 2023/24.
		Parking Services	EG	PS 2	Sessional car parking income as a percentage of budget requirement	%	High is good	91.00	96.00	Q2 - 24/25	103.78	114.04	G	▲	The service area reports a significant increase in performance for the measure, with income achieved of £1,859,520.47 against a budget of £1,630,617.00, surpassing budget by £228,903.47. December proved a strong month with a surplus of £116,389.56 over budget alone. The measure additionally performed 0.86% higher than the same quarter 23/24.
	Simon Colburn - Assistant Director of Health & Environmental Services	Food and Health & Safety Enforcement	RP	FHS 1	Percentage of premises fully or broadly compliant with Food Health & Safety inspection	%	High is good	95.00	99.00	Q2 - 24/25	99.96	98.90	A	▼	The percentage of businesses that are Broadly or Fully Compliant with Food Safety requirements has fallen slightly during the quarter. However, the outturn is within the acceptable target boundary and still well above the low target. There are currently, 1,114 registered food businesses, although this figure can fluctuate daily. The number of non-compliant businesses, currently 12, is consistent with other quarterly outturns. The service area reports that resources are focused on food businesses to ensure they are compliant, demonstrating how important the inspection regime is

	Assistant Director	Service Area	PH	Measure ID	Measure	Unit	High or low is good	Low Target	High Target	Previous Data Period	Previous Value	Q3 - 24/25 outturn	Status	Service Area Commentary
														<p>in identifying poor food safety compliance, in order to protect our residents and visitors.</p> <p>The Food, Health and Safety Team work with non-compliant businesses to ensure they achieve compliance. The risk rating for these non-compliant businesses will only be change at the time of the next unannounced food hygiene inspection in accordance with the Food Law Code of Practice or upon application from a food business operator for a reinspection. The inspecting officer will not sign an inspection as compliant until they are satisfied by a revisit and/or other evidence that the food business operator has completed all works identified by the initial inspection. It is expected that at the time of the next unannounced inspection the previously non-compliant business will have maintained the improved standards as witnessed by the revisit.</p>
		Food and Health & Safety Enforcement	RP	FHS 2	Average time from actual date of inspection to achieving compliance	Days	Low is good	15.00	10.00	Q2 - 24/25	6.73	7.54	G	<p>▼ The service area reports that the time taken for businesses to comply with food safety requirements from the date of unannounced inspection has increased slightly this quarter, however, continues to perform well above the high target. There were 148 businesses inspected during this quarter.</p> <p>The slight increase can be attributed to the ending of the agency contractor in October, and the reallocation of resources within the team to allow the Team Leader to focus on the preparation of a prosecution. This has required an EHO to take on Team Leading responsibilities, impacting the availability of resources to conduct compliance checks and therefore extends the time taken to achieve compliance from the date of unannounced inspection.</p>
		Food and Health & Safety Enforcement	RP	FHS 3	Percentage of food inspections that should have been completed and have been in that time period	%	High is good	90.00	97.00	Q2 - 24/25	87.12	96.87	A	<p>▲ The outturn for this measure has increased 9.75% since the last quarter, for the number of inspections completed.</p> <p>15 food inspections are outstanding out of a total of 164 that were due by the end of this quarter. 9 of these are new food business inspections and 6 are existing food premises which are broadly compliant. Of the 15 remaining, 5 of the inspections are evening economy requiring planning within the Team to allow for two officers to be available to undertake this work</p>

	Assistant Director	Service Area	PH	Measure ID	Measure	Unit	High or low is good	Low Target	High Target	Previous Data Period	Previous Value	Q3 - 24/25 outturn	Status	Service Area Commentary
														<p>out of hours.</p> <p>Resources always target those food businesses with a higher risk to public.</p>
		Licensing	RP	LIC 1	Percentage of premises licences issued within 28 days of grant	%	High is good	80.00	100.00	Q2 - 24/25	100.00	96.67	A	<p>1 licence was issued outside the selected timeframe during this quarter. The reason for this was due to further information being required before a licence could be issued.</p>
		Licensing	RP	LIC 2	Total number of active premises licences	Number	N/A	Volumetric	Volumetric	Q2 - 24/25	409	406	V	<p>The total number of 'active' premises licences at end of quarter 3 was 406. This was a slight decrease from the previous quarters outturn of 409, due to more surrendered/lapsed/revoked than new applications granted.</p>
		Licensing	RP	LIC 3	Total number of active private hire / hackney carriage licences (operators, vehicles and drivers)	Number	N/A	Volumetric	Volumetric	Q2 - 24/25	901	899	V	<p>The total number of active private hire/hackney carriage licences at the end of the quarter was 899.</p> <p>The breakdown was as follows: Private Hire Drivers - 465 Private Hire Vehicles - 351 Private Hire Operators - 18 Hackney Carriage Drivers - 34 Hackney Carriage Vehicles - 31.</p> <p>The service area has reported the slight decrease overall. There has been a drop in PH driver numbers due to a decrease in new applications coming through, and more drivers failing to renew than new applicants apply. There has continued to be an increase in PH vehicles however, which has balanced the overall figure.</p>
		Private Housing	QH	PH 1	Average time in weeks from occupational therapy notification to completion of works on site for a DFG grant (all DFG's exc. extensions)	Weeks	Low is good	26.00	19.00	Q2 - 24/25	32.00	28.00	R	<p>28 adaptations were completed from October to December. This was a very good output and the service area are aiming to reach approaching 100 completed grants by the end of the financial year.</p> <p>Cumulatively the service area has completed 70 works within the first 3 quarters of 2024/5. In previous years, the service area would expect to complete up to 80 works in a full year. This demonstrates the continually increasing demand on the service area, which in turn affects the timeframe in which works can be completed.</p> <p>The team also saw an increase in DFG case referrals during quarter 3. At the end of the quarter, the service area reports they had 30 cases awaiting to be allocated, the oldest case was less than 4 months.</p>

	Assistant Director	Service Area	PH	Measure ID	Measure	Unit	High or low is good	Low Target	High Target	Previous Data Period	Previous Value	Q3 - 24/25 outturn	Status		Service Area Commentary
															To give some context on the work, once the application has reached the application approved stage (contractor appointed and price of works agreed) the time taken to complete the works is currently 12 weeks.
		Private Housing	QH	PH 2	Average time from date of inspection of accommodation to removing a severe hazard to an acceptable level	Weeks	Low is good	20.00	12.00	Q2 - 24/25	22.00	22.40	R	▼	<p>Performance for the measure has slightly improved since the previous quarter, with 33 cases closed throughout quarter 3.</p> <p>There are 44 open cases being worked on and 25 awaiting to be allocated.</p> <p>27 new cases were received during the quarter. As above in PH 1, demand on the service area has significantly increased, with resources reallocated across the teams to address priority works, which in turn affects the timeframe in which other outturns can be completed.</p>
		Private Housing	QH	PH 3	Number of empty homes brought back into use (cumulative)	Number	High is good	11	23	Q3 - 23/24	34	31	G	▼	<p>The number of empty homes brought back into use during quarter 3 was 8.</p> <p>All of these properties were long term empties that were problematic to the surrounding area and requiring more work to turn around.</p> <p>The service area reports that the outturn for this measure is on track to exceed the annual target.</p>
		Public Protection and Anti-Social Behaviour Team	RI	PPASB 1	Number of cases received in the quarter (ASB cases only)	Number	N/A	Volumetric	Volumetric	Q2 - 24/25	224	185	V		<p>The number of ASB cases received within the quarter is a 66.7% increase when compared with Q3 of 23/24, however it is a 17.4% decrease when compared to Q2 of 24/25.</p> <p>The increased number of ASB cases received during the first two quarters of 24/25 was linked to the implementation of the city centre ASB teams 2 new officers and appears to have now stabilised. The service area reports the 17.4% decrease for Q3 is attributed to the colder months, where ASB reports tend to reduce in volume.</p>

	Assistant Director	Service Area	PH	Measure ID	Measure	Unit	High or low is good	Low Target	High Target	Previous Data Period	Previous Value	Q3 - 24/25 outturn	Status	Service Area Commentary
		Public Protection and Anti-Social Behaviour Team	RI	PPASB 2	Number of cases closed in the quarter (across full PPASB service)	Number	N/A	Volumetric	Volumetric	Q2 - 24/25	1,362	1,114	V	The outturn for the measure is a 18.2% decrease when compared with Q2 of 24/25, which is linked to PPASB 1. It is a 10.7% increase when compared to Q3 of 23/24. As there has been a reduction in the number of cases received in the quarter, a decrease in the number of cases closed in the quarter is expected.
		Public Protection and Anti-Social Behaviour Team	RI	PPASB 3	Number of live cases open at the end of the quarter (across full PPASB service)	Number	Low is good	240	200	Q2 - 24/25	295	272	R	<p>The outturn for this measure has decreased by 7.8% when compared with Q2 of 24/25, a positive result that was expected due to fewer cases being received during the quarter.</p> <p>The outturn is a 20.4% increase when compared with Q3 of 23/24, which can be attributed to the proactive work carried out by the two ASB Officers who joined the team in 2024.</p> <p>The ASB Officers carry complex ASB cases which contributes to the increase of cases, along with the increase in case load that would be expected with additional case officers.</p>
		Sport & Leisure	RP	SP 1a	Quarterly visitor numbers to Birchwood Leisure Centre	Number	N/A	Volumetric	Volumetric	Q2 - 24/25	42,623	41,551	V	In quarter 3 24/25 there were 41,551 visits to Birchwood Leisure Centre, which is an increase of 2,864 visits for quarter 3 2023/24. Visits to the leisure centre are steadily increasing year on year.
		Sport & Leisure	RP	SP 1b	Quarterly visitor numbers to Yarborough Leisure Centre	Number	N/A	Volumetric	Volumetric	Q2 - 24/25	113,933	106,701	V	In quarter 3 2024/25 there were 106,701 visits to Yarborough Leisure Centre. This is an increase of 8,084 visits on quarter 3 on 2023/24. Visits to the leisure centre are steadily increasing year on year.
		Sport & Leisure	RP	SP 2	Artificial Grass Pitch usage at Yarborough Leisure Centre & Birchwood Leisure Centre	Hours	High is good	520.00	700.00	Q2 - 24/25	802.75	751.00	G	<p>Quarter 3 2024/25 saw usage of the Artificial Grass Pitches at Birchwood Leisure Centre of 510 hours used, a reduction of 46 hours on Q3 last year, and Yarborough Leisure Centre usage of 241 hours, a reduction of 61 hours on Q3 last year.</p> <p>For each hour of usage, there are four smaller 5-aside pitches, not all these smaller pitches may be in use at one time leading to a fractioned hour of use recorded.</p>
		Sport & Leisure	RP	SP 3a	Birchwood Leisure Centre - Number of net promoter score points above or below the	Number	High is good	0.00	2.00	Q2 - 24/25	6.00	17.00	G	In quarter 3 Birchwood Leisure Centre had an average net promoter score of 43 per month, which was above the national average trusts and local authorities benchmarking score of 26.

	Assistant Director	Service Area	PH	Measure ID	Measure	Unit	High or low is good	Low Target	High Target	Previous Data Period	Previous Value	Q3 - 24/25 outturn	Status	Service Area Commentary
					average Net Promoter Score for England									<p>Positive feedback received during this quarter from users detailed staff as friendly, knowledgeable and helpful, as well as a clean seated area and equipment.</p> <p>Negative feedback related to climbing instructor ratio to children at times slowing down use, a few gym items slow to be repaired, and party food from the cafe being limited in variety and standard.</p> <p>The service area reports that climbing instructor numbers are small due to qualification sickness which can affect delivery times when applying all safety requirements. The cafe is currently developing alternative menu's for parties, and the maintenance on gym equipment has now been rectified.</p>
		Sport & Leisure	RP	SP 3b	Yarborough Leisure Centre - Number of net promoter score points above or below the average Net Promoter Score for England	Number	High is good	0.00	2.00	Q2 - 24/25	2.00	5.00	G ▲	<p>For Quarter 3 2024/2, Yarborough Leisure Centre had an average net promotor score of 31 per month, which was above the national average trusts and local authorities benchmarking score of 26.</p> <p>Positive feedback was received during the quarter from users detailed that the pool is clean, staff are friendly staff, and there has been an improvement in cleaning standards over the last few months, as well as the cafe opening times have improved.</p> <p>Negative feedback related to delays in the roll out of the new booking system and App, at times the fitness area is very busy, EGYM equipment is very well used so additional stations would improve queuing at times, the class timetable was limited over Christmas though uptake is low. The cafe menu is limited with opening times are inconsistent due to staffing issues.</p>
	Steve Bird - Assistant Director of Communities and Street Scene	Allotments	RP	AM 1	Percentage occupancy of allotment plots	%	High is good	90.00	95.00	Q2 - 24/25	93.00	95.00	G ▲	<p>As at the end of December 2024, the Council has a total of 1,126 plots, of which 1,072 plots are currently lettable. 1,018 plots were let</p> <p>1,018 occupied lettable plots equates to 95% occupancy rate, with the remaining being offered to prospective tenants on the waiting list (those sites that have them) and for other sites (where there is currently no waiting list) on a first come, first serve basis.</p> <p>There continues to be a steady demand for allotment</p>

	Assistant Director	Service Area	PH	Measure ID	Measure	Unit	High or low is good	Low Target	High Target	Previous Data Period	Previous Value	Q3 - 24/25 outturn	Status	Service Area Commentary
														<p>tenancies. Most of the allotment sites (15 sites out of 18 sites) currently have waiting lists for plots, and when plots become available, the service area re-lets the plots to those on the waiting lists as quickly as possible.</p> <p>The service area have recently employed a new allotment officer to fill a vacancy from the end of 2024. The new officer has settled in well and quickly picked up the workload.</p>
		CCTV	RI	CCTV 1	Total number of incidents handled by CCTV operators	Number	N/A	Volumetric	Volumetric	Q2 - 24/25	3,055	3,102	V	<p>Incident numbers show a slight increase on quarter 2 24/25. This trend continues through nearly all of the incident categories.</p> <p>Shoplifting shows a 6% increase, with Christmas being the reason attributed to this.</p> <p>Arrests increased by 6%, with proactive incidents increased by 4%. The service reports a rise of 9% and 8% in radio calls from Pubwatch and Shopwatch respectively.</p>
		Grounds Maintenance	RP	GM 1	Contractor points recorded against target standards specified in contract - Grounds Maintenance	Number	Low is good	200	75	Q2 - 24/25	190	30	G	<p>The collective points for the measure reduced significantly for this quarter, down to 30, which is below its high target (low is good).</p> <p>This has been broken down into 10 points in October, 5 in November and 15 in December 2024.</p> <p>The majority of points in the quarter were recorded for additional ordered works not completed on time. The performance of the contractor continues to be closely monitored, not least in the context of a slightly lower than hoped for public satisfaction score in the recent citizen panel satisfaction surveys.</p>
		Street Cleansing	RP	SC 1	Contractor points recorded against target standards specified in contract - Street Cleansing	Number	Low is good	150	50	Q2 - 24/25	10	95	A	<p>95 points were awarded against the contractor in quarter 3. 60 points were in October, 15 in November and 20 in December.</p> <p>The majority of points in the quarter were recorded for full dog/litter bins. To contextualise this, the service provides around 800 litter bins throughout the city, and the 85 points equate to 17 full bins.</p>

	Assistant Director	Service Area	PH	Measure ID	Measure	Unit	High or low is good	Low Target	High Target	Previous Data Period	Previous Value	Q3 - 24/25 outturn	Status		Service Area Commentary
		Waste & Recycling	RP	WM 1	Percentage of waste recycled or composted (seasonal)	%	High is good	32.50	38.00	Q3 - 23/24	34.95	33.50	A	▼	<p>This figure relates to quarter 2 (October 2024 - December 2024) as data received from Lincolnshire County Council is lagged.</p> <p>15.72% has been recorded as waste being recycled, whereas 17.74% was recorded as waste being composted, equating to 33.5% being composted or recycled.</p> <p>In response to requests from LCC we have tightened up enforcement/rejection of contaminated bins, which means that we are forecasting a small reduction in reported contamination for the next quarter. No rejected contamination is delivered to landfill. The materials not recycled are pelletised and made into alternative fuel.</p>
		Waste & Recycling	RP	WM 2	Contractor points recorded against target standards specified in contract - Waste Management	Number	Low is good	150	50	Q2 - 24/25	131	90	A	▲	<p>90 points were recorded against the contractor during the quarter. Of these points, 25 were recorded in October, 35 in November and 30 in December.</p> <p>The majority of points in the quarter were recorded for missed recycling collections October and November, and refuse in December.</p> <p>To contextualise this, 90 points equates to 18 missed recycling and refuse bins, whilst servicing over 47,000 properties with regular collections over a 3-month period.</p>
DHI	Matt Hillman - Assistant Director Assets	Housing Investment	QH	HI 1	Percentage of council properties that are not at the 'Decent Homes' standard (excluding refusals)	%	Low is good	1.20	1.00	Q2 - 24/25	0.64	0.45	G	▲	<p>The outturn for this measure continues to perform well against it's high target. The service area reports progress on door replacements has been offset by new failures from door referrals as well as electrical certificates that have now expired. There are now a total of 35 failures comprising 16 Electrics, 13 Doors, 3 Windows, 2 Chimneys and 1 Roof.</p>
		Housing Investment	QH	HI 2	Number of properties 'not decent' as a result of tenants refusal to allow work (excluding referrals)	Number	N/A	Volumetric	Volumetric	Q2 - 24/25	243	235	V		<p>There has been a slight decrease in the number of refusals compared to the previous quarter. Efforts continue to be made to work with tenants to address their reasons for refusing improvement works, with a view to ensuring these properties meet the Decent Homes Standard over time.</p>
		Housing Investment	QH	HI 3	Percentage of dwellings with a valid gas safety certificate	%	High is good	98.60	99.00	Q2 - 24/25	99.27	98.96	A	▼	<p>Year to date – 99.00%. The annual gas servicing programme continually runs twelve months a year. The Investment team along with the contractor SureServe (previously Aaron Services) have recently</p>

	Assistant Director	Service Area	PH	Measure ID	Measure	Unit	High or low is good	Low Target	High Target	Previous Data Period	Previous Value	Q3 - 24/25 outturn	Status	Service Area Commentary
														focussed on reviewing existing gas access procedures and service delivery. The number of failed access cases has been between four and seven addresses each month. With the support of housing management and legal services we have obtained a small number of injunctions to address some of the outstanding failed access cases.
		Housing Maintenance	QH	HM 1a	Percentage of reactive repairs completed within target time (priority 1 day only)	%	High is good	98.50	99.50	Q2 - 24/25	99.89	100.00	G 	<p>The outturn for this measure has delivered an improvement when compared quarter 2.</p> <p>The service area attributes the improved performance on the focused efforts of a priority team, who have led a review on resource, cover for staff leave or sickness from other HRS areas, in order to attend and action priority repairs within timescales.</p>
		Housing Maintenance	QH	HM 1b	Percentage of reactive repairs completed within target time (urgent 3 day repairs only)	%	High is good	95.00	97.50	Q2 - 24/25	97.24	94.52	R 	<p>Year to date - 96.85%</p> <p>This area has seen a slight reduction since quarter 2 figures, this is predominantly down to a change in reporting no access. These are logged on the system, but we keep the original Job reference open and schedule up to 3 times prior to cancelling the order, this then provides a better audit trail of attempts and greater record keeping. However this can mean a few priority repairs go out of target due to having to be rescheduled due to tenant availability.</p> <p>Throughout the quarter 37% of reactive repairs not completed within target time were as a result of no access due to tenants not being home at the time of the appointment booked.</p> <p>Additionally there has been an increase in the volume of damp and mould inspections, due to being within peak season.</p> <p>The service area are currently training new starters on processing records for completion data, and expect to see an improvement for quarter 4.</p> <p>We are working to mitigate the impact no access has on the figures longer-term and increase our access rate, we are running some Comms around no access figures and the impact this has on lost time/number of appointments and costs to us.</p>
		Housing Maintenance	QH	HM 2	Percentage of repairs fixed first time (priority	%	High is good	90.00	92.00	Q2 - 24/25	98.68	96.39	G 	Year to date - 97.62%. Performance in this area remains high and above the high target. The service area reports they continue to focus on ensuring the

	Assistant Director	Service Area	PH	Measure ID	Measure	Unit	High or low is good	Low Target	High Target	Previous Data Period	Previous Value	Q3 - 24/25 outturn	Status		Service Area Commentary
204					and urgent repairs) - HRS only										team have correct materials and impress stocks to achieve adequate repairs on first visits, to support the department in achieving consistent first time fix rates.
		Housing Maintenance	QH	HM 4	Appointments kept as a percentage of appointments made (priority and urgent repairs) - HRS only	%	High is good	96.00	98.00	Q2 - 24/25	99.27	99.42	G	▲	Year to date - 99.17%. Appointments made and kept is well above target for quarter 3, the service area ensures resource is relocated where possible through communication during the day to ensure these work types are completed and appointments kept.
		Housing Maintenance	QH	HM 5	Satisfaction with Repairs (Regulator of Social Housing Tenant Satisfaction Measure – TP02)	%	N/A	Volumetric	Volumetric	Q2 - 24/25	71.00	72.00	V		<p>Performance data for this measure is derived from 'Tenant Satisfaction Measures' data and is a reliable indicator of true tenant satisfaction with the repairs service.</p> <p>There is a slight increase in satisfaction levels from the previous quarter. In addition to the 72% of tenants who told us they were 'satisfied' or 'very satisfied', 5% told us they were neither satisfied nor dissatisfied, and 23% indicated some level of dissatisfaction with the service.</p> <p>This performance is based on a survey size of 150 tenants. The service area intends to use feedback from these ongoing quarterly surveys to continue to improve tenant satisfaction with the repairs service.</p>
	Paula Burton - Assistant Director of Housing Management	Control Centre	QH	CC 1	Percentage of customers satisfied with their new Lincare Housing Assistance service connection to the control centre	%	High is good	90.00	95.00	Q2 - 24/25	100.00	95.35	G	▼	<p>Year to date - 98.45%.</p> <p>43 surveys were returned in Quarter 3, of which 41 were either very or fairly satisfied with the overall service provided. There were 2 dissatisfied surveys returned which have been passed on to the team to review.</p>
		Control Centre	QH	CC 2	Percentage of Lincare Housing Assistance calls answered within 60 seconds	%	High is good	97.50	98.00	Q2 - 24/25	98.95	98.98	G	▲	<p>Year to date 98.97%</p> <p>Performance for this quarter has stayed steady with 98.98% of calls answered within 60 seconds, well above the TSA target of 97.5%. Throughout the quarter the service received an additional 2,055 calls when compared to the previous quarter.</p> <p>The joint working with CareLink is continuing to reap rewards and benefits for both organisations. Staff communicate better with each other letting the other control room know if they are going to be away from their operating station. This allows CareLink to assist if it gets busy. This is a reciprocal arrangement which</p>

	Assistant Director	Service Area	PH	Measure ID	Measure	Unit	High or low is good	Low Target	High Target	Previous Data Period	Previous Value	Q3 - 24/25 outturn	Status	Service Area Commentary
														is working well for both partners and reflects in our call handling statistics.
		Housing Solutions	QH	HS 1	The number of people currently on the Housing Register	Number	N/A	Volumetric	Volumetric	Q2 - 24/25	2,076	2,057	V	The number of applications active on the housing register has dropped slightly when compared to the previous quarter. The Team are in the very early stages of an annual review of all applications, hence the very small drop in numbers.
		Housing Solutions	QH	HS 2	The number of people approaching the council as homeless	Number	N/A	Volumetric	Volumetric	Q2 - 24/25	328	296	V	Year to date - 934 Approaches have decreased slightly, this is mainly due to the Christmas period. The service area expects to see an impact from this across January/February.
		Housing Solutions	QH	HS 3	Successful preventions and relief of homelessness against total number of homelessness approaches	%	High is good	45.00	50.00	Q2 - 24/25	36.14	42.63	R	<p>Year to date – 38.74%</p> <p>There has been an increase in the number of successful preventions, which shows the continuing work the team do to prevent and relieve homelessness.</p> <p>This measure is currently shown as a percentage. It is suggested by the service that presenting the data this way does not show the effectiveness of the prevention work that takes place, nor whether the preventions achieved have been sustained over the longer term.</p> <p>It has therefore been agreed for quarter 4 for this measure to be presented as a number, be volumetric rather than a targeted measure, and be presented by comparing it to the number of approaches recorded for accompanying measure HS 2, as is detailed above.</p>
		Housing Solutions	QH	HS 4	Number of rough sleepers	Number	N/A	Volumetric	Volumetric	Q2 - 24/25	13	18	V	The figure has increased further since the previous quarter. A new Rough Sleeping Programme Lead came into post in November 2024 which has given the team more steer. This has resulted in having a confident figure of 18 for the cohort, with whom we are working with to try and find suitable accommodation, which has the support required for their needs.

	Assistant Director	Service Area	PH	Measure ID	Measure	Unit	High or low is good	Low Target	High Target	Previous Data Period	Previous Value	Q3 - 24/25 outturn	Status		Service Area Commentary
		Housing Voids	QH	HV 1	Percentage of rent lost through dwelling being vacant	%	Low is good	1.10	1.00	Q2 - 24/25	1.36	1.46	R	▼	<p>Year to date – 1.36%</p> <p>Rent lost through vacant dwellings has increased on the previous quarter, due in part to some of the service challenges experienced in the re-letting process, including a number of long-term voids (100+ days) which were completed and re-let in December to enable a fresh start for January, which has significantly impacted the figure for the measure outturn.</p> <p>It is also important to note that Miscellaneous property's, which are outside of the control of the voids team, such as properties awaiting decisions on disposal orders remain within this outturn figure, although meetings have been ongoing during January to resolve a number of these long-standing decisions, which further impacts the outturn performance.</p>
		Housing Voids	QH	HV 3	Average re-let time calendar days for all dwellings (including major works)	Days	Low is good	45.00	42.00	Q2 - 24/25	51.59	50.94	R	▲	<p>Year to date – 50.50 days</p> <p>Performance for the measure has seen a slight improvement during quarter 3, however is impacted along with the above measure HV1, by the re-letting of long term (100+ days) voids throughout December. These long-term void properties required significant works to bring them back to letting standard, and consequently negatively impacts the timeframe of re-lets.</p> <p>The service area have reported that now these long term voids have been re-let, it is anticipated that quarter 4 will report a more accurate reflection of the teams performance across all areas, including offer to sign performance, as their performance is affected and impacts this figure more when repair times are reduced.</p> <p>As highlighted in the previous quarterly performance report, the amount of time taken to re-let properties between tenants is complex and strongly influenced by external factors. The voids process involves most services within the council's landlord function, and re-let times are a good example of both how these different services work together as a system, and how decisions made across this system can impact performance.</p>

	Assistant Director	Service Area	PH	Measure ID	Measure	Unit	High or low is good	Low Target	High Target	Previous Data Period	Previous Value	Q3 - 24/25 outturn	Status		Service Area Commentary
		Rent Collection	QH	RC 1	Rent collected as a proportion of rent owed	%	High is good	96.50	97.50	Q2 - 24/25	96.37	109.60	G	▲	<p>Year to date collection is 100.25%.</p> <p>The service area reports performance of the measure has increased above target, with overall performance in line with peers outturns within Housemark benchmarking.</p> <p>The arrears amount has decreased since the end of quarter 2 by just over £400,000 and the percentage of income collection is showing an increase of 13% on quarter 2.</p> <p>The technical debt due to having a 50 or 51 week payment schedule equalised with the non-payment weeks at Christmas.</p>
		Rent Collection	QH	RC 2	Current tenant arrears as a percentage of the annual rent debit	%	Low is good	4.15	4.00	Q2 - 24/25	4.47	3.33	G	▲	<p>The outturn for the measure has performed well against the target, with arrears at the end of quarter 3 of 3.33% arrears against the annual rent debit, which is an improvement of 1.14% compared to the previous quarter.</p>

Table 2 - Annual Measures by Directorate (Communities & Environment - DCE) – The performance status of each targeted measure in Table 2 is determined by comparing the latest outturn against a high and low target.

	Assistant Director	Service Area	PH	Measure ID	Measure	Unit	High or low is good	Low Target	High Target	Previous Data Period	Previous Value	2024/25 outturn	Status		Service Area Commentary
CX	Carolyn Wheater – City Solicitor	Democratic Services	CE	DEM 1	The number of individuals registered on the electoral register as at 1st December (local elections)	Number	N/A	Volumetric	Volumetric	2023/24	62,045	64,813	V		The electorate is expected to increase through monthly updates, particularly around May, due to local elections. The increase in electorate compared to last year was due to the general election in July 2024.
DCE	Simon Colburn - Assistant Director of Health & Environmental Services	Food and Health & Safety Enforcement	RP	FHS 4	Percentage of Citizens' Panel respondents who are satisfied with the standard of hygiene in restaurants/cafes/ shops and takeaways in Lincoln	%	High is good	85.00	90.00	2023/24	90.70	91.40	G	▲	91.4% (256 respondents) to the December 2024 Lincoln Citizens' Panel survey stated they were either 'satisfied' or 'very satisfied' with the standard of hygiene in restaurants / cafes / shops / takeaways in Lincoln.
	Steve Bird - Assistant Director of Communities and Street Scene	Waste & Recycling	RP	WM 3	Satisfaction with refuse service (collected via Citizens' Panel)	%	High is good	94.00	97.00	2023/24	94.80	95.60	A	▲	95.6% (270 respondents) to the December 2024 Lincoln Citizens' Panel survey stated they were either 'satisfied' or 'very satisfied' with the refuse collection service provided by the council.
		Waste & Recycling	RP	WM 4	Satisfaction with recycling service (collected via Citizens' Panel)	%	High is good	92.00	97.00	2023/24	94.10	95.10	A	▲	95.1% (256 respondents) to the December 2024 Lincoln Citizens' Panel survey stated they were either 'satisfied' or 'very satisfied' with the recycling collection service provided by the council.

Table 3 - Directorate for Major Developments – Performance Measure Outturns – Quarter 3 2024/25

The performance statuses of measures DMD 1–5 are determined by an external partner working alongside the Major Developments Team, rather than by comparing performance measure outturns against set high and low targets as per the measures included in Tables 1 and 2.

When determining the performance measure statuses, a range of factors impacting on programme delivery are taken into consideration such as milestone performance, financial performance and associated risks, amongst other factors.

Measures DMD 6-9 are volumetric measures provided for contextual purposes.

It is important to note that for measures DMD 1-5, there is formal reporting request every 6 months, with qualitative updates on a more frequent basis also required. An example of this is how the initial payments were set-up - for the second annual payment, lead local authorities may be asked to submit a report earlier than 6 months after the first report is submitted.

209

Assistant Director	PH	Service area	Measure ID	Measure	Unit	High or low is good	Previous data period	Previous outturn	Quarter 3 2024/25 outturn	Status (determined by external partner and DMD where not volumetric measure)	Trend (Improving, No change, Deteriorating)	Outturn commentary
Assistant Director – Growth & Development – Simon Kirk	EG	Major Developments	DMD 1	Percentage spend on Town Deal programme	%	High is good	Q2 2024/2025	62%	62%	G	—	12 Projects in programme (1 recently dropped out, so need to reallocate, we have EOI for these, which are going to Board for approval on 18.10.24) 4 are financially complete. 5 are on target. 3 have slipped but within programme. (Greyfriars, Lincoln Connected & Sincil Bank) – measures are taking place to bring back on track.
Assistant Director – Growth & Development – Simon Kirk	EG	Major Developments	DMD 2	Percentage of Town Deal projects on target	%	High is good	Q2 2024/2025	75%	75%	G	—	12 Projects in programme (1 recently dropped out, so need to reallocate, we have EOI for these, which are going to Board for approval on 18.10.24) 4 are financially complete. 5 are on target. 3 have slipped but within programme. (Greyfriars, Lincoln Connected & Sincil Bank) – measures are taking place to bring back on track.
Assistant Director – Growth & Development – Simon Kirk	EG	Major Developments	DMD 3	Percentage spend on UKSPF programme	%	High is good	Q2 2024/2025	64%	64%	G	—	Up to June 2024 there have been 16 Projects allocated. All figures are reported outside of a formal claim being approved and submitted.
Assistant Director – Growth & Development – Simon Kirk	EG	Major Developments	DMD 4	Percentage of UKSPF projects on target	%	High is good	Q2 2024/2025	81%	81%	G	—	16 projects have been allocated, of which 13 are on track. The remaining 2 projects are just starting but are on site. 1 has completed on capital works, 1 is currently being considered for reallocation.

Assistant Director	PH	Service area	Measure ID	Measure	Unit	High or low is good	Previous data period	Previous outturn	Quarter 3 2024/25 outturn	Status (determined by external partner and DMD where not volumetric measure)	Trend (Improving, No change, Deteriorating)	Outturn commentary
Assistant Director – Growth & Development – Simon Kirk	EG	Major Developments	DMD 5	Number of businesses receiving business support utilising the UKSPF fund	Number	High is good	Q2 2024/2025	18	18	G	—	<p>The Business Advisor service area reports a total of 16 businesses have been supported during the quarter (Up to Sept 2024), and Business Advisor 23</p> <p>So far, we have claimed:</p> <p>Growth Hub</p> <p>Q1 – 32 business support</p> <p>Q2 – 23 business support</p> <p>For Business Advisor we reported</p> <p>Q1 - 16 businesses supported</p> <p>Q2 – 16 Businesses supported</p> <p>Figures claimed last quarter were slightly incorrect. So, we have only claimed the balance this time.</p> <p>Examples of business and pre start business that have received support in Q2:</p> <p>Leaf and Land Collective – a forest school provider looking to expand provision in particular to support SEN needs.</p> <p>Everbit Software Ltd – a software design and development company looking to relocate to Lincoln</p> <p>Yesway Communications Ltd – a communications business developing plans to recycle mobile phones to support communication in remote areas of the world.</p> <p>A children's food manufacturer and retailer pre start business.</p> <p>A sports agency pre start business.</p>
Assistant Director – Growth & Development – Simon Kirk	EG	Major Developments	DMD 6	Percentage occupancy of Greetwell Place	%	Volumetric	Q2 2024/2025	98%	98%	Volumetric	Volumetric	No Change in occupancy rate
Assistant Director – Growth & Development – Simon Kirk	EG	Major Developments	DMD 7	Percentage occupancy of The Terrace	%	Volumetric	Q2 2024/2025	94%	94%	Volumetric	Volumetric	No Change in occupancy rate

Assistant Director	PH	Service area	Measure ID	Measure	Unit	High or low is good	Previous data period	Previous outturn	Quarter 3 2024/25 outturn	Status (determined by external partner and DMD where not volumetric measure)	Trend (Improving, No change, Deteriorating)	Outturn commentary
Assistant Director – Growth & Development – Simon Kirk	EG	Major Developments	DMD 8	Unemployment rate within Lincoln	%	Volumetric	Q2 2024/2025	4.1% (2,910 people)	4.0% (2,800 people)	Volumetric	Volumetric	This figure is from the ONS figures for November 2024.
Assistant Director – Growth & Development – Simon Kirk	EG	Major Developments	DMD 9	Average wage in Lincoln	£	Volumetric	Q2 2024/2025	£33,598 per annum	£34,720 per annum	Volumetric	Volumetric	This figure is from the ONS figures for November 2024. The figure is the average gross weekly wage of £667.70 for a full time worker.



Corporate Performance Measures

Outturns for the corporate performance measures focus on the council's performance overall rather than individual service areas. The corporate performance measures are split into the following categories:

- Resource information
- Appraisals
- Health & wellbeing
- Sickness
- Corporate complaints including Ombudsman rulings
- Compliments
- Communications

Resource Information

During quarter 3 2024/25 there were 14 leavers, which equated to a turnover figure of 2.2% (based upon employee headcount at the end of December 2024 excluding apprentices). This figure is lower when compared to the previous quarter 2 2024/25 figure of 2.5%.

The vacancy figure as at the end of quarter 3 2024/25 stood at 56 FTE. Please note that any posts with less than 37 hours per week vacant have been removed when calculating this figure. As at the end of December 2024, the council were recruiting to 22.74 FTE vacancies (Please note these are all at different stages of the recruitment process).

Directorate	CX	DCE	DMD	DHI	Total (Excluding Apprentices)
Average number of FTE employees	183.77	130.43	19.33	223.43	556.96
Average number of apprentices (as at quarter end)	Authority Wide				8.82
Percentage of staff turnover	Authority Wide				2.2%
Active vacancies which are being recruited (FTE)	Authority Wide				22.74

Appraisals completed up to the end of quarter 3 2024/25 as recorded in ITrent

Directorate	Appraisals due in quarter 3 2024/25	Appraisals completed in quarter 3 2024/25	Percentage of appraisals completed (quarter 3)	Appraisals completed over the last 12 months *
CX	44	32	72.7%	66
DCE	31	25	80.6%	89
DMD	5	0	0.0%	10
DHI	52	29	55.8%	80
Authority Wide	132	86	65.2%	245

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

The council has changed how appraisals are completed, whereby appraisals are no longer completed between April and June annually but are now completed on the anniversary of the employee's start date. This is to effectively spread more evenly the demand on staff time to prepare, undertake and write up appraisals, whilst still ensuring everyone gets an annual review.

During quarter 3 2024/25, 132 appraisals were due for completion. Of these, 86 appraisals were recorded as being completed within the ITrent system (65.2%).

It should also be noted that the outturn above is based on those appraisals that have been completed and formally recorded within the ITrent system. It is likely that additional appraisals were completed in the quarter and had not yet been uploaded to the ITrent system at the time of writing this report. The outturn for this measure does not take account of appraisals that have been arranged and are awaiting completion.

Health & Wellbeing

During quarter 3 2024/ 25, the Council was successful in renewing the Charter for Employers Positive About Mental Health. Based upon the renewal, the Council will continue to be recognised as a Mindful Employer until November 2026.

It was recognised that the Council has continued its proactive approach to staff wellbeing, and that we continue to recognise the range of factors influencing mental wellbeing, both inside and outside the workplace. It was also recognised that the Council has increased the numbers of Mental Health First Aiders (MHFAs) and staff who are ASIST (Applied Suicide Intervention Skills) trained.

We arranged for MSK Physio to attend Hamilton House for a day in December to carry out 30-minute physio appointments for any staff who wished to book one.

We raised awareness of and provided information for Disability History Month (UKDHM) 14 November – 20 December 2024 and reinforced our actions and support as a Disability Confident Employer both for applicants and existing staff. Similarly, awareness and support for Men’s Health issues was promoted in November under the Movember theme.

Sickness Performance

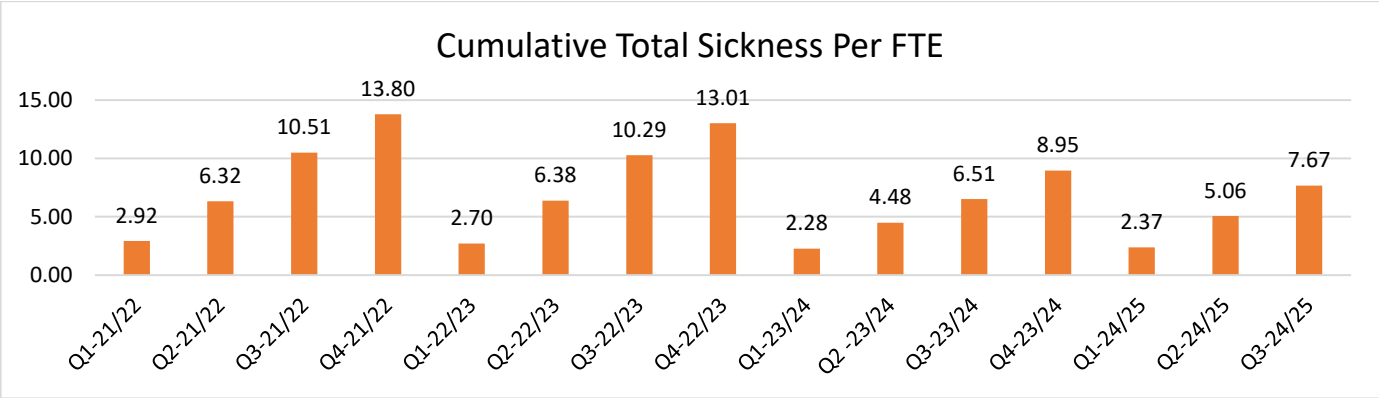
During quarter 3 2024/25 the total sickness levels for the council stood at 2.61 days lost per FTE. When compared to the previous quarter, sickness levels have decreased (quarter 2 2024/25 figure stood at 2.69 days lost per FTE). Additionally, when compared to the same quarter last year sickness levels have increased (quarter 3 2023/24 figure was 2.03 days lost per FTE).

During quarter 3 2024/25, the highest number of days lost due to short term absence was as a result of chest infection and heart and respiratory issues. The highest number of days lost due to long term absence was as a result of Musculo Skeletal problems.

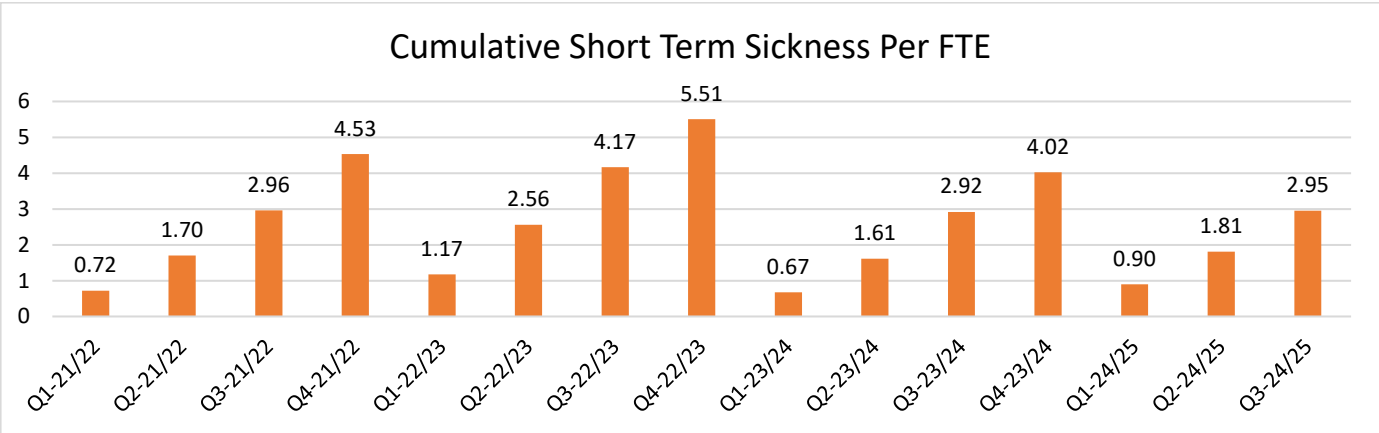
Quarter 3 2024/25 ONLY

	Short Term Days Lost	Long Term Days Lost	Total days lost	Number of FTE	Short Term Days lost per FTE	Long Term Days lost per FTE	Total Days lost per FTE
CX Excluding Apprentices	213.5	327	540.5	183.77	1.16	1.78	2.94
Apprentices	29	0	29	8.82	3.29	0.00	3.29
DCE	130	166	296	130.43	1.00	1.27	2.27
DMD	9	26	35	19.33	0.47	1.35	1.81
DHI	283	299.5	582.5	223.43	1.27	1.34	2.61
Total	664.5	818.5	1483	565.78	1.17	1.45	2.62
Less Apprentices	635.5	818.5	1454	556.96	1.14	1.47	2.61

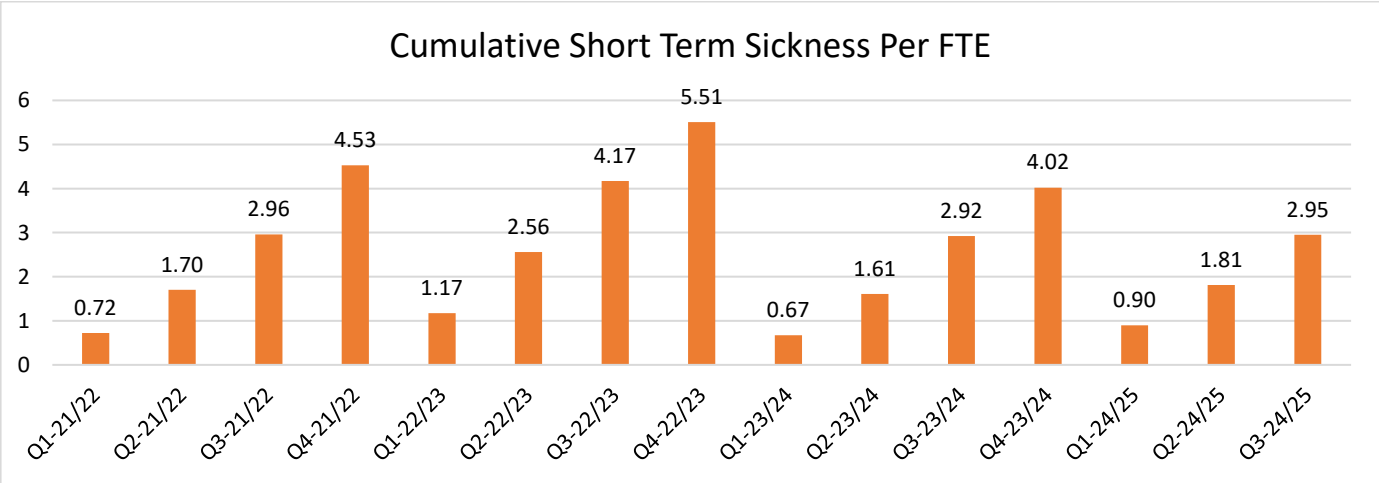
Cumulative total sickness per FTE in days (excluding apprentices)



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



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



Complaints Performance

In quarter 3 2024/25 there were **131** complaints dealt with across the council.

It is important to note that the timeframe for providing a response to Stage 1 and Stage 2 complaints is as follows –

- Stage 1 - to be completed within 10 days.
- Stage 2 - to be completed within 20 days.

At the end of the quarter the percentage of formal complaints, which were responded to within their target time across all directorates year to date, was 92% (382). In quarter 3 2024/25, there were 0 Local Government Ombudsman (LGO) complaints decided and 1 Local Housing Ombudsman (LHO) complaints decided.

Quarter 3 2024/25

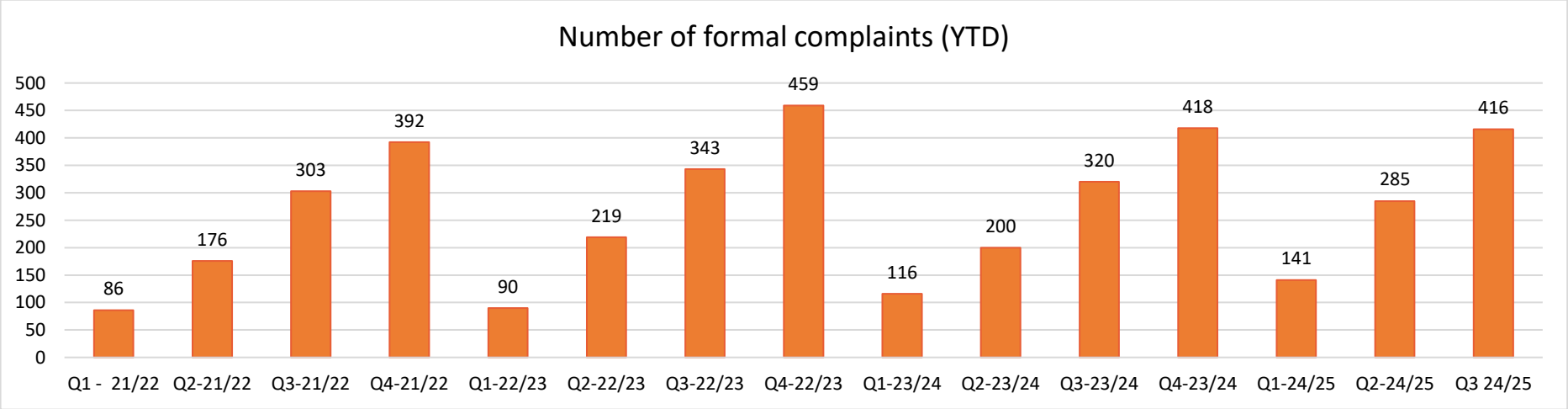
	CX	DCE	DHI	DMD	TOTAL
Number of formal complaints dealt with this quarter (Q3)	2	40	88	1	131
Number of formal complaints upheld this quarter (Q3)	0 (0%)	12 (30%)	46 (52%)	1 (100%)	59 (45%)
YTD total number of complaints investigated	15	67	332	2	416
YTD number of formal complaints Upheld	6 (40%)	18 (27%)	202 (61%)	1 (50%)	227 (55%)
No / % of responses within target time this quarter (Q3)	2 (100%)	38 (95%)	83 (94%)	1 (100%)	124 (95%)
No / % of responses within target time YTD	14 (93%)	60 (89%)	306 (92%)	2 (100%)	382 (92%)
LGO complaints decided (Q3)	0	0	0	0	0
LHO complaints decided (Q3)	0	0	1	0	1

The percentage of complaints responded to within the service standard has improved this quarter and is 95% overall. Only 7 complaints of the 131 responded to were outside of the target times. This boosts the year-to-date response rate to 92%.

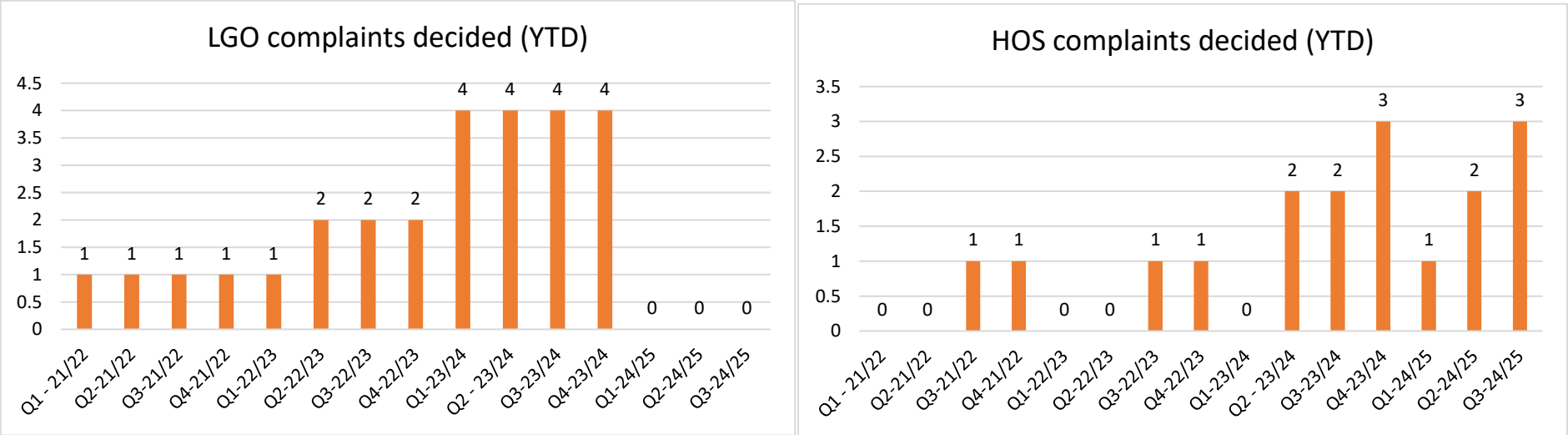
We have seen a reduction in complaint numbers in Q3 with CX having only 2 to investigate and DHI seeing numbers reduce to 88 – compared to a total of 244 in the first 2 quarters. The only directorate seeing an increase in complaints is DCE where there have been a larger than normal number of complaints about residential parking schemes and carparks.

This quarter we received notification of an upheld complaint by the Housing Ombudsman, however the tenant in this case has challenged the decision, so the decision has been suspended pending their further investigation.

Number of formal complaints decided (YTD)



Local Government Ombudsman (LGO) complaints decided (YTD) and Local Housing Ombudsman (HOS) complaints decided (YTD)



Compliments Performance

In quarter 3 2024/25 there were 41 compliments recorded across the council through the formal compliment recording process.

	CX	DCE	DHI	DMD	TOTAL
Number of compliments received	5	13	11	12	41

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

CX	Cost of living support, support with Council Tax payments, general support from Customer Services.
DCE	Street cleansing in Birchwood, excellent service provided by the CCTV Team, support from Parking Services on PaybyPhone error, general support from the PPASB team, positive feedback from the Carholme Community Forum, support from PPASB Team on noise issue, general support from the Sport and Leisure Team, excellent service provided by waste management operatives, support with resident parking permit.
DMD	Support from Business Support staff, support from staff in the Major Developments Team, Support from staff at Cornhill Market, Support from Business Advisor.
DHI	Professionalism of Housing Repair Service operatives, support with a complaint, support provided for elderly residents when moving properties, support with a neighbour nuisance case.

For each compliment received a letter is sent to the individual to thank them for taking the time to make the compliment. Some examples of the compliments received in each directorate during the quarter are provided below:

CX

Cost of Living support

"Honestly you have just made me cry, thank you so much it does mean a lot.
I really do appreciate your help a hell of lot. If someone higher up reads your emails and I hope they tell you, you do an awesome job supporting the people of Lincoln and if they don't then know I appreciate the help and support.
Thank you".

Support with Council Tax payments

"He was brilliant, really supportive and helpful regarding my council tax issue. He really listened to what I had to say which seems rare when dealing with bills and customers. He suggested a few things and advised me about a different payment plan.
Thank you for being so helpful and supportive. You're a credit to your team".

DCE

Street cleansing in Birchwood

"Thank you so much for clearing the alleyways around the Snowberry Gardens area on Birchwood. The back alleys have been an eyesore for years now and I was so pleased to leave my house this morning to see that they have been cleared and cleaned and are now immaculate. I really appreciate the hard work of the team that undertook this job, as it probably wasn't an easy one".

Support with residents parking permit

"Many thanks for all your help with this, you've been totally clear on what actions we needed to take and responded quickly, and I really appreciate it. We're so impressed with the council's standards in general, we moved here because it's such a lovely city to be in, and this is another example of how professional you are".

DMD

Support from Business Support staff

"Thank you so much for all your help and support over the years, we really appreciate it. It is crazy to think that 7 years ago we only had that one little room! "Thank you for being so welcoming. It's lovely to be greeted each day with a smile." "Thank you for always being so helpful and smiley everyday".

DHI

Housing Repair Service operatives

"I would like to say how professional your operatives were this morning when they come to fix my gate. They explained everything to me and because I told them about my mental health issues they put a pad lock on it too. I would like you to know they are an asset to the council, and they would teach a few of the council workers a thing or two. I love my new gate I also feel so much better with the security of it. Thank you so much".



Communications Update

Throughout quarter 3 2024/25 the Communications Team have provided support across the council and city to capture and broadcast the latest news, events and updates in Lincoln.

The update provides a detailed overview of social media highlights, key stats and performance, interviews, key events and campaigns, press releases, internal communications, Hub and website statistics on usage.

Over the past quarter, city of Lincoln council has shared more than 100 posts on Facebook. While this is slightly lower than the previous quarter, we have refined our approach by tailoring content to each social media platform specific audience, rather than sharing identical posts across all channels.

This quarter saw the launch of Lincoln Ice Adventure, key celebrations such as Lincolnshire Day, Remembrance Sunday, Christmas Light Switch On, Charterholme unveiling, Small Business Saturday and Hermit Mews official opening as well as continued support provided to Lincoln Community Lottery and Social Responsibility Charter. Over a five-week festive period, more than 1.07 million people visited our Events in Lincoln Facebook account.

Overview of social media account statistics

Channel	Followers	Followers – direction of travel	Reactions/ Interactions	Reach	Impressions	Shares	Engagement
City of Lincoln Council - Instagram	2,936	↑ 213	1,479	39,287	31,466	N/A	N/A
City of Lincoln Council - Facebook	12,315	↑ 484	2,768	514,893	555,800	1,541	39,660
Be Lincoln – Instagram	442	↑72	145	5,085	4,713	N/A	N/A
Be Lincoln - Facebook	631	↑12	26	2,032	2,146	9	134
Events in Lincoln – Instagram	5,004	↑ 238	1,929	67,842	58,725	N/A	N/A
Events in Lincoln - Facebook	45,546	↑1415	2,353	855,695	929,984	589	72,034
The Cornhill Market – Instagram	2,005	↑383	2,100	16,500	N/A	N/A	N/A
The Cornhill Market - Facebook	1,521	↑72	1,200	27,900	5,500	N/A	N/A

Social media campaigns, leaflets, posters, press releases and promotional videos were created to support key projects as well as responding to press enquiries.

The council’s website www.lincoln.gov.uk received 406,350 views and 109,254 active users. The most visited pages were bin collection days, my accounts, vacancies, council tax, search, and Lincoln multi-storey car park.

SUBJECT:	TREASURY MANAGEMENT AND PRUDENTIAL CODE – QUARTERLY UPDATE
DIRECTORATE:	CHIEF EXECUTIVE & TOWN CLERK
REPORT AUTHOR:	LAURA SHIPLEY, FINANCIAL SERVICES MANAGER

1. Purpose of Report

- 1.1 The purpose of this report is to summarise and review the Council's treasury management activity and the prudential indicators at 31st December 2024.
- 1.2 CIPFA's Code of Practice for Treasury Management (2021) recommends that Elected Members should be informed of the Council's Treasury Management activities on a quarterly basis. This report, therefore, ensures this Council is embracing best practice for the scrutiny of capital and investment activity in accordance with the Code of Practice (CIPFA).

2. Executive Summary

- 2.1 The Treasury Management position and performance results for the 9 months ended 31st December 2024 are set out in the body of the report & Appendix A (prudential Indicators).
- 2.2 Officers can confirm that the approved limits within the Annual Treasury Management Strategy were not breached during the quarter ended 31st December 2024.

3. Background

- 3.1 The prudential system for capital expenditure is well established. One of the requirements of the Prudential Code is to ensure adequate monitoring of the capital expenditure plans, prudential indicators (PIs) and treasury management response to these plans. This report fulfils that requirement and includes a review of compliance with Treasury and Prudential Limits and the Prudential Indicators at 31st December 2024. The current Treasury Management Strategy and Prudential Indicators were approved by Council on 27th February 2024.
- 3.2 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.
- 3.3 This report highlights the changes to the key prudential indicators, to enable an overview of the current status of the capital expenditure plans. It incorporates any new or revised schemes previously reported to Members. Changes required to the residual prudential indicators and other related treasury management issues are also included.

4. Treasury Management Update

4.1 Investment Portfolio

- 4.1.1 The Council held £17.505m of investments as at 31st December 2024 achieving an average interest rate of 5.13% for the financial year to date (5.11% 23/24). Actual interest earned in the 9 months period to 31st December 2024 totalled £978k.
- 4.1.2 Forecast interest income for the year is £1.066m (£0.397m General Fund & £0.669m Housing Revenue Account), an overachievement of income of £0.405m against the £0.661m budget.
- 4.1.3 As at 31st December 2024, 100% of the Council's investment portfolio was held in low risk specified investments, the requirement for the year being a minimum of 25% of the portfolio to be specified investments.
- 4.1.4 Where possible the Council seeks sustainable investments and are working with our advisors on the best way to score banks and funds ESG ratings, whilst balancing this against generating returns that are in the best interest of the tax payer.
- 4.1.5 Liquidity – The Council seeks to maintain liquid short-term deposits of at least £5m available with a week's notice, and has maintained a balance above this throughout the quarter. At 31st December 2024 the Council held liquid short term deposits of £12.505m.
- 4.1.6 Security - The Council's maximum security risk benchmark for the portfolio as at 31st December 2024 was 0.007%, based on the historic risk of default of the counterparties and types of accounts in which the council's funds are place – this equates to a potential loss of £0.001m on an investment portfolio of £17.505m. This represents a very low risk investment portfolio.
- 4.1.7 Yield – The Council achieved an average return of 5.13% on its investment portfolio for the 9 months ended 31st December 2024. This is comparable to the average SONIA rate for the quarter of 5.01%.
- 4.1.8 The table below highlights the level of investment activity and the rates obtained as at 31st December 2024. Investments were made in line with MUFG's approved counterparty list.

INVESTMENTS	PRINCIPAL £	RATE %	PERIOD DAYS
Lloyds Bank NRFB	2,000,000	5.12	185
SMBC Bank International Plc	3,000,000	4.77	181
Total Fixed Short term Investments	5,000,000		
Aberdeen Standard Liquidity Fund	7,000,000	4.78	Call
Black Rock Liquidity Find	408,000	4.78	Call
BNP Paribas Insticash Sterling	3,953,000	4.75	Call
Federated Short-Term Sterling Prime Fund	1,144,000	4.78	Call
Total Money Market Fund Investments	12,505,000		
Total Investments / Average Rate	17,505,000	4.83	

4.2 Borrowing

- 4.2.1 In accordance with the Local Government Act 2003, the Council has a statutory duty to determine and keep under review how much it can afford to borrow. Therefore, the Council establishes 'Affordable Borrowing Limits' (or Authorised Limit) as part of the Prudential Indicators within the approved treasury management strategy.
- 4.2.2 The 'authorised limit' and 'operational boundary' indicators govern the maximum level of external borrowing to fund the capital programme and short-term cash flow. See Appendix A.
- 4.2.3 At 31st December 2024 the Council held £107.067 million of external borrowing, of which 100% were fixed rate loans (See table below).

Borrowing Type	Lender	Outstanding Loans (£ 000's)	No Of Loans	Ave Rate %
PWLB	PWLB	95,067	32	3.55
LA Borrowing	North Kesteven District Council	2,000	1	2.05
Market Loans	Barclays	10,000	4	4.24
Total/ Ave Rate		107,067	37	3.59

4.3 Treasury Indicators

4.3.1

Maturity structure of fixed rate borrowing	Upper Limit %	Lower Limit %	Actual %	Estimated position 31/03/25 £'000
Under 12 months	40%	0%	2%	1,578
12 months to 2 years	40%	0%	1%	686
2 years to 5 years	60%	0%	9%	9,552
5 years to 10 years	80%	0%	11%	11,502
10 years and above	100%	10%	78%	81,749
Total				105,067

Limits for long-term treasury management investments	£7m
---	------------

- 4.3.2 As at 31st December 2024, the average rate of interest paid during the first three quarters of the year on external borrowing was 3.22%.
- 4.3.3 As part of the Treasury Management Strategy, the Council established a range of Prudential Indicators (in accordance with professional practice) to monitor both Treasury and Capital as the two are intrinsically linked. Details of the performance against the Prudential Indicators can be found at Appendix A. See comments below.
- Capital Expenditure – Appendix A shows the revised estimates for capital expenditure that have been approved by or are subject to approval since the Council approved the original budget in February 2024.

- ii. The Capital Financing Requirement (CFR) – Appendix A shows the Capital Financing Requirement, which is the Council's underlying need to borrow for a capital purpose. It also shows the expected debt position over the period (Operational Boundary).
- iii. Financing Costs to Net Revenue Stream – improved position anticipated on the General Fund due to reprofiling and deferring forecast borrowing, utilising internal funds. A slight increase in financing costs on the HRA side due to addition of Right of Use Asset depreciation (increase in financing cost).
- iv. Actual External Debt – Due to interest rates remaining higher than they have been in recent years and the fact they are forecast to reduce over the next couple of years, the Council has continued its strategy of utilising internal resources rather than borrowing to avoid paying high loan rates, as such the Council has not undertaken any additional borrowing or reborrowing so far this financial year. The need for borrowing will be continuously monitored in line with the Councils cashflow and spending requirements.

4.3.4 The Council is currently under-borrowed against the CFR, and whilst the Council has adequate cash balances it employs internal resources until cash flow forecasts indicate the need for additional borrowing or rates are available that reduce the cost of carrying debt. PWLB borrowing offers preferential rates when compared with market loans, with higher discounts for those with a Housing Revenue Account. Bank of England base rates have increased during the last couple of years and forecasts show that they will remain elevated in comparison with what we have seen over the last decade or so with slight reductions forecast towards the back end of the year.

4.3.5 Following a demand for an increased rate, a LOBO loan of £1.5m was repaid during Q4 of 2023/24. Due to the current high cost of borrowing this loan has not yet been replaced. Available resources and interest rates will continue to be monitored to assess the need for further borrowing / reborrowing.

4.3.6 The HRA borrowing requirement is considered independently from that of the General Fund. Further borrowing is anticipated and will be reported as part of the MTFS and Treasury Management Strategy.

4.4 Economic Update

The current economic update from the Council's treasury advisors (MUFG, formerly known as LINK Group) can be found in Appendix B.

5. Strategic Priorities

5.1 One Council

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.

6. Organisational Impacts

6.1 Finance

The financial implications are covered in the main body of the report.

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, there are no direct equality, diversity, or human rights implications.

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 The Executive are asked to note the Prudential and Treasury Indicators and the actual performance against the Treasury Management Strategy 2024/25 for the quarter ended 31st December 2024.

Is this a key decision?	No
Do the exempt information categories apply?	No
Does Rule 15 of the Scrutiny Procedure Rules (call-in and urgency) apply?	No
How many appendices does the report contain?	Two
List of Background Papers:	Treasury Management Strategy 2024/25 (Approved by Council February 2024)
Lead Officer:	Laura Shipley, Financial Services Manager, laura.shipley@lincoln.go.uk

PRUDENTIAL INDICATORS

Indicator No.	Indicator	2024/25 Original Estimate (OE) £'000	2024/25 OE inc. Year End Adj 's £'000	2024/25 Q3 Revised Estimate £'000
1 & 2	Capital Expenditure - General Fund	17,527	23,151	22,025
1 & 2	Capital Expenditure - HRA	21,043	22,763	17,411
	Capital Expenditure Total	38,570	45,914	39,436
3 & 4	Capital Financing Requirement (CFR) - General Fund	76,810	76,701	74,817
3 & 4	Capital Financing Requirement (CFR) - HRA	79,913	80,278	81,650
	Capital Financing Requirement Total	156,723	156,979	156,467
5	Estimated Actual External Debt (As at 31st March 2025)	113,017	113,017	105,067
6	Gross Debt and the CFR – Under Borrowing	(43,706)	(43,962)	(51,399)
7	Authorised Limit for External Debt	130,165	130,773	121,290
8	Operational Boundary for External Debt	124,217	124,217	118,067
9 & 10	Financing Costs to Net Revenue Stream - General Fund	15.39%		12.05%
9 & 10	Financing Costs to Net Revenue Stream - HRA	28.79%		29.18%
Local 5	Net Income from Commercial and Service Investments to Net Revenue Stream	10.45%		10.55%

Glossary Of Terms

The Authorised Limit – This represents the limit beyond which borrowing is prohibited and needs to be set and revised by members. It reflects the level of borrowing which, while not desired, could be afforded in the short term, but is not sustainable in the longer term. It is the expected maximum borrowing need with some headroom for unexpected movements. This is the statutory limit determined under section 3 (1) of the Local Government Act 2003.

The Operational Boundary – This indicator is based on the probable external debt during the course of the year; it is not a limit and actual borrowing could vary around this boundary for short times during the year. CIPFA anticipate that this should act as an indicator to ensure the authorised limit is not breached.

Economic Update from MUFG (the Council's treasury advisors)

The third quarter of 2024/25 (October to December) saw:

- GDP growth contracting by 0.1% m/m in October following no growth in the quarter ending September;
- The 3myy rate of average earnings growth increase from 4.4% in September to 5.2% in October;
- CPI inflation increase to 2.6% in November;
- Core CPI inflation increase from 3.3% in October to 3.5% in November;
- The Bank of England cut interest rates from 5.0% to 4.75% in November and hold them steady in December.
- 10-year gilt yields starting October at 3.94% before finishing up at 4.57% at the end of December (peaking at 4.64%).

The 0.1% m/m fall in GDP in October was the second such decline in a row and meant that GDP would need to rise by 0.1% m/m or more in November and December, for the economy to grow in Q4 as a whole rather than contract. With on-going concern over the impact of the October budget and drags from higher interest rates and weak activity in the euro zone, our colleagues at Capital Economics have revised down their forecast for GDP growth in 2025 to 1.3% (it was initially 1.8% in the immediate wake of the Budget.)

This quarter saw the composite activity Purchasing Manager Index (PMI) dip below the level of 50 that separates expansion from contraction for the first time since October 2023. Although December's composite PMI came in above this level, at 50.5, this was still consistent with the 0% rise in real GDP in Q3 being followed by a flat-lining, or potential contraction, in the final quarter of 2024. However, the economy is unlikely to be quite as weak as that given that the PMIs do not capture rises in government spending, but the data does underline the continued divergence in trends between the manufacturing and services sectors. The manufacturing PMI fell for its fourth consecutive month in December, from 48.0 in November to 47.3. That's consistent with manufacturing output falling by 1.5% q/q in the final quarter of 2024 after flatlining through the summer months. This weakness in the manufacturing sector was offset by a rebound in the services sector. The services PMI rose from 50.8 in November to 51.4 in December, which is consistent with non-retail services output growth increasing from +0.1% q/q to +0.3% for October - December. This suggests that more of the recent slowdown in GDP is being driven by the weakness in activity overseas rather than just domestic factors. Additionally, the services output prices balance rose for the third consecutive month, from 55.4 in November to 56.9, showing signs that price pressures are reaccelerating.

After rising by 1.4% q/q in July - September, the retail sector had a difficult final quarter of the year. Indeed, the bigger-than-expected 0.7% m/m fall in retail sales in October (consensus forecast -0.3% m/m) suggested that households' concerns about expected tax rises announced in the Budget on 30th October contributed to weaker retail spending at the start of the quarter. The monthly decline in retail sales volumes in October was reasonably broad based, with sales in five of the seven main sub sectors slipping. However, the potential for seasonally adjusted sales to rise in November - if October's figures were impacted by the timing of the school half term – combined with a rebound in consumer confidence and rising real incomes, points to some promise to the final quarter of 2024

The Government's October budget outlined plans for a significant £41.5bn (1.2% of GDP) increase in taxes by 2029/30, with £25bn derived from a 1.2% rise in employers' national insurance contributions. The taxes are more than offset by a £47bn (1.4% of GDP) rise in current (day-to-day) spending by 2029/30 and a £24.6bn (0.7% of GDP) rise in public investment, with the latter being more than funded by a £32.5bn (1.0% of GDP) rise in public borrowing. The result is that the Budget loosens fiscal policy relative to the previous government's plans - although fiscal policy is still being tightened over the next five years – and that GDP growth is somewhat stronger over the coming years than had previously been forecasted. By way of comparison, the Bank of England forecasts four-quarter GDP growth to pick up to almost 1¾% through 2025 (previously forecast to be 0.9%) before falling back to just over 1% in 2026.

December's pay data showed a rebound in wage growth that will likely add to the Bank of England's inflationary concerns. The 3myy rate of average earnings growth increased from 4.4% in September (revised up from 4.3%) to 5.2% in October (consensus forecast 4.6%) and was mainly due to a rebound in private sector pay growth from 4.6% to 5.4%. Excluding bonuses, public sector pay stagnated in October and the 3myy rate fell from 4.7% to 4.3%. The number of job vacancies also fell again from 828,000 in the three months to October to 818,000 in the three months to November. This marks the first time it has dropped below its pre-pandemic February 2020 level of 819,000 since May 2021. Despite this, the Bank of England remains concerned about the inflationary influence of high wage settlements as well as the risk of a major slowdown in labour market activity.

CPI inflation has been on the rise this quarter, with the annual growth rate increasing from 1.7% in September to 2.3% in October, before rising further to 2.6% in November. Although services CPI inflation stayed at 5.0% in November, the Bank had expected a dip to 4.9%, while the timelier three-month annualised rate of services CPI rose from 5.0% to 5.1%. That shows that there currently isn't much downward momentum. Moreover, the wider measure of core CPI inflation rose from 3.3% to 3.5% in November. Both services and core inflation are currently at rates well above those consistent with the 2.0% target and are moving in the wrong direction. Capital Economics forecast that after dipping to 2.5% in December, CPI inflation will rise further in January, perhaps to 2.8%. Although CPI inflation is expected to be back at close to the 2.0% target by the end of 2025, given that a lot of the rise in inflation in the coming months will be due to base effects that won't persist, the potential for a broader set of tariffs to arise from the US as well as the constant threat of geo-political factors to impact energy and food prices suggest risks remain very much to the upside.

Throughout the quarter gilt yields have risen. The 10-year gilt yield increased from 3.94% at the start of October to 4.57% by the year end (and has subsequently risen to 4.64% early in 2025). As recently as mid-September 10-year gilt yields were at their low for the financial year, but since then, and specifically after the Budget at the end of October, yields have soared. Overall, the reaction to the UK Budget highlights how bond markets are both fragile and highly attentive to news about the fiscal outlook.

The FTSE 100 started off this quarter at 8,276, before finishing up at 8,121. In particular, UK markets have continued to fall further behind US equities, a trend which has accelerated since Trump's election victory in November, partly due to the UK stock market being less exposed to AI hype, and it being weighed down by its relatively large exposure to the energy and materials sectors.

MPC meetings: 7th November & 18th December 2024

On 7 November, Bank Rate was cut by 0.25% to 4.75%. The vote was 8-1 in favour of the cut, but the language used by the MPC emphasised “gradual” reductions would be the way ahead with an emphasis on the inflation and employment data releases, as well as geo-political events.

At the 18 December meeting, another split vote arose. Members voted 6-3 to keep Bank Rate on hold at 4.75%, but dissenters (Dhingra, Ramsden and Taylor) were keen for rates to be cut further as concerns over the slowing down of the UK economy took root, despite near-term inflation fears remaining.

The MPC again stated that “a gradual approach” to rate cuts “remains appropriate” and that policy will “remain restrictive for sufficiently long”.

Interest rate forecasts

The Council has appointed MUFG Corporate Markets Treasury Limited as its treasury advisors and part of their service is to assist the Council to formulate a view on interest rates. The PWLB rate forecasts below are based on the Certainty Rate (the standard rate minus 20 bps) which has been accessible to most authorities since 1st November 2012. For Housing Revenue Account authorities, the lower Housing Revenue Account (HRA) PWLB rate has also been available since 15 June 2023 (standard rate minus 60 bps) but is available for HRA borrowing only.

The latest forecast, updated on 11th November, sets out a view that both short and long-dated interest rates will start to fall once it is evident that the Bank of England has been successful in squeezing excess inflation out of the economy, despite a backdrop of stubborn inflationary factors and a tight labour market.

Following the 30th October Budget, the outcome of the US Presidential election on 6th November, and the 25bps Bank Rate cut undertaken by the Monetary Policy Committee (MPC) on 7th November, we significantly revised our central forecasts for the first time since May. In summary, our Bank Rate forecast is now 50bps – 75bps higher than was previously the case, whilst our PWLB forecasts have been materially lifted to not only reflect our increased concerns around the future path of inflation, but also the increased level of Government borrowing over the term of the current Parliament.

If we reflect on the 30th October Budget, our central case is that those policy announcements will be inflationary, at least in the near-term. The Office for Budgetary Responsibility and the Bank of England concur with that view. The latter have the CPI measure of inflation hitting 2.5% y/y by the end of 2024 and staying sticky until at least 2026. The Bank forecasts CPI to be 2.7% y/y (Q4 2025) and 2.2% (Q4 2026) before dropping back in 2027 to 1.8% y/y.

The anticipated major investment in the public sector, according to the Bank, is expected to lift UK real GDP to 1.7% in 2025 before growth moderates in 2026 and 2027. The debate around whether the Government’s policies lead to a material uptick in growth primarily focus on the logistics of fast-tracking planning permissions, identifying sufficient skilled labour to undertake a resurgence in building, and an increase in the employee participation rate within the economy.

There are inherent risks to all the above. The worst-case scenario would see systemic blockages of planning permissions and the inability to identify and resource the additional workforce required to deliver large-scale IT, housing and infrastructure projects. This would lead to upside risks to inflation, an increased prospect of further Government borrowing & tax rises, and a tepid GDP performance.

Our central view is that monetary policy is sufficiently tight at present to cater for some further moderate loosening, the extent of which, however, will continue to be data dependent. We forecast the next reduction in Bank Rate to be made in February and for a pattern to evolve whereby rate cuts are made quarterly and in keeping with the release of the Bank's Quarterly Monetary Policy Reports (February, May, August and November). Any movement below a 4% Bank Rate will, nonetheless, be very much dependent on inflation data in the second half of 2025.

Regarding our PWLB forecast, the short to medium part of the curve is forecast to remain elevated over the course of 2025, and the degree to which rates moderate will be tied to the arguments for further Bank Rate loosening or otherwise. The longer part of the curve will also be impacted by inflation factors, but there is also the additional concern that with other major developed economies such as the US and France looking to run large budget deficits there could be a glut of government debt issuance that investors will only agree to digest if the interest rates paid provide sufficient reward for that scenario.

Moreover, Donald Trump's victory in the US President election paves the way for the introduction/extension of tariffs that could prove inflationary whilst the same could be said of any further tax cuts and an expansion of the current US budget deficit.

Invariably the direction of US Treasury yields in reaction to his core policies will, in all probability, impact UK gilt yields. So, there are domestic and international factors that could impact PWLB rates whilst, as a general comment, geo-political risks abound.

In summary, regarding PWLB rates, movement in the short-end of the curve is expected to reflect MUFG's Bank Rate expectations to a large degree, whilst medium to longer-dated PWLB rates will remain influenced not only by the outlook for inflation, domestically and globally, but also by the market's appetite for significant gilt issuance (£200bn+ for each of the next few years). As noted at the MUFG November Strategic Issues webinars, there is upside risk to that part of our forecast despite the Debt Management Office skewing its issuance to the shorter part of the curve.

Link Group Interest Rate View	11.11.24												
	Dec-24	Mar-25	Jun-25	Sep-25	Dec-25	Mar-26	Jun-26	Sep-26	Dec-26	Mar-27	Jun-27	Sep-27	Dec-27
BANK RATE	4.75	4.50	4.25	4.00	4.00	3.75	3.75	3.75	3.50	3.50	3.50	3.50	3.50
3 month ave earnings	4.70	4.50	4.30	4.00	4.00	4.00	3.80	3.80	3.80	3.50	3.50	3.50	3.50
6 month ave earnings	4.70	4.40	4.20	3.90	3.90	3.90	3.80	3.80	3.80	3.50	3.50	3.50	3.50
12 month ave earnings	4.70	4.40	4.20	3.90	3.90	3.90	3.80	3.80	3.80	3.50	3.50	3.50	3.50
5 yr PWLB	5.00	4.90	4.80	4.60	4.50	4.50	4.40	4.30	4.20	4.10	4.00	4.00	3.90
10 yr PWLB	5.30	5.10	5.00	4.80	4.80	4.70	4.50	4.50	4.40	4.30	4.20	4.20	4.10
25 yr PWLB	5.60	5.50	5.40	5.30	5.20	5.10	5.00	4.90	4.80	4.70	4.60	4.50	4.50
50 yr PWLB	5.40	5.30	5.20	5.10	5.00	4.90	4.80	4.70	4.60	4.50	4.40	4.30	4.30

Money market yield forecasts are based on expected average earnings by local authorities for 3 to 12 months.

The MUFG forecast for average earnings are averages i.e., rates offered by individual banks may differ significantly from these averages, reflecting their different needs for borrowing short-term cash at any one point in time.

This page is intentionally blank.

EXECUTIVE**24 FEBRUARY 2025**

SUBJECT: FINANCIAL PERFORMANCE – QUARTERLY MONITORING

REPORT BY: CHIEF EXECUTIVE & TOWN CLERK

LEAD OFFICER: LAURA SHIPLEY, FINANCIAL SERVICES MANAGER

1. Purpose of Report

- 1.1. To present to the Executive the third quarter's performance (up to 31st December), on the Council's:

- General Fund
- Housing Revenue Account
- Housing Repairs Service
- Capital Programmes

And to seek approval for changes to the capital programmes.

- 1.2. Financial Procedure Rules require members to receive, on a quarterly basis, a report prepared jointly by the Chief Finance Officer and Corporate Management Team commenting on financial performance to date. This report is designed to meet this requirement.

2. Executive Summary

- 2.1. This report covers the General Fund Revenue, Housing Revenue Account budgets and Investment Programmes for the current financial year.
- 2.2. While there are still a number of variables, which are subject to a level of uncertainty, based on the latest set of assumptions as at the end of the third quarter (up to 31st December) the forecast financial position of the Council for 2024/25 is:

Revenue Accounts	2024/25		
	Budget £'000	Forecast @ Q3 £'000	Variance @ Q3 £'000
General Fund – Contribution (to)/from balances	(147)	(285)	(138)
Housing Revenue Account – Contribution (to)/from balances	101	(613)	(714)
Housing Repairs Service – (surplus)/deficit	0	(33)	(33)*

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

Capital Programmes	2024/25		
	Opening Budget £'000	Revised Budget @ Q3 £'000	Movement @ Q3 £'000
General Investment Programme	27,894	22,024	(5,870)
Housing Investment Programme	22,763	17,411	(5,351)

Balances	2024/25		
	Budgeted Balance @ 31/03/25 £'000	Forecast Balance @ 31/03/25 £'000	Forecast Movement £'000
General Fund Balances	(2,392)	(2,530)	(138)
Housing Revenue Account Balances	(1,030)	(1,744)	(714)

Reserves	2024/25		
	Opening Balance @ 01/04/24 £'000	Forecast Balance @ 31/03/25 £'000	Forecast Movement £'000
General Fund Earmarked Reserves	(8,234)	(7,061)	1,173
HRA Earmarked Reserves	(4,507)	(4,828)	(321)

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

3. General Fund Revenue Account

- 3.1. For 2024/25 the Council's net General Fund revenue budget was set at £15,427,670 including a planned contribution to balances of £146,820 resulting in an estimated level of general balances at the year-end of £2,391,979 (after allowing for the 2023/24 outturn position).
- 3.2. The General Fund Summary is currently projecting a forecast underspend of £138,429 (Appendix A provides a forecast General Fund Summary), resulting in general balance at the year-end of £2,530,408. This position maintains balances above the prudent minimum of c.£1.5-£2m.
- 3.3. There are a number of forecast year-end variations in income and expenditure against the approved budget, full details of the main variances are provided in Appendix B while the table below sets out the key variances:

General Fund	Forecast
Forecast year-end key variances:	£'000
Increased non-recoverable supported (exempt) accommodation and other housing benefit costs, reduction in DWP grant funding and unbudgeted Discretionary Housing Payments	388
Trend in reduced crematorium income plus additional interim management & administration costs	387
Cornhill Market additional initial operational costs	219
Nationally agreed pay award settlement	184
Re-profiling of historic premium on early repayment of debt	157
Less:	
Net Car Parking Income surplus	(334)
Reduced Borrowing Costs	(332)
Release of Inflation Volatility reserve	(184)
Additional Government grant for Land Drainage Levies	(173)
Increased Investment Interest	(166)
Additional government grant for Business Rate Levy/Safety Net Retention plus additional New Burden funding	(156)
Net other variances	(128)
Overall forecast budget deficit/(surplus)	(138)

3.4. A number of the key forecast variances have arisen as a result of external variables e.g. economic factors, service demands etc, which differ from the budgeted assumptions. These main variances, both positive and negative cover:

- Pay settlement inflation pressure - the impact of the nationally agreed pay award is in excess of the assumptions included within the Medium Term Financial Strategy (MTFS). The 2024/25 pay award, agreed by the National Employers for Local Government Services, provided either a flat rate increase of £1,290 (prorate) or a 2.5% increase to all staff dependant on pay spinal point, equivalent to a 5.7% increase for the lowest paid members of staff. In order to mitigate this cost pressure, an equivalent drawdown from the inflation volatility reserve will be released.
- Unrecoverable Housing Benefit – the number of housing benefit claims in relation to supported (exempt) accommodation, which does not attract 100% subsidy, continues to be at elevated levels, in addition other areas of housing benefit expenditure which do not attract 100% subsidy are also above budgeted levels.
- Borrowing costs – as a result of a delay in the anticipated reduction of the Bank of England Base Rate, which has only dropped marginally from 5% to 4.75% at quarter three, the Council have benefitted from reduced borrowing costs due to the continued strategy to review the reprofiling of loans and maintain adequate resource to reduce the level of budgeted borrowing while interest rates remain high.

- Investment income – in addition to savings on interest payable, the ongoing high base rate has increased the level of interest earned on the Council's cash balances over and above the levels anticipated within the MTFS.
- Carparking Fees and Charges – levels of carparking income remain buoyant, particularly in relation to sessional fees and season ticket sales with a particularly busy festive season.

- 3.5 The potential impact beyond 2024/25 of these changes in key variables has been assessed and in some cases has required future years budgets to be reset as part of the refreshed MTFS 2025-2030. The additional staff costs arising as a result of the proposed pay award are unavoidable and have required an ongoing increase in future pay budgets. Budgets for 2025/26 have also been adjusted in relation to the increasing cost of housing benefits, however a range of mitigating actions continue to be taken, e.g. lobbying against current subsidy rules and Local Housing Allowance rates, focusing on actions to manage the supply of and demand for affordable/social housing and temporary accommodation, review of all supported accommodation claims is in place to ensure the appropriate levels of housing benefit are awarded, supporting housing providers to attain social registered landlord status etc. These actions are not likely to reduce costs in the short term, but are part of a longer-term solution. Treasury Management budgets and fees and charges income budget have also all been reviewed and updated in the MTFS 2025-2030 in line with the latest financial planning assumptions.
- 3.6 Assumptions around Government funding have also been reviewed in the MTFS 2025-2030, but due to the variable nature of the grants and changes in distribution methodologies and overall national funding allocations, it is often prudent to not assume a grant allocation and treat any funding in year as fortuitous income.
- 3.7 Alongside the above variances, a significant variance against the Council's crematorium budget is also forecasted, resulting from a continuation of the reduction in income from cremations seen last financial year, driven by increasing competition from neighbouring crematoriums and beyond. This position is being carefully monitored and an action plan has been developed. In addition, the service is currently being supported by external industry professionals, increasing the management and administration costs, this is being carefully monitored and will only remain in place for as long as required.
- 3.8 In addition, a significant in-year variance is now forecasted for the Cornhill Market. The refurbished Market opened on 17 May 2024 but the original budget for 2024/25 was set on the basis of a full year of operation and based on the draft business plan approved at Executive in July 2021. Now that the market is operational a full review of the business plan, based on the actual operating costs and income levels, is underway and will be reported to Executive in summer 2025 following a full year of operation and changes to the service provision. The next update of the Council's MTFS will reflect the expected position. The in-year variance being reported at the end of quarter three therefore reflects a number of one-off opening costs in 3 main areas:

- Rental income for the year has now been forecast to be £81k less than originally budgeted as it will not be operating for the full financial year with all stalls let at full rent. There has also been the impact of the standard rent-free periods for new stall holders which was not reflected in the original budget, this financial year, alongside incentives to drive activity.
- As part of opening the market a number of one-off items totalling £20k have been purchased which have not been able to be capitalised.
- Additional legal and letting fees of £55k have also been incurred as a one-off for the production of new lease types/terms/lettings for all stalls.
- Other variances including staffing, cleaning and utility costs above initial, pre-opening, budgeted estimates.

3.9 While the forecast outturn for the General Fund is a budget underspend, there still remains uncertainty in terms of service demands and income forecasts. As such the final outturn position for the year is still subject to further change and will continue to be carefully monitored. While mitigating actions are underway as set out above, strong budgetary control should continue to be a focus to ensure expenditure and income remain balanced within the budget, resulting in a positive contribution to reserves at outturn.

3.10 Earmarked Reserves

3.11 Carry Forward Requests

Financial Procedure Rules state that Assistant Directors are able to carry forward any budget provision not utilised during the financial year, to be used for the same purpose, in future years subject to their Directorate as a whole not being overspent. Based on the forecast outturn as at quarter three, and subject to the final cash limit outturn, for each Directorate in 2024/25 a list of requests (which will be transferred from the surplus to earmarked reserves for drawdown in future years) is shown below totalling £37,580:

Directorate	Reason for Carry Forward	Amount £
DCE	Climate Change Initiatives & Biodiversity reserve – retain budget underspend as a result of grant funding to reinvest in green initiatives.	26,810
DCE	Boutham Park Advisory Group – retain unspent grant income to fund advisory group activities.	8,260
CX-CITYSOL	Elections Act Reserve – retain unspent grant income to fund ongoing costs in relation to election activities.	2,510
Total Carry Forward Requests:		37,580

These carry forward requests are included in the forecast outturn position.

3.12 Transfers to Reserves

In addition to the above carry forward requests, a request for an additional transfer to reserves have been made, whereby Directorates can request a transfer to a new, or existing reserve from underspent budgets, to be used for alternative purposes or to mitigate risks in future years, subject to their Directorate as a whole not being overspent. Based on the forecast outturn as at quarter three, and subject to the final cash limit outturn for 2024/25, all request(s) are shown below totalling £120,000:

Directorate	Reason for Transfer to Reserves	Amount £
DCE	Income Volatility Reserve – transfer proportion of the car parking underspend to Corporate Income Volatility reserve to mitigate income risks in future years.	120,000
	Total Transfer to Reserves Requests:	120,000

This additional reserve contribution is included in the forecast outturn position.

3.13 Further details of the General Fund Earmarked Reserves are set out in paragraph 6 and Appendix G.

3.14 Towards Financial Sustainability Programme

The savings target included in the MTFS for 2024/25 was £125,000.

Progress against this target, based on quarter three performance, shows secured savings of £88,840, resulting in a forecast under-achievement of £36,160 in year for the General Fund. While this is an under-achievement against the target, the overall forecast position for the General Fund is positive, with additional contributions to General Balances.

4. Housing Revenue Account

- 4.1. For 2024/25 the Council's Housing Revenue Account (HRA) net revenue budget was set with a planned contribution from balances of £101,220, resulting in an estimated level of general balances at the year-end of £1,030,024, after allowing for the 2023/24 outturn position.
- 4.2. The HRA is currently projecting a forecast underspend of £714,390 (Appendix C provides a forecast HRA Summary), which would result in HRA balances of £1,744,414 as at the end of 2024/25. This position maintains balances above the prudent minimum of c.£1-1.5m.
- 4.3. Although the forecast position is an underspend there are a number of significant variations in income and expenditure. Full details of the main variances are provided in Appendix D, while the table below sets out the key variances:

Housing Revenue Account	Forecast
Forecast year-end key variances:	£'000
Nationally agreed pay award settlement	119
Less:	
Increased Investment Interest	(241)
Additional Rental Income	(190)
Increase Admin Overhead Recharges to Capital on External Contracts	(159)
Reduced Repairs Programme Costs	(118)
Reduced Borrowing Costs	(68)
<u>HRS Recharges:</u>	
Housing Repairs Service Overall Surplus Repatriation	(33)
HRS Repairs – increased Responsive jobs	724
HRS Repairs – reduced level of Voids, Aids & Adaptations and Cleansing jobs	(825)
Net Other Variances	77
Overall forecast deficit/(surplus)	(714)

4.4. In line with the General Fund, some of the key variances have arisen as a result of external variables e.g. economic factors, service demands etc, which differ from the budgeted assumptions. However, in addition, the Housing Revenue Account (HRA) and Housing Revenue Service (HRS) continue to experience a number of other variances due to demand pressures and continued recruitment and retention challenges. These main variances, both positive and negative, cover:

- Nationally agreed pay award inflation pressure – as per the General Fund the national pay award is in excess of the assumptions included within the MTFS.
- Investment income – as per the General Fund as a result interest rates and the Council's borrowing strategy, the level of borrowing and reprofiling of loans is being carefully managed, reducing overall borrowing costs.
- Rental income – income levels are higher than anticipated due to a higher than budgeted opening Housing stock at the start of the financial year.
- Repairs Programme costs – a change in the nature of works on the Council's housing stock in year has resulted in an increase in works eligible to be funded through the capital investment programme.
- HRS Repairs – while there has been a net reduction in repairs recharges from the HRS to the HRA, there has been a switch in the nature of HRS rechargeable works anticipated this year with a significant increase in demand for responsive repairs, wholly offset by a reduction in the level of voids repairs, aids and adapts and cleansing works.

- 4.5. Alongside these variances the Housing Repairs Services (HRS) is currently reporting a small forecast surplus, which is consequentially repatriated to the HRA, as a result of the information set out in Section 5 below.
- 4.6. The potential impact beyond 2024/25 of these changes in key variables has been assessed and has in some cases has required future years budgets to be reset as part of the refreshed MTFS 2025-2030. The additional staff costs arising as a result of the proposed pay award are unavoidable and have required an ongoing increase in future pay budgets. In relation to housing repairs, the Housing Directorate Management Team continue work on the individual repairs service areas, i.e. Aids & Adaptations, Voids, Responsive Repairs etc, in order to review and manage demand and cost drivers. Work also continues within the HRA and HRS to address the recruitment and retention challenges, (this also forms part of a wider scope of work developing the Council's Workforce Development Strategy), which is already seeing some success with a reduction in level of vacancies.
- 4.7. As outlined throughout this report, there still remains a number of variables in the forecast assumptions, and as such the final outturn position for the year is still subject to further change. At this stage no additional mitigations, other than those currently being implemented in response to the issues faced by the HRS are recommended. Strong budgetary control should continue to be a focus to ensure expenditure and income remain balanced within budget, resulting in a positive contribution to reserves at outturn.
- 4.8. **HRA Earmarked Reserves**
- 4.9. **Carry Forward Requests**

Financial Procedure Rules state that Assistant Directors are able to carry forward any budget provision not utilised during the financial year, to be used for the same purpose, in future years subject to the HRA as a whole not being overspent. Based on the forecast outturn as at quarter three, and subject to the final cash limit outturn, in 2024/25 a list of requests (which will be transferred from the surplus to earmarked reserves for drawdown in future years) is shown below totalling £325,340:

Reason for Carry Forward	Amount £
DeWint Court Sinking Fund reserve – as agreed in the original business case, any in year surplus will be contributed to a Sinking Fund to support future maintenance costs.	59,570
HRA Electrical Testing – in year surplus contributed to reserves to manage the cyclical nature of works in future years.	119,860
Smoke Alarm/CO2 Detector Testing – in year surplus contributed to reserves to manage the cyclical nature of works in future years.	127,620

Tenant Satisfaction Survey reserve – retain unspent grant income to fund ongoing costs in relation to tenant satisfaction measures.	18,290
Total Carry Forward Requests:	325,340

These carry forward requests are included in the forecast outturn position.

4.10. Transfers to Reserves

In addition to the above carry forward requests, a number of requests for additional transfers to reserves have been made, whereby the HRA have requested a transfer to a new, or existing, reserve from underspent budgets, to be used for alternative purposes or to mitigate risks in future years, subject to the HRA as a whole not being overspent. Based on the forecast outturn as at quarter three, and subject to the final cash limit outturn for 2024/25, all of request(s) are shown below totalling £77,020:

Reason for Transfer to Reserves	Amount £
HRA IT Reserve – transfer of admin team vacancy savings to support agency costs in relation to the HITREP project in 25/26.	30,000
HRS Social Value Reserve – transfer of contractor SV contributions to support future initiatives.	47,020
Total Transfer to Reserves Requests:	77,020

These additional reserve contributions are included in the forecast outturn position.

- 4.11. Details of the HRA Earmarked Reserves are set out in paragraph 6 and Appendix G.

5. Housing Repairs Service

- 5.1. For 2024/25 the Council's Housing Repairs Service net revenue budget was set at zero, reflecting its full cost recovery nature.
- 5.2. At quarter three the HRS are forecasting a surplus of £32,882 in 2024/25, an improvement of £50,136 since quarter two, which has subsequently been repatriated to the HRA, Appendix E provides a forecast HRS Summary. Full details of the main variances are provided within Appendix F of this report, while the key variances are summarised below:

Housing Repairs Service Forecast year-end key variances:	Forecast £'000
Increase in sub-contractors' usage and prices	1,062
Income shortfall as a result of a lower level of voids, aids & adapts and cleansing jobs	247
Increased Skip hire costs	104
Nationally agreed pay award settlement	47
Less:	
Staff vacancies due to recruitment and retention challenges	(451)
Decrease in material costs	(58)
Income surplus as a result of increase in responsive repairs, quoted jobs & other works	(975)
Net other variances	(9)
Overall forecast deficit/(surplus)	(33)

5.3. While overall the HRS is forecasting a much-improved year-end position, with a small forecast surplus, there are still a number of significant income and expenditure variances. These main variances, both positive and negative, cover:

- Whilst the position is improving, the HRS is still being impacted by recruitment challenges, with continued difficulties in attracting and retaining staff resulting in a greater reliance on the use of sub-contractors to ensure that service demands are met. The cost of using subcontractors is however more expensive than the HRS's own workforce, due to the ongoing impact of inflationary factors.
- Additionally, the HRS are seeing increased levels of work in relation to regulatory compliance, such as damp and mould remediation and installation of fire doors, this is increasingly affecting the capacity to carry out routine works, further compounding the reliance on sub-contractors.
- As the increased sub-contractor costs are not reflected in the service hourly rate an overhead recovery is not recouped on sub-contractors this results in an under recovery of full costs from the HRA. However, due to the change in nature of works this year and the increase in responsive repairs, which are predominantly performed by our own labour force, the HRS has seen an increase in income which does attract the overhead recovery rate.
- The forecast surplus also includes the impact of the national pay award settlement, which is in excess of the assumptions included within the MTFS as outlined in both the General Fund and HRA variances.

5.4. While the forecast outturn for the HRS is a small budget underspend, there still remains uncertainty in terms of service demands and income forecasts. As such it is essential that the tight controls implemented to monitor premium sub-contractor spend are maintained to minimise the projected surplus and mitigate against the

potential for the current net underspend in the HRA, as outlined in section 4 above, to deteriorate.

6. Earmarked Reserves

- 6.1. The Council holds a number of earmarked revenue reserves over both the General Fund and HRA. These reserves are sums set aside for specific purposes and to mitigate against potential future known or predicted liabilities. Key reserves include income volatility, business rates volatility, IT investment fund, asset sinking funds for future refurbishment, etc. A number of these reserves are budgeted for use over the period of the MTFS.
- 6.2. The details of all the earmarked reserves and their forecast balance as at 31st March 2025 are attached in Appendix G, with further details in the MTFS 2024-2029. In summary:

Earmarked Reserves	Opening Balance 01/04/24 £'000	Increase £'000	Decrease £'000	Closing Balance 31/03/25 £'000
General Fund	8,234	1,218	(2,391)	7,061
Housing Revenue Account	4,507	747	(426)	4,828

7. Capital Programme

7.1. General Investment Programme

- 7.2. The revised General Investment Programme for 2024/25 amounted to £27.9m following the quarter 2 report. At quarter 3 the programme has been decreased by £5.9m to £22.0m, as shown below:

General Investment Programme	2024/25 £'000	2025/26 £'000	2026/27 £'000	2027/28 £'000	2028/29 £'000
Revised Budget at Quarter 2	27,894	17,639	4,617	1,052	1,052
Budget changes for approval – Quarter 3	(5,870)	6,594	0	0	0
Revised Budget	22,024	24,233	4,617	1,052	1,052

- 7.3. All changes over delegated limits require approval by the Executive. The following change has already been approved by the Executive.

Approved by the Executive / Delegated Portfolio Holder	2024/25	2025/26	2026/27	2027/28	2028/29
	£'000	£'000	£'000	£'000	£'000
Central Car Park – New payment system – approved 6 th January 2025	100	0	0	0	0
Refuse Food Caddies & Bins – approved 9 th December 2024	0	318	0	0	0
Total Schemes already considered by the Executive	100	318	0	0	0

- 7.4. New schemes, or changes to current schemes, over an approved limit, are subject to Executive approval. There have been the following new schemes, and changes to current schemes in quarter 3 requiring Executive approval.

Requires approval by the Executive / Delegated Portfolio Holder	2024/25	2025/26	2026/27	2027/28	2028/29
	£'000	£'000	£'000	£'000	£'000
Charterholme Development Wider Site Costs – Funded through additional Homes England Grant	305	0	0	0	0
Yarborough Leisure Centre Energy Efficiency - Reduction in scheme costs and grant funding restrictions do not allow reallocation.	(264)	0	0	0	0
Padley Road Play Area – funded through developer commuted sum.	0	65	0	0	0
Better Care Fund (DFG's) – funded through additional grant allocation.	0	205			
Total Schemes to be approved by the Executive	41	270	0	0	0

- 7.5. In addition to the changes to schemes that require the approval of the Executive, the General Investment Programme as includes schemes as part of the Lincoln Town Deal, for which the Council is the Accountable Body. Changes to a number of schemes during quarter 3 have been approved by the Town Deal Board, under a separate governance framework, and are follows:

GIP Movements Approved by Lincoln Towns Board:	2024/25 £'000	2025/26 £'000	2026/27 £'000	2027/28 £'000	2028/29 £'000
Transfers between schemes					
Town Deal LSIP not going ahead & funds reallocated	(800)	0	0	0	0
Town Deal Sincil Bank	(2)	0	0	0	0
Town Deal Lincoln City Football Club & Foundation	251	0	0	0	0
Town Deal Hospitality, Events & Tourism Institute	101	0	0	0	0
Town Deal Drill Hall	114	0	0	0	0
Town Deal Barbican	149	0	0	0	0
Town Deal Store of Stories	187	0	0	0	0
Total GIP Movements Approved by Towns Board	0	0	0	0	0

- 7.6. The Chief Finance Officer has delegated authority to approve financial changes up to an approved limit, or to reprofile the budget, as set out under Financial Procedure Rules. The following changes and reprofiles were approved during quarter 3:

GIP Movements Approved by the Chief Finance Officer:	2024/25 £'000	2025/26 £'000	2026/27 £'000	2027/28 £'000	2028/29 £'000
Reprofiling budgets to other years:					
Greyfriars – Phase 2 Delivery	(1,689)	1,689	0	0	0
Better Care Fund (DFG's)	(764)	764	0	0	0
Town Deal Wigford Way	(245)	245	0	0	0
Town Deal Sincil Bank	(2,233)	2,233	0	0	0
Town Deal Tentercroft Street	(312)	312	0	0	0
Housing Renewal Area Unallocated	(298)	298	0	0	0
Planned Capitalised Works	(281)	281	0	0	0
Allotments Asbestos Sheds	(34)	34	0	0	0
Lincoln Central Lifts	(150)	150	0	0	0
Transfers between schemes					
Central Markets (old scheme)	(2)	0	0	0	0
Central Markets (current scheme)	2	0	0	0	0
Changes to budget allocations					
New Telephony system – scheme complete and unspent budget has been returned to the revenue.	(5)	0	0	0	0
Total GIP Movements Approved by the CFO	(6,011)	6,006	0	0	0
Total GIP Delegated Approvals and Approvals by/for Executive	(5,870)	6,594	0	0	0

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

General Investment Programme - Projected Outturn	2024/25			
	Budget following Q2 Report	Revised Budget Q3	Forecast Outturn	Variance
	£'000	£'000	£'000	£'000
Active Programme				
Housing and Investment	298	0	0	0
Communities and Environment	2,907	1,978	1,978	0
Chief Executive	3,417	1,258	1,258	0
Major Developments	15,613	15,606	15,606	0
Total Active Schemes	22,235	18,842	18,842	0
Schemes on Hold/ Contingencies	74	74	74	0
Externally Delivered Town Deal Schemes	5,585	3,108	3,108	0
Total Capital Programme	27,894	22,024	22,024	0

- 7.8. The overall spending on the General Investment Programme active schemes (excluding externally delivered schemes), at the end of quarter 3 is £10.1m, which is 53.1% of the budget. This is detailed further at Appendix I.
- 7.9. The low capital spend at this stage of the year is primarily mainly due to the profiling of a number of large schemes only starting on site towards the end of quarter 2, beginning of quarter 3, e.g. Greyfriars, Yarborough Leisure Centre, Western Growth Corridor Phase 1a Homes and the LUF2 Eastern Access Bridge.
- 7.10. **Housing Investment Programme**
- 7.11. The revised Housing Investment Programme for 2024/25 amounted to £17.432m following the Quarter 2 position. At quarter 3 the programme has been decreased by £0.020m to £17.411m, as shown below:

Housing Investment Programme	2024/25 £'000	2025/26 £'000	2026/27 £'000	2027/28 £'000	2028/29 £'000
Revised Budget at Quarter 2	17,432	17,219	14,780	13,698	12,056
Budget changes for approval – Quarter 3	(20)	2,380	436	38	39
Revised Budget	17,411	19,600	15,216	13,736	12,095

- 7.12. All changes over delegated limits require approval by the Executive. The following change has already been approved by the Executive.

Approved by the Executive:	2024/25 £'000	2025/26 £'000	2026/27 £'000	2027/28 £'000	2028/29 £'000
Increased budget allocations					
Victory Hotel Site Boultham Park Road – approved at Executive 18 th November 2024	0	2,537	0	0	0
Total changes approved by Executive	0	2,537	0	0	0

- 7.13. New schemes, or changes to current schemes, over an approved limit, are subject to Executive approval. There have been the following new schemes, and changes to current schemes in quarter 3 requiring Executive approval.

Changes requiring Executive Approval:	2024/25 £'000	2025/26 £'000	2026/27 £'000	2027/28 £'000	2028/29 £'000
Increased budget allocations					
Void Capitalised Works - funded from MRR	0	34	36	38	39
Total changes requiring Executive Approval	107	34	36	38	39

- 7.14. The Chief Finance Officer has authority to approve new schemes up to an approved limit. The following schemes was added in Quarter 3:

Approved by the Chief Finance Officer:	2024/25 £'000	2025/26 £'000	2026/27 £'000	2027/28 £'000	2028/29 £'000
Increased budget allocations					
Property Acquisitions: Individual purchase and repair acquisitions approved under officer delegations - funded from RTB 1-4-1 receipts with borrowing as match element	107	0	0	0	0
Sincil Community Land Trust Right to Buy Grant Scheme - funded through RTB 1-4-1 receipts	78	0	0	0	0
Total changes approved by Chief Finance Officer	78	0	0	0	0

- 7.15. The Chief Finance Officer has delegated authority to approve financial changes up to an approved limit as set out under Financial Procedure Rules. The following changes were approved during Quarter 3:

Changes approved by the Chief Finance Officer:	2024/25 £'000	2025/26 £'000	2026/27 £'000	2027/28 £'000	2028/29 £'000
Reprofiled Expenditure					
Thermal Comfort Works	(42)	42	0	0	0
Kitchen Improvements	490	(490)	0	0	0
Door Replacement	(200)	0	200	0	0
Replacement Door Entry Systems	(50)	50	0	0	0
Fire Doors	(100)	100	0	0	0
Environmental Works	(200)	0	200	0	0
HRA Buildings	(82)	82	0	0	0
Increased budget allocations					
DH Central Heating Upgrades - funded from MRR	0	25	0	0	0
Communal TV Aerials - funded from MRR	8	0	0	0	0
Fire Alarms - funded from MRR	9	0	0	0	0
Reduced budget allocations - returned to available resources (major repairs reserve and DRF)					
Telephony	(6)	0	0	0	0
Communal Electrics	(8)	0	0	0	0
Renew stair structure	(25)	0	0	0	0
Total Changes Approved by the Chief Finance Officer	(205)	(191)	400	0	0
Total HIP Delegated Approvals and Approvals by/for Executive	(20)	2,380	436	38	39

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

Housing Investment Programme - Projected Outturn	2024/25			
	Budget following Q2 Report £'000	Revised Budget Q3 £'000	Forecast Outturn £'000	Variance £'000
Decent Homes / Lincoln Standard	9,005	9,153	9,153	0
Health and Safety	646	580	580	0
Contingent Major Repairs / Works	0	0	0	0
New Build Programme	6,331	6,515	6,515	0
Other Schemes	1,137	856	856	0
Computer Fund / IT Schemes	312	306	306	0
Total Capital Programme	17,432	17,411	17,411	0

- 7.17. The overall expenditure on the Housing Investment Programme at the end of Q3 was £8.861m, which is 50.89% of the 2024/25 revised programme. This excludes expenditure relating to Western Growth Corridor, which is currently shown on the GIP, to be apportioned at year end (current forecast outturn £1.3m). This is detailed further at Appendix J.
- 7.18. A further £0.680m has been spent as at the end of January 2025, although this is still a low percentage of expenditure at this stage of the financial year, works have been constrained by the availability of contractors and billing of capital works.

8. Strategic Priorities

- 8.1. The MTFS underpins this policy and financial planning framework and set out the overall framework on which the Council plans and manages its financial resources to ensure that they fit with, and support, the direction of the Council's vision and strategic priorities. Vision 2025 identifies the Council's strategic priorities, setting the vision and direction for the council and the city for the next five years. The proposals in this report allow the Council to maintain a balanced budget position in 2024/25 in order that it can continue to deliver services in support of Vision 2025, and the new Vision 2030.

9. Resource Implications

9.1. Financial Implications

- 9.1.2 The financial implications are contained throughout the report.

Under the Local Government Act 2003 the Chief Finance Officer (S151 Officer) is required to give Council an opinion on the robustness of the budget estimates and the adequacy of reserves. Although there remains some uncertainty around the latest budget forecasts, based on the information to date on income and expenditure, both the General Fund and HRA are forecasted to maintain balanced budget positions in the current financial year.

General Balances, on both the General Fund and HRA, are the only resource not earmarked to a particular future need. The prudent minimum level of balance that should be maintained on the General Fund is between £1.5m-£2m and £1m-£1.5m on the HRA. Based on the latest forecasts of income and expenditure the level of balances in 2024/25 are estimated to be maintained above these ranges. The close monitoring of the Council's overall financial position will remain critical over the course of this financial year, and as ever strong budgetary control will be required.

Although the primary focus of this report has been to set out the financial variances being faced in the current financial year, beyond 2024/25 the Council continues to face ongoing pressures as a result of increasing baseline costs due to inflationary impacts, escalating service demands and income pressures. The Council will continue to face further financial challenges as it responds to the impact of these issues and the continued need to deliver ongoing reductions in the net cost base, as set out in the MTFS 2025-2030.

9.2. Legal implications Including Procurement Rules

There are no legal implications arising from this report.

9.3. Equality, Diversity and Human Rights

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

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

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

Due to the nature of the report, there are no direct equality, diversity, or human rights implications.

10. Risk Implications

A full financial risk assessment is included in the MTFS, this is continually reviewed in light of changes in the underlying financial assumptions. There are currently a significant number of critical risk factors to the budget and MTFS, with further details provided within the MTFS 2025-30.

11. Recommendations

Executive are recommended to:

- 11.1. Note the financial performance for the period 1st April to 31st December 2024.
- 11.2. Assess the underlying impact of the pressures and underspends identified in paragraphs 3.3 (and Appendix B), 4.3 (and Appendix D), and 5.2 (and Appendix F).
- 11.3. Approve the proposed carry forward requests and transfers to earmarked reserves detailed in paragraph 3.11, 3.12, 4.9 and 4.10;
- 11.4. Review the changes to the General Investment Programme and Housing Investment Programme as approved by the Chief Finance Officer as detailed in paragraphs 7.5 and 7.12.
- 11.5. Approve the changes to the General Investment programme and the Housing Investment programme approved, or to be approved, by the Executive as detailed in paragraphs 7.3, 7.10 and 7.11.

Key Decision	No
Key Decision Reference No.	N/A
Do the exempt information categories apply?	No
Call in and Urgency: Is the decision one to which Rule 15 of the Scrutiny Procedure Rules apply.	No
Does the report contain appendices?	Yes
List of Background Papers:	Medium Term Financial Strategy 2025-2030
Lead Officer:	Laura Shipley, Financial Services Manager Email: laura.shipley@lincoln.gov.uk

GENERAL FUND SUMMARY – AS AT 31 DECEMBER 2024

Service Area	Ref	Revised Budget £'000	Projected Outturn £'000	Variance £'000
Strategic Development	A	2,228	2,195	(33)
Chief Finance Officer (S151)	B	(121)	(326)	(204)
City Solicitor	C	1,964	1,963	(2)
Revenues & Benefits	D	830	1,218	388
Housing	E	314	187	(127)
Director of Major Developments	F	(3,103)	(2,924)	178
Communities and Street Scene	G	8,033	8,328	295
Health and Environmental Services	H	1,309	1,236	(73)
Planning	I	(3,147)	(3,192)	(45)
		8,004	8,380	377
Corporate Expenditure	J	1,533	1,385	(148)
TOTAL SERVICE EXPENDITURE		9,537	9,766	229
Capital Accounting Adjustment	K	2,415	2,084	(331)
Specific Grants	L	4,452	4,420	(32)
Contingencies	M	(122)	22	280
Savings Targets	N	(36)	0	36
Earmarked Reserves	O	(989)	(1,173)	(184)
Insurance Reserve	P	23	23	0
TOTAL EXPENDITURE		15,281	15,142	(138)
CONTRIBUTION FROM BALANCES		147	285	138
NET REQUIREMENT		15,428	15,428	0
Retained Business Rates Income	Q	6,972	6,972	0
Collection Fund Surplus/(Deficit)	R	468	468	0
Revenue Support Grant	S	187	187	0
Council Tax	T	7,906	7,906	0
TOTAL RESOURCES		15,428	15,428	0

General Fund Forecast Variances – Quarter 3

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

Ref	<u>Increased Expenditure</u>	£	
B	Corporate Management	47,150	Fee variations on external Audit Fees.
E	Housing Needs	30,980	Increased staffing costs as a result of additional Fixed Term Contracts covering temporary absences.
F	Cornhill Market	143,615	Increased expenditure as a result of additional staffing, utilities, contractor & legal costs required as part of initial operation of the newly re-opened market.
H	Crematorium	289,700	External industry professional support to the management and administration of the Crematorium.
H	Birchwood & Yarborough Leisure Centres	50,000	Anticipated contribution under profit/loss agreement.
I	Car Parks	156,970	Re-profiling of historic premium on early repayment of debt
I	Car Parks	91,090	Additional charges due to increased pay by phone transactions (cost & volume) and forecast maintenance works wholly offset by increased income below (net car parking surplus £334k).
M	National Pay Award	183,890	Impact of the National Employers pay settlement, in excess of budget assumptions.
M	Annual Vacancy Savings Target	144,110	YTD vacancy savings target, offset by savings in service areas.
	<u>Reduced Income</u>		
B	Internal Audit	38,430	Forecast underachievement of income due to reduction in externally contracted services.
D	Housing Benefits	387,590	Increased non recoverable supported (exempt) accommodation and other housing benefit costs, reduction in DWP grant funding and unbudgeted Discretionary Housing Payment.
D	Council Tax	46,420	Forecast reduction in income as a result of delays in recovery due to billing changes on Universal Credit/benefits.

F	Cornhill Market	75,150	Rental income forecast to be less than originally budgeted due to market not operating for the full financial year with all stalls let at full rent.
G	Crematorium	151,200	Forecast reduction in income as a result of YTD, and anticipated, cremation levels, partially offset by vacancy and utilities savings (net pressure £99.7k).
G	Cemeteries	27,000	Forecast reduction in income as a result of YTD, and anticipated, burials.
I	Building Regulations	50,000	Anticipated reduction in income as a result of current economic conditions, wholly offset by vacancy savings below above (net saving £65k).
I	Land Charges	45,560	Anticipated reduction in income as a result of current economic conditions.

Reduced Expenditure

A	CX Corporate Policy	(28,900)	Vacancy savings pending recruitment, offset against Corporate vacancy savings target.
B	City Hall	(39,270)	Forecast underspend on utility costs.
E	Homeless Bed & Breakfast	(50,000)	Reduction in number of presentations alongside an increase in Rent in Advance/Top Up support to reduce demand for B&B accommodation.
E	Rough Sleepers	(44,990)	Reduction in contracted out support for professional services.
G	Street Cleansing	(57,350)	Reduction in contracted charges and underspend on amenity cleaning.
G	Crematorium	(51,780)	Forecast underspend, predominantly utilities and vacancy savings, offset by reduced income above (net pressure £99.7k).
H	Housing Regeneration	(54,740)	Vacancy savings pending recruitment, offset against Corporate vacancy savings target.
I	Building Regulations	(114,500)	Vacancy savings offset against anticipated reduction in income above (net saving £65k).
I	Heritage	(58,720)	Vacancy savings offset against corporate vacancy savings target.
O	Earmarked Reserves	(183,870)	Release of Inflation Volatility reserve to offset increased expenditure as a result of agreed pay award.

Increased Income

B	Lincoln Properties & Industrial Estates	(68,500)	Increased income as a result of backdated rent reviews & lower level of void properties.
B	City Hall	(69,080)	Increased income to be received from lease agreements.
B	Other Interest	(166,060)	Increased investment income as a result of higher interest rates and additional dividend income.
D	Household Support Scheme	(33,460)	New Burdens grant funding for the administration of the Household Support Scheme phase 5 & 6.
E	Community Leadership & Sustainability	(38,850)	New Burdens grant funding for the administration of UKSPF project.
F	Major Developments Team	(51,640)	New Burdens grant funding for administration of UKSPF project.
H	Community Centres	(71,000)	Increased income levels, predominantly driven by ongoing contract at the Grandstand.
I	Car Parks	(445,000)	Increase in season ticket income & pay and display income (net car parking surplus £334k).
J	Capital Accounting Adjustment- Interest Payable	(331,540)	Reduction in interest payable as a result of reduced borrowing levels.
J	Land Drainage Levies	(173,000)	Additional government grant received to offset the increased cost of Internal Drainage Board Levies.
L	Specific Grants	(31,988)	Additional government grant for Business Rate Levy/Safety Net Retention.

HOUSING REVENUE ACCOUNT FUND SUMMARY – AS AT 31 DECEMBER 2024

	Ref	Revised Budget £'000	Projected Outturn £'000	Variance £'000
Gross Rental Income	A	(35,220)	(35,410)	(190)
Charges for Services & Facilities	B	(658)	(699)	(41)
Contribution towards Expenditure	C	(50)	(10)	40
Repairs Account – Income	D1	(68)	(126)	(58)
Supervision & Management – General	D2	(808)	(1,008)	(200)
Supervision & Management – Special	D3	(75)	(113)	(38)
Repairs & Maintenance	E	11,729	11,741	12
Supervision & Management – General	F1	7,367	7,521	154
Supervision & Management – Special	F2	2,140	2,385	244
Rents, Rates and Other Premises	G	861	838	(23)
Increase in Bad Debt Provisions	H	251	251	0
Insurance Claims Contingency	I	439	439	0
Contingencies	J	348	103	(245)
Depreciation	K	8,198	8,513	315
Impairments	L	0	0	0
Debt Management Expenses	M	16	9	(7)
HRS Trading (Surplus) / Deficit	N	0	(33)	(33)
Net Cost of Service	O	(5,530)	(5,599)	(69)
Loan Charges Interest	P	2,331	2,264	(68)
Investment/Mortgage Interest	Q	(428)	(669)	(241)
Net Operating Inc/Exp	R	(3,626)	(4,004)	(378)
Major Repairs Reserve Adjustment	T	3,423	3,109	(315)
Transfers to/from reserves	U	304	282	(22)
(Surplus)/Deficit in Year	V	101	(613)	(714)

Housing Revenue Account Variances – Quarter 3

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

Ref		£	Reason for variance
	<u>Reduced Income</u>		
C	Court Costs	40,000	Reduction in recovered income from court costs as less cases in year than anticipated.
	<u>Increased Income</u>		
Q	Investment Interest	(241,230)	Increased investment income as a result of higher interest rates.
D2	Supervision & Management - General	(159,000)	Increase in admin overhead recharges to capital on external contracts.
A	Gross Rental Income	(148,070)	Additional rental income as a result of higher than budgeted opening housing stock levels.
B	Non Dwelling Rents	(41,500)	Reduction in void loss garage rental income
N	HRS Surplus/Deficit	(32,880)	Estimated HRS surplus position (refer to further detail in Section 5 and Appendix F).
	<u>Reduced Expenditure</u>		
E	Repairs & Maintenance - HRS	(825,180)	Reduced HRS expenditure on Voids (£664k), Aids and Adapts (£138k) and Cleansing (£23k), wholly offsetting the increase on Responsive Repairs costs below (net underspend £724k).
T	Major Repairs Reserve Adjustment/Direct Revenue Finance	(314,520)	Reduced contribution to Major Repairs Reserve to offset the increase in depreciation costs following revaluations of properties in year
F	Supervision & Management	(119,590)	Reduced expenditure on Employee Costs due to staff vacancies, offset by agency costs below.
E	Repairs Account	(118,320)	Reduced expenditure on HRA Repairs programme due to a change in nature between capital and revenue costs with more costs being eligible to be capitalised.
P	Loan Charges Interest	(67,560)	Reprofiling of loans and adequate resources resulting in reduction in planned borrowing costs.

Ref		£	Reason for variance
	<u>Increased Expenditure</u>		
E	Repairs & Maintenance - HRS	723,590	Increased HRS expenditure on Responsive Repairs (£724k), offset by underspend above (net underspend £102k).
K	Depreciation	314,520	Increase in depreciation costs following revaluation of housing stock, offset by a Major Repairs reserve reduction above.
F1	Supervision & Management – General	119,390	Impact of National Employers pay award settlement in excess of budgeted assumptions.
F1	Supervision & Management – General	47,260	Cost of agency staff to cover staff vacancies within Supervision & Management, offset by Vacancy savings above.
F1	Supervision & Management – General	66,250	Membership Fee increases on Housing Ombudsman, and additional Regulator of Social Housing annual subscription costs.
F1	Supervision & Management – General	74,230	Increased expenditure primarily due to additional Housing IT costs
E	Repairs Account	56,170	Gas Servicing of Central Heating increase in market prices and addition of relet costs.
F1	Supervision & Management – General	50,850	Caretakers fly tipping cost increase

HOUSING REPAIRS SERVICE SUMMARY – AS AT 31 DECEMBER 2024

	Revised Budget £'000	Projected Outturn £'000	Variance £'000
Employees	4,107	3,703	(404)
Premises	193	166	(27)
Transport	440	416	(23)
Materials	1,561	1,503	(58)
Sub-Contractors	2,635	3,696	1,062
Supplies & Services	323	469	146
Central Support Charges	707	707	0
Capital Charges	0	0	0
Total Expenditure	9,965	10,660	696
Income	(9,965)	(10,693)	(728)
(Surplus)/Deficit	0	(33)	(33)

Housing Repairs Service Variances – Quarter 3

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

	£	Reason for Variance
<u>Reduced Expenditure</u>		
Employee Costs	(450,898)	Vacancies within the Operative staff.
Premises	(26,650)	Reduction in utility forecasts due to delay in depot being in use.
<u>Increased Expenditure</u>		
Sub-Contractors	1,061,711	Increased use of sub-contractors to meet void turnaround targets, new work streams and impact of Hermit Street properties becoming available.
Skip Hire	103,648	Increased usage of skips due to delay to the use of Hiab.
National Pay Award	46,570	Impact of the National Employers pay settlement, in excess of budget assumptions.
<u>Increased Income</u>		
Response Repairs, Quoted Jobs & Other Income	(975,436)	Higher level of responsive work carried out by HRS Operatives, as a result of a switch in the nature of HRS works between voids and responsive repairs, generating increased income through the internal overhead recovery rate.
<u>Reduced Income</u>		
Voids, Aids & Adapts and Cleansing Works Income	247,038	Reduced income as a result of sub-contractor costs on overhead recovery and old SOR rates used for billing (pending update). Voids works at £85k, Aids & Adapts £138k and Cleansing works at £23k.

EARMARKED RESERVES – Q3 MONITORING 2024/25

	Revised Opening Balance	In Year Increase	In Year Decrease	Forecast Closing Balance
	01/04/2024			31/03/2025
	£'000	£'000	£'000	£'000
General Fund				
Budget Carry Forwards	523	-	(195)	328
Grants & Contributions	1,456	45	(424)	1,077
Active Nation Bond	100	-	(60)	40
AGP Sinking Fund	102	50	(50)	102
Air Quality Initiatives	22	-	-	22
Birchwood Leisure Centre	106	20	-	126
Business Rates Volatility	916	53	-	969
Christmas Decorations	14	-	-	14
City Centre Masterplan	75	-	-	75
City Hall Improvement Works	50	-	-	50
City Hall Sinking Fund	60	-	-	60
Climate Change Initiative & Biodiversity	49	27	-	75
Commons Parking	28	15	-	43
Corporate Maintenance	100	-	-	100
Corporate Training	71	-	(26)	45
Council Tax Hardship Fund	-	-	-	-
Countywide Devolution Work	16	-	1	15
Covid19 Recovery	1,047	-	(200)	847
Covid19 Response	354	-	-	354
CX Capacity	56	-	(56)	-
Electric Van replacement	31	4	-	35
HiMO CPN Appeals	110	1	-	111
Income Volatility Reserve	520	120	(170)	520
Inflation Volatility Reserve	466	-	(184)	282
Invest to Save (GF)	350	16	(88)	278
IT Reserve	393	71	-	463
Lincoln Lottery	9	-	-	9
Mayoral Car	7	-	-	7
MSCP & Bus Station Sinking Fund	195	47	-	242
Private Sector Stock Condition Survey	51	12	(52)	11
Professional Trainee Scheme	90	-	-	90
Residents Parking Scheme	-	5	-	5
Revenue & Benefits Community Fund	54	-	-	54
Section 106 Interest	32	-	-	32
Staff Wellbeing	28	-	-	28
Tank Memorial	10	-	-	10
Tree Risk Assessment	86	-	25	61
Unused DRF	271	405	(554)	121

Vision 2025/Vision 2030	386	327	(304)	408
	8,234	1,218	(2,391)	7,061
HRA				
Capital Fees Equalisation	110	-	-	110
Cyclical Smoke Alarm/CO2 Detector Testing	0	128	-	128
De Wint Court	73	-	-	73
De Wint Court Sinking Fund	113	71	-	184
Disrepairs Management	287	-	(32)	255
Housing Business Plan	842	-	(166)	676
Housing Repairs Service	76	-	(69)	7
HRA IT	170	365	-	535
HRA Electrical Testing	0	120	-	120
HRA Repairs Account	1,351	-	(90)	1,261
Housing Strategic Priority	764	-	-	764
HRS Social Value	111	47	-	158
Invest to Save (HRA)	375	-	(44)	331
NSAP/RSAP Sinking Fund	18	9	-	27
Regulator of Social Housing	180	-	(26)	154
Strategic Growth Reserve	5	-	-	5
Tenant Satisfaction Survey	31	8	-	39
	4,507	747	(426)	4,828
Total Earmarked Reserves	12,741	1,965	(2,817)	11,889

CAPITAL RESOURCES – Q3 MONITORING 2024/25

	Opening balance 01/04/24	Contributions	Used in financing	Forecast balance 31/03/25
	£'000	£'000	£'000	£'000
Capital Grants/Contributions General Fund	0	12,557	(12,557)	0
Capital Grants/Contributions HRA	275	1,155	(1,155)	275
Capital receipts General Fund	1,663	0	(74)	1,589
Capital receipts HRA	2,560	1,059	(404)	3,215
Capital receipts 1-4-1	3,780	1,951	(732)	4,999
Major Repairs Reserve	23,734	11,936	(13,672)	21,998
GENF DRF	141	5,683	(5,683)	121
Total Capital Resources	32,153	34,321	(34,277)	32,197

Currently the HIP has schemes planned to facilitate use of all 1:4:1 receipts with no repayment required in 24/25.

General Investment Programme – Summary of Expenditure as at 31st December 2024

<u>GENERAL INVESTMENT PROGRAMME</u>	Budget 2024/25 - Reported at Q2	Q3 Budget Increase / Decrease	2024/25 Revised Budget	Actual Expenditure 31/12/24	2024/25 % Spend to Revised Budget
<u>Housing and Investment</u>					
Housing Renewal Area Unallocated	298,152	(298,152)	0	0	0.00%
Housing and Investment Total	298,152	(298,152)	0	0	0.00%
<u>DCE - Health and Environmental Services</u>					
Better Care Fund (was Disabled Facilities Grant)	2,159,391	(764,180)	1,395,211	740,531	53.08%
Yarborough Leisure Centre - Energy Efficiency	644,350	(264,350)	380,000	87,571	23.05%
Yarborough Leisure Centre - Equipment	80,000	0	80,000	80,084	100.11%
DCE - Health and Environmental Services Total	2,883,741	(1,028,530)	1,855,211	908,186	48.95%
<u>DCE - Community Services</u>					
Traveller deterrent	6,200	0	6,200	0	0.00%
DCE - Community Services Total	6,200	0	6,200	0	0.00%
<u>DCE - Planning & City services</u>					
Car Parking Software	14,337	0	14,337	8,663	60.42%
St Mary's Guildhall (HAZ)	0	0	0	(90)	0.00%
Central Car Park - new payment system	0	100,000	100,000	0	0.00%
Windmill View	2,172	0	2,172	(6,196)	(285.27)%
DCE - Planning & City services Total	16,509	100,000	116,509	2,377	2.04%
<u>Chief Executive Corporate Policy</u>					
New Telephony System	5,558	(5,558)	0	0	0.00%
Chief Executive Corporate Policy Total	5,558	(5,558)	0	0	0.00%

<u>GENERAL INVESTMENT PROGRAMME</u>	Budget 2024/25 - Reported at Q2	Q3 Budget Increase / Decrease	2024/25 Revised Budget	Actual Expenditure 31/12/24	2024/25 % Spend to Revised Budget
<u>Chief Executive Chief Finance Officer</u>					
Allotments Asbestos Sheds	33,795	(33,795)	0	0	0.00%
City Hall Level 2 Ceiling & lights	22,961	0	22,961	0	0.00%
City Hall Refurb level 3 toilets	39,930	0	39,930	0	0.00%
Greyfriars - Phase 2 Delivery	2,662,787	(1,688,543)	974,244	249,530	25.61%
Lincoln Central Lifts	150,000	(150,000)	0	0	0.00%
Michaelgate	75,000	0	75,000	74,607	99.48%
Planned Capitalised Works	281,104	(281,104)	0	0	0.00%
Sudbrooke Drive CC Shower refurb	34,700	0	34,700	0	0.00%
Victoria St Car Park Wall	99,260	0	99,260	0	0.00%
Yarborough LC mansafe system	12,000	0	12,000	0	0.00%
Chief Executive Chief Finance Officer Total	3,411,537	(2,153,442)	1,258,095	324,137	25.76%
<u>Major Developments</u>					
Central Markets	2,000	(2,000)	0	0	0.00%
Central Markets (All Funding Streams)	283,583	2,000	285,583	(57,974)	(20.30)%
Lincoln Transport HUB	0	0	0	(27,861)	0.00%
TD Sincil Bank Gateway & Greening Project	555,028	0	555,028	61,449	11.07%
TD Tentercroft Street	312,000	(312,000)	0	0	0.00%
The Terrace Heat Mitigation Works	0	0	0	0	0.00%
Towns Deal Programme Management	75,970	0	75,970	16,240	21.38%
UKSPF (Shared Prosperity Fund)	0	0	0	0	0.00%
UKSPF Belmont Street Our Community Bakery	130,000	0	130,000	0	0.00%
UKSPF Moorland Community Hub	70,000	0	70,000	71,925	102.75%
UKSPF Sudbrooke Drive Hub	230,288	0	230,288	129,699	56.32%
WGC Housing Delivery	2,796,850	0	2,796,850	212,803	7.61%
WGC Phase 1b Bridges	10,052,140	0	10,052,140	6,424,168	63.91%
WGC Shared Infrastructure	1,011,645	0	1,011,645	1,763,022	174.27%

<u>GENERAL INVESTMENT PROGRAMME</u>	Budget 2024/25 - Reported at Q2	Q3 Budget Increase / Decrease	2024/25 Revised Budget	Actual Expenditure 31/12/24	2024/25 % Spend to Revised Budget
WGC Site Wide Costs	19,487	305,000	324,487	138,824	42.78%
WGC Wider 1b Site Costs	73,810	0	73,810	85,585	115.95%
Major Developments Total	15,612,801	(7,000)	15,605,801	8,817,880	56.50%
TOTAL ACTIVE SCHEMES	22,234,498	(3,392,682)	18,841,816	10,052,580	53.35%
<u>Schemes Currently Under Review</u>					
Compulsory Purchase Orders	0	0	0	0	0.00%
IT Reserve	74,334	0	74,334	0	0.00%
Schemes Currently Under Review Total	74,334	0	74,334	0	0.00%
TOTAL CAPITAL PROGRAMME EXCLUDING EXTERNALLY DELIVERED SCHEMES	22,308,832	(3,392,682)	18,916,150	10,052,580	53.14%
<u>Externally Delivered Town's Deal Schemes</u>					
TD Lincoln Connected	577,968	0	577,968	540,384	93.50%
TD Sincil Bank	2,234,696	(2,234,696)	0	0	0.00%
TD Wigford Way	244,708	(244,708)	0	0	0.00%
TD Lincoln City FC & Foundation	0	250,960	250,960	0	0.00%
TD Hospitality Events & Tourism Institute (HEAT)	0	101,280	101,280	0	0.00%
TD Drill Hall Development	0	114,160	114,160	0	0.00%
TD Barbican Production & Maker Hub	1,700,000	148,960	1,848,960	617,268	33.38%
TD Store of Stories	28,000	186,480	214,480	28,000	13.05%
TD LSIP	800,000	(800,000)	0	0	0.00%
Externally Delivered Town's Deal Schemes Total	5,585,372	(2,477,564)	3,107,808	1,185,652	38.15%
Grand Total	27,894,204	(5,870,246)	22,023,958	11,238,232	51.03%

Housing Investment Programme – Summary of Expenditure as at 31st December 2024

<u>HOUSING INVESTMENT PROGRAMME</u>	Budget 2024/25 - Reported at Q2	Q3 Budget Increase / Decrease	2024/25 Revised Budget	Actual Expenditure 31/12/24	2024/25 % Spend to Revised Budget
<u>Decent Homes</u>					
Bathrooms & WC's	500,000	0	500,000	233,224	46.64%
DH Central Heating Upgrades	2,016,960	0	2,016,960	1,579,668	78.32%
Door Replacement	1,034,000	(200,000)	834,000	441,672	52.96%
Fire Compartment works	50,000	0	50,000	2,675	5.35%
Fire Doors	300,000	(100,000)	200,000	80,468	40.23%
Kitchen Improvements	1,190,000	490,000	1,680,000	852,707	50.76%
Lincoln Standard Windows Replacement	1,183,000	0	1,183,000	986,563	83.40%
New services	75,000	0	75,000	52,790	70.39%
Re-roofing	100,000	0	100,000	484	0.48%
Rewiring	20,000	0	20,000	0	0.00%
Structural Defects	100,000	0	100,000	10,154	10.15%
Thermal Comfort Works	50,000	(42,000)	8,000	0	0.00%
Aids & Adaptions	50,000	0	50,000	46,879	93.76%
Void Capitalised Works	2,300,000	0	2,300,000	233,970	10.17%
Decent Homes Total	8,968,959	148,000	9,116,959	4,529,902	49.69%
<u>Health and Safety</u>					
Asbestos Removal	198,702	0	198,702	87,553	44.06%
Asbestos Surveys	133,763	0	133,763	45,920	34.33%
Fire Alarms	0	9,062	9,062	9,062	100.00%
Renew stair structure	25,000	(25,000)	0	0	0.00%
Replacement Door Entry Systems	288,846	(50,000)	238,846	10,679	4.47%
Health and Safety Total	646,311	(65,938)	580,373	153,214	26.40%
<u>IT/Infrastructure</u>					

Housing Support Services Computer Fund	306,441	0	306,441	190,455	62.15%
Telephony	5,558	(5,558)	0	0	0.00%
IT/Infrastructure Total	311,999	(5,558)	306,441	190,455	62.15%
<u>Lincoln Standard</u>					
Over bath showers (10 year programme)	36,450	0	36,450	0	0.00%
Lincoln Standard Total	36,450	0	36,450	0	0.00%
<u>Other Current Developments</u>					
CCTV	0	0	0	0	0.00%
Communal Electrics	160,000	(8,000)	152,000	60,059	39.51%
Communal TV Aerials	5,000	8,000	13,000	9,799	75.38%
Environmental works	500,000	(200,000)	300,000	140,245	46.75%
Garages	60,000	0	60,000	0	0.00%
Hiab and Mule	130,689	0	130,689	130,689	100.00%
HRA Buildings	81,639	(81,639)	0	0	0.00%
Landscaping & Boundaries	200,000	0	200,000	112,389	56.19%
Other Current Developments Total	1,137,327	(281,639)	855,689	453,180	52.96%
HOUSING INVESTMENT TOTAL	11,101,047	(205,135)	10,895,912	5,326,751	48.89%

<u>HOUSING INVESTMENT PROGRAMME</u>	Budget 2024/25 - Reported at Q2	Q3 Budget Increase / Decrease	2024/25 Revised Budget	Actual Expenditure 31/12/24	2024/25 % Spend to Revised Budget
<u>HOUSING STRATEGY AND INVESTMENT</u>					
<u>New Build Programme</u>					
Property Acquisitions	2,546,991	106,507	2,653,498	1,282,072	48.32%
New Build Capital Salaries	46,953	0	46,953	0	0.00%
SCLT Right to Buy Grant Scheme	0	78,219	78,219	0	0.00%

New Build Site – Hermit Street	1,995,857	0	1,995,857	1,911,982	95.80%
New Build Site - Jasmin Green	50,000	0	50,000	0	0.00%
Ermine Church Land	349,893	0	349,893	340,000	97.17%
Western Growth Corridor	1,340,941	0	1,340,941	0	0.00%
New Build Programme Total	6,330,635	184,726	6,515,361	3,534,054	54.24%
HOUSING STRATEGY AND INVESTMENT TOTAL	6,330,635	184,726	6,515,361	3,534,054	54.24%
TOTAL HOUSING INVESTMENT PROGRAMME	17,431,682	(20,409)	17,411,273	8,860,805	50.89%

TFS Phase7 programme: progress at Q3 – 2024/2025

Service	Summary of project	Dir.	Total savings in 2024/25	GF savings in 2024/25	HRA savings in 2024/25	Comments
			£000's	£000's	£000's	
ACTIONS COMPLETED AS OF END Q3 2024/25						
Major Developments	Maximise Towns Fund/Review of workspaces	DMD	46	39	6	Complete
Workbased Learning	Review of Workbased Learning	CX	86	50	36	Complete for 24/25 – future business case required
TOTAL			131	89	42	

EXECUTIVE**24 FEBRUARY 2025****SUBJECT: MEDIUM TERM FINANCIAL STRATEGY 2025 - 2030****DIRECTORATE: CHIEF EXECUTIVE AND TOWN CLERK****REPORT AUTHOR: JACLYN GIBSON, CHIEF FINANCE OFFICER****1. Purpose of Report**

- 1.1 To recommend to the Executive the Medium-Term Financial Strategy for the period 2025-2030 and the budget for 2025/26, for referral to Full Council.
- 1.2 To recommend to the Executive the Capital Strategy 2025-2030 for referral to Full Council.

2. Executive Summary

- 2.1 The refresh of Medium-Term Financial Strategy (MTFS) needs to be seen in the context of a high level of financial uncertainty for the Council in relation to future Government funding levels. Significant changes to future public sector departmental spending through the Spending Review 2025, the allocation of this funding to local government through reforms to the distribution methodologies, and the implementation of a Business Rates Reset, are as yet unknown but all of which have the potential to fundamentally affect the Council's funding trajectory and MTFS.
- 2.2 In addition, the announcement of the English Devolution White Paper, which sets out the Government's plans to widen and deepen devolution in England and reform local government structures, could have fundamental implications for all tiers of local government.
- 2.3 Furthermore, the Council continues to face cost and demand pressures, along with pressures on income streams and new statutory requirements. Inflation, pay awards, national insurance contribution increases, higher maintenance and construction costs, higher borrowing costs and reductions in local income streams all have a significant impact on the Council's cost base. The Council also continues to see increased demand for services, by those who rely on the safety net provided by local government, driven in part by the cost-of-living crisis and housing shortfall. In addition, new regulatory and statutory requirements add further cost pressures particularly in relation to recycling and housing standards/building safety.
- 2.4 As a result of these factors, the Council, and local government as a whole, are yet again having to update their medium-term financial strategies in an uncertain environment. It is a long time since the Council had any stability and certainty beyond a one-year timeframe, which makes financial planning, and the subsequent impact on service delivery, in this climate extremely challenging.
- 2.5 Alongside the financial pressures and funding uncertainty that it is facing, the Council

still needs to ensure that its financial resources are directed towards delivery of its vision and priorities. Following the natural conclusion of the Council's strategic plan, Vision 2025, the new Vision 2030 builds upon its progress and presents a roadmap to address today's most pressing issues while embracing opportunities for the future, progressing a vision for both the City and Council through to 2030. Recognising the potential impacts of national policy changes in a number of areas, alongside devolution and local government reform, the action plans supporting Vision 2030 prioritise its first 12 to 18 months, ensuring adaptability to legislative, policy and economic changes.

2.6 The development of Vision 2030 also acknowledges that the Council still has a significant financial savings target to realise over the period of the MTFS, so there does have to be a careful balance between delivering a range of new projects that will make a real difference for the City and the need to keep tight control of the council's financial position.

2.7 Set against this backdrop and in line with the Council's overall financial objectives, the key elements of the 2025/26 budget and the Medium-Term Financial and Capital Strategies 2025-30 are as follows:

- Facilitating capital investment in the City of c£105m over the 5 year MTFS, supporting the local economy by providing opportunities for business, providing employment opportunities, encouraging inward investment in the city, promoting growth and the overall attractiveness of Lincoln as a place to live, work and visit, all of which should result in increased revenue streams to the Council in future years.
- Reprioritising and reallocating resources to the strategic priorities, including the development of the new Vision 2030 and initial priorities and actions that the Council will focus on during the first 12-18 months.
- Balancing the need to increase levels of Council Tax and Housing Rents to reflect the Council's increased operating costs, whilst ensuring increases are kept at an acceptable level and that support is provided to the most vulnerable, with Council Tax increases of 2.9% and Housing Rent increases of 2.7% for 2025/26.
- Delivery of a phased savings target, requiring total annual savings of £1.75m, to be achieved by 2027/28, in order to ensure the Council meets its overriding objective of driving down its net cost base to ensure a sound and sustainable financial position is maintained.
- Continuing with the One Council approach to service transformation, for instance, making new use of technology and improving how these systems operate, continuing with progress to enable access to more services electronically online and self- service by customers, while supporting those who are digitally excluded. Also, by continuing to review the use of the Council's buildings and assets championing shared facilities and co-location.
- The use of additional 'one-off' resource and reserves to bridge gaps in the

finances and to smooth the level of savings required, over the first two years pending the outcome of local authority funding reforms and further clarity in relation to the Devolution White Paper. This is a short-term measure only.

- 2.8 The Council will continue to build on its past, successful, financial planning approach driving down the net cost of services by implementing changes in the way in which it operates and delivers services, while continuing to prioritise investment in the City and its economy to grow future tax bases. Adopting this approach will ensure that the Council carefully balances the allocation of resources to its Vision 2030 and strategic priorities, whilst ensuring it maintains a sustainable financial position and delivers the required reductions in its net cost base.
- 2.9 Prior to submission of the MTFS 2025-2030 and the budget to the Executive and Full Council, public consultation and member scrutiny has been undertaken.

3. Background

- 3.1 The MTFS sets out the overall framework on which the Council plans and manages its financial resources to ensure that they fit with, and support, the direction of the Council's vision and strategic priorities.
- 3.2 The MTFS integrates revenue allocations, savings targets and capital investment and provides the budget for the next financial year and provides indicative budgets and future council tax and housing rent levels for the period covered by the strategy.
- 3.3 In light of the uncertainty the Council faces in its financial planning assumptions and the forthcoming reforms to local authority funding mechanisms, which are likely to result in reduced resources for the Council, the existing objectives of the MTFS have been reviewed to ensure they remain relevant. As a result, the key overriding objective continues to be;
- To drive down the Council's net cost base, in line with available resources, to ensure it maintains a sound and sustainable financial base, delivering a balanced budget over the life of the MTFS;

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

- To ensure the Council uses its reserves and balances carefully, seeking to maintain robust levels and replenishing where necessary, to address any future risks and unforeseen events, without jeopardising key services and the delivery of outcomes;
- To seek to maximise income levels, through growth in the Council Tax and Business Rates tax bases, whilst ensuring that Council Tax rate increases are kept at an acceptable level;
- To ensure that the Council's limited resources are directed towards its Vision and strategic priorities, redirecting where necessary to allow for improvement and investment.

- To ensure the Council provides efficient, effective and economic services which demonstrate value for money.

- 3.4 Over the last decade and a half, the Council, alongside the majority of other local authorities, has experienced unprecedented financial challenges in various forms. Councils have had to adapt to; the impact of severe, unprecedented, central government funding reductions; radical reform of the methodology for funding local government - where councils are self-sufficient funded from local taxes with limited reliance on Central Government, changes in the use and demand for services; as well as escalating costs. The reform of the methodology of funding local government has in particular transferred a significant amount of financial risk and uncertainty to local authorities, creating a greater degree of uncertainty over the budget planning parameters for the Council than was experienced previously.
- 3.5 Despite the significant reduction in income and increasing expenditure, the Council has, in recent years, been successful in protecting core services most needed by local residents and businesses, while still delivering plans for growth and maintaining a sound financial position. Although, given the scale of the savings delivered, this has required the Council to take some difficult decisions in terms of which services it continues to provide. This is an approach that has served the Council well and allowed savings of nearly £10.5m to be delivered over the last decade and half.
- 3.6 Looking ahead, the financial and operational landscape for local government continues to pose a high level of uncertainty, with a number of significant unknowns in relation to; the level of overall resources for local government following the Spending Review, the distribution of these resources to individual authorities following implementation of local authority funding reforms and the potential for local government re-organisation. Therefore, in order to ensure that the Council maintains a robust and sustainable financial position and is able to respond to the impact of external events and increased financial risks that it faces, the MTFS needs to remain flexible, the council's reserves resilient and the sound track record of delivering savings needs to be sustained, whilst ensuring that resources are directed towards its vision and strategic priorities.

4. The General Fund

- 4.1 The Council's General Fund budget covers the day to day running cost of providing all of its services with the exception of Council Housing. Excluding the cost of Housing Benefit payments, the gross expenditure budget of the General Fund is c£48m per year. After allowing for service income through fees and charges, contributions and grants etc, the net budget for the General Fund in 2025/26 will be £14.832m. This net budget is then funded through Business Rates and Council Tax.

4.2 Spending Pressures

Over the past twelve months the Council has continued to face cost and demand pressures, along with pressures on income streams and new statutory requirements. Inflation, pay awards, national insurance contribution increases, increased maintenance and construction costs, higher borrowing costs and reductions in local income streams all have a significant impact on the Council's cost base. In addition,

the Council continues to see increased demand for services, by those who rely on the safety net provided by local government, driven in part by the cost-of-living crisis and housing shortfall. Together, these factors create a situation of the Council's cost base increasing at a greater pace than the funding received from local taxation and Government funding. In total these pressures have increased the Council's cost base by an average of £0.500mp.a.

4.3 Spending Plans

Despite these additional cost pressures, the Council continues to ensure that its limited resources are directed towards its strategic plan. As set out above the Council's current strategic plan, Vision 2025 comes to a natural conclusion in March 2025 and a new plan, Vision 2030 has been developed. The MTFS provides for the allocation of £1m of revenue resources to support the new Vision 2030, this is a one-off allocation and will be released in phases over the 5-year plan, with an initial allocation of £0.482m in 2025/26. These additional resources have been made available as a result of previous years underspends and from additional resources allocated in the Finance Settlement and the continuation of business rates pooling in 2025/26. In addition, other revenue resources from existing budgets and earmarked reserves will also support the delivery of new actions and projects in Vision 2030.

4.4 Alongside the delivery of actions and projects that form part of Vision 2030, the Council also continues to deliver its day to day services in support of its strategic priorities. Together these create a mix of deliverables against each of the five strategic priorities, funded through the General Fund, with some key highlights as follows:

- Let's drive inclusive economic growth
 - Continue to develop the Council's workspaces and business premises offer for start-up and small businesses and the provision of a small business support team costing £0.240m per year.
 - Support to and expansion of the Cornhill Market and City Square offer with the creation of a new events package and further investment of £0.050m.
 - Provision of a sustainable and free for all events programme for the City with annual spend of c£0.275m.
 - Progress work on the City Centre Masterplan, which will facilitate the delivery of new schemes across the City.
- Let's reduce all kinds of inequality
 - Development of an Anti-Poverty Strategy and action plan and delivery of agreed interventions and continued delivery of a range of cost-of-living support activities with funding of c£0.100m
 - Supporting the local ward councillor's role with the development of a community engagement toolkit.
 - Provision of a Welfare Advice and Welfare Reform Support Services costing £0.310m per year, enabling just under c£1.6m of additional benefits entitlement to be claimed within the City and administering cost-of-living support schemes, financial inclusion projects and welfare advice.

- Maintaining a no change scheme in respect of Local Council Tax Support. The scheme still provides a maximum entitlement of 100% and costs the Council c£1.3m per year.
- Undertaking neighbourhood working, currently focusing on the Sincil Bank revitalisation but with a managed transition ready for future neighbourhoods, working in partnership and with the communities to make them a better place to live and work, with a dedicated team and community chest funding of £0.218m per year.
- Let's deliver quality housing (majority of key deliverables are within the Housing Revenue Account)
 - Delivery of Homelessness & Rough Sleeping Initiatives totalling £1.87m in 2025/26 (primarily funded through external grant)
 - Review options and agree proposals to address temporary accommodation challenges.
 - Implementation of the Renters Right Bill and new investigatory powers for Council's with investment of £0.030m to deliver initial interventions.
- Let's enhance our remarkable place
 - Annual spend of c£2.3m on street cleansing covering 350km of roads/paths and 30,000sqm of pedestrian areas, including a new annual City Centre Spring Clean.
 - Annual spend of c£3.7m on refuse and recycling, collecting from around 46,000 domestic properties, with a new contract to be implemented in 2026 and the roll out of a City-wide, weekly, food waste collection service.
 - Annual spend of £1.6m on providing and maintaining parks and open spaces within the City, including Hartsholme County Park, Boutham Park, the Arboretum and the Lawn, recreational grounds and commons and Hope Wood.
 - Provision of a range of public protection, regulatory and anti-social behaviour services focussed on ensuring community and environmental safety and protection of the built environment, totalling £1.8m per year, including additional investment in 2025/26 of £0.095m.
- Let's address the challenge of climate change
 - Facilitating and delivering a range of climate change initiatives in the Climate Action Plan, through a dedicated Climate Change Manager.
 - Investment of £0.045m to deliver a Carbon Literacy Campaigns and pilot a programme to support businesses in their carbon reduction journey.

Further details of all of the actions and projects supporting the vision and strategic priorities are included within the new Vision 2030.

4.5 Resources

Local Government Finance Settlement 2025/26

The 2025/26 Settlement is for one year only (the seventh consecutive one-year

settlement) and is effectively a 'stopgap settlement'. Published in parallel with the Settlement, was a consultation paper on future finance reform, confirming the Government's intention to deliver a multi-year settlement next year, aligned to the time horizon of the planned Spending Review, and embodying a broad reform of the system for allocating resources.

- 4.6 The Settlement sets out the Council's Core Spending Power which consists of; its Settlement Funding Assessment (SFA) made up of Revenue Support Grant (RSG) and Business Rates (BRR) baselines figures; along with other specific grant allocations; and an assumed level of Council Tax. Overall, the Council's Core Spending Power (CSP) has increased by 1.2% in comparison to an increase of 6.8% across all English local authorities. In comparison, Shire District Councils have received the lowest levels of CSP increase of all authority types, with an average increase of 1.4%, this includes funding for NIC costs and also assumes that the authorities use the full Council Tax flexibility available (i.e. higher of 3% or £5 increase). However, additional funding outside of CSP, through Extended Producer Responsibility payments (see para 4.14) will result in many Districts receiving a greater real-terms increase in overall funding, as is the case for the Council.

4.7 Revenue Support Grant

In terms of the Council's RSG element of the SFA, the figure for 2025/26 announced in the Settlement was at the same level as the 2024/25 allocations uplifted by 1.7% in line with CPI inflation. There have also been a number of smaller grants rolled in, e.g. Tenant Satisfaction Measures, Election Integrity Programme etc. The Council's allocation for 2025/26 is £0.226m and the MTFS assumes that the grant will continue at this level thereafter.

4.8 Business Rates Retention (BRR)

The calculation of income to be received through BRR is critical in determining the amount of resources that the Council will have available to fund local services.

- 4.9 The Council has undertaken an assessment of the amount of business rates that it expects to collect during 2025/26, based on this and after allowing for the allocation of resources to Central Government and to the County Council it is estimated that £7.119m of the £42.595m of business rates generated within the City will be retained by the Council.
- 4.10 Beyond 2025/26 forecasting the level of Business Rates income to be retained is extremely challenging due to a lack of detail around the proposed reset of baselines and changes to the level of underlying need. These reforms, have the potential to wipe out the majority of the accumulated gains the Council has achieved since the launch of the current system in 2013/14 and return income to the Council's baseline levels. In 2025/26 the accumulated growth to the Council is c£2.2m p.a, of which it retains £1.1m. The assumptions and forecasts will continue to be assessed as further information regarding the design and implementation of the reforms, including any transitional arrangements, are made available.
- 4.11 The level of retained business rates is calculated on the basis that the Council

participates in the Lincolnshire Business Rate Pool in 2025/26. The pool consists of this Council, Lincolnshire County Council and the six other Lincolnshire District Councils. Membership of the pool allows the Council to retain an element of growth that would have otherwise been payable via a levy to the Government, this equates to additional retained resources of £0.663m in 2025/26. As the business rates reset is set to be implemented in 2026/27, it is assumed that pooling will not continue beyond 2025/26.

4.12 Other Specific Grants

In addition to RSG the Council also receives a number of other specific grants as part of its CSP, these include:

- Recovery Grant - a new grant worth £600 million was announced as part of the 2025/26 Settlement. This has been distributed to places with greater need and demand for services (using deprivation as a proxy for this), and which are least able to fund their own services locally. The grant has allocated funding to where the numbers of vulnerable people who rely on council services are highest, and the ability to fund need locally is weakest. This is intended to correct the inefficiency of the current system and put councils in the most deprived areas on a more stable footing. The Council's allocation for 2025/26 is £0.414m. The MTFS assumes an ongoing grant allocation beyond 2025/26 of £0.414m p.a.
- New Homes Bonus – an allocation of £0.027m has been awarded for 2025/26. Beyond 2025/26, the future of NHB is unclear, therefore the MTFS does not assume any grant beyond 2025/26.
- National Insurance – total new funding of £515m has been allocated to support councils to mitigate the impact of the increase in employer National Insurance Contributions on their budgets. The Council's allocation for 2025/26 is £0.184m, this is significantly below the costs to be incurred which are c£0.390m p.a.
- Land Drainage Levies – in 2023/24 and 2024/25 the Council received grant allocations to support local authorities that pay Internal Drainage Board Levies, on a one-off basis. While a further £5m of funding was announced as part of the Settlement, the distribution of this has not yet been confirmed. While the Council expects to receive an allocation, the MTFS does not assume any funding in 2025/26 or future years.

4.13 Extended Producer Responsibility (EPR) Payments

EPR is a new scheme that requires producers of packaging to pay for the cost of recycling that packaging. The Government's intention is to use the income from the scheme in the local government funding system, which would include reviewing the impact of this income on relative needs and resources of individual authorities. Additional income of c£1.1bn p.a. is expected to be received by authorities through implementation of the scheme.

4.14 The Autumn Budget stated that for 2025/26 this will be treated as 'new money', but it may be netted off in the Settlement in future years. This is an important 'one-off' boost, particularly for District Councils in light of their lower-than-average increases in CSP and will provide them with a 1.6% real terms increase in funding in 2025/26. The Council's provisional allocation for 2025/26 is £1.424m.

4.15 Until the Government sets out how this significant funding stream will affect the wider local government finance system beyond 2025/26, i.e. it plans to assess the impact of additional EPR income on the relative needs and resources of individual local authorities, and how it factors it into its measurement of local authority spending power, then it isn't possible to assess whether this will be ongoing, additional, funding for local authorities. The MTFS does not therefore assume any allocations beyond 2025/26.

4.16 Council Tax

The Localism Act 2011 introduced a power for residents to approve or veto excessive council tax increases. This means that any local authority setting an excessive increase, as set by the Secretary of State, would trigger a referendum of all registered electors in their area. The Government confirmed in the Provisional Local Government Finance Settlement that the referendum principles for 2025/26 will be same as the previous two years, i.e. for core council tax (3%), shire districts (3% or £5, whichever is higher), and the adult social care precept (2%). This will give local authorities greater flexibility to set Council Tax levels based on the needs, resources and priorities of their area, while protecting local taxpayers.

4.17 In view of this and taking into consideration the Council's need to protect its financial position from further decline and maintain its local income streams, the MTFS for consideration proposes a 2.9% rise in Council Tax for 2025/26, and a further 1.9% p.a. in each of the subsequent years. An increase of 2.9% in 2025/26 equates to an additional 12p per week for a Band A property and 13p per week for a Band B property (80% of properties fall within Band A and B), with a Band D equivalent of £316.98.

4.18 Fees & Charges

The MTFS assumes that the Council will raise £12.672m from fees and charges in 2025/26. The mean average overall increase in the non-statutory fees and charges is 3.4%, with a modal increase of 0%.

Bridging the Funding Gap

4.19 Whilst there are a number of key uncertainties and variables in the Council's financial planning assumptions, what is certain is that the Council continues to face a significant financial challenge, one which it must address if it is to remain financially sustainable in the medium term.

4.20 In the short term, primarily as a result of additional, one-off, resources being available in 2025/26, (through EPR funding and the continuation of Business Rates pool), there is financial capacity to cushion the impact of the cost pressures and

allow a lower level of savings targets to be set. However, beyond this, with a cliff edge reduction in business rates resources and due to the unavoidable cost and demand pressures, the Council still faces a significant and widening gap between its spending requirements and the level of resources it estimates to receive. The underlying need to deliver annual reductions in the net cost base of £1.75m by 2027/28 has not changed.

- 4.21 On the basis of the revised financial planning assumptions assumed in this MTFS, the following level of savings targets will be required to ensure the financial sustainability of the General Fund:

2025/26	2026/27	2027/28	2028/29	2029/30
£'000	£'000	£'000	£'000	£'000
250	500	1,750	1,750	1,750

The lower targets in the short term will ensure that fundamental decisions around the depth and breadth of savings programme and subsequent impact on service delivery are not taken until the Council is in a more informed position. This will allow the impacts of the Spending Review and the reforms to local authority funding to be fully understood and the level of resources, through a multi-year settlement, to be known with more certainty and will also ensure any implications for the Council arising from the Devolution White Paper are taken into consideration. The Council will then be able to set future years targets with more certainty - it is though highly likely that the savings targets beyond 2026/27 will change (positively or negatively) in the next refresh of the MTFS. This mirrors the approach taken with the development of Vision 2030 and the focus on the first 12-18 months of delivery.

- 4.22 Despite this potential for change, the Council will continue to develop and implement a savings programme in order to; deliver the savings required in the short term; and to also ensure it is fully prepared to be able to deliver against the longer-term targets. The key mechanism for delivering the required budget savings is through the Towards Financial Sustainability (TFS) Programme, which seeks to bring net service costs in line with available funding. Over the last decade and half, it is through the TFS Programme and precursor programmes that the Council has delivered the annual savings of nearly £10.5m.
- 4.23 The Council will continue to adopt this approach, driving down the net cost of services by implementing changes in the way in which it operates and delivers services, minimising where possible the impact on service delivery. Fundamentally though, it still believes that the longer-term approach to closing the funding gap is through economic growth and investment. Through Vision 2025, and the new Vision 2030, the Council continues to seek ways to maximise its tax bases by creating the right conditions for the economy to recover and grow, and through its own direct interventions, to increase Business Rates income, and to encourage housebuilding to meet growing demand, generating additional Council Tax.
- 4.24 While the Council will focus a range of measures and there is sufficient 'lead in time' to the need to deliver the longer-term savings, given the scale of savings required it cannot rule out the need to face further difficult decisions about the services it

continues to provide. As set out in this report, the impacts of the local authority funding reforms and any implications for the Council arising from the Devolution White Paper are likely to influence the future savings programme and the size and scope of services it provides in the future.

Robustness and Adequacy of the Budget and Reserves – General Fund

- 4.25 In presenting the budget to the Council, the Executive must take account of the advice of the Council's Chief Finance Officer in relation to the robustness and adequacy of the budget and reserves.
- 4.26 The level of earmarked reserves is shown in Appendix 6, which shows the estimated closing balances at the end of each of the next five financial years. These reserves will only be used for the specific purposes for which they were set up. In response to the financial and operational challenges the General Fund faces there are a number of earmarked reserves, having been established for such a purpose, that will be used over the period of the MTFS to support the General Fund whilst the ongoing reductions in the net cost base are delivered. Having reviewed the level of earmarked reserves the Chief Finance Officer has concluded that they are adequate to fund the planned expenditure identified by the Council.
- 4.27 Based on an assessment of the estimated exposure, likelihood and possible mitigation of the financial risks that the Council faces, it is deemed prudent to hold general reserves around £1.5m-£2m. Over the MTFS period, general reserves are maintained in line with this prudent minimum and show an estimated balance, in excess of the prudent level, of £2.251m by the end of 2029/30.
- 4.28 While the overall level of balances will still be maintained within the prudent minimum, over the period of the MTFS, there are planned uses of balances in the General Fund of £0.563m in 2026/27 and £0.250m for 2027/28. The higher use in 2026/27 is as a result of the forthcoming funding reforms and the assumption that the accumulated gains on Business Rate income will be reset, leaving the Council at a significant financial detriment. Whilst the Council has assumed a substantial level of savings will be required to mitigate the ongoing impacts of this income loss, in the short term the use of a combination of additional 'one-off' resources along with balances and earmarked reserves allows the Council the flexibility to make more informed decisions about the size, scale and scope of the savings programme once there is further clarity around key uncertainties. Based on the current trajectory of savings targets the General Fund will be in the position of making positive contributions to balances by 2028/29 with forecasted contributions of £0.014m and a further £0.382m in 2029/30.
- 4.29 The careful use of balances and reserves, in the supporting the General Fund is seen as a short-term measure only to ensure a balanced budget position is maintained while the Council awaits the outcome of the local authority funding reforms and implications arising from the Devolution White Paper. The use of reserves is not foreseen as a long-term solution and the Council is clear that it will need to deliver substantial, ongoing, reductions in its net cost base.
- 4.30 Further details on the Council's approach to the management of the General Fund's

balances and reserves and the Chief Finance Officer's assessment of the robustness and adequacy of the budgets and reserves is set out in Section 7 of the MTFS.

5. The Housing Revenue Account

5.1 The Housing Revenue Account (HRA) is a ring-fenced account separate from the Council's General Fund that contains the income and expenditure relating to the management and maintenance of its housing stock. The gross expenditure budget of the HRA is c£35m per year, this is funded primarily from housing dwelling rents.

5.2 Spending Plans

A key element of the self-financing regime is the Council's 30-year Business Plan, which sets out the Council's ambitions for its housing stock for the next 30 years. The Council's latest Housing Revenue Account Business Plan 2024-2054 was approved in November 2023 following a fundamental review of resources, investment requirements and priorities.

The Business plan describes the Council's long-term commitment to deliver real improvements in its housing stock and surrounding neighbourhoods, based on four main objectives:

- Core Housing Services – Tenants consistently place core housing services such as repairs, caretaking and landscaping as their number one priority and the Council will work to ensure that Lincoln is ranked amongst the top performing social landlords.
- New Homes – The Council plans to build, acquire and enable the development of 1,700 additional homes over 30 years, which will reduce homelessness and provide a greater choice of places for people to live.
- Estate Regeneration – Plans to regenerate estates means that the Council will tackle problems like parking, crime and antisocial behaviour by improving the urban landscapes (the look and feel) of streets and neighbourhoods.
- Decarbonisation – The Council plans to achieve an energy performance rating of C for all of its housing properties by 2030, which means that it will protect the environment by reducing its carbon footprint and making homes cheaper to run for residents.

These objectives support the Council's Vision 2030 and strategic priorities, primarily through the priority to deliver quality housing, but also directly contributing to the other priorities.

The Business Plans acts as guide to the development of the Housing Revenue Account (HRA) budgets, with a focus on growing surpluses that will enable sustainable investment in homes and neighbourhoods.

5.3 Spending Pressures

Like the General Fund, the HRA continues to face cost and demand pressures, along with new statutory requirements. Inflation, pay awards, national insurance contribution increases, higher maintenance and constructions costs including material and labour prices, and higher borrowing costs, continue to impact on the Housing Revenue Account's net cost base. Given the level of annual repairs and maintenance and planned capital maintenance to the Council's housing stock the impact of these creates significant cost increases for the HRA. In total these pressures have increased the HRA's cost base by an average of £0.430m p.a.

5.4 Financing the Capital Programme

Within the HRA the greatest cost demands arise from the day-to-day repairs and maintenance to the housing stock and the requirement to resource the capital investment in existing stock and new housing. Under HRA self-financing, the primary sources of funding for capital investment in the Council's housing stock is from the revenue account through asset depreciation charges and direct revenue contributions. Whilst this reliance has been lessened to some extent, by the removal of the HRA borrowing cap allowing a greater level of prudential borrowing, £66.124m of revenue support is still required to be set aside for capital investment over the period of this MTFS. With increased regulatory requirements, investment needs of existing stock, priorities from Vision 2030 and the Housing Business Plan driving the capital investment needed and the increased cost of maintenance and construction works, the HRA needs to ensure that it maintains its sound revenue position in order to allow the required contributions to be released.

5.5 Housing Rents

In line with the Housing Business Plan and Government Rent Guidelines, which announced that from April 2020 social rents should increase by a maximum of CPI+1% for 5 years, the MTFS has historically been based on this assumption. In 2023/24 however the Government, in light of record inflation levels, imposed a cap on rent increases of 7%, as CPI +1% would have allowed rent increases of up to 11.1%. No such cap was imposed for 2024/25, and the maximum increase reverted to CPI+1%. In April 2024, the Government extended the existing rent settlement for another year, meaning that the existing policy would remain in place until April 2026, and in the 2024 Autumn Budget, the Chancellor announced a consultation on a new Social Housing Rent policy, which proposed that the rent policy should remain in place for at least 5 years, from 1 April 2026 to 31 March 2031.

- 5.6 With the exception of 2022/23 and 2023/24, the Council has historically set the rent levels in line with Government Rent Guidelines for general purpose accommodation, and also increased sheltered accommodation and affordable rents, by the same. In 2022/23 the Council opted to increase rent by 3.6%, rather than the maximum 4.1% allowable and in 2023/24 the Council opted to increase rent by 6.5%, rather than the maximum 7%. Careful to strike a balance between the pressures that household incomes are facing, particularly the most vulnerable in the community, with the increased costs of service delivery, it is proposed that the 2025/26 rent increase is in line with Government Rent Guidelines. The CPI rate for September 2024 was 1.7%,

as such the Council are proposing to increase rents by 2.7% from April 2025. The average 52-week rent for general purpose and sheltered accommodation will be £86.76 per week, and £140.30 for affordable rents. The assumption in the MTFS from 2025/26 onwards maintains CPI+1%.

Robustness and Adequacy of the Budget and Reserves – HRA

- 5.7 In presenting the budget to the Council, the Executive must take account of the advice of the Council's Chief Finance Officer in relation to the robustness and adequacy of the budget and reserves.
- 5.8 The level of earmarked reserves is shown in Appendix 6, which shows the estimated closing balances at the end of each of the next five financial years. These reserves will only be used for the specific purposes for which they were set up. The Chief Finance Officer has reviewed the level and purpose of the reserves as part of the budget setting process and has concluded that these are adequate to fund the planned expenditure identified by the Council.
- 5.9 The prudent level of general reserves on the Housing Revenue Account is considered to be £1m - £1.5m. Throughout the MTFS period balances are expected to remain within these levels.

6. The General Investment Programme

- 6.1 The General Investment Programme (GIP) for the period 2025/26 – 2029/30 is included within the MTFS at Appendix 3. The total allocated capital programme over the next five years is £32.006m of which £24.233m is estimated to be spent in 2025/26.
- 6.2 The capital spending plans for the next five years include the delivery of key legacy schemes from Vision 2025, schemes emerging through the development of Vision 2030 where they are sufficiently progressed and funding is in place and essential investment in existing assets to either maintain service delivery or existing income streams. The main projects and schemes in the GIP are as follows:
- Charterholme: Tritton Road Bridge - £9.759m
 - Charterholme: Phase1a Homes - £9.549m
 - Disabled Facilities Grants - £5.229m
 - Planned asset maintenance - £1.465m
 - Re-imaging Greyfriars - £1.700m
 - Externally delivered Towns Fund Schemes - £3.074m
- 6.3 The largest scheme in the GIP is the Charterholme (previously Western Growth Corridor) sustainable urban extension, this totals £19.376m over the period of the MTFS (although significant expenditure has already been incurred) in order to resource the infrastructure to open up the eastern access to site and deliver the first 52 homes, developed by the Council. The capital receipts from the sale of these new homes are expected to be received from 2025/26 onwards.
- 6.4 Further schemes in support of Vision 2030 will be included in the GIP at the relevant

stage in their development e.g. grant funding secure, design stage completed etc.

7. The Housing Investment Programme

- 7.1 The Housing Investment Programme (HIP) for the period 2025/26 – 2029/30 is included within the MTFS at Appendix 4. The total allocated capital programme over the next five years is £72.958m of which £19.600m is estimated to be spent in 2025/26.
- 7.2 The 5-year HIP is based on the new 30-year Housing Business Plan, approved in November 2023. The key elements of the HIP are split into housing strategy and housing investment, both of which are key elements of the Quality Housing strategic priority. In terms of housing strategy, the focus continues to be on the delivery of additional affordable housing, by maximising the use of 1-4-1 retained Right to Buy (RTB) receipts, assessing the use of prudential borrowing and seeking government grant funding for new build schemes or purchase & repair schemes that generate a rental stream. In relation to housing investment, the HIP will continue to focus on the developing and improving core housing services (focussing on the allocation of resources to the key elements of decent homes and supporting the Lincoln Standard), regenerating estates and neighbourhoods and reducing carbon emissions.
- 7.3 As set out in paragraph 5.4 above, the primary sources of financing for the HIP are from depreciation, with financing of £44.239m over the 5-year period and from revenue contributions, totaling £19.309m over the 5-year period. In addition, the HIP is set to utilise £3.769m of prudential borrowing to fund the additional affordable homes programme this is further supported by capital receipts (including Right-to-Buy receipts) of £5.640m. Following changes to the RTB scheme, that were announced as part of the Autumn Budget, there was a surge in RTB applications ahead of the initial changes being implemented. Now that the changes have taken effect, it is anticipated that the level of RTB's will significantly reduce over the period of the MTFS, resulting in a reduction in future year's RTB receipts. There will though be a benefit to the HRA through increased rental income arising from higher stock numbers.

8. Capital Strategy

- 8.1 The CIPFA Prudential and Treasury Management Code requires all local authorities to prepare a Capital Strategy which will provide the following;
- A high-level long-term overview of how capital expenditure, capital financing and treasury management activity contribute to the provision of services
 - An overview of how the associated risk is managed
 - The implications for future financial sustainability.
- 8.2 The Capital Strategy should complement other key documents such as the MTFS, the Asset Management Plan, Vision 2030 and Treasury Management Strategy, etc. by defining the approach, structure and governance for the effective management of the Council's capital investment needs and ambitions.

8.3 The Capital Strategy is attached at Appendix B.

9. Consultation and Scrutiny

9.1 Public consultation on the draft budget, MTFS and Council Tax proposals has been undertaken, this consisted of a mixture of broad public consultation and targeted engagement:

- A City-wide survey seeking residents, visitors and stakeholders' views and priorities for spend
- Direct consultation with the Lincoln Citizens Panel and Lincoln Tenants Panel
- A facilitated workshop with individual residents, who maybe under represented or 'hard to reach', including those with personal experience of the 9 protected characteristics along with representative agencies, charities or organisations supporting those with lived experience

9.2 The detailed results of the online and Citizens Panel consultation are attached at Appendix C. In terms of the specific question in relation to Council Tax increases:

- 32% of respondents would support a 1% increase
- 37% of respondents would support a 2% increase
- 31% of respondents would support a 2.95% increase (the final recommended increase is 2.9%)

The Executive must consider the results and comments from the consultation in arriving at its recommendations in relation to the final budget.

9.3 In terms of member budget scrutiny an all Member workshop was undertaken during January 2025 to ensure that as large a number of members as possible had the opportunity to fully understand the financial position of the Council. This was followed in February by a Budget Review Group who focused on the detail of the draft MTFS, proposed budget and Council Tax recommendation.

9.4 The minutes of the Budget Review Group are attached at Appendix D, there were no specific recommendations made by the Group.

10. Strategic Priorities

10.1 The MTFS underpins this policy and financial planning framework and set out the overall framework on which the Council plans and manages its financial resources to ensure that they fit with, and support, the direction of the Council's vision and strategic priorities.

11. Organisational Impacts

11.1 Finance – The financial implications are as set out in the body of the report.

11.2 Legal Implications including Procurement Rules - Local authorities must decide, prior to the 11th March, each year how much they are going to raise from council tax. They base their decision on a budget that sets out estimates of what they plan to spend on

services. Because they decide on the council tax before the year begins and can't increase it during the year, they have to consider risks and uncertainties that might force them to spend more on their services than they planned. Allowance is made for these risks by:

- making prudent allowance in the estimates for services; and
- ensuring that there are adequate reserves to draw on if the service estimates turn out to be insufficient.

11.3 Local government legislation requires an authority's Chief Finance Officer to make a report to the authority when it is considering its budget and council tax. The report must deal with the robustness of the estimates and the adequacy of the reserves allowed for in the budget proposals, so Members will have authoritative advice available to them when they make their decisions.

11.4 Land, property and accommodation - Specific implications for the deployment and management of the Council's assets are included within the Capital Strategy and Asset Management Plan which support the achievement of the objectives of the MTFS.

11.5 Equality, Diversity and Human Rights

This report provides a summary of the financial planning activities across the Council. As a consequence of the approval of the MTFS and budget for 2025/26 there may be an impact on certain council services which will be subject to review. Planning work undertaken to develop the Towards Financial Sustainability Programme and investment in the Vision 2030 and strategic priorities, set out above, involves taking an overview of the potential cumulative impact. This is further expanded and built upon as the specific reviews and projects are developed and so detailed equalities implications will be assessed at the individual service level.

12. Risk Implications

12.1 The Council has a very proactive approach to managing risk and there are effective arrangements for financial control already in place. That said, there is always a risk that the Council will become liable for expenditure that it has not budgeted for or face a reduction in resources available, the impact of which must be mitigated by holding reserves. Due to the current economic conditions, the forthcoming Spending Review local authority funding reforms, and new statutory requirements in relation to recycling, the level of volatility and risk to which the Council is exposed has increased, the MTFS therefore needs to remain flexible and the council's reserves resilient.

12.2 The financial risks, Appendix 5 of the MTFS, have been identified and an assessment of the estimated exposure, likelihood and possible mitigation has been made in the context of the Council's overall approach to risk management and internal financial controls. Officers will continually monitor and appraise these risks as part of the on-going budget monitoring and reporting to Members.

13. Recommendation

13.1 That the Executive recommend to Full Council for approval, the

- The Medium Term Financial Strategy 2025-2030, and.
- The Capital Strategy 2025-2030

Including the following specific elements:

- A proposed Council Tax increase of 2.9% for 2025/26.
- The Council is member of the Lincolnshire Business Rates Pool in 2025/26.
- The General Fund Revenue Forecast 2025/26-2029/30 as shown in Appendix 1 and the main basis on which this budget has been calculated (as set out in paragraph 4).
- The Housing Revenue Account Forecast 2025/26-2029/30 as shown in Appendix 2 and the main basis on which this budget has been calculated (as set out in paragraph 5).
- The General Investment Programme 2025/26-2029/30 as shown in Appendix 3, and the main basis on which the programme has been calculated (as set out in paragraph 6).
- The Housing Investment Programme 2025/26-2029/30 as shown in Appendix 4, and the main basis on which the programme has been calculated (as set out in paragraph 7).

Is this a Key Decision?

No – Referral to Full Council

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?

Four

List of Background Papers:

Medium Term Financial Strategy 2024-2029 – Executive
19th February 2024
Setting the 2025/26 Budget and Medium Term Financial
Strategy 2025-30 – Executive 18th November 2024
Draft Medium Term Financial Strategy 2025-2030 –
Executive 20th January 2025

Lead Officer:

Jaclyn Gibson, Chief Finance Officer
Jaclyn.gibson@lincoln.gov.uk

This page is intentionally blank.



MEDIUM TERM FINANCIAL STRATEGY

2025-2030



Contents	Page No
Foreword	1
Introduction	4
Objectives	4
Policy & Financial Planning Framework	5
Context	6
Economic Climate	6
National Priorities	7
Local Priorities	17
Revenue (General Fund)	21
Spending Pressures	21
Spending Plans	23
Spending Assumptions	23
Resource Assumptions	27
Bridging the Gap	35
Revenue Forecast	37
Risks to the Revenue Budget	37
General Investment Programme	39
Capital Spending Plans	39
Spending Pressures	39
Resources	40
General Investment Programme Forecast	42
Risks to the General Investment Programme	42
Housing Revenue Account	44
Housing Revenue Account Business Planning	44
Spending Pressures	44
Spending Plans	46
Spending Assumptions	47
Resource Assumptions	48
Releasing Resources	49
Housing Revenue Account Forecast	50
Risks to the Housing Revenue Account Budget	50
Housing Investment Programme	51
Capital Spending Plans	51
Spending Pressures	51
Resources	52
Housing Investment Programme Forecast	54
Risks to the Housing Investment Programme	54
Financial Resilience	56
Financial Metrics	56
Management of Risk	61
Reserves and Balances	62
Appendices	
1. General Fund Summary	66
2. Housing Revenue Account Summary	67
3. General Investment Programme	68
4. Housing Investment Programme	69
5. Risk Assessments	70
6. Earmarked Reserves	84
7. Fees and Charges Schedules	86

Foreword

Welcome to this latest version of the City Council's Medium Term Financial Strategy covering the period 2025-2030.

The City of Lincoln Council is a high-performing and innovative organisation, focussed on providing quality services and delivering outcomes that matter. It's new Vision 2030 is an ambitious strategic plan that builds on the progress of Visions 2025 and 2020, presenting a roadmap to address today's most pressing issues while embracing opportunities for a brighter future, helping to transform both the Council and the City through it's five strategic priorities.

This Strategy sets out how the Council will use it's financial resources to underpin it's new Vision 2030 and strategic priorities. It is the Council's commitment to use the financial resources it employs over the coming years to make a positive difference to the city and its residents.

The refresh of the MTFS needs to be seen in the context of significant financial uncertainty for the Council in relation to future Government funding levels. Significant changes to public sector departmental spending through Phase II of the Spending Review, the allocation of this funding to individual authorities through reforms to the distribution methodologies, and the implementation of a full Business Rates Reset, are as yet all unknown but all of which have the potential to fundamentally affect the Council's funding trajectory and MTFS.

Alongside this financial uncertainty are the potential implications for the Council arising from the English Devolution White Paper. The White Paper announced in December 2024, which sets out the Government's plans to widen and deepen devolution in England and reform local government structures, could have fundamental implications for all tiers of local government.

Furthermore, the Council continues to face cost and demand pressures, along with pressures on income streams and new statutory requirements. Cost pressures arising from; inflation, pay costs, national insurance contributions, maintenance and construction costs, borrowing costs and reductions in local income streams all have a significant impact on the Council's net cost base. The Council also continues to see increased demand for services, by those who rely on the safety net provided by local government, driven in part by the cost-of-living crisis and housing shortfall. Due to Lincoln's specific set of local socio-economic factors, this places a greater demand on key services and resource allocation than in most other places. In addition, new regulatory and statutory requirements add further cost pressures, particularly in relation to recycling and housing standards/building safety.

These pressures come after a decade of austerity measures and grant reductions, after a shift to reliance on local taxation as the primary funding source for all councils (which creates a particular problem for places like Lincoln, with a predominantly low council tax base), and following budget pressures created as a result of Covid 19 and spiking inflation in recent years.

While the new Government has stated that it is committed to delivering change, including a comprehensive set of reforms to return the local government sector to a sustainable position, and giving local government the certainty it needs by moving towards multi-year funding settlements to provide long-term stability, the sector is still in the position of a highly uncertain financial planning period. It is a long time since the Council had any stability and certainty beyond a one-year timeframe when setting its MTFS (the 2025/26 Local Government Finance Settlement being the seventh consecutive on-year settlement). Only with greater funding certainty through multi-year settlements and more clarity on financial reform, can the Council undertake effective financial planning, protect services and meet the needs of residents.

Despite this significant level of uncertainty, based on what is currently known, or can be reasonably assumed at this stage, the Council continues to face a significant and widening gap between its spending requirements and the level of resources it estimates to receive.

While the Finance Settlement announced a much-welcomed boost to the Council's finances in 2025/26, this is of a 'one-off' nature and does not address the ongoing cost and demand pressures that the Council faces and does not provide sufficient additional funding to close future budget gaps.

These additional one-off resources have provided some financial capacity to; support the delivery of new schemes and projects as part of Vision 2030; cushion the impact of short-term cost pressures; and allow the flexibility to reduce the immediate level of savings required. However, there is still an underlying need to reduce the net cost base by £1.750m by 2027/28, if the Council is to remain sustainable in the medium term.

The ability to deliver these further, significant, reductions in the net cost base must be set in the context of the Council having already delivered, over the last decade and a half, annual revenue savings of nearly £10.5m. This has already involved the Council having to take difficult decisions in terms of which services it can continue to provide, whilst minimising the impact on services most needed by local residents and businesses, and with each year the challenge gets much harder.

The Council will though continue to build on its successful financial planning to date, driving down the net cost of services by implementing changes in the way in which it operates and delivers services, minimising where possible the impact on service delivery. Fundamentally though, the Council still believes that the longer-term approach to closing the funding gap is through economic growth and investment. Through its strategic priorities the Council continues to seek ways to maximise its tax bases by creating the right conditions for the economy to grow, to increase Business Rates income, and to encourage housebuilding to meet growing demand, generating additional Council Tax. As well as continuing to support this the Council will also seek through direct interventions, such as the Additional Affordable Homes Programme; Charterholme SUE etc, to enhance the economic prosperity of the City.

While closing a projected budget gap of this size is a challenge for the Council, it has confidence in its track record of delivering strong financial discipline and that it can continue to rise to the challenge. Its successful financial planning to date, has enabled

the protection of core services for the people of Lincoln, whilst at the same time allowing for significant investment in the City and its economy, and delivery of the Council's Vision. A significant number of projects, schemes and initiatives have been implemented and will continue to be as the Council begins the next stage in it's vision to deliver Lincoln's ambitious future, through it's Vision 2030.

The Council will continue to adopt this successful approach of, carefully balancing the allocation of resources towards it's Vision, while ensuring it maintains a sustainable financial position and delivers the required reductions in its net cost base.

Jaclyn Gibson, FCCA
Chief Finance Officer

Section 1 – Introduction

The purpose of the MTFS is to set out the overall framework on which the Council plans and manages its financial resources to ensure that they fit with, and support, the direction of the Council's vision and strategic priorities. The Council currently has five clear strategic priorities, and in order to achieve those priorities the Council must have a clear and robust financial strategy which focuses on the long-term financial sustainability of the organisation.

The MTFS draws on a review of the local economic landscape, and the impacts of the wider national economic and political landscape. It looks ahead over the coming five financial years to identify the resources likely to be required by the Council to finance its priorities and meet the financial consequences of the demand for council services. It also looks ahead to determine the resources likely to be available to the Council over the same period. This plays a critical role in ensuring that as the Council develops its key plans and strategies it has a sound understanding of the organisations longer term financial sustainability which enables decisions to be made that balance the resource implications of the Council's policies against financial constraints.

The MTFS integrates revenue allocations, savings targets, reserves and capital investment and provides indicative budgets and future Council Tax and Housing Rent levels for the period covered by the plan. This approach has been in place for a number of years now and is an essential part of the budget setting process.

Although the Strategy is set against a medium-term time frame, to fit with the Council's corporate planning framework, in principle it will exist for longer as it provides the overall direction and parameters for financial management at the Council.

Inevitably the Council's plans will need to evolve and develop in response to new financial opportunities and risks and new policy directions, this has never been more evident than in the current climate. Therefore, the Strategy will be reviewed on a regular basis and at least annually.

The MTFS is underpinned by a sound finance system, coupled with a solid internal control framework, sufficiently flexible to allow the organisation to respond to changing demands over time and opportunities that arise.

Objectives

In light of the uncertainty the Council faces in its financial planning assumptions and the forthcoming national reforms to funding mechanisms, which are likely to result in reduced resources for the Council the existing objectives of the MTFS have been reviewed to ensure they remain relevant. As a result, the key overriding objective continues to be;

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

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

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

Policy and Financial Planning Framework

The Council's Strategic Plan is the thread that links the Council's integrated policy and financial planning framework. It is underpinned by the MTFS, which aims to ensure that all financial resources are directed towards delivery of the vision and flows through to the Council's other key plans and strategies, service planning and individual staff performance appraisals. This ensures that the Council's vision and strategic priorities drive the activity and allocation of resources of the Council.

The new Vision 2030 promotes a clear view of the Council's strategic focus and in particular its key priorities. These priorities are a commitment by the Council to use the resources it employs over the coming years to make a positive difference to the city and its residents.

Section 2 – Context

In order to set the framework for the Council's approach to policy and financial planning it is important to understand the overall national policy context, and economic conditions as well as the policy and delivery priorities for the Council over the MTFS period.

Economic Climate

Since late 2021 the UK economy has faced a volatile and uncertain path, dominated by rising cost of living pressures for UK households, surging energy costs, high inflation, weak growth and rising interest rates. However, when the new Labour Government took over the economy in July 2024, it was at a turning point, benefitting from the natural swings of the economic cycle with the worst of the crisis, that had persisted for the last three years, behind it.

- Having stagnated in 2023 with a mild recession over the second half of the year, momentum in the UK economy picked up since the start of 2024 with strong growth in the first two quarters. GDP increased by 0.7% in quarter 1 and by 0.5% in quarter 2, the fastest pace in two years and by more than any other G7 economy.
- In terms of inflation, CPI has now normalised after inflationary shocks resulted in it peaking at a 41-year high of 11.1% in October 2022 and spending 33 consecutive months above target. It has continued to fall back during the first two quarters of 2024, starting the year at 4%, reducing to 2% in June, in line with the Bank of England's target rate. Prices slightly increased again in July, up to 2.2%, remaining at that level in August before dropping, unexpectedly by 0.5%, to 1.7% in September, the lowest rate in 3.5 years.
- After 14 consecutive increases in the Bank of England base rate, in response to rampant inflation with the rate reaching a 16-year high at 5.25%, the first drop in more than 4-years to 5% was voted by the Bank's Monetary Policy Committee (MPC) in August 2024. This was subsequently followed by a second cut of 0.25% to 4.75% in November.

Despite this upturn in the economy, in July, the new Labour Government published an audit of public spending which set out £22bn of in-year spending pressures, the vast majority of which were recurring costs. The Government's first Budget and Phase 1 of Spending Review 2025, announced in October, were set in the context of these funding pressures (further details are set out under National Priorities below) and announced a large, sustained increase in spending, taxation and borrowing aimed at boosting investment and long-term economic growth. As a result, the Budget was the largest fiscal loosening in decades with the consequences being a temporary burst of economic growth, but higher inflation and a slower fall in interest rates in the near term.

- Despite the initial strong growth, the economy slowed to a near standstill in quarter 3, with growth of 0.1%, as uncertainty surrounding the new Labour Government's first Budget and high interest rates contributed to a loss of the momentum. As a result of the Autumn Budget announcements, particularly the looming higher costs of employing people, feeding through into lower confidence for businesses and households, growth has been weaker than expected with an anticipated fall of 0.1% in quarter 4. The Bank of England has also halved its growth forecast for 2025 to 0.75%, down from its previous estimate of 1.5%. However, while the Bank cut its growth forecast for 2025, it upgraded its predictions for both 2026 and 2027. The economy is now expected to grow by 1.5% in both of those years, up from 1.25%.
- With household energy bills increasing again after the energy cap went up in October and the impact of policies announced in the Budget, CPI went back up by 2.3% in October, increasing further to 2.6% in November before marginally falling to 2.5% in December 2024. The Bank of England's latest forecasts are that this will rise again quite sharply during 2025, peaking at 3.7% in quarter 3 before starting to fall back towards the 2% target, reaching this by the end of 2027.
- Despite the Bank of England's previous warnings that inflation would creep higher and that interest rates were likely to fall a bit slower and not as far as previously expected, it voted to reduce rates by 0.25% to 4.5% in February 2025, following its last rate cut in November 2024 and the third time in six months. At the time the Bank's Governor said that further rate cuts should be expected but that "we will have to judge meeting by meeting how far and how fast". He reiterated that a "gradual and careful approach to monetary policy remains appropriate".

National Priorities

As set out above the most recent major fiscal event was the new Labour Government's Budget and Phase 1 Spending Review 2025, announced in October.

Against a broadly unchanged economic and fiscal backdrop since March, the Budget delivers a large, sustained, increase in spending, taxation, and borrowing. Budget policies increase spending by almost £70bn a year over the next five years, of which two-thirds goes on current and one-third on capital spending.

In total public spending is set to increase as a share of the economy in 2024 from 44.9% to 45.3% of GDP. It then declines gradually thereafter, settling at 44.5% of GDP by the end of the decade, a level that is almost 5% higher than before the pandemic and an average of 1.8% of GDP a year higher than forecast in March based on the plans of the former Government.

Half of the increase in spending is funded through an increase in taxes, mainly on employer payrolls, on assets, and through greater tax compliance. These raise £36bn a year in additional revenue and push the tax take to a historic high of 38% of GDP by 2029/30. The other half of the increase in spending is funded by a £32bn a year increase in borrowing, one of the largest fiscal loosening's of any fiscal event in recent decades.

The Government's decisions in the Budget are intended to boost investment and drive a higher level of output in the long run. The Budget aims to:

- Put the public finances on a sustainable path by strengthening the fiscal framework, including announcing new fiscal rules, and taking difficult decisions on tax, welfare and spending.
- Grow day-to-day departmental spending at an average of 2.0% per year in real terms between 2023/24 and 2029/30 to support public services, including to deliver 40,000 extra elective appointments a week and reduce NHS waiting lists.
- Boost capital investment by over £100 billion over the next five years, including in transport, housing and research and development (R&D), with a greater focus on value for money and delivery to help unlock long term growth.

In terms of departmental spending, Phase 1 of the Spending Review resets departmental resource and capital expenditure budgets for 2024/25 and sets budgets for 2025/26. This includes providing targeted funding to stabilise and support public services and delivering a significant increase in public investment in the economy. Total departmental spending is set to grow by an average of 4.1% per year in real terms between 2023/24 and 2025/26. It will then continue to grow in real terms over the remainder of the forecast period, resulting in an average annual real terms growth rate of 2% from 2023/24 to 2029/30. The plans set out in the Budget mean that departments' day-to-day spending (RDEL) will increase by an average of 2.4% in real terms over the forecast period, equivalent to a real terms increase of £62bn between 2023/24 and 2028/29. The Budget also increases capital spending (CDEL) by over £100bn over the next five years, with a £13bn increase next year (a real terms increase of 9.9%), taking total CDEL spending to £131 billion in 2025/26, this equates to an average annual real increase in CDEL of 2.6% between 2023/24 and 2028/29.

The Budget sets out detailed plans for the 2024/25 and 2025/26 departmental budgets, across each of the 17 government departments. Beyond 2025/26 the Budget only sets out the Government's overall spending envelope, entailing two overall spending totals (one for total RDEL and one for total CDEL) but provides no detailed plans for how these are to be divided between each government department – these will be set in the Government's planned 2025 Spending Review. Spending Review 2025 moves to Phase 2, which will deliver a new settlement for public services, setting out long-term plans for improving public services, achieving value for money for taxpayers, and investing to bring about a decade of national renewal. This is set to conclude in late Spring 2025 and is most likely to set out departmental spending plans for at least two more years.

The approach by the new Government of growing day to day spending and boosting investment, through increasing taxation and borrowing, has alleviated the concerns

that previously existed of a new round of austerity measures. Previous OBR forecasts had anticipated real-terms cuts in departmental expenditure and the need for spending restraints, based on the previous Government's plans.

The Chancellor launched Phase 2 of the Spending Review on 12 December. This confirms line-by-line reviews of all expenditure as part of a "zero-based review" and will prioritise delivering the government's missions. As part of this departments will be expected to make better use of technology and seek to reform public services, to support delivery of the government's plans for a decade of national renewal.

Local Government

There has been great deal uncertainty in local government finance for a number of years due to a delay in the implementation of local authority funding reforms, volatile economic factors, and fears of a new round of austerity measures. While the Budget and Phase 1 of the Spending Review brings some positivity in terms of increases to public sector departmental expenditure (including local government) and has delivered some short-term certainty, it still leaves many unanswered questions with Councils having no greater certainty over their individual resource levels beyond 2025/26.

The Autumn Budget sets out that there will be a real terms increase in core local government spending power of around 3.2% in 2025/26, including at least £1.3bn of new grant funding, of which at least £600m will be funding to support social care. In addition, local authorities are expected to receive around £1.1bn of new funding in 2025/26 through the implementation of the Extended Producer Responsibility scheme to improve recycling outcomes from January 2025.

The additional funding announced is a much-welcomed boost to council finances in 2025/26, and with overall departmental expenditure budgets set to increase in real terms over the remainder of the Spending Review period, the overall trajectory for local government funding looks more positive. However, while this is a step in the right direction the additional funding announced will only help to meet some, but not all of the significant cost and demand pressures that councils face and does not provide sufficient additional funding to close budget gaps and preserve services. As a result, councils still face a precarious short and long-term future.

Included within the Autumn Budget statement was a commitment to delivering change, setting a different course for the future, including a comprehensive set of reforms to return the local government sector to a sustainable position. The Government intends to reform the approach to funding allocations within the Local Government Finance Settlement by redistributing funding to ensure that it reflects an up-to-date assessment of need and local resources. This has started with a deprivation-based approach in 2025/26 with additional funding targeted to the places that need it most. Broader redistribution of funding will follow through a multi-year settlement from 2026/27. The Government have also announced, in the Local Government Finance Policy Statement, that it intends to reset the Business Rates System, with implementation to begin in 2026/27.

While the Government has stated that it will give local government the certainty it needs by moving towards multi-year funding settlement to provide long-term stability

and has set out further details of the planned funding reforms in the Finance Policy Statement, the sector is still in the position of a highly uncertain financial planning period. It is clear that fast and transparent work by the Government on these matters, or some clear transitional policy up-front of the results of these reviews, will be crucial to enable councils to set robust budgets.

Only with greater funding certainty through multi-year settlements and more clarity on financial reforms, can councils undertake effective financial planning, protect services and meet the needs of residents.

The other main points from the Autumn Budget and Spending Review that are relevant to local government, specifically District Councils, are as follows:

- The Shared Prosperity Fund will continue for a further year and be worth £900m, in advance of wider funding reforms.
- The Government will provide £233m of additional spending in 2025/26 to prevent homelessness. This suggests the Homelessness Prevention Grant continuing for another year.
- Local Housing Allowance (LHA) will be not uprated in April 2025 to reflect 30% rents in the private rented sector. LHA will be frozen at 2024 rates.
- Housing benefit subsidy rates for temporary accommodation will remain at their current level.
- There will be an £86m increase to the Disabled Facilities Grant in 2025/26.
- As announced by the Chancellor prior to the Budget, there were positive measures to support councils with affordable housing:
 - £500m increase to the Affordable Homes Programme in 2025-26.
 - Right to Buy: councils will be permanently allowed to retain 100% of receipts locally and discount levels will revert to pre-2012 levels from 21st November.
 - Five-year rent settlement for social housing landlords: rents will rise by Consumer Price Index +1% each year during the period.
- The Government is extending the discounted Public Works Loan Board Housing Revenue Account lending rate until March 2026.
- In relation to Business Rates, key announcements included:
 - 40% business rates relief for retail, hospitality and leisure businesses, up to a total relief of £110,000 per business, in 2025/26;
 - freezing the small business multiplier in 2025/26, with a full CPI increase to the standard multiplier; and
 - an intention to introduce new, permanently lower multipliers for retail, hospitality and leisure properties with a rateable value under £500,000, funded by a new higher multiplier on all properties with a rateable value of

- £500,000 and above, which includes the majority of large distribution warehouses including those used by large online retailers.
 - Councils will be fully compensated for the impact of these measures and the cost of administering the changes
 - Alongside the Budget, the Government published a discussion paper on business rates reform.
- There were key announcements which will affect Council's as employer's:
 - National Insurance contributions will increase from 13.8% to 15.0% from April 2025, with a reduction to the per-employee threshold at which employers become liable to pay National Insurance to £5,000.
 - National Living Wage will increase by 6.7% to £12.21. Minimum wage for 18- to 20-year-olds will increase by 16% to £10 per hour.
- The Government will provide £1bn to extend the Household Support Fund and Discretionary Housing Payments in 2025/26.
- The Spending Review provides over £1bn next year towards the Warm Homes Plan (which has a local grant element) and a guarantee of investment of an initial £3.4bn towards heat decarbonisation and household energy efficiency between 2025/26 and 2027/28.
- The Spending Review also provides over £1bn of funding over three years to fund hundreds of local energy schemes to help decarbonise the public estate through the Public Sector Decarbonisation Scheme.

Fair Funding Review and Business Rates Reset

As set out above the Government intends to reform the approach to funding allocations within the Local Government Finance Settlement and also intends to reset the business rates system. These are two fundamental reforms to the mechanisms of local government funding, which will have significant impacts on the level of resources for each council.

The history of these reforms goes back a number of years to 2018-2020. However, implementation has been successively delayed, primarily due to Covid19, Brexit, in order to provide local authorities with financial stability while responding to the economic shocks experienced' and more recently until after the General Election.

Included within the Autumn Budget statement was a commitment to delivering change, setting a different course for the future, including a comprehensive set of reforms to return the local government sector to a sustainable position. The Government intends to reform the approach to funding allocations within the Local Government Finance Settlement by redistributing funding to ensure that it reflects an up-to-date assessment of need and local resources. This has started with a deprivation-based approach in 2025/26 with additional funding targeted to the places that need it most through the new Recovery Grant.

From 2026/27, the Local Government Finance Policy Statement set out the Government's intentions to fundamentally improve the way councils are funded and direct funding to where it is most needed. The reforms will build on the proposals set out in the previous Government's review of Relative Needs and Resources (the Fair Funding Review), using the best available evidence to inform local authority funding allocations. This will be based on an up-to-date assessment of need and local resources, targeting money towards areas with greater need and demand for services and less ability to raise income locally.

A reset of the business rates system will also be introduced alongside the assessment of needs and resources. The Government intends to implement a full reset the business rates retention system, to better reflect how much local authorities are actually collecting in business rates, as was originally intended when the previous government established the system. This reset has the effect of wiping out any business rate gains that individual authorities have built since the launch of the current system in 2013/14. This has significant financial implications for the majority of councils, for those below their baselines this would be a positive move, but it presents a serious threat to those with high growth above baselines, with a punitive, cliff-edge reset.

An initial consultation on the objectives and principles of the Government's proposed approach was launched alongside the Local Government Finance Settlement 2025/26. The consultation focusses on the objectives and principles for the review. There are no numbers throughout. The aim is to establish consensus around the approach to the review, which will govern later steps and also narrow the scope for debate.

The proposals are set in a broader context of a planned shift of power away from the centre towards people and communities, including through the English Devolution White Paper, and efforts to set out and measure progress on key services and outcomes and to secure the highest standards in local government. There are further references to simplifying and consolidating the funding landscape; more emphasis on prevention, through place-based plans; identifying excessively burdensome activities and streamlining and rationalising reporting and evaluation requirements; and increasing flexibilities for fees and charges.

The move towards an updated system will be gradual and the Government will invite views on possible transitional arrangements to determine how local authorities reach their new funding allocations.

Further consultation on the technical detail on the planned reset of accumulated business rates retention growth is planned for early 2025. The Government will then develop, publish and consult on a detailed plan for reform ahead of the provisional Settlement for 2026/27. Implementation of these reforms will begin through the multi-year Settlement in 2026/27.

Local Government Financial Resilience

After a decade of austerity measures (equating to a 22.2% real terms cut since 2010/11), budget pressures created as a result Covid19, spiking inflation and wage

costs in recent years and growing demand for services, Council finances in England are under pressure like never before, with an unprecedented number of councils now in financial crisis.

The scale of pressures facing the sector was demonstrated in February 2024 when the then Department of Levelling Up, Housing and Communities (DLUCH) took the unprecedented step of announcing that eighteen councils would receive exceptional financial support (EFS) in 2024/25 to address financial pressures that the councils considered unmanageable (under the EFS framework, local authorities can request support from central government, the Government usually then grants that support in the form of capitalisation directions). All but two of the eighteen councils had social care responsibilities. This meant that the sector entered 2024/25 with more than 1 in 10 social care councils dependent on a significant one-off relaxation of the financial framework to secure their financial sustainability.

A recent survey by the Local Government Association (LGA) found that one in four councils were likely to apply for EFS in either 2025/26, 2026/27 or both years, with the number rising to 44% for those with social care responsibilities, if the Government did not provide additional funding.

While the underlying reasons for the unprecedented level of emergency support varies across the councils, the sheer scale of this intervention by the Government reveals the extraordinary funding emergency facing local government and indicates the risk of financial failure is potentially becoming systematic.

Recent analysis by the LGA has revealed that councils in England face a funding gap of £2.3bn in 2025/26, rising to £3.9bn in 2026/27, a £6.2bn shortfall across the two years. And this needs to be seen in the context of the estimated £24.5bn in cuts and efficiencies in service spending that councils made between 2010/11 and 2022/23. If councils' net service spend had grown in line with inflation, wage growth, demographics and drivers since 2010/11 it would have been a 42% higher in 2022/23 than actual service spend in 2022/23. Councils have had to absorb these huge pressures through services cuts and efficiency.

With limited further capacity to make further service cuts, councils are now increasingly having to draw on their financial reserves to manage these cost pressures and balance their budgets. Councils' un-ringfenced reserves fell by £1.7bn in 2022/23 and £1.1bn in 2023/24. Some 42 % of councils drew on their reserves in both years. The LGA is clear that the use of reserves is not a sustainable solution to current budget pressures – reserves can only be spent once.

In its submission to the Treasury ahead of the Autumn Budget the Chair of the LGA said “Councils are the key to delivering the Government's priorities, but the risk of financial failure across local government is potentially becoming systemic. Councils already face a funding black hole of more than £2bn next year. Having already delivered £24.5bn in cuts and efficiencies, any further cuts on top of this would be disastrous. The Government needs to take action to provide councils with financial stability and certainty in order to unlock their full potential. Immediate financial support and long-term funding reform and certainty – alongside a focus on preventative spending - are essential to protect services and enable councils to fully contribute to

the Government's agenda, from social care to housing, economic growth and tackling climate change.”

In addition, in January 2024, the House of Commons Levelling Up, Homes and Communities Committee published a report on financial distress in local authorities. The report backed calls for an injection of £4bn or risk severe impact to council services and the prospect of further councils in England facing effective bankruptcy. The MPs said their report points to a systemic underfunding of local councils in England, and they have called on the next government to reform council tax and the wider funding system for local authorities “to ensure council finances are put on a sustainable footing”.

More recently, in December 2024, the Housing, Communities and Local Government Committee has launched an inquiry looking at whether the local government finance system in England is fit for purpose. The inquiry will examine the significant funding pressures in local government and will also look at the level of control which local authorities have over both the funding they receive and their costs for providing services.

While it is reassuring that the new Government has recognised the financial challenges facing the sector and has provided some additional financial support for 2025/26, these only brings a temporary reprieve until a longer term, more sustainable funding plan is in place to sufficiently fund local services. It remains to be seen whether Phase 2 of the Spending Review will deliver the Government's commitment to provide financial stability and certainty through long-term funding settlements and what if any further additional funding this might include.

English Devolution White Paper

In December 2024, the Ministry of Housing, Communities and Local Government (MHCLG) published its English Devolution White Paper.

The White Paper sets out the government's plans to widen and deepen devolution in England and reform local government structures. Central to the proposals is the ambition to extend devolution to all parts of the country, enhancing powers for mayors and replacing two-tier local government with single-tier unitary authorities.

This is a wide-ranging document and includes the following proposals:

- The Government has stated its aim that all parts of England should have a Strategic Authority (a Combined Authority of some shape or form). It will legislate for a ministerial directive to help achieve this where local proposals are not forthcoming within a set time period.
- The Government wants to see all of England benefit from devolution. By completing the map, the Government will oversee the rebalancing of power from central government so that local leaders can take back control and increase prosperity for local people. It is the government's strong preference that in filling the map, places do so with a Mayor over a strategic geography.

- A legal framework will set out the powers which go with each type of authority, with the most far-reaching and flexible powers going to Mayoral Strategic Authorities. Mayoral Strategic Authorities will move to simple majority voting where possible.
- Established Mayoral Strategic Authorities will become eligible for the Integrated Settlement, which will commence at the following Spending Review provided a sufficient preparation period has passed.
- The Government will facilitate a programme of reorganisation for two-tier areas and unitary councils where there is evidence of failure or where their size or boundaries may be hindering their ability to deliver sustainable and high-quality public services. This is a longer-term programme, with a target of an ambitious first wave in this Parliament. The target size of new unitaries is 500,000 residents or more, but decisions will be taken on a case-by-case basis.
- ☐The Government will fundamentally reform the local audit system, rebuilding the vital early warning system to recover a key part of assurance mechanisms, restore local government standards, and ensure transparency, and avoid returning to a bloated Audit Commission or allow mission creep to expand the remit of government bodies in the sector. As a first step, the Government will close the Office for Local Government.
- ☐The Government will pursue an ambition to realign public authority boundaries, so that over time, public services are delivered over the same areas as Strategic Authority boundaries. The Government's long-term aim is for public service boundaries – including those of police, probation, fire and health services – and those of Strategic Authorities, to align.

This is the first major policy statement on local government since the White Paper 'Strong and Prosperous Communities' in 2006. Reforms in this White Paper will have a significant impact on every council and poses a particular threat to district councils and the frontline services they deliver.

The potential creation of unitary authorities would impact all of the Councils in Lincolnshire, which currently operates in a two-tier system with a County and 7 District Councils. As further details are announced in the forthcoming months, the impact on the Council is set to become clearer.

In advance of the publication of the White Paper, Greater Lincolnshire (incorporating Lincolnshire County Council and North and North East Lincolnshire Unitaries) had secured a devolution deal for the creation of a Mayoral Combined Authority from May 2025. While the devolution deal provides funding and some more localised decision making via an elected Mayor and as such could create opportunities for such as housing provision, with dedicated funding to increase delivery, the creation of the MCA also brings some financial risks to the Council. Currently there are a number of funding streams i.e UKSPF, Homes England, Affordable Homes Programme, that are allocated directly to the Council, with the creation of the MCA there is a high likelihood that funding will instead be channelled through there and will be subject to allocation in line with it's priorities. UKSPF allocations for 2025/26 have already been announced

at the strategic authority level. This creates a risk that the Council will no longer be able to access funding opportunities and ensure they are used in accordance with the needs of the City, its residents and businesses and could also limit funding to take forward key projects in support of Vision 2030.

Planning Reforms

In December 2024, the Government published its response to the National Planning Policy Framework (NPPF) consultation. As part of its plan to significantly reform the planning system, the Government has introduced new immediate mandatory housing targets for councils to deliver growth in housebuilding, with councils required to adopt up-to-date local plans or develop new plans that work for their communities. These housing targets, aimed to deliver 1.5 million new homes by 2029, will require councils across country to build 370,000 homes annually, with higher targets set for areas facing severe affordability issues.

For the Central Lincolnshire Partnership, which consists of Lincoln, West Lindsey District Council and North Kesteven District Council the housing targets have increased by 40% from 1,102 to 1,552, allocated as: Lincoln 413; West Lindsey 487 and North Kesteven 652 per year. These are extremely ambitious targets.

The updated NPPF encourage development on brownfield sites first and reviewing "grey belt" land for potential use while ensuring greenbelt protections remain strict. Additionally, developers will face new "golden rules," requiring infrastructure and affordable housing as part of any new projects. To support the changes, councils will receive £100 million in funding to hire staff and conduct technical studies, with an aim to recruit an additional 300 planning officers nationwide. The government has also introduced measures like a New Homes Accelerator and increased housing guarantees to unblock stalled developments and support small-scale builders.

A consultation will take place in early 2025 to explore further updates to the planning system, aiming to simplify processes and ensure local authorities adopt up-to-date plans within clear timelines.

In response to the changes, the LGA have said that there must be a collaborative approach between Government and councils to tackle local housing challenges, with councils and communities best placed to make decisions on how to manage competing demand for land use through the local plan-led system. Planning reform also needs to be supported by further work to tackle workforce challenges, and government must work with councils to ensure there is a suitable pipeline of sustainable sites, which once allocated in a Local Plan or given planning permission, are built out.

The implications for the Council of the new NPPF are broad, ranging from direct impacts on the planning team and committee, to direct delivery of new homes by the Council through the Housing Revenue Account and market housing e.g Charterholme, but also through its influence in the City with other house builders and the identification and development of suitable sites in order to achieve the ambitious, mandatory, housing targets.

Local Priorities

City Profile

Lincoln is a cathedral city, and is one of the oldest cities in Britain, with an estimated population of around 102,545 taken from the Office for National Statistics (ONS) mid-year population estimate for 2022. Lincoln also ranked the seventh most densely populated local authority area out of 16 CIPFA nearest neighbours, taken from the Office for National Statistics (ONS) mid-year population estimate for 2022.

Although the population of Lincoln is estimated at over 100,000, many non-Lincoln residents visit the city during the daytime, boosting the local economy but also putting immense pressure on local services and infrastructure.

Based on the mid-year estimates, in the ten years, from 2012 to 2022, Lincoln has seen 11.2% increase in the number of people who live here and subsequently the number of usual residents in Lincoln per square kilometre increased to 2,873 between 2012 and 2022.

As expected, a high level of the population continues to fall within the younger age bracket. In 2021-2022, there were 17,975 students at the University of Lincoln and 2,370 students at Bishop Grosseteste University.

Lincoln remains a young City with 35.3% of the population in the 15-34 age bracket. In Lincoln as a whole, the most common age group shown in the Office for National Statistics (ONS) mid-year population estimate for 2022 was 20-24, 12.6% of the population.

The largest change in population in Lincoln as shown in the Census 2021 was in the age group 70-74, which saw an increase of 33.2% in population (996 people) between 2011 and 2021. The age groups 5-9 (+25.4%), 20-24 (+21.4%), 30-34 (+20.4%) and 55-59 (+26.8%) also saw relatively large increases.

In comparison, the age group 45-49 saw the largest decrease in population in Lincoln by 8.9% (549 people) during the ten-year-period. The age groups 0-4 (-7.2%), 40-44 (-1.2%), 80-84 (-2.2%) and 85-89 (-3.1%) also saw decreases in population between these years.

In terms of the economy, the city continues to face a number of challenges. Before the pandemic the City's business base had been growing consistently for some years, with almost 95% of new businesses surviving their first year in 2020. In 2021, Lincoln had 335 business births with 325 (97%) of those surviving their first year, an increase of 1.8% on the previous year, this follows a continuous upward trend since 2018. Lincoln had the highest survival rate of businesses in their first year of trading compared to CIPFA nearest neighbours. Throughout the pandemic the Council worked hard to mitigate business failure and unemployment rates, distributing grants to businesses, working with partners across the City to support the High Street, through direct investment in the City and progression of the Towns Fund bid as well as other measures.

Nevertheless, lockdowns and Covid restrictions have had a major impact on the local economy with many businesses forced to close or make staff redundant. As of October 2023, 11,717 residents within the city were claiming Universal Credit, of which 6,982 were not in employment and 4,735 were in employment. Lincoln has the 7th highest number of Universal Credit claimants when compared with its nearest neighbours, with a total figure of 2,900 claimants in March 2024 (NOMIS 2024).

However, during 2023, we have seen median gross annual pay rate rise for part-time and full-time workers. We have 81.6% of 16-64 year-olds who are economically active, and a 'job density' (the level of jobs per resident) of 0.88, which is higher than both the East Midlands and England rates.

Lincoln's job density increased to 0.95 in 2022, alongside increasing rates in both England and the East Midlands for 2022. Job density in Lincoln remains higher than the regional average of 0.81 and national average 0.87.

The number of Local Council Tax Support claimants had reduced year-on-year since 2013, but for the first time in 2020 we saw a rise in claimants, though this has subsequently continued to fall since. As of April 2024, we had 8,281 claimants.

As of December 2023, 0.4% of properties fall within council tax bands G and H, and 80% fall within the lowest bands A or B. The remaining 19.6% of properties fell within the remaining council tax bands C, D, E and F.

Like many places, Lincoln is made up of areas of relative affluence, and relative deprivation. The Indices of Multiple Deprivation 2019 shows Lincoln as 68th of 317 Local Authorities. The three domains that Lincoln has scored higher in the rankings are in crime, housing and living environment. These are all in the lowest (9.3%) weighting. Health remains Lincoln's worst domain ranking.

Both male and female life expectancies continue to be lower than national averages between 2020-2022 with male life expectancy decreasing to 75.8 years, a decrease of 0.3 years compared to 76.1 years reported in 2018-2020.

However, female life expectancy increased slightly from the 2018-20 figure of 80.9 years to 81 years in 2020-2022, an increase of 0.1 years. Under 75 mortality rates of heart disease and cancer have seen an increase and Lincoln still ranks high amongst our nearest neighbours.

The Census 2021 recorded that there were approximately 42,500 households in the city which has increased since the last Census undertaken in 2011 which reported a figure of 39,825 households. City of Lincoln Council is landlord to approximately 7,800 of these. Despite the fact that housing is generally more affordable in Lincoln than elsewhere, there is still substantial demand for social housing of different types.

The ongoing cost-of-living crisis, compounded by the residual impact of Covid19, is being felt, and will continue to be felt hardest, by the most vulnerable members of the City. Those who are the most economically disadvantaged have experienced these crises differently as they interlink with existing health inequalities and social conditions

and increase existing adversity: financial difficulties, unemployment, loneliness, social isolation, all of which have been intensified since the pandemic.

These factors place significant demands on key services and resource allocation and are a key driver in the development of the Council's Vision for the future of the City, its strategic priorities and its response to the recovery of the City and its economy following the impact of the pandemic and now the economic shocks that are being felt by the cost of living crisis.

Vision 2030

The Council's Vision sets out the Council's vision for the future of the City, strategic priorities and core values.

The Council's current vision is;

"Together, let's deliver Lincoln's ambitious future"

Underpinning this vision are five strategic priorities, each with a number of supporting aspirations. The aspirations are in turn supported by groups of projects that have been delivered by the Council and its partners. The five strategic priorities are:

- Let's drive inclusive and sustainable, economic growth
- Let's reduce all kinds of inequality
- Let's deliver quality housing
- Let's enhance our remarkable place
- Let's address the challenge of climate change

The delivery of the five strategic priorities is underpinned by the 'One Council' approach, which covers:

- Organisational development
- Best use of assets
- Technology
- Creating value processes

One Council aims to put the customer at the heart of everything the Council does and strives to make sure that when they access council services, they receive the support they need and have a good experience.

Additionally, the vision includes a set of core values which sum up the Council's culture, and what can be expected from its services and policies. They should also be present in the way its officers and member deal with others, its residents, and its partners. The core values are:

- Let's be approachable
- Let's be innovative
- Let's be trusted to deliver

The Council's current Vision 2025, and its supporting delivery plans comes to a natural conclusion in March 2025, while the Council is proud of all it has achieved with Vision 2025 there is much more to do to make Lincoln achieve its potential, while improving the lives of its residents, businesses and communities and progressing the council's long-term vision. The Council's new Vision 2030 builds upon its progress of Vision 2025 and 2020 and forms phase three of the Council's vision for the City. It presents a roadmap to address today's most pressing issues while embracing opportunities for the future, progressing a vision for both the City and Council through to 2030.

The actions and projects within the new Vision have been developed by drawing on Lincoln's City Profile, performance data, feedback from communities and partners, assessment of the impact of key challenges and opportunities and reviewing progress with existing key projects and programmes. These actions and projects will cover both the General Fund and the Housing Revenue Account and the capital programmes.

Recognising the potential impacts of national policy changes in a number of areas, alongside devolution and local government reform, the action plans supporting Vision 2030 prioritise its first 12 to 18 months, ensuring adaptability to legislative, policy and economic changes.

In developing Vision 2030 it has been acknowledged that the Council still has a significant financial savings target to realise over the period of the MTFS so there does have to be a careful balance between delivering a range of new projects that will make a real difference for the City and the need to keep tight control of the council's financial position and also provide the capacity to deliver against both. This balance will be achieved by creating a mix of exciting, high-profile projects that will shape the future of the City, with a range of other projects in keeping with the financial and officer capacity available for delivery.

The Council cannot achieve its vision alone, success requires strong partnerships, shared commitments, and collective determination to ensure Lincoln continues to be a city that works for everyone. Key to delivery of a new vision will be the ability to continue to attract external funding, work in partnership with others and reallocate/repurpose existing, limited, resources. These internal resources will be available in the form of; one off 'additional' resources in 2025/26, through earmarked reserves, borrowing capacity (within the HRA), from capital budgets set aside and from unallocated capital receipts. The attraction of external grants remains a critical element of the Council's Vision and plans.

Despite the challenges posed to the Council's financial position it remains committed to seeking to deliver against its strategic priorities and longer term vision.

Section 3 – Revenue (General Fund)

Spending Pressures

Local Authorities continue to face cost and demand pressures, along with pressures on income streams and new statutory requirements. The Council's own financial position is no different to this; inflation, pay awards, national insurance contribution increases, maintenance and construction costs, borrowing costs and reductions in local income streams all have a significant impact on the Council's cost base. In addition, the Council continues to see increased demand for services, by those who rely on the safety net provided by local government, driven in part by the cost-of-living crisis and housing shortfall. Due to Lincoln's specific set of local socio-economic factors this places a greater demand on key services and resource allocation than in most other places.

Together these factors create a situation of the Council's cost base increasing at a greater pace than the funding received from local taxation and Government funding.

These escalating cost, demand and income pressures have arisen across a number of key areas:

- **Cost inflation:** the prolonged period of high price inflation has had a big impact on the cost of core services. The Council has a number of key service contracts, for front line services e.g. waste collection, street cleansing, grounds maintenance, housing repairs etc, that are linked to annual contractual inflationary increases. The cost of these has significantly increased.
- **Demand increases and temporary and supported (exempt) accommodation:** cost-of-living pressures have increased demand for a range of council services and contributed to an increased demand for temporary accommodation. While the Council can reclaim an element of these costs through the housing subsidy system, the amount that can be reclaimed is limited to 90% of the Local Housing Allowance (LHA) rates from January 2011. The gap between actual rents and the LHA rates becomes wider and less reflective each year and leaves the Council in the position of having to 'make up' significant shortfalls between housing benefit subsidy and the cost of temporary accommodation. In addition, an increase in the number of supported (exempt) accommodations claims in non-housing association properties has significantly escalated the cost to the Council. If the supported accommodation is provided by a voluntary organisation or a registered charity that is not a housing association, the subsidy rules mean that the council does not receive 100% subsidy on the rent paid. With an increase in this type of accommodation, the Council is left bridging the gap between rent paid and amount it can recover via the subsidy system.
- **Wage inflation:** staff costs make up a significant percentage of council expenditure. Recent pay agreements, negotiated by the National Employers side, whilst recognising the below inflation pay increases of local government workers in recent years, have placed a significant additional burden on local authorities. In addition, the announcement in the Autumn Budget to increase

Employer National Insurance contributions from April 2025 has also significantly increased the Council's salary costs. While nationally, additional funding of £515m has been announced, the Council's estimated allocation is significantly lower than the actual increased costs it will incur. Funding is estimated to be only c47% of the actual increased costs.

- Limits to council tax revenue: District councils are more dependent on locally raised income than other councils but are subject to tighter Council Tax limits. The district council precept makes up only 14% of the total Council Tax bill. Councils are also restricted by referendum limits on its annual increases, which have fallen significantly below the levels of inflation experienced in recent years. In addition, the collection of Council Tax income remains challenging with collection rates lower than pre-pandemic levels, due to the current pressure on household incomes.
- Reduction in Sales, Fees and Charges income: income primarily of a development nature e.g. from planning applications, land charges and building control remains at depressed levels due to pressures in the construction and housing market as the ongoing economic climate and cost-of-living crisis continues to impact on development within the city.
- Construction and capital costs: the cost of delivering building and maintenance schemes has escalated due to inflationary pressures borne by contractors as well as labour shortages, material shortages and supply chain issues. In addition, the cost of borrowing to fund capital schemes is also increasingly impacting on the affordability of projects and the costs borne by the revenue funds.

In addition to the cost and demand pressures for existing services, over recent years there have been more and more new burdens placed on councils with little or no additional funding. A key risk that the Council currently faces is in relation to new statutory requirements under the Government's Simpler Recycling in England Policy. From April 2026 the Council will be required to implement a weekly food waste collection service, this will be the largest change to waste collection services in Lincoln since the introduction of wheeled bins, as well as separately collecting paper and cardboard from other dry recycling. The costs of implementing weekly food waste collections will have both significant transitional and ongoing operating cost implications for the Council. While the Government have committed to providing additional funding for the cost of transition and ongoing service delivery through the new burdens regime, as yet there has been no confirmation of revenue funding allocations and no public timeline for when this will be announced. It is also not clear whether the revenue funding allocations will take into consideration the varying delivery arrangements that councils operate e.g. the Council contracts out its service delivery and as such the revenue costs it incurs include the cost of vehicle provision, whereas other councils outright purchase the refuse vehicles and do not pay for these as a revenue cost. Initial estimates indicate that this new service may cost in the region of £0.5m - £0.6m p.a. At this stage in the development of the MTFS no estimates of additional expenditure or income have yet been assumed, work continues on developing these budget estimates. Until such time as the Government announces the level of new burdens funding, this remains a significant risk to the Council.

While assumptions were made in the previous MTFS, as a result of further developments over the last 12 months and to address the impact of new and emerging challenges, further, permanent, increases in the Council's net cost base have been required in this MTFS. This only widens the gap between the cost of providing the Council's services and income it receives from local taxation and government funding.

Spending Plans

The MTFS is central to identifying the Council's financial capacity to deliver its vision and strategic priorities, this requires a balance to be struck between the need to support the delivery of the vision with the need to maintain a sustainable financial position. This balance has become extremely difficult in recent years given the Council's financial position and a need to continue to reduce the net cost base.

In developing the new Vision 2030 it has been acknowledged that the Council still has a significant financial savings target to realise over the period of the MTFS so there does have to be a careful balance between delivering a range of new projects that will make a real difference for the City and the need to keep tight control of the council's financial position and also provide the capacity to deliver against both. This balance will be achieved by creating a mix of exciting, high-profile projects that will shape the future of the City, with a range of other projects in keeping with the financial and officer capacity available for delivery.

The MTFS provides for the allocation of £1m of revenue resources to support the Council's the new Vision 2030, this is a one-off allocation and will be released in phases over the 5-year plan, with an initial allocation of £0.482m in 2025/26. These additional resources have been made available as a result of previous years underspends and from additional resources allocated in the Finance Settlement 2025/26 and the continuation of business rates pooling in 2025/26. In addition, other revenue resources from existing budgets and earmarked reserves will also support the delivery of new actions and projects in Vision 2030.

In light of the financial challenges the Council continues to face, the key to delivery of the new Vision will be the ability to continue to attract external funding, work in partnership with others and reallocate/repurpose existing, limited, resources.

Details of the projects supporting the vision and strategic priorities are included within the new Vision 2030 and action plan.

Spending Assumptions

A review of the financial planning assumptions the Council over the period of the MTFS has been undertaken, this information has been drawn from experience in previous years, the advice of Directors and Assistant Directors, the current economic climate and other local and national issues that are likely to influence the financial outcomes.

Inflation – Pay and Prices

Automatic inflationary increases of budgets are not provided for all goods and services, instead individual inflation rates have been applied for specific items of expenditure, all remaining areas of expenditure are maintained at the previous year's levels, which is in effect a real terms reduction in spending power. The following rates of inflation have been assumed over the period of the MTFS:

	2025/26	2026/27	2027/28	2028/29	2029/30
	% per	% per	% per	% per	% per
	year	year	year	year	year
Pay	2.0%	2.0%	2.0%	2.0%	2.0%
CPI	2.0%	2.0%	2.0%	2.0%	2.0%
RPI	3.0%	3.0%	3.0%	3.0%	3.0%
Gas	(15.0%)	2.0%	2.0%	2.0%	2.0%
Electricity	(15.0%)	2.0%	2.0%	2.0%	2.0%
Vehicle Running Costs	2.5%	2.0%	2.0%	2.0%	2.0%
Insurance Premiums	5.0%	2.5%	2.5%	2.5%	2.5%
Internal Drainage Levies	5.0%	2.0%	2.0%	2.0%	2.0%
Non domestic rates – std	1.6%	2.0%	2.0%	2.0%	2.0%
Non domestic rates – small	0.0%	2.0%	2.0%	2.0%	2.0%

Annual price increases in a number of the Council's contracts are linked to CPI at a defined date in the year, primarily September, December and March. These have specific inflationary increases applied, as opposed to the general, annual increases set out above.

Land Drainage Levies

A small number of local authorities are required to make payments of Special Levies to Internal Drainage Boards (IDB's) for the specific use of managing the maintenance and operation of drainage, water levels and flood risk, which is required to manage water resources and reduce flood risk to people, businesses, communities and the environment. These Special Levies represent a significant proportion of the Councils' net budget at £1.327m p.a., equating to 16% of the Council Tax Requirement. Local Authorities have no control over the sum levied.

The annual increase in levies is ordinarily in line with CPI projections, however due to the current economic climate and the significant cost increases borne by the IDB's, particularly in relation to the impacts of weather-related incidents in recent years, average inflationary increases of 20% and 16% were applied in 2023/24 and 2024/25 respectively. For 2025/26 the inflationary increases are on average 5%.

This issue is unique to a small number of Councils and following a successful campaign of lobbying, Government made one-off grant allocations to those Councils most impacted in 2023/24 and 2024/25. The Council's allocation for 2023/24 was £0.142m, with £0.173m allocated for 2024/25. As a comparison the inflationary increase in the Council's levies from 2022/23 to 2023/24 was £0.160m with a further increase of £0.177m to 2024/25. A further one-off grant of £3m has been announced for 2025/26, although the specific allocations to individual authorities are not yet available.

While these one-off grant allocations from Government are welcomed, the Council is continuing to still seek a longer term, more sustainable, approach to Drainage Board funding from Government that removes the need for Council subsidy entirely. The Council is part of a Special Interest Group, supported through the LGA, which continues to lobby Government to seek a revised approach to the funding mechanism.

Employer's Pension Fund Contributions

The latest triennial revaluation of the Council's Pension Fund took place at 31 March 2022, and the results identified that there has been a significant improvement in the funding position since the last actuarial review from a 83.9% funding level to 92.7%.

Although the overall funding level has improved, due in the main to better than expected investment results during the period, it should be noted that this level of investment performance is unlikely to be sustainable over the longer term. The Fund's prudent assumption for future investment is unchanged from the 2019 valuation, however, the economic outlook on the whole is more pessimistic than three years ago.

Overall, the improved funding position has had a positive outcome on contribution rates, reducing secondary payments considerably. However, the cost of accruing future pensions has increased, particularly given the increase in inflation, and that has driven up primary rates from 17.3% of pensionable pay to 23.4%. Whilst the increase in the primary contribution rates, for the existing staff establishment, is offset by the reduction in secondary contribution rates, it will further increase the cost to the Council of any new posts to the establishment.

A further actuarial review will take place in April 2025, which will inform the employer contributions from 2026/27 onwards.

Net Interest Receipts

Net interest receipts incorporate the cost of financing the capital programme (via internal and external borrowing) and interest paid and earned on revenue balances during the year.

Historically investment income, which is heavily dependent on how the Council uses its reserves and the prevailing interest rates, was an important source of income for supporting the Council's service expenditure. Over the last decade the average interest rate achieved was barely above base rate, however, in recent years interest rates have increased in the Bank of England's attempt to reduce inflation, resulting in a significant increase in investment income. The start of the 24/25 financial year saw interest rates at 5.25%, this has since seen two reductions to the current rate of 4.75% (Dec 2024) off the back of falling inflation rates. Economists are forecasting a further 25bps reduction in interest rates at the end of this financial and further staged reductions throughout 2025/26.

Investments are being kept short and liquid to ensure the Council has enough liquid resources to meet the ongoing challenges with a bigger emphasis on 'laddering' investments in a rising interest rate environment. This enables opportunities to

consistently improve underlying yield while still allowing flexibility to adjust if market circumstances alter with a regular stream of maturing investments.

Interest rates are forecast to fall incrementally to 3.5% towards the end of the 25/26 financial year according to the Councils Treasury Management advisors. This is reflected in investment income forecasts in the MTFS.

Whilst the council does not anticipate any short term borrowing, if any should be required it should be minimal. The Council's portfolio of long-term borrowings currently includes four loans that are due to be repaid during the five year MTFS 2025-30 period. The council currently has one short term loans which is due to mature in 2025. In recent years the council has taken out reborrowing in the form of Equal Instalment of Principal (EIP) loans of which enables the council to pay down principal over a 10 year period and reduce interest expense. Four of the councils loans have lender options to vary their terms at six monthly intervals.

Sensitivity to changes in interest rates is linked more markedly to investments rather than to the portfolio of borrowing as all borrowing is at fixed interest rates. As an indication, a change in interest rates achievable on investments of +/- 0.5% the interest receivable would have an estimated combined impact of approximately £0.653m over the 5 year MTFS. A rise of 0.5% in the Bank of England base rate would not translate into a 0.5% increase in investment rates available.

Average interest rates on investments assumed within the MTFS are as follows:

	2025/26	2026/27	2027/28	2028/29	2029/30
	%	%	%	%	%
Interest Rate	3.30	2.92	2.98	2.98	2.98

Based on the current forecasts for interest payable on new borrowing (averaging around 4.27%) and receivable on investments (averaging around 3.03% over the MTFS), and the estimated level of balances available for investment, it is currently anticipated that new borrowing will be taken to fund the borrowing requirement for the General Fund over the 5-year strategy. Internal balances will be used to fund the existing borrowing requirement where it remains financially advantageous to do so, reducing the amount of interest that would have been payable on new debt, partially offset by a reduction in interest receivable (due to reduced balances available for investments).

Provision for Debt Repayment

A review of the Council's Minimum Revenue Provision Policy (MRP) was undertaken during 2022/23. MRP is a statutory charge to the Council's revenue account to make provision for the repayment of the outstanding capital debt liabilities. The Council is required by law to set aside an amount for this provision which it considers to be prudent. Statutory Guidance which accompanies the Regulations provides options for the calculation of MRP and gives Council's significant discretion in determining the level of MRP. The Guidance states that 'the broad aim of prudent provision is to ensure that debt is repaid over a period that is either reasonably commensurate with that over which the capital expenditure provides benefits, or, in the case of borrowing

supported by Government Revenue Support Grant, reasonably commensurate with the period implicit in the determination of that grant'.

As a result of the review the Council's Treasury Management Strategy the council implemented an annuity based calculation rather than the previous straight line method. The annuity method is seen as being equally as prudent as the straight line method because the time over which the debt liability will be repaid is not being extended, in addition the annuity method provides a fairer charge than the straight-line method since it results in a consistent charge over the asset's life, considering the time value of money.

Resource Assumptions

Settlement Funding Assessment: Revenue Support Grant/National Non-Domestic Rates

The Local Government Finance Settlement for 2025/26 sets out the distribution of centrally allocated resources for local authorities and provides authorities with a combination of grant allocations and their baseline figures within the BRR scheme.

As in previous years, the Settlement provides authorities with a combination of grant allocations and their baseline figures within the BRR scheme. This means that no retained growth (or decline) is included, and authorities are very unlikely to receive the amounts actually shown in Core Spending Power.

This is the seventh consecutive one-year local government finance settlement - which is effectively a 'stopgap settlement'. The consultation paper on future finance reform, published in parallel, confirms the Government's intention to deliver a multi-year settlement next year, aligned to the time horizon of the planned Spending Review, and embodying a broad reform of the system for allocating resources. This whole timetable is driven by the Spending Review timing horizon and the length of time necessary to work-up and consult on the new reform package.

The 2025/26 Settlement is based on the Autumn Budget and Spending Review 2024 amounts and the 28th November Finance Policy Statement.

Core Spending Power

The Core Spending Power calculation includes the main sources of Government funding for local authorities, in addition it also includes local resources in the form of assumed levels of Council Tax income.

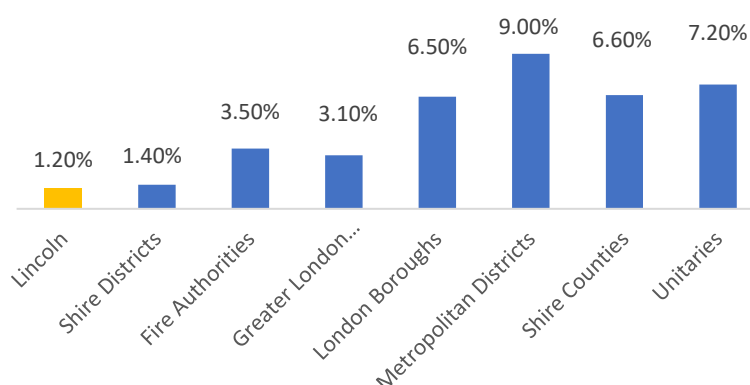
The table below shows the national changes to Core Spending Power between 2020/21 and 2025/26 and the breakdown across the various funding sources. Overall, spending power will increase by £4.424bn, 6.8%, from £64.982bn to £69.406bn.

England	2020/21	2021/22	2022/23	2023/24	2024/25	2025/26
	£bn	£bn	£bn	£bn	£bn	£bn
Settlement Funding Assessment	14.797	14.810	14.882	15.671	16.563	16.841
Under-indexing business rates multiplier	0.500	0.650	1.275	2.205	2.581	2.696
Council Tax	29.227	30.308	31.922	33.984	36.154	38.312
Improved Better Care Fund	2.077	2.077	2.140	2.140	2.140	2.640
New Homes Bonus	0.907	0.622	0.556	0.291	0.291	0.290
Rural Services Delivery Grant	0.081	0.085	0.085	0.095	0.110	0
Lower Tier Services Grant	0	0.111	0.111	0	0	0
Social Care Grant	1.410	1.710	2.346	3.852	5.044	5.924
Services Grant	0	0	0.822	0.483	0.087	0
Market Sustainability & Fair Cost of Care Fund	0	0	0.162	0	0	0
ASC Market Sustainability and Improvement Fund	0	0	0	0.562	1.050	1.050
ASC Discharge Fund	0	0	0	0.300	0.500	0
Domestic Abuse Safe Accommodation Grant	0	0.125	0.124	0.127	0.130	0.160
Grants Rolled In	0.380	0.394	0.309	0.538	0.064	0
Recovery Grant	0	0	0	0	0	0.600
Children's Social Care Prevention Grant	0	0	0	0	0	0.270
Funding Floor	0	0	0	0	0	0.121
Employer NIC Contributions	0	0	0	0	0	0.502
Funding Guarantee	0	0	0	0.133	0.269	0
Core Spending Power	49.379	50.891	54.834	60.382	64.982	69.406
Change %		3.1%	7.7%	10.1%	7.6%	6.8%

Although the national level of Core Spending Power is forecast to increase by 6.8% there will be a variation between individual authorities and types of authority. The calculation also contains assumptions around council taxbase changes and increases which may not be reflected in local projections.

Shire Districts, including Lincoln have historically experienced the worst reductions or lowest increases in core spending power, due to changes in distribution methodologies and a redirection of resources towards social care pressures and the allocation of other specific grants towards upper tier or rural authorities. Shire Districts have once again fared the worst of the authority types with an average increase of 1.4%, in Core Spending Power, this includes funding for NIC increases and assumes they use full council tax flexibility available to them. However, the majority of districts should receive a higher real-terms increase in funding overall but this will be entirely dependent on Extended Producer Responsibility (EPR) income.

Average increases across the authority types are set out below:



Lincoln's increase in CSP for 2025/25 is 1.2%, this is significantly below the average for all authority types at 6.8% and lower than average for Shire Districts at 1.4%. Lincoln's position is as set out in the table below:

Lincoln	2020/21	2021/22	2022/23	2023/24	2024/25	2025/26
	£m	£m	£m	£m	£m	£m
SFA	3.837	3.837	3.838	4.132	4.322	4.409
Council Tax;	6.915	6.956	7.360	7.556	7.906	8.222
Other grants	1.072	1.137	1.645	1.444	1.705	1.489
Core Spending Power	11.824	11.929	12.843	13.132	13.933	14.120
Change (%)						1.2%

Settlement Funding Assessment

The SFA for each authority comprises of NNDR Baseline funding level and Revenue Support Grant. For the Council this is broken down as follows:

	2020/21	2021/22	2022/23	2023/24	2024/25	2025/26
	£m	£m	£m	£m	£m	£m
Revenue Support Grant	0.023	0.023	0.024	0.175	0.187	0.226
Baseline BR Funding Level	3.814	3.814	3.814	3.957	4.135	4.182
SFA	3.837	3.837	3.838	4.132	4.322	4.409

Revenue Support Grant

In terms of the Council's RSG element of the SFA, the figure for 2025/26 has been determined using 2024/25 amounts, plus 1.7% CPI inflation initially. There have also been a number of smaller grants rolled in, e.g. Tenant Satisfaction Measures, Election Integrity Programme etc. The Council's allocation is as follows:

	2020/21 £m	2021/22 £m	2022/23 £m	2023/24 £m	2024/25 £m	2025/26 £m
RSG	0.023	0.023	0.024	0.175*	0.187	0.226

* Local Council Tax Administration Support Grant rolled in.

The MTFS assumes an ongoing grant allocation beyond 2025/26 of £0.226m p.a.

Business Rates Retention

The Council has undertaken an assessment of the amount of business rates that it expects to collect during 2025/26 and based on the principles of the current 50% Business Rates Retention scheme the estimated level of NDR to be retained is set out in the table below.

The level of outstanding appeals continues to create a level of uncertainty, the Council still has a number of challenges lodged with the Valuation Office, against both the 2017 and 2023 ratings lists, along with further identified threats for pending challenges. The Collection Fund is required to fully provide for the expected result of all appeals and uses external assessments to estimate the likely level and value of these appeals. The current provision of outstanding appeals stands at £1.483m, of which the Council's share is £0.593m. In addition to the backdated element of these appeals there is also an ongoing impact due to the reduction in the business rates base, which ultimately reduces the level of income to be retained in the future by the Council. The MTFS assumes a £1.250m p.a. reduction in retained rates due to outstanding appeals, this is c3% of the total net rents payable. This assessment has been made taking into consideration the level of checks, challenges and appeals received during the first year of the new ratings list along with national assumptions.

For 2025/26 the Council along with the County Council, who are a top up authority, and the six other Lincolnshire District Councils have received designation to act as a BR pool. The benefit of pooling is that the authorities in the pool can be better off collectively through a reduction in the amount of levy paid to the Government. The arrangements for the current pool are that this retained levy is allocated 40% to the County Council and 60% allocated to the District Council that has generated the business rates growth. The estimated benefit of this to the Council is £0.663m in 2025/26. As the BR Reset is set to be implemented in 2026/27, it is assumed that the BR pool will not continue beyond 2025/26.

Beyond 2025/26 forecasting the level of Business Rates income to be retained is extremely challenging due to a lack of detail around the proposed reset of baselines and changes to the level of underlying need. These reforms, have the potential to wipe out the majority of the accumulated gains the Council has achieved since the launch of the current system in 2013/14 and return income to the Council's baseline levels. In 2025/26 the accumulated growth to the Council is c£2.2m p.a.

Until further announcements are made, the MTFS is based on a continuation of the existing retention scheme and pooling arrangements in 2025/26 and then, prudently, from 2026/27 assumes a full reset of baselines with only a small element of assumed redistribution of the national pot to reflect changes in the Council's underlying level of need. These forecasts will continue to be assessed as further information regarding the design and implementation of the reforms, including any transitional arrangements, are made available.

Based on the assumptions as set out above the level of retained business rates assumed in the MTFS is as follows:

Income Forecast	2025/26 £'000	2026/27 £'000	2027/28 £'000	2028/29 £'000	2029/30 £'000
Forecast retained Income	7,119	5,440	5,530	5,644	5,644

As set out throughout this MTFS, the potential funding reforms to be implemented from 2026/27 onwards will have the potential to significantly affect the level of business rates retained by the Council, whilst assumptions have been made in the MTFS regarding the potential impacts the actual impact remains a high risk to the Council's future financial sustainability.

New Homes Bonus

Historically the New Homes Bonus (NHB) grant was a significant source of funding for District Council's, with the Council receiving average annual allocations of £0.975m, but subsequent amendments to the scheme parameters and funding envelope reduced the levels of grant allocations.

The Local Government Finance Policy Statement 2025/26 announced that there would be a new round of NHB payments in 2025/26, allocated by applying the same calculation process. However, it also stated that having a portion of the Settlement allocated on a payments-by-results basis negatively interacts with the remainder of the Settlement and that a consultation on proposals for reforming the NHB beyond 2025/26 would be undertaken in due course. The consultation will propose that 2025/26 will be the final year of the NHB in its current format and councils should consider this in their financial planning.

The Council's allocation for 2025/26 is £0.027m.

The MTFS does not assume any grant allocations beyond that announced for 2025/26.

Recovery Grant

A new one-year 'Recovery Grant', worth £600 million was announced as part of the 2025/26 Settlement. This has been distributed to places with greater need and demand for services (using deprivation as a proxy for this), and which are least able to fund their own services locally. The grant has allocated funding where the numbers of vulnerable people who rely on council services are highest, and the ability to fund need locally is weakest. This is intended to correct the inefficiency of the current system and put councils in the most deprived areas on a more stable footing. The grant is intended to be highly targeted, meaning that not all authorities have received an allocation.

The Council's allocation for 2025/26 is £0.414m. The MTFS assumes an ongoing grant allocation beyond 2025/26 of £0.414m p.a.

Extended Producer Responsibility/ Recycling Reforms

Extended Producer Responsibility (EPR) is a scheme that requires producers of packaging to pay for the cost of recycling that packaging. The Government's intention is to use the income from the scheme in the local government funding system, which would include reviewing the impact of this income on relative needs and resources of individual authorities. Local authority finances are affected by the policy in the following way:

- Companies above certain thresholds for size and generated packaging waste will have to pay a fee to a Scheme Administrator (yet to be set up but will initially be a public body). The Scheme Administrator will determine the fee schedule.
- The total collected fees (excluding the Scheme Administrator's own administrative fee) will be distributed to local authorities to compensate for net costs of their household and commonly binned waste services, including collection, disposal, and recycling. These costs form the basis of the fee mechanism. The policy does not currently address the question of how any funding shortfall arising from non-collection of the fee would be addressed, but the fact that the fee will be applied to large producers makes collection potentially easier.
- Funding will be provided on the basis of the Scheme Administrator's assessment of what a 'net efficient cost' of providing the service is locally. The Scheme Administrator will assess the household and commonly binned packaging waste management costs, volumes, and income (for example, through selling waste) by each relevant local authority. It will be able to take into account other factors (for example, frequency of collection, sparsity, types of households, deprivation and others). It will be up to the Scheme Administrator to devise this process and calculation model.
- The Scheme Administrator will have the power to assess the efficiency and effectiveness of local household and commonly binned packaging waste services, including activation of an improvement plan mechanism. Powers will be granted to penalize local authorities to the sum of up to 20% of their assessed 'net efficient costs'.
- This will be an annual process.

Additional income of c£1.1bn p.a. is expected to be received by authorities through implementation of the scheme. This will provide a 1.6% real terms increase in funding in 2025/26.

The Autumn Budget stated that for 2025/26 this will be treated as 'new money', but it may be netted off in the Settlement in future years. This is an important 'one-off' boost, particularly for District Councils, in light of their lower than average increases in CSP. However, until the Government sets out how this significant funding stream will affect the wider local government finance system beyond 2025/26, i.e. it plans to assess the impact of additional EPR income on the relative needs and resources of individual local authorities, and how it factors it into its measurement of local authority spending

power, ahead of the 2026/27 Settlement, then it isn't possible to assess whether this will be ongoing, additional funding for local authorities.

Also, exceptionally for 2025/26 only, and recognising the importance of councils being able to effectively plan their budgets, the Government will guarantee that if local authorities do not receive EPR income in line with the central estimate there will be an in-year top up.

The Council's allocation for 2025/26 is £1.424m.

The MTFS therefore does not assume any allocations beyond 2025/26.

National Insurance Contributions Compensation

As announced in the Autumn Budget, from April 2025 all employers will incur additional National Insurance Contributions (NIC's). For the public sector, the Government also announced that it intended to fully fund the additional cost borne as a result of these changes.

Included in the Local Government Finance Settlement was an allocation of £515m of new funding to support councils with the costs associated with the NIC increases. The methodology used to allocate this funding to individual authorities is based on the council's proportion of net revenue expenditure of the total of net revenue expenditure of all councils in scope to receive an allocation.

The Council's allocation for 2025/26 is £0.184m, this is significantly below the costs to be incurred which are c£0.390m p.a.

The MTFS assumes an ongoing grant allocation beyond 2025/26 of £0.184m p.a.

Council Tax

The Localism Act 2011 introduced a power for residents to approve or veto excessive council tax increases. This means that any local authority setting an excessive increase as set by the Secretary of State would trigger a referendum of all registered electors in their area. The Government confirmed in the Local Government Finance Settlement that the referendum principles for 2025/26 will be same as the previous two years, i.e. for core council tax (3%), shire districts (3% or £5, whichever is higher), and the adult social care precept (2%). This will strike a balance between giving local authorities flexibility to set Council Tax levels based on the needs, resources and priorities of their area, including adult social care, while protecting local taxpayers.

In light of the financial position of the Council and in accordance with the referendum thresholds to be applied for 2025/26, the MTFS assumes the following indicative council tax increases and subsequent overall yields:

	2025/26	2026/27	2027/28	2028/29	2029/30
% Increase	2.9%	1.9%	1.9%	1.9%	1.9%
Council Tax Base	25,764	26,176	26,660	27,187	27,653

Council Tax Yield	£8.167m	£8.454m	£8.775m	£9.117m	£9.450m
Band D	£316.98	£323.01	£329.13	£335.34	£341.73
Band D £ Increase	£9.00	£6.03	£6.12	£6.21	£6.39

For 2025/26 the Council Tax amount for a Band D property (excluding County Council and Police Authority precepts) is £316.98, a 2.9%/£9.00 increase from 2024/25.

In calculating the Council Tax base the overall yield is reduced by the estimated numbers of claimants entitled to support under the Council's LCTS scheme and the eligibility criteria of the scheme. The more Council Tax support that is awarded the more the taxbase is reduced, limiting the ability to raise Council Tax. In 2023/24, Lincoln's revenue was reduced by 14.1%, due to its local CTS scheme. Of this, 4.5% was in the form of support to pensioners and 9.6% was support for working-age families. The table below compares the share of revenue foregone with the nearest demographical neighbours and England averages.

	Lincoln	Nearest Neighbour	England Average
Support for pensioners	4.5%	4.4%	3.7%
Support for working-age	9.6%	7.0%	5.1%
Total Council Tax Support	14.1%	11.4%	8.8%

Despite the cost-of-living challenges experienced in recent years, the number of LCTS claimants has continued to reduce, with total claimants of 8,080 at November 2024 compared with 8,491 in March 2020. The MTFs assumes a reduction of 1% p.a. in claimant number in 2025/26 to 2027/28, with the caseload plateauing from 2028/29 onwards.

Fees and Charges

The fees and charges levied by the Council are an important source of income, however, whilst Covid19 had a significant detrimental impact on income levels over the last few years, many of the discretionary income areas have subsequently recovered from this. In some cases these pressures have been replaced, or further compounded, by the more recent cost of living crisis and a result of inflationary shocks and higher rates of interest.

Although inflation has now reduced, the expectation is that interest rates will remain at elevated levels beyond the next financial year, and this coupled with the legacy increase in baseline costs as a result of the inflationary increases continues to have a detrimental impact on services and the Council continues to experience reductions in income levels in areas such as Building Regulations, Development Control and Land Charges. These reductions are expected to continue throughout 2025/26 before any significant recovery is seen.

As part of the normal, annual, budget cycle fees and charges income budgets are usually increased by 3% per annum for their total yield, as such this is the base assumption for 2025/26. However, this increase of 3% does not preclude individual fees and charges being increased by more or less than 3%.

The MTFS assumes that the Council will raise £12.672m from fees and charges in 2025/26. The mean average overall increase in the non-statutory fees and charges is 3.4%, however this includes some fees that have been increased by higher and lower percentages, the modal increase is 0%

Bridging the Gap

The previous MTFS 2024-29 was based on a medium-term savings target of £1.75m, to be delivered by 2027/28. The scale of this target was driven by the anticipated funding reforms, which are likely to see the Council face a cliff edge reduction in business rates resources, along with the unavoidable cost and demand pressures the Council faces, resulting in a significant and widening gap between its spending requirements and the level of resources it estimates to receive.

The target was phased in over the period of the MTFS to provide a manageable position from a capacity perspective, over an initial two-year period, with the higher levels of savings needed towards the end of the MTFS period. It also mirrored the potential timing of a full Spending Review and implementation of national funding reforms from 2026/27 onwards, providing the ability to adjust the target levels subject to the outcome of these.

Since then, work has continued on implementing the programme for the initial two-year period, with progress against the targets as follows:

	2024/25 £'000	2025/26 £'000	2026/27 £'000	2027/28 £'000	2028/29 £'000
Savings Target MTFS 2024-29	125	250	1,500	1,750	1,750
Savings secured	(89)	0	0	0	0
Savings subject to business case	(25)	(131)	(134)	(137)	(141)
New savings required	11	119	1,366	1,613	1,609

As a result of additional resources one-off being available in 2025/26, through EPR funding and continuation of Business Rates pool, this has provided the financial capacity to cushion the impact of the cost pressures in the short term and the flexibility to adjust the immediate level of savings required. The ongoing requirement to deliver savings of £1.75m by 2027/28 has not changed.

On the basis of the revised financial planning assumptions assumed in this MTFS, the following level of savings targets will be required to ensure the financial sustainability of the General Fund:

2025/26 £'000	2026/27 £'000	2027/28 £'000	2028/29 £'000	2029/30 £'000
250	500	1,750	1,750	1,750

The reduction of the target in 2026/27 has been made on the basis that it will allow the impacts of the national funding reforms to be fully understood and the level of resources to be known with more certainty. It will also allow capacity within the Council to focus on its response to the Devolution White Paper and understand the implications for the Council. The Council will then be in a more informed position to set future years targets and assess the depth and breadth of savings programme, and impact on service delivery, that it will need to deliver. It is highly likely that the savings targets beyond 2026/27 will change (positively or negatively) in the next refresh of the MTFS.

Despite this potential for change, the Council is still in the position of having to underpin the MTFS on the same level of significant savings target over the medium term, challenge which it must address this challenge if it is to remain financially sustainable in the medium term. The Council will therefore still continue to develop and implement a savings programme in order to ensure it is fully prepared to be able to deliver against these targets.

The ability to deliver these further, significant, budget reductions must be set in the context of the Council having already delivered, over the last decade and a half, annual revenue savings of nearly £10.5m. This is a significant amount in comparison to the net General Fund budget. This has already involved the Council having to take difficult decisions in terms of which services it can continue to provide, but each year the challenge gets much harder.

While closing a projected budget gap of this size is a challenge for the Council, it has confidence in its track record of delivering strong financial discipline and that it can continue to rise to the challenge.

The key mechanism for delivering the required budget savings is through the Towards Financial Sustainability (TFS) Programme, which seeks to bring net service costs in line with available funding. The programme focuses on both short term and longer-term, sustainable options, which includes:

- Seeking opportunities to maximise the use of technology, embracing digital technology to improve service delivery across the organisation and instilling a website first culture, to make the council more efficient,
- Considering the benefits of increasing Council Tax in line with referendum limits, to protect service provision, whilst ensuring increases are kept at an acceptable level and that support is provided to the most vulnerable.
- Assessing opportunities to find alternative ways of providing services more efficiently and effectively by working jointly with partner organisations, such as other local councils, the voluntary sector, local businesses.
- Considering community asset transfer opportunities whereby our physical and natural assets can be transferred to voluntary & community groups and charities, bringing much needed resources to enhance and maintain those assets.
- Reviewing financial support provided to third sector organisations to ensure resources are being effectively utilised for the benefit of council taxpayers.
- Seeking to generate additional income by reviewing sales, fees and charges and ensuring that these reflect increasing operating costs.

- Seeking to maximise income opportunities from property investments.
- Maximise grant funding opportunities and prioritising capital investment in line with the capital strategy to reduce the revenue cost of borrowing. To also continue to review treasury management and capital financing approaches to maximise benefits.
- Making the best use of the Council's assets, developing multi-agency hubs where possible and ensuring those spaces are low carbon producers and sustainable.
- Continuing to use the Council's influence, and direct investment in the city (such as through; the Town Deal; the Additional Affordable Housing Programme; and Charterholme SUE), to create the right conditions for the city's economy to recover and grow, leading to longer term increased revenue streams for the council.

While the Council will focus on the above range of measures and there is sufficient 'lead in time' to the need to deliver these savings, given the scale of savings required it cannot rule out the need to face further difficult decisions about the services it continues to provide. As set out above, the impacts of the national funding reforms and any implications for the Council following the Devolution White Paper are likely to influence the future savings programme and the size and scope of services it provides in the future.

Individual, specific proposals will be presented to the Executive for consideration, as the programme is delivered.

Revenue Forecast

Based on the preceding financial objectives, underlying principles, national and local priorities, savings targets, spending and resources assumptions, Appendix 1 provides a summary five-year General Fund revenue budget for the Council.

Risks to the Revenue Budget

The Council has adopted a corporate approach to risk management, and financial risk management is integrated into the Council's overall management and decision-making processes.

A number of key high-level risks have been identified which could have a positive impact that could yield additional resources, but conversely some risks may have a negative impact and result in a reduction of resources. These key risks are action planned and continually reviewed as the MTFS develops. The main areas they cover are:

- Fluctuations in fees and charges income and commercial income, particularly due to current economic conditions
- Uncertainty regarding the outcomes of the Spending Review 2025 and allocation of funding to Local Government
- Fluctuations in the Business Rates Tax base, particularly in light current economic factors

- Implementation of a Business Rates Reset and transitional arrangements
- Future levels of Central Government funding e.g. review of needs and resources redistribution of funding allocations within the Local Government Finance Settlement.
- Fluctuations in key economic assumptions e.g. inflation, interest rates
- Implications of the Government's fiscal policy on the economy, in particular at a local level
- Delivery of challenging savings targets
- Impact of economic climate on demand for services, particularly from those most vulnerable in the City e.g. temporary and supported accommodation
- Cost implications arising from a range of Government policy initiatives in relation to waste and recycling i.e. implementation of a weekly food waste service.
- Changes to other key assumptions within the MTFS
- Financial and budget management issues

Appendix 3 details the risk action plans for the internal and external risks. Officers will continually monitor and appraise these risks as part of the on-going budget monitoring and reporting to Members.

Section 4 – General Investment Programme

The Council's approach to determining and funding its investment programmes is set out in its Capital Strategy, which explains the Council's financial framework for capital investment in support of its strategic priorities. The General Fund Investment Programme (GIP) covers all aspects of capital expenditure within the Council, with the exception of the Council's housing stock, and includes external capital investment that assists in achievement of the Council's Strategic Priorities.

Capital Spending Plans

The capital spending plans for the next five years include the delivery of key legacy schemes from Vision 2025, schemes emerging through the development of Vision 2030 where they are sufficiently progressed and funding is in place (with a continued focus on supporting the City's economy and key One Council projects) and essential investment in existing assets to either maintain service delivery or existing income streams.

Total planned expenditure over the 5-year programme is estimated to be £32.006m, the main projects and schemes detailed below:

- Charterholme Bridges - £9.759m
- Charterholme Phase1a Homes - £9.549m
- Disabled Facilities Grants - £5.229m
- Planned asset maintenance - £1.465m
- Re-imaging Greyfriars - £1.700m
- Towns Fund Schemes (primarily externally delivered) - £3.074m

The most significant of schemes within the GIP is the development of Western Growth Corridor, now known as the Charterholme Development, with the delivery of the first 52 homes and opening up of the eastern access with a new bridge over the railway. Work continues on securing further external funding to bring forward delivery of the spine road and land parcels.

Further schemes in support of Vision 2030 will be included in the GIP at the relevant stage in their development e.g. grant funding secure, design stage completed etc. Further details of the investment plans are provided in the Capital Strategy.

The revenue implications of all capital schemes, including the corresponding reduction in investment income as a result of the application of capital resources, additional revenue running costs of any new assets and the cost of any prudential borrowing have been taken account of and included within the MTFS.

Spending Pressures

Construction Costs

Across the GIP the cost of capital projects have been impacted as a result of; inflationary pressures, escalating the costs of material and labour, and also due to

availability of a skilled labour supply and certain materials. In addition, the higher cost of borrowing has also affected the viability of schemes. All schemes in the GIP, that have not yet started will be re-evaluated as they come forward for delivery. This will ensure that they still demonstrate value for money and remain affordable. Given the importance of investment in the City, to support the local economy, all opportunities to contain costs and/or seek alternative funding to ensure schemes are delivered will be undertaken.

Asset Management

The Council's corporate property portfolio comprises operational properties and investment properties with a combined asset value of £151 million.

The Council's Asset Management Plan, which is due to be refreshed in 2025, identified the need for significant investment to ensure that its assets are properly maintained and safe for use. Additional resources have previously been allocated, including works to income earning assets e.g. car parks, leisure centres, crematorium. There does however remain a legacy of outstanding investment required in the Council's assets, with a number of maintenance liabilities now arising. These are mainly in relation to operational assets, which will require investment in order to remain in service delivery, but the liabilities also extend to some of the Council's heritage assets.

Allocation of the annual planned capitalised works budget (£200k p.a.) to maintain specific assets will be determined by the outcome of the latest stock condition surveys, and will also be influenced by the outcomes of the continual review programme of all assets as part of the Better Use of Assets pillar of the One Council programme. Outcomes of this include the potential re-configuration of operational assets which as a result of changes in working practices are no longer required on such a scale; as well as the potential disposal/transfer of specific assets which may in turn relieve the Council of the ongoing repair liability. In order to provide additional resource, where possible the short term priority for any surplus capital receipts will be investment in the Council's existing assets. Consideration will also be given to the use of prudential borrowing for income generating assets and in the absence of any other funding source.

Resources

Although historically the GIP has been reliant on the generation of capital receipts to fund the investment required to deliver the programme, in the long term the use of capital receipts is not sustainable. In addition, due to revenue pressures the use of direct revenue financing of the capital programme is also not sustainable and other sources of funding are regularly sought to fund capital expenditure.

Due to revisions in the Public Works Loan Board (PWLB) lending terms, local authorities can now no longer borrow from the PWLB with the intention to buy assets for yield. Authorities can still access the PWLB for spending to improve or maintain existing properties, for housing, for regeneration purposes and for preventative action. In the absence of other funding the Council will consider prudential borrowing for these purposes. However, given the additional revenue costs this creates and the current

financial challenges the General Fund is facing, the use of prudential borrowing will be prioritised for income generating/sustaining schemes.

Due to an ongoing lack of capital receipts and limited revenue resources to fund prudential borrowing it is essential that other sources of funding such as grant allocations and partner contributions continue to be sought.

External grant funding is enabling the delivery of a considerable number of capital schemes for the Council e.g. Lincoln Town Deal Programme, Heritage Lottery Fund for Greyfriars and Levelling Up Funding 2 for Western Growth Corridor eastern access.

The Council is mindful though that whilst the additional resources that external funding brings are clearly beneficial to local people, there is the danger that schemes funded may not be the Council's highest priorities and the Council must consider carefully how to allocate its capacity, within its reduced resources, to support such schemes. Furthermore, the Council needs to carefully consider whether it is able to meet the outputs and outcomes required from external grant support and in the current economic climate it must consider how any cost increases above grant allocations would be managed.

Capital Receipts

As part of the Better Use of Assets pillar of the One Council programme and as sound asset management practice the Council continually reviews its land and property assets in order to: -

- reduce revenue costs,
- increase rental income,
- generate capital receipts,
- reduce repairs liabilities
- use assets to support the Council's growth plans.

Whilst there are no specific capital receipts forecast from land/property disposals as part of the Better Use of Assets pillar, there are significant capital receipts forecast from the sale of market homes built as part of the Charterholme development. Income will be received from house sales via a development agreement, with a minimum land value return for the Council along with a profit share. The development is forecasted to generate net receipts of £1.008m which will be retained within the scheme to contribute towards the capital costs of the development.

In addition, there remains current unallocated capital receipts of £1.158m.

Prudential Borrowing

The basic principle of the Prudential System is that local authorities are free to invest so long as their capital spending plans are affordable, prudent and sustainable. The Council will need to meet the whole of the capital financing costs associated with any level of extra borrowing through its revenue account.

The MTFS includes an unsupported prudential borrowing requirement of £2.397m over the period 2025/26-2029/30.

The use of long-term prudential borrowing will only be used as a funding mechanism for key projects following a full financial assessment, with priority for income generating/sustaining schemes. It may however be used as a short-term measure to fund capital expenditure prior to a capital receipt being received, or in the absence of any other funding source.

Further details about the Council's borrowing requirements and the Prudential Indicators can be found in the Council's Treasury Management Strategy.

Capital Grants

The Council receives a number of external capital grants from a variety of sources which are either secured via a bidding process or are automatically allocated through government departments for specific purposes. Generally, those capital schemes that are funded by these sources can only be progressed subject to the funding being secured.

Over the 5 year planning period of the MTFS the council is forecasting to utilise £19.444m of capital grants as part of the General Investment Programme, the main projects being Levelling Up Fund 2 for the Western Growth Corridor eastern access bridge £9.345m and Disabled Facilities Grants £5.229m.

Projected Capital Resources

Resources to fund the General Investment Programme 2025/26-2029/30 are estimated to be approximately £32.006m, as follows:

	£'000
Capital Grants	19,444
Capital Receipts	9,979
Prudential borrowing	2,397
Revenue Contribution	186
TOTAL	32,006

General Investment Programme Forecast

Based on the spending requirements and resource assumptions, Appendix 3 provides a summary five-year GIP for the Council.

Risks to the General Investment Programme

The Council has adopted a corporate approach to risk management and financial risk management is integrated into the Council's overall management and decision-making processes.

A number of key high-level risks have been identified which could have a positive impact but conversely some risks may have a negative impact and result in a reduction of resources. These key risks are action planned and continually reviewed as the MTFS develops. The main areas they cover are:

- Loss of anticipated external resources,
- Inability to secure further external funding.
- Impact of the Government's Devolution White Paper and reforms to grant funding pots, allocating resources to the new Mayoral Combined Authority.
- Increased project costs, particularly in light of inflationary increases in recent years and the current challenges in the construction sector
- Higher interest rates impacting on future borrowing costs
- Sustainability of contractors in construction industry, particularly in light of current economic factors
- Unplanned emergency maintenance to Council's corporate properties.

Appendix 5 of the MTFS details the risk action plans for the internal and external risks. Officers will continually monitor and appraise these risks as part of the on-going budget monitoring and reporting to Members.

Section 5 – Housing Revenue Account (HRA)

The Housing Revenue Account shows all expenditure and income relating to the Council's responsibilities as landlord of dwellings and associated property. It is a 'ring-fenced' account within the Council's General Fund.

Housing Revenue Account Business Planning

The current HRA Self-financing system has been in place since 2012 and incentivises social housing landlords to manage their assets well and yield efficiency savings. As part of this system, it was anticipated that there would be greater certainty about future income as councils were no longer subject to annual funding decisions by Central Government, enabling them to develop long-term plans, and to retain income for reinvestment. Council landlords were to have greater flexibility to manage their stock in the way that best suits local need with more opportunity for tenants to have a real say in setting priorities looking to the longer term.

Self-financing, however, also passed significantly increased risks from Central Government to local authorities, meaning that the Council:

- now bears the responsibility for the long-term security and viability of council housing in Lincoln.
- has to fund all activity related to council housing, from the income generated from rents, through to long term business planning.
- is more exposed to changes in interest rates, high inflation and the financial impact of falling stock numbers
- still needs to factor in the impact of changes in government policy e.g. Government Rent Policy.

This places a greater emphasis on the need for long-term planning for the management, maintenance and investment in the housing service and housing stock.

Spending Pressures

Like the General Fund, the HRA continues to face cost and demand pressures, along with new statutory requirements. Inflation, pay awards, national insurance contribution increases, higher maintenance and constructions costs including material and labour prices, and higher borrowing costs, continue to impact on the Housing Revenue Account's net cost base. Given the level of annual repairs and maintenance and planned capital maintenance to the Council's housing stock the impact of these creates significant cost increases for the HRA.

These escalating cost, demand and income pressures have arisen across a number of key areas:

- Increased use of sub-contractors – the Housing Repairs Service (HRS) is still being impacted by recruitment challenges, with continued difficulties in attracting and retaining staff resulting in a greater reliance on the use of local sub-contractors to ensure that service demands are met. However,

subcontractors and supply chain partners are experiencing the same labour shortages and are struggling to meet the demands and any contracts awarded to help alleviate the system are now at inflated prices. Additionally, the HRS are seeing increased levels of work in relation to regulatory compliance, such as damp and mould remediation and installation of fire doors, this is increasingly affecting the capacity to carry out routine works, further compounding the reliance on sub-contractors.

- Wage inflation – in line with the General Fund recent pay agreements, negotiated by the National Employers side, whilst recognising the below inflation pay increases of local government workers in recent years, have placed a significant additional burden on the HRA. In addition, the announcement in the Autumn Budget to increase Employer National Insurance contributions from April 2025 has also significantly increased the HRA's salary costs. Unlike the General Fund where compensation for these increased costs has been provided through an additional grant, there is no direction compensation for the HRA.
- Contractual commitments - in addition to an increased need to use sub-contractors (at inflated prices) the HRA has also experienced inflationary costs as contracts have expired and have been re-tendered as well as higher material prices. These contract prices have been affected by the recent high inflation levels but also due to the increase in national insurance contributions that all employers have to pay, with the increased cost being passed on through increased prices.
- Capital costs - although the HRA can borrow from the PWLB at a concessionary rate, the sustained higher interest rates still affects the cost of borrowing to fund capital schemes and is increasingly impacting on the affordability of projects and the costs borne by the revenue account.

Furthermore, in terms of service demands the UK is currently experiencing a housing crisis, with an acute shortage of affordable housing. This housing crisis includes the City of Lincoln and is a challenging situation.

Although the Council has been successful in delivering additional housing, the local housing market has worsened in terms of demand versus supply over the last few years. Whilst it can only be used as a proxy indicator the Council's own housing register now has around 2,109 (at December 2024) active applicants seeking homes, which is an increase of 18.5% since March 2023 and a 46% increase in the period from March 2020. Over the same period (March 2020 to December 2024) band 1 applicants (the highest need band), meaning "customers requiring urgent rehousing where the council has a legal duty to consider them for accommodation, increased from 100 to 300 a rise of 200%.

Although this demand primarily increases the pressure on the Housing Investment Programme to deliver and enable new homes, it also places pressure on housing services, housing allocations and the voids services. It also impacts on the General Fund, increasing demand for temporary accommodation when the HRA is unable to provide suitable accommodation from within its own stock.

As set out in Section 2 above, the Government have recently published the final version of change to the National Planning Policy Framework (NPPF), which include giving councils mandatory targets for the delivery of new homes. While these won't all be required to be affordable homes and the Council will not be required to directly deliver the target, there will be an expectation that the HRA will contribute towards the targets. Councils will also need to give greater consideration to social rent when building new homes.

In addition, in November 2024 the Government announced immediate reforms to the Right to Buy (RTB) Scheme, with a reduction in cash discounts and an increase in the cost-floor protection period. A consultation on further reforms was also announced. Together these reforms are intended to better protect social housing stock, boost council capacity and build more social homes than are lost. Despite a surge in RTB applications, before the immediate changes were implemented, it is anticipated that the level of RTB's will significantly reduce over the period of the MTFS, resulting in higher housing stock numbers.

While assumptions were made in the previous MTFS, as a result of further developments over the last 12 months and to address the impact of new and emerging challenges, further, permanent, increases in the HRA's net cost base have been required in this MTFS. In the absence of any other funding source these increased costs can only be funded through the housing rental income.

Spending Plans

The HRA Business Plan

A key element of the self-financing regime is the Council's 30-year Business Plan, which sets out the Council's ambitions for its housing stock for the next 30 years. The Council's latest Housing Revenue Account Business Plan 2024-2054 was approved in November 2023, following a fundamental review of resources, investment requirements and priorities. The Business Plan reflected the impact of government policy changes e.g. Social Housing Act 2023, the Building Safety Act, Fire Safety Act etc, the results of stock condition surveys and financial assumptions at the time.

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

The Business plan describes the Council's long-term commitment to deliver real improvements in it's housing stock and surrounding neighbourhoods, based on four main objectives:

- Core Housing Services – Tenants consistently place core housing services such as repairs, caretaking and landscaping as their number one priority and the Council will work to ensure that Lincoln is ranked amongst the top performing social landlords.
- New Homes – The Council plans to build, acquire and enable the development of 1,700 additional homes over 30 years, which will reduce homelessness and provide a greater choice of places for people to live.
- Estate Regeneration – Plans to regenerate estates means that the Council will tackle problems like parking, crime and antisocial behaviour by improving the urban landscapes (the look and feel) of streets and neighbourhoods.
- Decarbonisation – The Council plans to achieve an energy performance rating of C for all of its housing properties by 2030, which means that it will protect the environment by reducing its carbon footprint and making homes cheaper to run for residents.

The Business Plans acts as guide to the development of the Housing Revenue Account budgets, with a focus on growing surpluses that will enable sustainable investment in homes and neighbourhoods.

Spending Assumptions

A review of the financial planning assumptions the Council over the period of the MTFS has been undertaken, this information has been drawn from the 30 Year Housing Business Plan, experience in previous years, the advice of Directors and Assistant Directors, the current economic climate and other local and national issues that are likely to influence the financial outcomes. The HRA includes a number of assumptions in line with the General Fund, primarily inflation, pay inflation, pension contributions and interest rate forecasts. Set out below are expenditure and income assumptions specific to the HRA.

Repairs and Maintenance

Repairs and maintenance is an essential part of the asset management of the Council's housing stock. As set out in spending pressures section above, the cost of repairs and maintenance to the housing stock is increasing due to labour shortages, and increased contractor and material prices. These additional costs have been reflected in the HRA with annual increases of c£0.260m. Work continues within the service to drive down costs and deliver efficiencies were possible in order to reduce repairs costs, however the cost increases that the HRA is experiencing outstrip any efficiencies that can be delivered.

Funding the Capital Programme

Under the HRA self-financing system the primary source of funding for capital investment in the Council's housing stock will be from the revenue account through asset depreciation charges and revenue contributions to capital outlay (RCCO) via the Major Repairs Reserve.

There is a reliance on the HRA to support the capital programme to the value of £63.120m over the 5-year MTFS period through depreciation and revenue contributions to capital outlay.

Resource Assumptions

Rents

In line with the Housing Business Plan and Government Rent Guidelines, which announced that from April 2020 social rents should increase by a maximum of CPI+1% for 5 years, the MTFS has historically been based on this assumption. In 2023/24 however the Government, in light of record inflation levels, imposed a cap on rent increases of 7%, as CPI +1% would have allowed rent increases of up to 11.1%. No such cap was imposed for 2024/25, and the maximum increase reverted to CPI+1%.

In April 2024, the Government extended the existing rent settlement for another year, meaning that the existing policy would remain in place until April 2026, and in the 2024 Autumn Budget, the Chancellor announced a consultation on a new Social Housing Rent policy, which proposed that the rent policy should remain in place for at least 5 years, from 1 April 2026 to 31 March 2031. The consultation also noted the Government were seeking views on possible variations to this approach that could potentially improve the stability of rent policy, such as confirming the policy for a longer period (e.g. 10 years) or on a rolling basis.

Included in the Council's housing stock are a number of properties that were partly funded by HCA grants on the condition that they are to be let on the basis of an affordable rent rather than on social rents. In addition, there are a number of other dwellings that are let on the basis of an affordable rather than social rent. Affordable rents are not subject to Government Rent Restructuring Policies and are let at 80% of market rent levels in the local area. The MTFS assumes rental increases in line with social rents for its affordable rents.

With the exception of 2022/23 and 2023/24, the Council has historically set the rent levels in line with the requirement to increase rents by CPI+1% (CPI being as at September each year) for general purpose accommodation, and also increased sheltered accommodation and affordable rents, by the same. In 2022/23 the Council opted to increase rent by 3.6%, rather than the maximum 4.1% allowable and in 2023/24 the Council opted to increase rent by 6.5%, rather than the maximum 7%. In order to maintain a position that allowed for investment in current, and new housing stock, an increase of 7.7% was agreed for 2024/25, being CPI+1% as at September 2023.

The CPI rate for September 2024 was 1.7%, as such the Council are proposing to increase rents by 2.7% from April 2025. The average 52-week rent for general purpose and sheltered accommodation will be £86.76 per week, and £140.30 for affordable rents. The assumption in the MTFS from 2025/26 onwards maintains CPI+1%.

The table below sets out the impact of rent increases on all tenants, inclusive of all rent types;

Average rent increase per property by number of bedrooms per week as at 23/12/2024		
No. of beds	Increase per week for Affordable Housing	Increase per week for Social Housing
	£	£
1 & bedsits	3.38	2.08
2	3.59	2.32
3	3.87	2.56
4	4.41	2.73
5	6.18	2.84
6+	-	3.15

Whilst rent collection is currently performing below target, this is as a result of a number of contributing factors; such as the continued increase in the cost of living along with a large number of our tenants migrating from legacy benefits to Universal Credit. Whilst the Council will continue to support tenants through Discretionary Housing Payments, the establishment of the new Tenancy Sustainment Team and through general advice and guidance it is likely that there will be an impact on collection rates.

Net Interest Receipts

The HRA receives investment interest on the balances it holds (HRA balances are made up of General Balances, capital receipts, earmarked reserves and the Major Repairs Reserve). The MTFS 2025-30 includes interest income into the HRA based on the level of HRA balances assumed in the MTFS 2025-30. The HRA is sensitive to changes in interest rates linked to its investments, as an indication a change in interest rates available on investments of +/- 0.5% would have an estimated impact of approximately £0.653m. A rise of 0.5% in the Bank of England base rate would not translate into a 0.5% increase in investment rates available.

Although the HRA is not sensitive to changes in interest rates linked to its portfolio of borrowing, as all borrowing is at fixed interest rates, it does face a pressure of increased borrowing costs due to new borrowing being taken in support of investment in its new build programme. Although new build schemes bring additional income to resource the cost of borrowing there is a timing risk of when the specific borrowing is taken, particularly when internal balances are used in the short term, against the assumptions used for the initial assessment of the scheme.

Releasing Resources

The HRA Business plan 2024-2054 focuses on growing surplus in the revenue account to be released to support priority capital investment in council house new

builds and investment in existing stock. Although there is no specific savings target in the HRA the Council will continue to pursue the strands of its Towards Financial Sustainability Programme, where there are financial benefits for the HRA, releasing further resources for re-investment, it will also continue to ensure it's costs are contained so that expenditure levels do not put pressure on the required revenue contributions to the capital programme.

Housing Revenue Account Forecast

Appendix 2 provides a summary five-year Housing Revenue Account for the Council.

Risks to the Housing Revenue Account Budget

The Council has adopted a corporate approach to risk management and financial risk management which is integrated into the Council's overall management and decision-making processes.

A number of key high-level risks have been identified which could have a positive impact that could yield additional resources, but conversely some risks may have a negative impact and result in a reduction of resources. These key risks are action planned and continually reviewed as the MTFS develops. The main areas they cover are:

- Risk of further government interventions limiting the flexibilities and freedoms offered by the HRA Self -Financing regime particularly housing rent levels
- Fluctuations in rental income and arrears, particularly as a result of any impact on collection rates due to the impact of the cost-of- living-crisis etc
- Increased cost of repairs and maintenance to housing stock.
- Implications arising from the Government's NPPF and mandatory housing targets
- Fluctuations in key economic assumptions e.g. inflation, interest rates.
- Impact of economic climate on demand for services, particularly from those most vulnerable in the City e.g. housing waiting lists
- Implications of Government policies on demand for services e.g. asylum dispersal, early prison release
- Changes to key assumptions within the MTFS.
- Financial and budget management issues.

Appendix 3 details the risk action plans for the internal and external risks. Officers will continually monitor and appraise these risks as part of the on-going budget monitoring and reporting to Members.

Section 6 – The Housing Investment Programme

The Housing Investment Programme (HIP) covers all aspects of capital expenditure relating to the Council's landlord function. The Capital Strategy for the HIP reflects the 30-year Business Plan and details the 5-year capital programme.

Capital Spending Plans

The 5-year HIP has been drawn up to ensure that the Council meets its legal obligations as a landlord. The Council has already invested significant resources over recent years to achieve the Decent Homes Standard and now seeks to maintain an enhanced Lincoln Standard.

The 5-year housing programme amounts to £72.958m and comprises the following main areas of work:

- Housing Investment £63.520m:
 - Developing and improving core housing services (focusing on the allocation of resources to the key elements of decent homes, in line with the most recent stock condition surveys, and supporting the Lincoln Standard.
 - Regeneration estates and neighbourhoods
 - Reducing carbon emissions
- Housing Strategy £9.438m*:
 - Additional affordable housing (focusing on continuing to maximise the use of 1-4-1 retained right to buy receipts, assessing the use of prudential borrowing and seeking government grant funding for new build schemes or purchase & repair schemes that generate a positive net rental stream).

* this includes the use of retained 1-4-1 right to buy receipts which are not yet allocated to specific schemes and will be dependent on approvals of individual business cases)

As set out in the Section 5 above the 30-year HRA Business Plan was fully reviewed during 2023/24, to reflect the changes to the local, regional and national operating environment and to reflect the Councils current aims and ambitions in the current Vision 2025. The 30-year financial model that supports the Business Plan is updated each year to reflect the revised financial planning assumptions and new schemes. Key changes for the latest update will focus on the impact of the Government's announcements on the Right to Buy scheme.

Spending Pressures

Impacts of current economic factors/construction industry

Similar to the GIP the HIP the cost of capital projects have been impacted as a result of; inflationary pressures, escalating the costs of material and labour, and also due to

availability of a skilled labour supply and certain materials. In addition, the higher cost of borrowing has also affected the viability of schemes.

It is though inevitable that there will be cost impacts on both the housing investment programme as well as on specific schemes in the housing strategy programme that are currently being developed. Particularly in relation to new housing developments, these changes in underlying costs of delivery, as well as the rising cost of borrowing, may result in some schemes being no longer viable. As schemes are bought forward, they will be re-evaluated, this will ensure that they still demonstrate value for money and remain affordable. Given the importance of investment in the City, to support the local economy, all opportunities to contain costs and/or seek alternative funding, primarily through Homes England, to ensure schemes are delivered will be undertaken.

Resources

The resources necessary to fund the Council's HIP are provided by the following:

Major Repairs Reserve

The Major Repairs Reserve (MRR) is the main source of capital funding and the mechanism by which timing differences between resources becoming available and being applied are managed. The MRR may be used to fund capital expenditure and to repay existing debt. Depreciation is a real charge on the HRA and is paid into the MRR from the Housing Revenue Account to fund capital expenditure. The total charge to the revenue account over the 5-year MTFS period through depreciation is £42.563m, and £44.239m is planned to be utilised (this includes balances bought forward).

Revenue Contributions to Capital Outlay

The 5-year MTFS includes contributions of £23.561m of revenue contributions over the five-year period of which £19.309m is planned to be utilised (including balances brought forward).

Grants and Contributions

There are no grants or contributions planned to be utilised in the five-year MTFS period.

Capital Receipts

Housing capital receipts fall within the Governments pooling regime. Under these arrangements capital receipts from Right-to-Buy (RTB) sales are pooled until a pre-set limit for government share of the income generated has been achieved. Once the target for the government share of the RTB receipts has been reached, the Council may retain 100% of the receipts from any additional Right-to-Buy sales. These are subject to a formal retention agreement between the Council and MHCLG and must be used for replacement of the council housing sold, within an agreed timeframe (currently 5-years).

For the financial years 2022/23 and 2023/24, local authorities were permitted to retain the Treasuries share of right to buy receipts under the same conditions as above, being that they are used to replace council housing and must be spent within a set timeframe. The Government's Autumn Budget 2024 announced immediate reforms to the RTB scheme, which including continuing this arrangement indefinitely, with ongoing monitoring to assess how effectively this additional resource is being used.

Previously up to 50% of the cost of a new build home or acquisition could be funded through RTB receipts, however for 2024/25 and 2025/26, the Government has removed this percentage cap increasing the amount that can be funded from RTB receipts to 100%. The intention being that it will make it easier for local authorities to undertake longer term planning and fund replacement homes using Right to Buy receipts.

To help drive the supply of new homes a cap was previously introduced on the use of RTB receipts being used towards property acquisitions, this cap has also been removed for 2024/25 and 2025/26.

The proceeds of dwelling sales under the RTB scheme provide a regular source of capital receipts income to the Council, with the number of sales increasing in recent years. Under the immediate reforms announced in the Autumn Budget, the Government drastically reduced the amount of cash discount a council tenant can receive should they wish to purchase their home under the scheme. Despite a surge in RTB applications, before the immediate changes were implemented, it is anticipated that the level of RTB's will significantly reduce over the period of the MTFS, resulting in a reduction in RTB receipts although councils can now retain 100% of these receipts (as set out above). Previously the MTFS had assumed around 50 sales per year, but this has now been reduced by half in the 2025-30 MTFS period. Total receipts of £10.764m are assumed over the MTFS period.

Non-RTB sales i.e sale of HRA land, are excluded from the pooling arrangement and are retained in full by the Council for use as the Council sees fit. There are no targets in the MTFS for non-RTB sales.

Prudential Borrowing

The Prudential Code allows the Council to take borrowing if it can demonstrate that such borrowing is affordable, sustainable and prudent in its Prudential Indicators (detailed in the Treasury Management Strategy). Although PWLB lending terms prohibits borrowing from it to finance assets for yield it does still allow access to the PWLB for land release, housing delivery, or subsidising affordable housing. This follows on from the removal of the housing borrowing cap in 2018 and continues to allow significant opportunities for the Council to invest in new house building programmes and the potential redevelopment of areas of existing housing stock. In addition, the PWLB provides preferential borrowing rates for HRA expenditure, intended primarily for new housing delivery. The Autumn Budget confirmed the availability of this rate had been extended to March 2026.

The Capital Financing Requirement (CFR) is forecast to rise to £85.418m by the final year of the MTFS with additional borrowing included in the MTFS and no allowance made for the repayment of existing debt. Actual borrowing forecast to be utilised during the MTFS is £3.769m, to fund the new build & acquisition programme alongside 1:4:1 receipts.

Projected Capital Resources

Resources to finance the proposed £72.958m Housing Investment Programme 2025/26 – 2029/30, are currently estimated to be as follows:

	£000
Major Repairs Reserve (depreciation & revenue contribution)	63,548
Capital Receipts (inc RTBs)	5,640
Borrowing	3,769
TOTAL	72,958

Housing Investment Programme Forecast

Based on the spending requirements and resource assumptions, Appendix 4 provides a summary five-year HIP for the Council.

Risks to the Housing Investment Programme

The Council has adopted a corporate approach to risk management and financial risk management is integrated into the Council's overall management and decision-making processes.

A number of key high-level risks have been identified which could have a positive impact but conversely some risks may have a negative impact and result in a reduction of resources. These key risks are action planned and continually reviewed as the MTFS develops. The main areas they cover are:

- Generation of sufficient revenue surpluses to resource required investment
- Achievement of capital receipts i.e. RTB targets, particularly in light of the recent forms to the RTB system.
- Increased project costs, particularly in light of inflationary increases in recent years and the current challenges in the construction sector
- Condition of existing stock
- Sustainability of contractors in construction industry, particularly in light of current economic factors
- Higher interest rates impacting on future borrowing costs
- Implications of Government Regulations e.g. the Building Safety Act & Fire Safety Act, and any new requirements arising in relation to mould/damp conditions (Awaab's Law)
- Implications arising from the Council's Radon Management Plan.

- Impact of the Government's Devolution White Paper and reforms to grant funding pots, allocating resources for Housing to the new Mayoral Combined Authority.

Appendix 5 of the MTFS details the risk action plans for the internal and external risks. Officers will continually monitor and appraise these risks as part of the on-going budget monitoring and reporting to Members.

Section 7 – Financial Resilience

The chartered Institute of Public Finance and Accountancy (CIPFA) defines Financial Resilience for local councils as “the ability, from a financial perspective, to respond to changes in delivery or demand without placing the organisation at risk of financial failure”. “This means having the agility and flexibility to forecast and manage both expenditure and income to meet requirements as they change while delivering a balanced budget”.

It further describes financial resilience as “the ability of local authorities to remain viable, stable and effective in the medium to long term in the face of pressures from growing demand, tightening funding and an increasingly complex and unpredictable financial environment”.

Financial Metrics

Financial Resilience Index

CIPFA have developed a Financial Resilience Index (FRI), which is a comparative analytical tool designed to support good financial management and shows the Council's position on a range of measures associated with financial risks. CIPFA's index centres mainly on the position of Useable Reserves for councils and looks back on how these have changed. It also reviews the General Fund's sources of income as a percentage of the Net Revenue Expenditure Requirement. The key items are shown in the following table.

CIPFA Financial Resilience Index	2023/24	Stress Compared to other Councils
Level of Reserves/Net expenditure	82.80%	
Change In Reserves	(53.03)%	
Interest Payable/ Net Revenue Expenditure	26.15%	
Gross External Debt	£107.742m	
Unallocated Reserves/ Net Revenue Expenditure	16.13%	
Earmarked Reserves/ Net Revenue Expenditure	66.67%	
Change in Unallocated Reserves	(46.18)% *	
Change in Earmarked Reserves	(54.43)% *	
Change in HRA Reserves	39.94%	

* due to an error in submission of data there was a misclassification of reserves between unallocated and earmarked. Had the correct amounts been submitted unallocated reserves would have changed by (16)% and earmarked reserves would have changed by (57%). The change in unallocated reserves would be classified as Amber rather than Red.

Whilst full data is not available through the FRI and it is very much a backward-looking review, it does highlight areas of potential financial risk where additional scrutiny should take place to provide additional assurance.

Office for Local Government (Oflog)

In 2023 the Government established a new local government performance body for England, the Office for Local Government (Oflog). The aim of which is to increase “transparency” within the sector and identify councils “at risk of potential failure”.

Its main function was to provide authoritative and accessible data as well as analysis of the performance of councils and support their improvement. It planned to do this by publishing data in a clear and accessible way in the new Local Authority Data Explorer.

Initially, this includes a subset of service areas for data – adult skills, adult social care, finance, and waste management. These service areas were planned to be expanded to cover the breadth of what local authorities do.

The finance subset was intended to provide a range of indicators of council’s financial sustainability, intended to identify early warning signs of potential serious failure and allow these to be addressed as soon as possible.

While initial data was published in 2023, based on the financial year 2021/22, there were no further datasets published in relation in 2022/23. Subsequently, in December 2024 the Government announced that it would be closing Oflog but that the Local Authority Data Explorer would continue to be maintained by the MHCLG.

Data for 2023/24 was then published in December 2024.

The published data for the finance subset is set out in the following table:

	Year	Lincoln	Median of Lincoln's CIPFA Nearest Neighbours	England median (Districts)
Non-ringfenced reserves as percentage of net revenue expenditure	23/24	82.80%	108.80%	135.30%
Non-ringfenced reserves as percentage of service expenditure	23/24	64.60%	83.90%	124.00%
Total core spending power per dwelling	23/24	£274.99	£269.85	£261.87
Level of Band D council tax rates	23/24	£299.25	£246.43	£201.99
Council tax revenue per dwelling	23/24	£1,219.85	£1,397.91	£1,716.89
Debt servicing as a percentage of core spending power	23/24	34.50%	33.40%	11.00%
Total debt as a percentage of core spending power	23/24	1084.30%	1140.70%	458.50%

Summary of Financial Resilience Index and Financial Metrics

Whilst both the FRI and Metrics provide comparable data on key financial sustainability measures, there are drawbacks to both on the basis that they are backward looking in nature and more importantly they do not take into account local factors/circumstances.

Nonetheless there are a number of common factors between them both that highlight:

- The level of the Council's reserves (unallocated and earmarked), which are comparatively low compared to nearest neighbours/similar authorities and to all district councils.
- High levels of capital financing
- The impact of an above average local council tax support scheme on Council income and a relatively low council tax base

Reserves

The Oflog headline that 'unringfenced reserves' are below average hides two specific factors once that measure is disaggregated, as this includes unallocated 'general' reserves and earmarked reserves.

- Earmarked reserves are defined as being kept for a specific purpose or plan. By virtue of being earmarked, they cannot contribute to covering financial shortfalls without this having an impact on previous plans; and some cannot be used for anything other than the intended purpose at all. The Council's Earmarked reserves as at 31 March 2024 (expressed as % of net revenue expenditure) were significantly below median for both the CIPFA FRI nearest neighbour cohort and the national median, as was the change in these reserves since 31 March 2020. However, what the data does not collect is whether the earmarked reserves have specific purposes, i.e are set aside for specific items or more generic risk-based reserves.
- Unallocated reserves are normally kept to manage general financial risks and can be used flexibly. At 16.13% of 2023/24 net revenue expenditure, the level of unallocated reserves on 31 March 2024 was just below the median for the CIPFA FRI nearest neighbour cohort and below the national median.

Capital Financing

The CIPFA FRI only uses a cash value Gross External Debt measure to compare councils against each other. There's no weighting by local authority size, nor does it take into account the medium-term borrowing requirements which can be teased out using the capital financing requirement (CFR) metric. Oflog focusses on CFR, calling it 'total debt'.

- According to Oflog data, the Council's CFR was more than 10 times its core spending power. If this measure were rebased to look at net revenue

expenditure, as it is a better proxy of council budgets, encompassing more factors than the strict selection of grants within core spending power, then on this basis, the Council's CFR remains at 10 times its net revenue expenditure in 2024. This is about 2.4 times higher than the national district median, but lower than the Oflog nearest neighbour cohort median.

- The CFR measure normally includes Housing Revenue Account capital financing. Stripping out the HRA element, it is estimated that the remaining CFR is 5.1 times its net revenue expenditure for 2023/24. Clearly the HRA has an impact, but stripping it out of all district councils still sees the Council above the national district median and pushes it above the nearest neighbour cohort median too.
- CIPFA FRI suggests that the Council's interest payments in 2023/24 amounted to 26.15% of its net revenue expenditure, above the national median. Given the differences in the size of the CFR, then higher interest payments would be expected.

Council Tax

- Oflog's data explorer identifies that the Council's Band D council tax rate in 2021/22 (£299.25) was 4th highest among the nearest neighbour group used by Oflog, outpacing the English average of £201.99 as well.
- However, despite the comparatively large Band D council tax level, council tax revenue per dwelling is below both the national and cohort median.
- This is a signal that the Council has a weaker council taxbase than the average English district council, which means that Band D council tax has to be higher to raise the same cash amount.
- Indeed, analysis suggests that the ratio of Band D equivalent households (i.e. dwellings weighted by their Band) to unadjusted total dwellings is significantly lower than the national median among districts.
- This can be driven by the mix of council tax bands in the area compared to other councils, but also that, according to taxbase statistics, Lincoln was among the councils within its nearest neighbour cohort which have foregone the most council tax revenue due to local council tax support schemes. This is the case across both pensioner and working age elements, but in the case of the working age scheme where more local flexibility is afforded by regulations, the share of revenue foregone is 1.9 times the national median among districts.

As set out above while both the FRI and Oflog's data provide comparable data on key financial sustainability measures, there are backward looking and more importantly they do not take into account local factors/circumstances. Local context should be an important thread in any analysis.

Taking into account the local context, while reserve levels are considered low when compared to other local councils, the Council's level of reserves is planned, with

balances held for both the General Fund and the Housing Revenue Account (HRA) being in line with prudently assessed minimum levels. While there are a range of earmarked reserves held for specific purposes there are also a significant portion, c49%, that are held as either risk-based reserves or budget stabilisation reserves and are used to manage budget risks. There is a balance to be made between money held in reserves and balances and money used for the delivery of corporate priorities. The Council's policy is to keep reserves and balances low but prudent to ensure money is not left as dormant and inaccessible for the delivery of corporate priorities.

As reserves can only be increased by the setting aside of revenue resources, any attempts to increase reserves would impact on both the General Fund and HRA and reduce service budgets/increase the level of savings required.

In relation to high levels of capital financing, while the Council has an historic high level of capital financing requirement, it does adopt a prudent approach to the need to borrow and seeks to finance capital expenditure from alternative sources whether possible.

In terms of the General Fund the use of long-term prudential borrowing will only be used as a funding mechanism for key projects following a full financial assessment, with priority for income generating/sustaining schemes. It may however be used as a short-term measure to fund capital expenditure prior to a capital receipt being received, or in the absence of any other funding source. In terms of the HRA, financing of new builds or acquisitions will be funded through borrowing on the basis that investments are made where projected income offsets the cost including borrowing. Over the past decade the levels of the Council's capital finance requirement has significantly increased, (in 2012/13 the CFR was £57m, in 2023/24 it was £150m) due to funding decisions taken in relation to:

- Investment in Lincoln Central Car Park, resulting in significant additional revenue income.
- Acquisition of investment properties: Travelodge, NCP Car Parks and Deacon Road Retail Units.
- Investment at the Crematorium to maintain existing income streams.
- 'Buy-out' under HRA Self-Financing reforms.
- Significant investment in new builds and buyback, e.g De Wint Court, Rookery Lane, Markham House, buy back programme, LAHF homes etc, resulting in significant additional rental income

The use of prudential borrowing in relation to both the General Fund and HRA has resulted in significant additional income, in excess of annual revenue cost of borrowing. This use of borrowing has been undertaken in accordance with the principles of being prudent and affordable to do so and has ensured the financial sustainability of the General Fund. In the absence of the revenue income generated by these investments, significant reductions in services would have been required.

The Council has also taken the decision to amend it's Minimum Revenue Provision (MRP) policy on two occasions in the last ten years. This has the consequence of reducing the annual revenue charge (and as such supporting the General Fund), but does however mean that the capital financing requirement does not reduce as quickly.

These decisions have been taken in order to maintain the financial sustainability of the General Fund and with the implications for the CFR being fully set out.

Further details about the Council's borrowing requirements and the Prudential Indicators can be found in the Council's Treasury Management Strategy.

In terms of Council Tax, the Council has a low council tax base due to 80% of properties being in Band A and B, this limits the level of overall council tax that can be raised. One of the Council's five strategic priorities is "Let's reduce all kinds of inequality", maintaining a maximum entitlement to Council Tax support is currently a key initiative under this priority, with the Council understanding the impact this has on its council tax raising ability (further details of the amount of Council Tax revenue forgone through the Council Tax support scheme is set out in section 3).

Management of Risk

The Council has always maintained a very proactive approach to managing risk and there are effective arrangements for financial control already in place. However, as a result of the significant changes to local government funding, which saw a shift towards self-sufficiency and dependence on local funding sources, levels of volatility and risk significantly increased, this was reflected in an increase in the prudent minimum level of general reserves to be held.

The financial risks, in Appendix 5, have been identified and an assessment of the estimated exposure, likelihood and mitigations has been made in the context of the Council's overall approach to risk management and internal financial controls.

Reserves and Balances

Some reserves and balances are essential for the prudent management of the Council's financial affairs. These will provide a working balance to cushion the impact of uneven cash flow, a contingency for the impact of unexpected events or emergencies (as experienced unforeseen and unavoidable inflationary costs arising over the past two years) and allow the creation of earmarked reserves to meet known liabilities. The consequences of not keeping a minimum level of reserves can be serious and is therefore one of the key considerations when setting the MTFS.

The minimum prudent levels of reserves and balances that the Council should maintain are a matter of judgement. It is the Council's safety net for unforeseen circumstances and must last the lifetime of the Council unless contributions are made from future years' revenue budgets. It is currently for local authorities themselves, taking into account all the relevant local circumstances, to make a professional judgement on what the appropriate level of reserves and balances should be.

In order to ensure the adequacy of the Council's reserves and balances (i.e. their robustness) it is essential to determine if the Councils they are sufficient to meet the assessed risks over the MTFS period.

Using the risk register, as set out in Appendix 5, a sensitivity analysis has been undertaken to determine an optimum level of reserve holdings needed to meet the

requirements of a working balance and contingency to provide in-year resilience. The conclusion of this risk assessment is that it is deemed prudent that General Fund reserves should continue to be maintained at around £1.5m - £2m, and that Housing Revenue Account reserves should be maintained at around £1m - £1.5m.

The general reserves at the end of each year for 2025/26 to 2029/30 are summarised in the table below.

	2025/26 £'000	2026/27 £'000	2027/28 £'000	2028/29 £'000	2029/30 £'000
General Fund	2,668	2,104	1,854	1,868	2,251
Housing Revenue Account	1,142	1,186	1,186	1,184	1,186

The overall levels of General Fund and Housing Revenue Account balances in 2029/30 are in line with the prudently assessed minimum level of balances.

Earmarked reserves are sums specifically held to enable funds to be built up to meet known or predicted liabilities. A review of reserves and balances has been undertaken as part of the budget process and a schedule presenting the estimated closing balances at the end of each of the next five financial years is contained within Appendix 6.

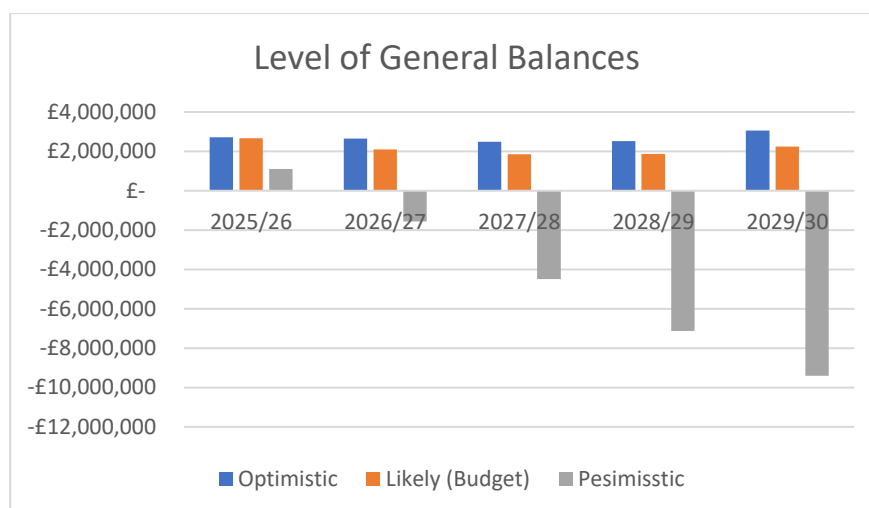
Scenario Planning and Tests of Financial Resilience

While the above assessment of a prudent level of reserves focuses on ensuring reserves are sufficient to respond to in-year fluctuations, some of these variables may have ongoing impacts and a longer time frame for assessing the Council's financial resilience should be undertaken.

Using the above sensitivity analysis and extrapolating it over the period of the MTFS allows the modelling of an optimistic, most likely (the MTFS) and pessimistic set of scenarios to assess against two tests of financial resilience. These financial resilience tests assess the impact of the "modelled risks" in two stages:

- Stage 1, the primary test of financial resilience, which compares the likelihood of risk against the General Fund 'General Balance' only.
- Stage 2, the secondary test of financial resilience, which compares the likelihood of risk against the General Balance and some Earmarked Reserves.

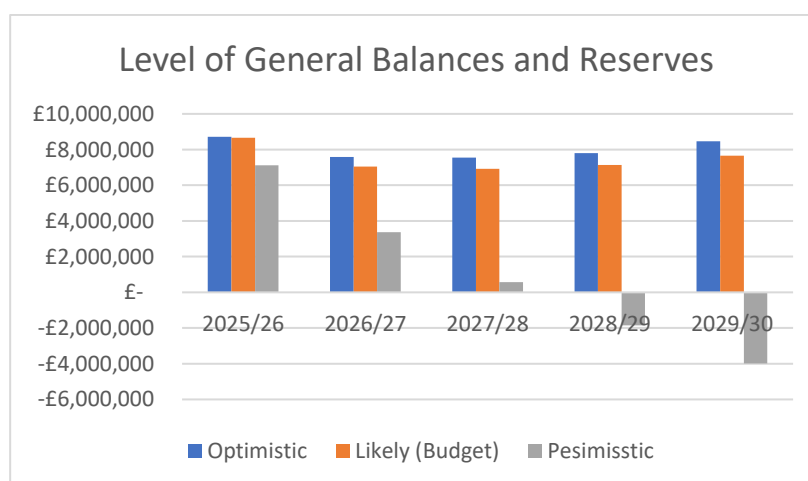
Stage 1 – The Primary Test of Financial Resilience



- When only the General Balances are considered, the reserves are sufficient to meet the pessimistic, likely and optimistic scenarios for 2025/26, which means that Council can be assured that it has sufficient revenue contingency.
- From 2026/27 onwards only the optimistic and likely options can be resourced from General Balances.

Stage 2 – The Secondary Test of Financial Resilience

The Stage 2 assessment is a 'complete' test, in that it also brings into the assessment the use of the Council's Earmarked Reserves to supplement General Balances (except specific reserves that are set aside in relation to capital, contracts, projects and third parties, as these reserves are in place to meet specific commitments).



- This test shows that the Council would have sufficient reserves to meet all modelled risks until through to 2028/29; from here the assessment is showing that only the pessimistic risk would not be financed.

The pessimistic scenario demonstrates a further significant financial challenge for the Council, primarily based on local authority funding reforms, higher than budgeted inflationary increases, as well increased costs from as key service contracts and

leases are due to end and new legislative service requirements are set to be introduced.

The optimistic scenario is based on the key assumption that that there are significant transitional arrangements implemented for the business rates reset and that a sufficient level of funding is provided for new statutory burdens. additional resourced to local authorities. Under this scenario the significant level of savings underpinning the MTFS are still likely to be required.

It should be noted however that it is unlikely that all these risks modelled would occur at the same time and that some of them may only incur in one financial year rather than being annual impacts.

It is fair to say that in considering the sensitivity analysis and scenario planning, with the use of General Balances and some of the Earmarked Reserves the Council should be able to absorb considerable additional financial risk.

The Council should though, when drawing down from reserves in future years be cognisant that this will reduce the available funds to meet potential financial stresses.

Planned Use and Contribution to Reserves

While the overall level of balances will still be maintained within the prudent minimum, over the period of the MTFS, there are planned uses of balances in the General Fund of balances in the General Fund of £0.563m in 2026/27 and £0.250m for 2027/28. The higher use in 2026/27 is as a result of the forthcoming funding reforms and the assumption that the accumulated gains on Business Rate income will be reset, leaving the Council at a significant financial detriment. Whilst the Council has assumed an increased level of savings will be required to mitigate the ongoing impacts of this income loss, in the short term the use of a combination of additional 'one-off' resources along with balances and earmarked reserves allows the Council to make more informed decisions about the size, scale and scope of the savings programme once there is further clarity around key uncertainties. Based on the current trajectory of savings targets the General Fund will be in the position of making positive contributions to balances by 2028/29 with forecasted contributions of £0.014m and a further £0.382m in 2029/30.

The careful use of balances, along with earmarked reserves, in the supporting the General Fund is seen as a short-term measure only to ensure a balanced budget position is maintained while the Council awaits the outcome of the local authority funding reforms and implications arising from the Devolution White Paper. The use of reserves is not foreseen as a long-term solution and the Council is clear that it will need to deliver substantial, ongoing, reductions in it's net cost base.

In conclusion, the levels of reserves and balances recommended within this strategy are believed to be adequate to meet the Council's obligations and have been based on a detailed risk assessment.

Housing Revenue Account

In relation to the HRA, the scenario planning is undertaken over the period of the full 30-year business plan. This is based on variables to key assumptions, primarily the level of CPI which drives the rental income e.g. a 1% increase in the 2025/26 assumption of CPI at 2% equates to increased resources in the HRA of £1.1m over the 5-year period and c£16m over the 30-year period. The Business Plan model is regularly used to model new developments and investments required in the existing housing stock.

GENERAL FUND BUDGET SUMMARY 2025/26 – 2029/30

	2025/26 Estimate £	2026/27 Estimate £	2027/28 Estimate £	2028/29 Estimate £	2029/30 Estimate £
Chief Executive & Town Clerk	5,336,120	5,563,870	5,668,670	5,663,560	5,690,910
Communities & Environmental Services	3,273,300	5,183,320	5,106,870	5,134,180	5,076,390
Major Developments	(2,194,010)	567,730	566,710	566,060	570,580
Housing & Investment	986,270	970,600	1,053,440	1,062,240	1,069,870
Corporate	1,497,320	1,531,880	1,557,520	1,583,790	1,601,760
	8,899,000	13,817,400	13,953,210	14,009,830	14,009,510
Capital Accounting Adjustment	7,087,700	3,196,290	3,216,090	3,273,490	3,315,790
Base Requirement	15,986,700	17,013,690	17,169,300	17,283,320	17,325,300
Specific Grants	(624,370)	(597,560)	(597,560)	(597,560)	(597,560)
Contingencies	(216,110)	(264,420)	(254,570)	(242,610)	(226,960)
Savings Targets	(250,000)	(500,000)	(1,750,000)	(1,750,000)	(1,750,000)
Transfers to/(from) earmarked reserves	(223,980)	(986,180)	211,960	297,510	226,930
Transfers to/(from) insurance reserve	30,610	19,140	1,990	(16,820)	(39,260)
Total Budget	14,702,850	14,684,670	14,781,120	14,973,840	14,938,450
Use of Balances	129,440	(563,260)	(250,200)	13,910	382,410
NET REQUIREMENT	14,832,290	14,121,410	14,530,920	14,987,750	15,320,860
Business Rates	7,119,650	5,439,770	5,529,900	5,644,450	5,644,450
Business Rates Surplus/(Deficit)	(624,230)	0	0	0	0
Revenue Support Grant	226,480	226,480	226,480	226,480	226,480
Council Tax Surplus/(Deficit)	(56,360)	0	0	0	0
Council Tax	8,166,750	8,455,160	8,774,540	9,116,820	9,449,930
Total Resources	14,832,290	14,121,410	14,530,920	14,987,750	15,320,860
Balances b/f @ 1st April	2,538,799	2,668,239	2,104,979	1,854,779	1,868,689
Increase/(Decrease) in Balances	129,440	(563,260)	(250,200)	13,910	382,410
Balances c/f @ 31st March	2,668,239	2,104,979	1,854,779	1,868,689	2,251,099

HOUSING REVENUE ACCOUNT SUMMARY 2025/26 – 2029/30

	2025/26 Estimate £	2026/27 Estimate £	2027/28 Estimate £	2028/29 Estimate £	2029/30 Estimate £
Income					
Gross Rental Income					
- Dwellings rents	(35,891,940)	(36,901,680)	(38,074,100)	(39,061,570)	(40,188,390)
- Non-Dwelling rents	(486,700)	(501,320)	(516,360)	(531,840)	(547,800)
Charges for Services & Facilities	(668,410)	(701,220)	(722,020)	(742,300)	(762,980)
Repairs Account Income	(90,000)	(90,000)	(90,000)	(90,000)	(90,000)
General Income	(928,020)	(893,190)	(911,150)	(927,970)	(944,490)
Special Income	(160,340)	(166,540)	(173,060)	(179,900)	(187,070)
Contributions towards Expenditure	(15,000)	(15,000)	(15,000)	(15,000)	(15,000)
Total Income	(38,240,410)	(39,268,950)	(40,501,690)	(41,548,580)	(42,735,730)
Expenditure					
Repairs Account Expenditure	12,237,560	12,426,920	12,675,150	12,945,990	13,220,990
Supervision & Management - General:	7,870,900	7,979,710	8,132,460	8,274,660	8,415,090
Supervision & Management – Special:	2,439,650	2,514,810	2,553,170	2,606,330	2,660,660
Contingencies	287,240	287,400	286,860	286,680	286,410
Rents, Rates and Other Premises	784,390	800,780	838,090	872,220	906,960
Insurance Claims Contingency	499,400	513,890	529,840	546,750	564,660
Debt Management Expenses	9,820	10,110	11,760	13,480	15,260
Depreciation of Fixed Assets	8,512,500	8,512,500	8,512,500	8,512,500	8,512,500
Increase in Bad Debt Provisions	251,450	252,090	252,760	259,370	264,560
Total Expenditure	32,892,910	33,298,210	33,792,590	34,317,980	34,847,090
Net cost of service	(5,347,500)	(5,970,740)	(6,709,100)	(7,230,600)	(7,888,640)
Loan Charges Interest	2,350,400	2,370,400	2,575,300	2,626,900	2,640,800
- Investment Interest	(402,100)	(390,900)	(514,700)	(591,200)	(664,900)
- Mortgages Interest	0	0	0	0	0
Surplus on HRA for the year	(3,399,200)	(3,991,240)	(4,648,500)	(5,194,900)	(5,912,740)
Revenue Contributions to Capital Outlay	2,936,030	3,880,420	4,583,440	5,146,330	5,881,330
Transfers to/(from) Insurance reserve	600	(13,890)	(29,840)	(46,750)	(64,660)
Transfers to/(from) Earmarked reserves	350,500	80,330	95,800	97,320	93,670
(Surplus)/deficit in year	(112,070)	(44,380)	900	2,000	(2,400)
Balance b/f at 1 April	(1,030,024)	(1,142,094)	(1,186,474)	(1,185,574)	(1,183,574)
Balance c/f at 31 March	(1,142,094)	(1,186,474)	(1,185,574)	(1,183,574)	(1,185,974)

GENERAL INVESTMENT PROGRAMME - 2025/26 to 2029/30

	2025/26 Estimate £	2026/27 Estimate £	2027/28 Estimate £	2028/29 Estimate £	2029/30 Estimate £
Expenditure Programme					
Chief Executives	2,365,352	200,000	200,000	200,000	200,000
Directorate of Communities and Environmental Services	2,437,751	851,990	851,990	851,990	851,990
Directorate of Major Developments	19,131,371	3,565,065	0	0	0
Directorate of Housing	298,152	0	0	0	0
Externally Delivered Town Deal Schemes	0	0	0	0	0
Total Programme Expenditure	24,232,626	4,617,055	1,051,990	1,051,990	1,051,990
Capital Funding					
<i>Contributions from Revenue</i>					
Opening balance	121,159	(0)	(0)	(0)	0
Received in year	65,000	0	0	0	0
Used in financing	(186,159)	0	0	0	0
Closing balance	0	(0)	(0)	(0)	0
<i>Capital receipts</i>					
Opening balance	1,588,750	1,158,629	2,166,989	2,166,989	2,166,989
Received in year	6,713,060	7,831,940	0	0	0
Used in financing	(6,414,161)	(3,565,065)	0	0	0
Used to repay temporary borrowing	(729,020)	(3,258,515)	0	0	0
Closing balance	1,158,629	2,166,989	2,166,989	2,166,989	2,166,989
<i>Grants & contributions</i>					
Opening balance	11,654,635	511,500	511,500	511,500	511,500
Received in year	4,892,600	851,990	851,990	851,990	851,990
Used in financing	(16,035,735)	(851,990)	(851,990)	(851,990)	(851,990)
Closing balance	511,500	511,500	511,500	511,500	511,500
<i>Unsupported borrowing</i>					
Opening balance	0	0	0	0	0
Received in year	1,596,571	200,000	200,000	200,000	200,000
Used in financing	(1,596,571)	(200,000)	(200,000)	(200,000)	(200,000)
Closing balance	0	0	0	0	0
Total Capital Funding Utilised	(24,232,626)	(4,617,055)	(1,051,990)	(1,051,990)	(1,051,990)
Available Resources c/f	1,670,129	2,678,489	2,678,489	2,678,489	2,678,489

HOUSING INVESTMENT PROGRAMME - 2025/26 - 2029/30

	2025/26 Estimate £	2026/27 Estimate £	2027/28 Estimate £	2028/29 Estimate £	2029/30 Estimate £
Capital Programme					
Decent Homes	11,360,556	11,754,391	10,450,877	8,862,620	9,077,214
Health and Safety	649,088	616,543	634,870	634,870	634,870
New build programme	5,231,887	1,048,850	1,051,293	1,052,320	1,053,270
Lincoln Standard	150,000	150,000	150,000	150,000	150,000
IT/Infrastructure	102,720	0	0	0	0
Other Current Developments	2,105,608	1,646,419	1,448,990	1,395,000	1,395,000
Total Programme Expenditure	19,599,860	15,216,203	13,736,030	12,094,810	12,310,354
Capital funding					
Major Repairs Reserve					
Opening balance	21,998,683	19,912,766	18,606,084	19,272,017	22,030,197
Depreciation received in year	8,512,521	8,512,521	8,512,521	8,512,521	8,512,521
Depreciation used in financing	(11,360,556)	(10,586,930)	(7,224,793)	(7,426,164)	(7,640,758)
DRF received in year	3,798,150	4,348,150	4,838,150	5,288,150	5,288,150
DRF used in financing	(3,036,032)	(3,580,422)	(5,459,944)	(3,616,326)	(3,616,326)
Closing balance	19,912,766	18,606,084	19,272,017	22,030,197	24,573,784
Capital receipts					
Opening balance	3,215,206	3,027,656	3,542,793	4,061,127	4,584,130
Received in year	1,478,422	563,987	569,626	575,323	581,076
Used in financing	(1,665,972)	(48,850)	(51,293)	(52,320)	(53,270)
Closing balance	3,027,656	3,542,793	4,061,127	4,584,130	5,111,936
1-4-1 receipts					
Opening balance	4,999,089	6,052,321	6,555,523	7,085,079	7,641,573
Received in year	2,821,881	1,003,203	1,029,556	1,056,494	1,084,027
Used in financing	(1,768,650)	(500,000)	(500,000)	(500,000)	(500,000)
Closing balance	6,052,321	6,555,523	7,085,079	7,641,573	8,225,600
Grants & contributions					
Opening balance	275,313	275,313	275,313	275,313	275,313
Grants & contributions received in year	0	0	0	0	0
Used in financing	0	0	0	0	0
Closing balance	275,313	275,313	275,313	275,313	275,313
Borrowing					
Opening balance	0	0	0	0	0
Borrowing taken in year	1,768,650	500,000	500,000	500,000	500,000
Used in financing	(1,768,650)	(500,000)	(500,000)	(500,000)	(500,000)
Closing balance	0	0	0	0	0
Total Capital funding utilised	(19,599,860)	(15,216,203)	(13,736,030)	(12,094,810)	(12,310,354)
Available Resources c/f	29,268,056	28,979,713	30,693,536	34,531,213	38,186,632

BUDGET RISK ASSESSMENT

No.	Budget Item	Risk	2025/26	2026/27- 2029/30	Containment
			Risk Score	Risk Score	
1	Capital Expenditure	<p>Project slippage</p> <p>Inflationary and NIC impacts/increased costs materials and labour</p> <p>Failure of contractor i.e. contractor goes into liquidation.</p> <p>Demand for improvement grants.</p> <p>Sunk costs of aborted schemes</p> <p>Achieving levels of projected costs in the HRA Business plan</p>	<p>Total Score: 9</p> <p>Likelihood: 3 Impact: 3</p>	<p>Total Score: 9</p> <p>Likelihood: 3 Impact: 3</p>	<ul style="list-style-type: none"> Regular budget monitoring and reporting to Project Boards, DMT's and CMT. Ensure correct project management procedures followed (Lincoln Model) Quarterly budget monitoring and reporting to Performance Scrutiny and the Executive Financial procedure rules are followed, including financially vetting of all contractors Use of collaborative contracts/framework agreements where possible e.g. Pagabo Support from Procurement engaged at an early stage Carry out post implementation reviews Ensure risk assessments completed for all significant schemes before commencing and regularly updated Value engineering used to contain project costs Cost estimates obtained ahead of procurement exercises. Consideration of Fixed Price Contracts and/or Risk Sharing Consideration of alternative/cheaper materials PGC's/Bonds to be obtained on key contracts Use of external PM's, cost consultants and QS where required. Effective contract mgmt.
2	Income from Fees & Charges/ Rents: <ul style="list-style-type: none"> Car Parking 	Reduction in the usage of the service/activity levels due to	Total Score: 9	Total Score: 9	<ul style="list-style-type: none"> Updated Car Parking Strategy in place.

BUDGET RISK ASSESSMENT

	<ul style="list-style-type: none"> • Crematorium / Cemeteries • Development Control • Building Control • Land Charges • Control Centre • Lincoln Properties • Industrial Estates • Central Market 	<p>economic factors and cost of living crisis</p> <p>Over optimistic income targets</p> <p>Reputational issues</p> <p>Increasing reliance on income within the MTFS</p> <p>New competitors entering the market</p> <p>Increased fees and charges levels reduces demand</p> <p>Changes in treatment of VAT status of individual fees and charges.</p> <p>Impact of wider policy changes on demand for services e.g. Lincoln Transport Strategy impact on car usage</p>	Likelihood: 3 Impact: 3	Likelihood: 3 Impact: 3	<ul style="list-style-type: none"> • Regular monitoring statements for major income sources which are reported monthly to Corporate Management Team. • Identify reasons for any income reductions and take corrective action where possible • Report quarterly to the Executive and Performance Scrutiny Committee on forecast for key income streams • Specific projects/business plans in progress to sustain income streams. • Investment in key income generating assets • Delegated powers to portfolio holder to make responsive changes to fees and charges • Rebase income budgets to reflect current trends and impact of economic factors • Active void management • Watching brief on CIPFA Committee/HMRC discussions
3	Demand for services	<p>Impact of cost-of-living crisis on service demands, e.g. homelessness (temp accommodation), revenues and benefits, customer services, council housing etc –</p> <p>Impact of national housing crisis and shortage of affordable homes, including Govt policies</p>	<p>Total Score: 12</p> <p>Likelihood: 4 Impact: 3</p>	<p>Total Score: 12</p> <p>Likelihood: 4 Impact: 3</p>	<ul style="list-style-type: none"> • Identification and drawdown of additional funding made available from Government and others to support additional demand e.g. Affordable Homes, Homes England etc • Collaboration and joint working arrangement opportunities identified with local partners to help meet additional service demands • Consistent monitoring of service demands and needs of the city through data analysis and key indicators

BUDGET RISK ASSESSMENT

		<p>around asylum dispersal, early prison release etc, on housing services.</p> <p>The increase in property numbers and development of the City Centre results in additional cost pressures within the Services that have not been built into the budget.</p> <p>Increasing demands for housing tenant support as other providers withdraw services.</p>			<ul style="list-style-type: none"> • Report quarterly to Corporate Management Team, Executive and Performance Scrutiny Committee and key service performance indicators • Interventions, as part of housing supply, to be developed to respond to temporary accommodation shortages. • Council house new build schemes to increase supply of affordable housing. • Key housing developments in the City, e.g. Charterholme to be factored into operational service budgets as homes bought forward. • Cross directorate cost-of-living group established with a dedicated officer resource and a range of interventions to be implemented, including delivery of Government initiatives. • Continue to work with public sector partners, particularly across Central Lincolnshire around housing issues. • Continue to lobby Government, alongside other LA's, in respect of costs of and funding for temporary and support/exempt accommodation. • Support to housing providers to gain Registered Social Landlord status.
4	General Budget Assumptions	<p>CPI and RPI inflation exceed rates assumed in the budget</p> <p>Actual establishment exceeds 98.25%</p>	<p>Total Score: 9</p> <p>Likelihood: 3 Impact: 3</p>	<p>Total Score: 12</p> <p>Likelihood: 4 Impact: 3</p>	<ul style="list-style-type: none"> • Set prudent but realistic projections based on analysis of economic commentators and Bank of England predictions – projections reviewed in latest MTFS • Monthly monitoring of RPI and CPI index changes

BUDGET RISK ASSESSMENT

		<p>Implications from Government Policy in response to economic factors.</p> <p>Increased pension contributions as a result of triennial valuation (next valuation in 2025)</p> <p>Pay inflation exceeds rates assumed in the budget</p>			<ul style="list-style-type: none"> • Make use of expert forecasts of future RPI and CPI trends • Participate in consultations via regional pay briefings. • Produce regular budget monitoring reports – report quarterly to Corporate Management Team, Executive and Performance Scrutiny Committee • Monitor significant changes in economic indicators • Monitor the pension fund position through discussions with Lincolnshire County Council and Lincolnshire Finance Officers • Pension Fund Stabilisation Approach adopted
5	HRA Repairs and Maintenance Costs	<p>Reduced ability to recruit and retain skilled workforce in HRS, increased reliance on sub-contractors</p> <p>Sub-contractors prices significantly increasing (impacted by inflation and NIC's)</p> <p>Sub-contractor unable to meet demands.</p> <p>Increased cost of materials</p> <p>Failure of contractor i.e. contractor goes into liquidation.</p> <p>Increased demands due to high levels of voids.</p>	<p>Total Score: 12</p> <p>Likelihood: 4 Impact: 3</p>	<p>Total Score: 9</p> <p>Likelihood: 3 Impact: 3</p>	<ul style="list-style-type: none"> • Produce regular budget monitoring reports and HRA revenue and capital budgets reported and monitored together • Report quarterly to Departmental Management Team, Corporate Management Team, Executive and Performance Scrutiny Committee • Results of recent stock condition surveys informing future maintenance requirements • Significant increased costs factored into latest MTFS • Disrepair working group established, new Remedies Policy introduced. • Consider alternative recruitment options – recruitment strategies being reviewed. • Use of collaborative contracts/framework agreements where possible • Seek efficiencies within HRS i.e telematics • Active void management mitigations in place.

BUDGET RISK ASSESSMENT

		<p>Increased demands due to damp and mould remediation.</p> <p>Continued increase in number of housing disrepair claims.</p>			<ul style="list-style-type: none"> Significant rebasing of the budget has taken place in light of the current economic factors. Property standards and operating standards updated in 2023 in respect of damp/mould. Increased scrutiny from the Regulator of Social Housing.
6	Business Rates Base	<p>In year variations to budget not containable within Collection Fund balances.</p> <p>Reduction and/or fluctuations in income against budget variation in:</p> <ul style="list-style-type: none"> Recovery/growth compared to forecasts Changes in the NNDR base Changes in rateable values (e.g. appeals, economic downturn, changes in use, material change in circumstances) Collection rates Ongoing impact on the NNDR base of successful appeals Estimates of appeals provision higher/lower than actually required Changes nationally to the valuation assessments of certain property/infrastructure 	<p>Total Score: 4</p> <p>Likelihood: 4 Impact: 1</p>	<p>Total Score: 12</p> <p>Likelihood: 4 Impact: 3</p>	<ul style="list-style-type: none"> In year monitoring of the NNDR base, Collection Fund, collection rates, growth assumptions and rateable value appeals. Produce monthly collection rate statements – monitored via the Revenues and Benefits Operational Board, and Revenues and Benefits Management Team. Also report quarterly to Corporate Management Team, Executive and Performance Scrutiny Committee if targets are not being met, increased recovery action or further initiatives to increase collection Report quarterly to Corporate Management Team, Executive and Performance Scrutiny Committee A Business Rate Volatility Reserve is maintained to provide a degree of protection from fluctuations in Business Rate Income Quarterly monitoring of the Lincs NNDR Pool by Lincs Finance Officers Independent specialist assessment made of the required level of NNDR appeals provision Specialist advice sought to assist in budgeting assumptions and assessment of implications of changes to the funding system Delivery of key schemes in Vision 2025 to support recovery of the High Street, City and

BUDGET RISK ASSESSMENT

		Impact of the reset of the Business Rates Retention system and review of baseline needs and resources distribution from 2026/27, affecting levels of baseline need and income baseline (as part of SFA), including transitional arrangements.			<p>the economy, including direct investment by the Council.</p> <ul style="list-style-type: none"> Assess and respond to consultations on design of new BRR system. Lobby for transitional arrangements. MTFS assumes full reset
7	Housing Investment Requirements	<p>Implications arising from updated Decent Homes Standard as determined by Govt along with refresh of Lincoln Standard.</p> <p>Actions arising from Building & Fire Safety Acts.</p> <p>Any implications arising from Awaabs Law (damp and mould regulations).</p> <p>Implications arising from the Council's net zero carbon 2030 commitment.</p> <p>Necessity to undertake any remedial works as a result of the Radon Management Plan.</p> <p>Implications arising from NPPF and mandatory housing targets.</p>	<p>Total Score: 9</p> <p>Likelihood: 3 Impact: 3</p>	<p>Total Score: 12</p> <p>Likelihood: 3 Impact: 4</p>	<ul style="list-style-type: none"> Assessment of new Decent Homes Standards when published (due in early 2025) Revised Lincoln Standard to be developed following Decent Homes Standards Assessment of Building and Fire Safety Acts implications undertaken. Assessment of Awaab's Law. Fire Safety assessments of stock (High Rise, Sheltered and Low Rise) nearly complete. Latest stock condition surveys used to develop new 30-year Housing Business Plan Retrofit assessment of housing stock to be undertaken Strategy for developing Net Carbon Neutral to be developed Building Safety Compliance reported regularly to Housing Scrutiny. Radon testing regime commenced. Seek and identify alternative funding sources and models and make appropriate grant applications for decarbonisation works. New HRA Business Plan for 2024- 2055 in place and MTFS updated.

BUDGET RISK ASSESSMENT

					<ul style="list-style-type: none"> • Use of collaborative contracts/framework agreements where possible. • Significant surpluses and available resources within Housing Business Plan. • Ensure risk assessments completed for all significant schemes before commencing • Value engineering used to contain project costs • Cost estimates obtained ahead of procurement exercises.
8	Housing Rents and Property Voids	<p>Increased arrears due to impact of cost-of-living crisis and the rent increase on household incomes</p> <p>More Council House disposals than anticipated and/or slower than anticipated progress on the council house new build programme.</p> <p>Void properties exceeding the allowance included in the budget (particularly due resourcing /contractor issues in HRS).</p> <p>CPI inflation less than budgeted rate (from 2026/27) – reducing rental income</p> <p>Impact of future interventions by Govt to alter Social Rent Policy, particularly any rent caps (though current consultation</p>	<p>Total Score: 9</p> <p>Likelihood: 3 Impact: 3</p>	<p>Total Score: 9</p> <p>Likelihood: 3 Impact: 3</p>	<ul style="list-style-type: none"> • Produce regular budget monitoring reports • Report quarterly to Corporate Management Team, Executive and Performance Scrutiny Committee • Directorate ongoing monitoring is a performance indicator • Monthly monitoring of CPI index changes • Make use of expert forecasts of future CPI trends and the impact on housing rents • Maintain new 30-year Business Plan to ensure it is up to date with latest MTFS/Outturn position. • Continual monitoring of arrears and void positions. • Work closely with Benefits Team to consider use of DHP's where appropriate. • Monthly New Homes Board meeting of cross directorate officers monitoring progress of New Build programme and capital & revenue funding • Subcontractors engaged to support the void process

BUDGET RISK ASSESSMENT

		covers the period to March 2031).			<ul style="list-style-type: none"> RTB disposals reduced following changes to scheme parameters. Respond to consultations on social rent policy.
9	Repairs & Maintenance on Corporate Properties	<p>Unplanned emergency maintenance is required on the Council's Corporate Properties</p> <p>Increase in demands to meet statutory requirements and to minimise risks of adverse claims.</p> <p>Increase in demands to maintain operational service assets</p> <p>Increased investment required in natural assets.</p> <p>Impact of works on income and service delivery.</p>	<p>Total Score: 9</p> <p>Likelihood: 3 Impact: 3</p>	<p>Total Score: 9</p> <p>Likelihood: 3 Impact: 3</p>	<ul style="list-style-type: none"> Updated stock condition surveys for all corporate properties to be undertaken in 2025. Asset management planning in place (including identifying assets with large repairs and maintenance liabilities for disposal) Produce regular budget monitoring reports – report quarterly to Corporate Management Team, Executive and Performance Scrutiny Committee Properties with large maintenance liabilities are reviewed for potential disposal New capital schemes allow for whole life costing. Responsible Officer system in place. Seek and identify external funding opportunities e.g, decarbonisation grants to improve corporate buildings Explore CAT or other alternative lease/MOU arrangements to transfer assets to the third sector. Assessments of impact of RAAC undertaken, with no required remediation.
10	External Funding of Capital Programme	Inability to attract/gain further external grant funding/partner contributions to deliver schemes priorities in Vision 2030 and future investment plans – potential impact of resources being allocated through Mayoral	<p>Total Score: 12</p> <p>Likelihood: 3 Impact: 4</p>	<p>Total Score: 16</p> <p>Likelihood: 4 Impact: 4</p>	<ul style="list-style-type: none"> Ensure grant conditions are complied with throughout scheme Continue to seek and identify alternative funding sources and make appropriate grant applications. Continue to work with partner organisations to secure additional funding opportunities.

BUDGET RISK ASSESSMENT

		<p>Combined Authority (i.e UKSPF, Homes England funding)</p> <p>Loss of anticipated external resource to support the capital programme.</p> <p>Changes to the allocation of grant funding for Disabled Facilities Grants (DFG) from the City Council to County Council, while the City Council retains statutory duty to provide services.</p>			<ul style="list-style-type: none"> • Produce regular grant monitoring statements • Regular budget monitoring and reporting to Capital Programme Board • Ongoing discussions with the County Council to ensure the provision of DFG's meet the Council's funding requirements. • Continue discussions/participation with County Council regarding various funding streams. • Council Leader is a Non-Constituent Member on Greater Lincs Combined County Authority • Council to be actively involved in the development of the Housing Strategy/Needs Assessment by the MCA to ensure it's priorities are reflected, to be used to guide future funding allocations. • New schemes not approved until external funding secured.
11	Capital Financing - Long Term Borrowing	<p>Balances unavailable for internal borrowing (particularly due to under borrowing against CFR and and with large capital underway with deferred receipts receivable)</p> <p>External borrowing costs above interest rates in MTFS</p>	<p>Total Score: 6</p> <p>Likelihood: 2 Impact: 3</p>	<p>Total Score: 9</p> <p>Likelihood: 3 Impact: 3</p>	<ul style="list-style-type: none"> • Continue to monitor the cost effectiveness of utilising internal balances instead of taking external borrowing • Actively monitor the achievement of the capital receipts target and potential additional borrowing requirement • Actively monitor the cost effectiveness of asset disposals compared to Prudential Borrowing • Ongoing monitoring of cashflows from major sources of income • Regular review of current and future predicted borrowing rates to inform timing of borrowing decisions • Actively monitoring the cash flow on a daily basis.

BUDGET RISK ASSESSMENT

12	Housing Benefits/Subsidy	<p>Increase in payments that do not attract 100% subsidy i.e. overpayments and local authority errors</p> <p>Failure to comply with complex legislative requirements</p> <p>Lack of audit trail to substantiate grant claim</p> <p>Backlog of work</p> <p>Pressures from customer demands and complex enquiries due to welfare changes</p> <p>Issues arising from increased use of Bed and Breakfast Accommodation which is capped at LHA levels.</p> <p>Increased usage/provision of supported/exempt accommodation above Rent Officer levels.</p>	<p>Total Score: 9</p> <p>Likelihood: 3 Impact: 3</p>	<p>Total Score: 12</p> <p>Likelihood: 3 Impact: 4</p>	<ul style="list-style-type: none"> • Regular monitoring of claims being processed • Undertake staff training and sample accuracy checks • Ensure system backups are carried out and historic information is recoverable • Continue to lobby/raise awareness with Government of issues arising from use of temporary and support/exempt accommodation and levels of LHA rates for subsidy reimbursement. • Close monitoring of temporary accommodation between Housing and Benefits Team. • Links to wider issue around the availability of temporary accommodation within the City and interventions that are being sought – see service demands re affordable housing and interventions to be undertaken • MTFS budgets refreshed to reflect increased demand in short term.
13	Council Tax Base & Council Tax Support Scheme	<p>In year variations to budget not containable within Collection Fund balances</p> <p>Reduction in income/declared deficits (including impact of cost-of-living crisis) due to:</p>	<p>Total Score: 3</p> <p>Likelihood: 3 Impact: 1</p>	<p>Total Score: 6</p> <p>Likelihood: 3 Impact: 2</p>	<ul style="list-style-type: none"> • Monthly monitoring of the Collection Fund - collection rates, CT discount caseload, council tax base. • Report quarterly to Corporate Management Team, Executive and Performance Scrutiny Committee

BUDGET RISK ASSESSMENT

		<ul style="list-style-type: none"> – Actual CT base different to estimate – Collection rates/bad debt provisions – Increase in LCTS caseload or reduction not as anticipated. – Referendum rate of CT increases below budgeted rate 			<ul style="list-style-type: none"> • Produce quarterly collection rate statements – monitored via the Revenues and Benefits Operational Board, and Revenues and Benefits Management Team. Also report quarterly to Corporate Management Team, Executive and Performance Scrutiny Committee if targets are not being met, increased recovery action or further initiatives to increase collection • Annual increases in Council Tax considered alongside national expected increases. • Council Tax Support scheme still provides for a maximum of 100% of support, with no changes proposed for 2025/26. • Council Tax Hardship Fund in place. • Monitor impact of adoption of new legislation allowing 100% CT premiums on second homes and long term empties.
14	Cashflow Management (Investments and short-term borrowing)	<p>Available cash flow surpluses less than anticipated and/or interest rates lower than forecast</p> <p>Reduction in cash flow results in deficits and/or rising interest rates</p> <p>Impact of major sources of income not being received when expected – particularly given level of under borrowing and number of large capital schemes to cash flow.</p>	<p>Total Score: 4</p> <p>Likelihood: 2 Impact: 2</p>	<p>Total Score: 6</p> <p>Likelihood: 3 Impact: 2</p>	<ul style="list-style-type: none"> • Monitor the average interest rate being achieved against the budget target and the level of balances available for investment • Actively monitoring the cash flow on a daily basis • Ongoing monitoring of cashflows from Business rates • Quarterly monitoring of Collection Fund forecast balances • Take account of economic analysts and Bank of England predictions and advice from Treasury Management Consultants • Hold regular Treasury Management meetings • Report quarterly to Corporate Management Team, Executive and Performance Scrutiny Committee

BUDGET RISK ASSESSMENT

15	Revenue Savings Targets	The required savings targets are not achieved nor required efficiencies delivered	Total Score: 4 Likelihood: 1 Impact: 4	Total Score: 12 Likelihood: 3 Impact: 4	<ul style="list-style-type: none"> Existing TFS programme to be delivered TFS remains a priority in Vision 2025 and will be key to Vision 2030 development Report Quarterly to CMT and quarterly to Executive and Performance Scrutiny Committee Further work to be undertaken to develop programme of reviews beyond 2025/26 and to achieve higher savings targets.
16	Capital Funding	<p>Shortfall in the actual amount of Capital Receipts (i.e. Council House Sales following the changes to RTB discounts in 2024/25 and house sales at Charterholme) against the targets set within the HIP & GIP</p> <p>Revenue contributions are not sustainable in the revenue accounts of the HRA or General Fund</p> <p>Increase in borrowing costs (covered in separate risk – see no. 11)</p> <p>Reductions in grant funding (covered in separate risk – see no.10).</p>	Total Score: 9 Likelihood: 3 Impact: 3	Total Score: 9 Likelihood: 3 Impact: 3	<ul style="list-style-type: none"> Undertake regular monitoring of the capital receipts position Capital Receipts targets incorporated in the Capital Strategy Property Section fully informed of current targets within the GIP & HIP (no specific target set for the GIP for general disposals) Specific capital receipts target in place for WGC Phase 1a 52 market homes – development agreement in place with minimum land value agreed with remainder subject to profit share. Active monitoring of local housing market, using specialist external advice. Review of the most cost-effective funding options (e.g. capital receipts compared to prudential borrowing) Monitor and report on the revenue and capital budgets together to ensure both capital and revenue impacts are identified HRA Business plan includes allowance for full funding of capital requirements over 30 years, including revenue contributions.

BUDGET RISK ASSESSMENT

					<ul style="list-style-type: none"> Maximise where possible housing rent increases to maintain base and ensure resources available for future investment,
17	Sundry Debtors and Housing Benefit Overpayments	The Council's existing Bad Debt provision proves insufficient to meet any increase in the value of debts written off.	Total Score: 2 Likelihood: 2 Impact: 1	Total Score: 6 Likelihood: 3 Impact: 2	<ul style="list-style-type: none"> Follow established debt recovery and write off procedures Specific monitoring in place for key rentals/leases Monitor age debt profile of debts against bad debt provision
18	Government legislation/ regulations	Impact of Government Policy on Simpler Recycling Reforms e.g. Weekly, food waste collection, paper & card collections, deposit return scheme and Extended Producer Responsibility Implications arising from NPPF and mandatory housing targets.	Total Score: 2 Likelihood: 1 Impact: 1	Total Score: 12 Likelihood: 4 Impact: 4	<ul style="list-style-type: none"> Continue to monitor national developments and assess both the service and financial implications of new statutory duties. Actively participate in any Government consultations. Work alongside other local authorities to lobby Government for additional resource (if not provided for under New Burdens). Work with Lincolnshire local authorities on joint approaches to resourcing new systems and development of options for implementation, including work as part of the CLJSPC Work with contractors to implement new requirements. Set aside of resources in earmarked reserves.
19	Key Service Delivery Contracts	Increase in cost of Waste Collection, Street Cleansing and Grounds Maintenance contracts which are due for renewal in 2026	Total Score: 2 Likelihood: 1 Impact: 1	Total Score: 6 Likelihood: 3 Impact: 2	<ul style="list-style-type: none"> Project Management in place Extensive work undertaken on design of specifications and management of expectations Pre-market engagement undertaken

BUDGET RISK ASSESSMENT

					<ul style="list-style-type: none"> Sufficient lead in time allowed – Waste/Street Cleansing awarded – prices subject to inflationary clauses prior to commencement.
20	Government Grants (including RSG, Services Grant, New Homes Bonus, Recovery Grant, NIC funding)	<p>Impact of the review of baseline needs and resources distribution from 2026/27, affecting levels of baseline need (as part of SFA), resulting in cash reductions in Government Grant which differ to the levels assumed in the MTFS.</p> <p>Impact of Spending Review 2025 on overall Departmental Expenditure Limits, reducing funding to local government.</p>	Total Score: 2 Likelihood: 1 Impact: 1	Total Score: 12 Likelihood: 4 Impact: 3	<ul style="list-style-type: none"> Regular review of grant figures and distribution mechanisms. Lobby through national groups, respond to national consultations Work with Association of Lincolnshire Finance Officers and the Society of District Treasures Budget assumptions assume increase in some grant funding beyond 2025/26

GENERAL FUND EARMARKED RESERVES FORECAST 2024/25 – 2029/30

	Balance @ 31.03.25	Balance @ 31.03.26	Balance @ 31.03.27	Balance @ 31.03.28	Balance @ 31.03.29	Balance @ 31.03.30
Description						
Carry Forwards	328,300	264,520	264,520	264,520	264,520	264,520
Active Nation Bond	100,000	100,000	100,000	100,000	100,000	100,000
AGP Sinking Fund	152,440	202,440	252,440	302,440	352,440	402,440
Air Quality Initiatives	21,590	21,590	21,590	21,590	21,590	21,590
Birchwood Leisure Centre	125,970	145,970	165,970	185,970	205,970	225,970
Business Rates Volatility	969,130	344,910	344,910	344,910	344,910	344,910
Christmas Decorations	13,870	13,870	13,870	13,870	13,870	13,870
City Centre Masterplan	75,000	75,000	75,000	75,000	75,000	75,000
City Hall Improvement Works	50,000	50,000	50,000	50,000	50,000	50,000
City Hall Sinking Fund	60,460	60,460	60,460	60,460	60,460	60,460
Climate Change Initiatives	48,510	68,510	88,510	108,510	128,510	148,510
Commons Parking	27,940	27,940	27,940	27,940	27,940	27,940
Control Centre Volatility	0	0	0	0	0	0
Corporate Maintenance	100,000	100,000	100,000	100,000	100,000	100,000
Corporate Training	45,160	45,160	45,160	45,160	45,160	45,160
Council Tax Hardship Fund	0	0	0	0	0	0
Countywide Devolution Work	14,460	100,000	100,000	100,000	100,000	100,000
Covid-19 Recovery	847,230	847,230	0	0	0	0
Covid-19 Response	353,650	353,650	0	0	0	0
Electric Van replacement	35,480	39,910	44,340	48,770	53,200	57,630
HiMO CPN Appeals	111,360	111,360	111,360	111,360	111,360	111,360
Grants & Contributions	1,091,180	1,048,470	1,003,630	960,440	988,800	1,017,160
Income Volatility Reserve	350,000	230,000	230,000	230,000	230,000	230,000
Inflation Volatility Reserve	282,300	0	0	0	0	0
Invest to Save	349,720	500,000	500,000	500,000	500,000	500,000
IT Reserve	463,280	553,280	643,280	733,280	823,280	913,280
Lincoln Lottery	8,830	8,830	8,830	8,830	8,830	8,830
Mayoral Car	7,100	7,100	7,100	7,100	7,100	7,100
MSCP & Bus Station Sinking Fund	242,030	289,840	338,610	388,360	439,110	490,880
Padley Road Play Area	125,000	60,000	60,000	60,000	60,000	60,000
Private Sector Stock Condition Survey	11,300	25,300	39,300	53,300	67,300	9,700
Professional Trainee Scheme	90,000	90,000	90,000	90,000	90,000	90,000
Residents Parking Scheme	4,730	22,070	34,300	41,270	61,240	81,210
Revenues & Benefits Community Fund	54,180	54,180	54,180	54,180	54,180	54,180
Section 106 interest	31,570	31,570	31,570	31,570	31,570	31,570
Staff Wellbeing	28,260	28,260	28,260	28,260	28,260	28,260
Tank Memorial	10,000	10,000	10,000	10,000	10,000	10,000
Tree Risk Assessment	60,380	51,280	55,100	55,100	55,100	55,100
Unused DRF	121,160	0	0	0	0	0
Vision 2025/2030	399,630	1,004,530	1,000,000	1,000,000	1,000,000	1,000,000
TOTAL GENERAL FUND	7,210,380	6,986,410	6,000,230	6,212,190	6,509,700	6,736,630

HOUSING REVENUE ACCOUNT EARMARKED RESERVES FORECAST 2024/25 to 2029/30

Description	Forecast Balance 31.03.25 £	Forecast Balance 31.03.26 £	Forecast Balance 31.03.27 £	Forecast Balance 31.03.28 £	Forecast Balance 31.03.29 £	Forecast Balance 31.03.30 £
Capital Fees Equalisation	110,030	110,030	110,030	110,030	110,030	110,030
Cyclical Smok Alarm/CO2 Detector Testing	0	37,640	76,370	116,220	157,230	194,220
De Wint Court Reserve	73,480	73,480	73,480	73,480	73,480	73,480
De Wint Court Sinking Fund	124,340	135,600	147,200	159,150	171,460	184,140
Disrepairs Management	255,280	236,100	236,100	236,100	236,100	236,100
Housing Business Plan	842,320	992,320	992,320	992,320	992,320	992,320
Housing Repairs Service	75,710	75,710	75,710	75,710	75,710	75,710
HRA IT	505,000	516,780	537,780	572,780	607,780	642,780
HRA Repairs Account	1,350,760	1,350,760	1,350,760	1,350,760	1,350,760	1,350,760
HRA Strategic Priority Reserve	763,840	913,840	913,840	913,840	913,840	913,840
HRA Invest to Save	331,100	331,100	331,100	331,100	331,100	331,100
HRS Social Value	111,320	111,320	111,320	111,320	111,320	111,320
NSAP/RSAP Sinking Fund	27,000	36,000	45,000	54,000	63,000	72,000
Regulator of Social Housing	154,370	154,370	154,370	154,370	154,370	154,370
Strategic Growth Reserve (WGC)	4,870	4,870	4,870	4,870	4,870	4,870
Tenant Satisfaction Survey	20,790	20,790	20,790	20,790	20,790	20,790
TOTAL HOUSING REVENUE ACCOUNT	4,750,210	5,100,710	5,181,040	5,276,840	5,374,160	5,467,830

This page is intentionally blank.

CORPORATE ISSUES- FEES AND CHARGES WEF 01/04/2025 - 31/03/2026

SERVICE : **GUILDHALL (excl LEASE OR TENDER) , CITY HALL & COMMITTEE ADMIN (CX)**
 NOT SUBJECT TO VAT UNLESS STATED IN END COLUMN

	PREVIOUS 2023/24 £	PREVIOUS 2024/25 £	CURRENT 2025/26 £	
--	--------------------------	--------------------------	-------------------------	--

GUILDHALL**ROOM HIRE:**

Guildhall Room Hire Fee	218.40	218.40	225.00	
Private & Specialist Tours (Charge per person)				
- Classification 1 - during normal working hours (minimum booking of 10 people) *				
Monday to Saturday 60-90 minutes	4.67	4.67		
Monday to Saturday 120-180 minutes	8.25	8.25		
Monday to Saturday			4.83	plus VAT
- Classification 2 - out-of-hours (minimum booking for 15 people)**				
Monday to Sunday 60-90 minutes	6.83	6.83		
Monday to Sunday 120-180 minutes	7.17	7.17		
Monday to Sunday 120-180 minutes			7.08	plus VAT
- Classification 3 - specialised tour (per person)				
Monday to Sunday			8.75	plus VAT
Guildhall - General Admission			4.50	plus VAT

* Where a private tour is booked during the day and interferes with public tours

** Where a tour is outside of normal working hours - evenings Monday-Friday
 all day Saturday and Sunday) & Any other Specialist tours, talks & events

CITY HALL**ROOM HIRE:**

Charities & organisations with Council representation (per half day)				
- City Hall (Large Committee rooms, 1 and 2)	32.50	33.33	34.33	plus VAT
- City Hall (Small Committee rooms, 3 and 4)	22.92	23.75	24.50	plus VAT
Lincs non-profit making organisations (per half day)				
- City Hall (Large Committee rooms, 1 and 2)	54.58	56.25	57.92	plus VAT
- City Hall (Small Committee rooms, 3 and 4)	32.50	33.33	34.33	plus VAT
Other users including Government and Court use (per half day)				
- City Hall (Large Committee rooms, 1 and 2)	127.08	130.83	134.75	plus VAT
- City Hall (Small Committee rooms, 3 and 4)	85.83	88.33	91.00	plus VAT
Supplement for evening use	50%	50%	50%	
Drinks (per delegate per half day)	2.67	2.75	2.83	plus VAT
Cancellation Fee	12.50	13.00	13.40	

COMMITTEE SERVICES

- Supplying a copy of or extract from a document (excluding site plans or planning decision notices) (plus postage)	7.17	7.42		plus VAT
--	------	------	--	----------

CORPORATE ISSUES- FEES AND CHARGES WEF 01/04/2025 - 31/03/2026

SERVICE : **REPRESENTATION OF PEOPLES ACT (CX)**
 NOT SUBJECT TO VAT UNLESS STATED IN END COLUMN

	PREVIOUS 2023/24 £	PREVIOUS 2024/25 £	CURRENT 2025/26 £
ELECTORAL SERVICES			
STATUTORY:			
Public Sales			
- Sale of Electoral Register per 1000 names, or part (plus cost postage & packing)			
Paper copy			
- initial fee	10.00	10.00	10.00
- per 1000 names, or part	5.00	5.00	5.00
Data			
- initial fee	20.00	20.00	20.00
- per 1000 names, or part	1.50	1.50	1.50
- Sale of Marked Register per 1000 names, or part (plus cost postage & packing)			
Paper copy			
- initial fee	10.00	10.00	10.00
- per 1000 names, or part	2.00	2.00	2.00
Data			
- initial fee	10.00	10.00	10.00
- per 1000 names, or part	1.00	1.00	1.00
- Copies of Candidate's Expenses (per side)	0.20	0.20	0.20

CORPORATE ISSUES- FEES AND CHARGES WEF 01/04/2025 - 31/03/2026

SERVICE : **LICENSING (DCE)**
 NOT SUBJECT TO VAT UNLESS STATED IN END COLUMN

	PREVIOUS 2023/24 £	PREVIOUS 2024/25 £	CURRENT 2025/26 £	
--	-----------------------------------	-----------------------------------	----------------------------------	--

**Please Note on All Licensing Fees and Charges for any Cheques that bounce there will be a
 £10.00 Charge Incurred**

HACKNEY CARRIAGES

- Vehicle Licence/Renewal (one year)	149.00	154.00	155.00	
- Plates Deposit (refundable)	13.00	13.00	13.00	
- Replacement Plate(s)	20.00	20.00	20.00	
-Test Certificate admin fee	19.00	20.00	20.00	
- Change of Vehicle/HV/Reg	75.00	77.00	78.00	
-Change of Owner (Previously in above)	51.00	53.00	54.00	
- Driver Licence (one year)	139.00	141.00	144.20	
- Driver Licence (three year)	257.00	263.00	267.10	
- Drivers Knowledge Test	41.00	40.00	37.00	
-DBS check (enhanced)	Recharged at cost	Recharged at cost	Recharged at cost	
-DBS check (standard)	Recharged at cost	Recharged at cost	Recharged at cost	
-DVLA Check	Recharged at cost	Recharged at cost	Recharged at cost	plus VAT
-DVLA Check - (Non UK driving licences)	Recharged at cost	Recharged at cost	Recharged at cost	plus VAT
- Badge Deposit (refundable)	6.00	6.00	6.00	
- Badge Replacement (previously in above)	15.00	15.00	15.00	

PRIVATE HIRE

- Vehicle Licence/Renewal (one year)	122.00	125.00	126.00	
- Plates Deposit (refundable)	13.00	13.00	13.00	
- Replacement Plate(s)	20.00	20.00	20.00	
-Test Certificate admin fee	19.00	20.00	20.00	
- Change of Vehicle/Operator/HV/Reg	75.00	77.00	78.00	
-Change of Owner (Previously in above)	51.00	53.00	54.00	
- Driver Licence (one year)	106.00	112.00	115.20	
- Driver Licence (three year)	228.00	242.00	249.10	
- Drivers Knowledge Test	41.00	40.00	37.00	
-DBS check (enhanced)	Recharged at cost	Recharged at cost	Recharged at cost	
-DBS check (standard)	Recharged at cost	Recharged at cost	Recharged at cost	
-DVLA Check	Recharged at cost	Recharged at cost	Recharged at cost	plus VAT
-DVLA Check - (Non UK driving licences)	Recharged at cost	Recharged at cost	Recharged at cost	plus VAT
- Badge Deposit (refundable)	6.00	6.00	6.00	
- Badge Replacement (previously in above)	15.00	15.00	15.00	
- Operators Licence (five years) 10 Vehicles or More	1,171.00	1,214.00	1,226.00	
- Operators Licence (five years) less than 10 Vehicles	381.00	403.00	409.00	

CORPORATE ISSUES- FEES AND CHARGES WEF 01/04/2025 - 31/03/2026SERVICE : **LICENSING (DCE)**

NOT SUBJECT TO VAT UNLESS STATED IN END COLUMN

	PREVIOUS 2023/24 £	PREVIOUS 2024/25 £	CURRENT 2025/26 £	
--	-----------------------------------	-----------------------------------	----------------------------------	--

LICENCES AND CERTIFICATES

Dangerous Wild Animals	523.00	573.00	579.00	Plus Vet Fees
Dangerous Wild Animals Renewal	220.00	245.00	254.00	Plus Vet Fees
Horse Registration Fee	68.00	72.00	73.00	
Sex Establishment New Licence Application Fee	539.00	557.00	561.00	
Sex Establishment New Licence Issue Fee	229.00	236.00	236.00	
Sex Establishment Renewal Application Fee	220.00	226.00	230.00	
Sex Establishment Renewal Issue Fee	203.00	207.00	209.00	
Sex Establishment Transfer Application Fee	93.00	94.00	94.00	
Sex Establishment Transfer Issue Fee	220.00	226.00	227.00	
Sex Establishment Variation Application Fee	370.00	378.00	380.00	
Sex Establishment Variation Issue Fee	34.00	38.00	39.00	

STREET TRADING

Street Trading Consent - Initial Application				
- Initial Administration Fee	336.00	366.00	370.00	
- Initial Annual Consent Fee	34.00	35.00	36.00	
Renewal Consent Fee				
- Renewable Annual Administration Fee	34.00	38.00	39.00	
- Renewable Annual Consent Fee	34.00	35.00	36.00	

ANIMAL ACTIVITIES LICENCE

Animal Activities Licence	315.00	325.00	325.00	plus Vet Fees
Request Re-Inspection for Star Review	137.00	142.00	142.00	
Requesting Variation of the Licence	124.00	128.00	128.00	
Performing Animals Licence*	268.00	276.00	276.00	plus Vet Fees

* 10% Discount for Charities

CORPORATE ISSUES- FEES AND CHARGES WEF 01/04/2025 - 31/03/2026SERVICE : **LICENSING (DCE)**

NOT SUBJECT TO VAT UNLESS STATED IN END COLUMN

	PREVIOUS 2023/24 £	PREVIOUS 2024/25 £	CURRENT 2025/26 £
LICENCES AND CERTIFICATES			
Scrap Metal Dealers & Motor Salvage Operators			
New Application	1,016.00	1,056.00	1,056.00
Site Renewal	813.00	848.00	848.00
Collectors Licence	288.00	302.00	302.00
Variations			
- Add New Site Manager (Existing within LA area)	10.50	10.50	10.50
- Add New Site Manager (Not Existing within LA area)	69.00	69.00	69.00
- Remove Site Manager (Existing within LA area)	10.50	10.50	10.50
- Duplicate Licence	10.50	10.50	10.50
- Change of Trading Name	10.50	10.50	10.50
Remove a Site			
- Refund In Year 1**	313.00	352.00	352.00
- Refund In Year 2**	144.00	163.00	163.00
- In Year 3	15.00	15.00	15.00
Add a Site			
- In Year 1	542.00	566.00	566.00
- In Year 2	372.00	377.00	377.00
- In Year 3	203.00	189.00	189.00
Collectors Licence to Site Licence			
- In Year 1	688.00	708.00	708.00
- In Year 2	535.00	538.00	538.00
- In Year 3	383.00	369.00	369.00
Site Licence to Collectors Licence			
- Refund In Year 1**	25.00	50.00	50.00
- In Year 2**	144.00	139.00	139.00
- In Year 3	288.00	302.00	302.00
Surrender Collectors Licence			
- Refund In Year 1**	135.00	151.00	151.00
- Refund In Year 2**	68.00	75.00	75.00
** This is a Refund			

CORPORATE ISSUES- FEES AND CHARGES WEF 01/04/2025 - 31/03/2026SERVICE : **LICENSING (DCE)**

NOT SUBJECT TO VAT UNLESS STATED IN END COLUMN

	PREVIOUS 2023/24 £	PREVIOUS 2024/25 £	CURRENT 2025/26 £
LICENCES AND CERTIFICATES			
Premises Licence - Grant/Variation (Not change of name/address or premises supervisor)			
- NDRV £0 - £4,300	100.00	100.00	100.00
- NDRV £4,301 - £33,000	190.00	190.00	190.00
- NDRV £33,001 - £87,000	315.00	315.00	315.00
- NDRV £87,001 - £125,000	450.00	450.00	450.00
- NDRV £125,001 and over	635.00	635.00	635.00
Premises Licence - Annual			
- NDRV £0 - £4,300	70.00	70.00	70.00
- NDRV £4,301 - £33,000	180.00	180.00	180.00
- NDRV £33,001 - £87,000	295.00	295.00	295.00
- NDRV £87,001 - £125,000	320.00	320.00	320.00
- NDRV £125,001 and over	350.00	350.00	350.00
Premises Licence - Variation Fee in Transition			
- NDRV £0 - £4,300	20.00	20.00	20.00
- NDRV £4,301 - £33,000	60.00	60.00	60.00
- NDRV £33,001 - £87,000	80.00	80.00	80.00
- NDRV £87,001 - £125,000	100.00	100.00	100.00
- NDRV £125,001 and over	120.00	120.00	120.00
For premises used exclusively or primarily in the business of selling alcohol for consumption on the premises and within bands D & E - the following multiplier applies - Band D x 2, Band E x 3			
Premises Licence - Grant/Variation (Not change of name/address or premises supervisor)			
- NDRV £87,001 - £125,000	900.00	900.00	900.00
- NDRV £125,001 and over	1,905.00	1,905.00	1,905.00
Premises Licence - Annual			
- NDRV £87,001 - £125,000	640.00	640.00	640.00
- NDRV £125,001 and over	1,050.00	1,050.00	1,050.00
Club Premises Certificates -Grant/Variation (Not change of name, alteration of club rules or registered address)			
- NDRV £0 - £4,300	100.00	100.00	100.00
- NDRV £4,301 - £33,000	190.00	190.00	190.00
- NDRV £33,001 - £87,000	315.00	315.00	315.00
- NDRV £87,001 - £125,000	450.00	450.00	450.00
- NDRV £125,001 and over	635.00	635.00	635.00
Club Premises Certificates - Annual			
- NDRV £0 - £4,300	70.00	70.00	70.00
- NDRV £4,301 - £33,000	180.00	180.00	180.00
- NDRV £33,001 - £87,000	295.00	295.00	295.00
- NDRV £87,001 - £125,000	320.00	320.00	320.00
- NDRV £125,001 and over	350.00	350.00	350.00

CORPORATE ISSUES- FEES AND CHARGES WEF 01/04/2025 - 31/03/2026SERVICE : **LICENSING (DCE)**

NOT SUBJECT TO VAT UNLESS STATED IN END COLUMN

	PREVIOUS 2023/24 £	PREVIOUS 2024/25 £	CURRENT 2025/26 £
LICENCES AND CERTIFICATES			
Copy of Licence/Certificate/Notice or Summary on theft or loss of:			
- Premises Licence or Summary	10.50	10.50	10.50
- Club Premises Certificate or Summary	10.50	10.50	10.50
- Personal Licence	10.50	10.50	10.50
- Temporary Events Notice	10.50	10.50	10.50
Change of name or address			
- Holder of Premises Licence	10.50	10.50	10.50
- Personal Licence	10.50	10.50	10.50
Change of name or alteration to club rules	10.50	10.50	10.50
Change of relevant registered address of club	10.50	10.50	10.50
Vary specific individual as premises supervisor	23.00	23.00	23.00
Transfer Premises Licence	23.00	23.00	23.00
Interim Authority Notice	23.00	23.00	23.00
Provisional Statement	315.00	315.00	315.00
Temporary Events Notice	21.00	21.00	21.00
Personal Licences			
- Grant/Renewal	37.00	37.00	37.00
Minor Variation of a Premises Licence/Club Premises Certificate	89.00	89.00	89.00
Notification of Interest	21.00	21.00	21.00

CORPORATE ISSUES- FEES AND CHARGES WEF 01/04/2025 - 31/03/2026SERVICE : **LICENSING (DCE)**

NOT SUBJECT TO VAT UNLESS STATED IN END COLUMN

	PREVIOUS 2023/24 £	PREVIOUS 2024/25 £	CURRENT 2025/26 £
GAMBLING ACT - PERMIT FEES			
FEC Gaming Machine -			
- Application Fee	300.00	300.00	300.00
- Renewal Fee	300.00	300.00	300.00
Prize Gaming -			
- Application Fee	300.00	300.00	300.00
- Renewal Fee	300.00	300.00	300.00
Alcohol Licences Premises - Notification of 2 or less Machines			
- Application Fee	50.00	50.00	50.00
Alcohol Licences Premises - More than 2 Machines			
- Application Fee	150.00	150.00	150.00
- Annual Fee	50.00	50.00	50.00
- Transitional Application Fee	100.00	100.00	100.00
Club Gaming Permit -			
- Application Fee	200.00	200.00	200.00
- Annual Fee	50.00	50.00	50.00
- Renewal Fee	200.00	200.00	200.00
- Transitional Application Fee	100.00	100.00	100.00
Club Gaming Machine Permit -			
- Application Fee	200.00	200.00	200.00
- Annual Fee	50.00	50.00	50.00
- Renewal Fee	200.00	200.00	200.00
- Transitional Application Fee	100.00	100.00	100.00
Club Fast-track for Gaming Permit or Gaming Machine Permit -			
- Application Fee	100.00	100.00	100.00
- Annual Fee	50.00	50.00	50.00
- Renewal Fee	100.00	100.00	100.00
- Transitional Application Fee			
Small Society Lottery Registration -			
- Application Fee	40.00	40.00	40.00
- Annual Fee	20.00	20.00	20.00

CORPORATE ISSUES- FEES AND CHARGES WEF 01/04/2025 - 31/03/2026SERVICE : **LICENSING (DCE)**

NOT SUBJECT TO VAT UNLESS STATED IN END COLUMN

	PREVIOUS 2023/24 £	PREVIOUS 2024/25 £	CURRENT 2025/26 £
GAMBLING ACT - PERMIT FEES cont.			
FEC Permits -			
- Change of Name	25.00	25.00	25.00
- Copy of Permit	15.00	15.00	15.00
Prize Gaming Permits -			
- Change of Name	25.00	25.00	25.00
- Copy of Permit	15.00	15.00	15.00
Alcohol Licences Premises - Notification of More than 2 Machines -			
- Change of Name	25.00	25.00	25.00
- Copy of permit	15.00	15.00	15.00
- Variation	100.00	100.00	100.00
- Transfer	25.00	25.00	25.00
Club Gaming Permit -			
- Copy of Permit	15.00	15.00	15.00
- Variation	100.00	100.00	100.00
Club Gaming Machine Permit			
- Copy of Permit	15.00	15.00	15.00
- Variation	100.00	100.00	100.00

CORPORATE ISSUES- FEES AND CHARGES WEF 01/04/2025 - 31/03/2026SERVICE : **LICENSING (DCE)**

NOT SUBJECT TO VAT UNLESS STATED IN END COLUMN

	PREVIOUS 2023/24 £	PREVIOUS 2024/25 £	CURRENT 2025/26 £
GAMBLING ACT - APPLICATION FEES			
Classes of Premises Licence -			
Regional Casino Premises Licence -			
- Application Fee in respect of Provisional statement premises	8,000.00	8,000.00	8,000.00
- Fee in respect of other premises	15,000.00	15,000.00	15,000.00
- Annual Fee	15,000.00	15,000.00	15,000.00
- Application to vary licence	7,500.00	7,500.00	7,500.00
- Application to transfer a licence	6,500.00	6,500.00	6,500.00
- Application for reinstatement of a licence	6,500.00	6,500.00	6,500.00
- Application for provisional statement	15,000.00	15,000.00	15,000.00
Large Casino Premises Licence -			
- Application Fee in respect of Provisional statement premises	5,000.00	5,000.00	5,000.00
- Fee in respect of other premises	10,000.00	10,000.00	10,000.00
- Annual Fee	10,000.00	10,000.00	10,000.00
- Application to vary licence	5,000.00	5,000.00	5,000.00
- Application to transfer a licence	2,150.00	2,150.00	2,150.00
- Application for reinstatement of a licence	2,150.00	2,150.00	2,150.00
- Application for provisional statement	10,000.00	10,000.00	10,000.00
Small Casino Premises Licence -			
- Application Fee in respect of Provisional statement premises	3,000.00	3,000.00	3,000.00
- Fee in respect of other premises	8,000.00	8,000.00	8,000.00
- Annual Fee	5,000.00	5,000.00	5,000.00
- Application to vary licence	4,000.00	4,000.00	4,000.00
- Application to transfer a licence	1,800.00	1,800.00	1,800.00
- Application for reinstatement of a licence	1,800.00	1,800.00	1,800.00
- Application for provisional statement	8,000.00	8,000.00	8,000.00
Converted Casino premises licence -			
- Annual Fee	3,000.00	3,000.00	3,000.00
- Application to vary licence	2,000.00	2,000.00	2,000.00
- Application to transfer a licence	1,350.00	1,350.00	1,350.00
- Application for reinstatement of a licence	1,350.00	1,350.00	1,350.00

CORPORATE ISSUES- FEES AND CHARGES WEF 01/04/2025 - 31/03/2026SERVICE : **LICENSING (DCE)**

NOT SUBJECT TO VAT UNLESS STATED IN END COLUMN

	PREVIOUS 2023/24 £	PREVIOUS 2024/25 £	CURRENT 2025/26 £
GAMBLING ACT - APPLICATION FEES			
Bingo Premises Licence -			
- Application Fee in respect of Provisional statement premises	1,200.00	1,200.00	1,200.00
- Fee in respect of other premises	3,500.00	3,500.00	3,500.00
- Annual Fee	1,000.00	1,000.00	1,000.00
- Application to vary licence	1,750.00	1,750.00	1,750.00
- Application to transfer a licence	1,200.00	1,200.00	1,200.00
- Application for reinstatement of a licence	1,200.00	1,200.00	1,200.00
- Application for provisional statement	3,500.00	3,500.00	3,500.00
Adult Gaming centre Premises Licence -			
- Application Fee in respect of Provisional statement premises	1,200.00	1,200.00	1,200.00
- Fee in respect of other premises	2,000.00	2,000.00	2,000.00
- Annual Fee	1,000.00	1,000.00	1,000.00
- Application to vary licence	1,000.00	1,000.00	1,000.00
- Application to transfer a licence	1,200.00	1,200.00	1,200.00
- Application for reinstatement of a licence	1,200.00	1,200.00	1,200.00
- Application for provisional statement	2,000.00	2,000.00	2,000.00
Betting premises (track) Licence -			
- Application Fee in respect of Provisional statement premises	950.00	950.00	950.00
- Fee in respect of other premises	2,500.00	2,500.00	2,500.00
- Annual Fee	1,000.00	1,000.00	1,000.00
- Application to vary licence	1,250.00	1,250.00	1,250.00
- Application to transfer a licence	950.00	950.00	950.00
- Application for reinstatement of a licence	950.00	950.00	950.00
- Application for provisional statement	2,500.00	2,500.00	2,500.00
Family Entertainment centre premises licence:			
- Application Fee in respect of Provisional statement premises	950.00	950.00	950.00
- Fee in respect of other premises	2,000.00	2,000.00	2,000.00
- Annual Fee	750.00	750.00	750.00
- Application to vary licence	1,000.00	1,000.00	1,000.00
- Application to transfer a licence	950.00	950.00	950.00
- Application for reinstatement of a licence	950.00	950.00	950.00
- Application for provisional statement	2,000.00	2,000.00	2,000.00

CORPORATE ISSUES- FEES AND CHARGES WEF 01/04/2025 - 31/03/2026

SERVICE : **LICENSING (DCE)**

NOT SUBJECT TO VAT UNLESS STATED IN END COLUMN

	PREVIOUS 2023/24 £	PREVIOUS 2024/25 £	CURRENT 2025/26 £
GAMBLING ACT - APPLICATION FEES			
Betting premises (other) Licence			
- Application Fee in respect of Provisional statement premises	1,200.00	1,200.00	1,200.00
- Fee in respect of other premises	3,000.00	3,000.00	3,000.00
- Annual Fee	600.00	600.00	600.00
- Application to vary licence	1,500.00	1,500.00	1,500.00
- Application to transfer a licence	1,200.00	1,200.00	1,200.00
- Application for reinstatement of a licence	1,200.00	1,200.00	1,200.00
- Application for provisional statement	3,000.00	3,000.00	3,000.00
Change of Circumstance fee	50.00	50.00	50.00
Copy of Licence Fee	25.00	25.00	25.00

ENVIRONMENT- FEES AND CHARGES WEF 01/04/2025 - 31/03/2026

SERVICE : **CEMETERIES (DCE)**
 NOT SUBJECT TO VAT UNLESS STATED IN END COLUMN

	PREVIOUS 2023/24 £	PREVIOUS 2024/25 £	CURRENT 2025/26 £	
INTERMENTS				
Child up to sixteen years	No Charge	No Charge	No Charge	
Person over sixteen years	1,270.00	1,310.00	1,350.00	
Preparation for Exhumation	2,375.00	2,450.00	2,524.00	
Grave Purchase (50 Year Lease)**	1,240.00	1,280.00	1,318.00	
Grave Purchase (Baby)	325.00	335.00	345.00	
Interments of cremated remains:				
- From Lincoln Crematorium*	95.00	100.00	103.00	
- From Other Crematorium*	135.00	140.00	144.50	
Preparation for Exhumation of Ashes	340.00	350.00	360.00	
Cremation Plot Purchase	320.00	335.00	345.00	
Body Parts/blocks/slides*	82.00	85.00	87.50	
50% Discount for City of Lincoln Residents (Excluding those marked with *)				
**Fee is non-transferable to anyone other than the purchasee/designated person.				
If the intention is to transfer onto a non-city resident then charge will be doubled.				
MONUMENTS, GRAVE STONES, TABLETS & INSCRIPTIONS				
Monumental Mason Headstone	104.17	108.33	111.66	plus VAT
MISCELLANEOUS				
Levelling and re-turfing of graves	45.00	45.83	47.50	plus VAT
Burial records search fee where appropriate	5.83	6.25	6.67	plus VAT

ENVIRONMENT- FEES AND CHARGES WEF 01/04/2025 - 31/03/2026

SERVICE : **LONG LEYS ROAD CEMETERY (DCE)**
 NOT SUBJECT TO VAT UNLESS STATED IN END COLUMN

	PREVIOUS 2023/24 £	PREVIOUS 2024/25 £	CURRENT 2025/26 £
INTERMENTS			
Child up to sixteen years	No Charge	No Charge	No Charge
Person over sixteen years			
- Resident	820.00	845.00	870.00
- Non-resident	1,640.00	1,690.00	1,740.00
Interments of cremated remains			
- From Lincoln Crematorium *	115.00	120.00	123.00
- From Other Crematorium *	145.00	150.00	154.00
PURCHASE OF GRAVE PLOT			
Grave Purchase (50 Year Lease) **			
- Resident	715.00	735.00	757.00
- Non-resident	1,430.00	1,470.00	1,514.00
Grave Purchase (Baby)			
- Resident	175.00	180.00	185.50
- Non-resident	350.00	360.00	371.00
Cremation Plot Purchase			
- Resident	175.00	180.00	185.50
- Non-resident	350.00	360.00	371.00

50% Discount for City of Lincoln Residents (Excluding those marked with *)

** Fee is non-transferable to anyone other than the purchasee/designated person.

If the intention is to transfer onto a non-city resident then the 50% discount will not apply.

ENVIRONMENT- FEES AND CHARGES WEF 01/04/2025 - 31/03/2026

SERVICE : **CREMATORIUM (DCE)**
 NOT SUBJECT TO VAT UNLESS STATED IN END COLUMN

	PREVIOUS 2023/24	PREVIOUS 2024/25	CURRENT 2025/26	
	£	£	£	
CREMATION FEES				
Body Parts/Slides/Blocks	98.00	100.00	100.00	
Child up to eighteen years	No Charge	No Charge	No Charge	
Person over eighteen years (Fee inclusive of Urn, Medical Refs Fee & Cremation Certificate)	960.00	990.00	990.00	
Early Start Service (9:00 - 9:20 & 9:30 - 9:50 Monday to Friday)		650.00	670.00	
Charge for non-city residents : Person over eighteen years (Fee inclusive of Urn, Medical Refs Fee & Cremation Certificate)	960.00	990.00	990.00	
MEMORIALS AND INSCRIPTIONS				
Book of Remembrance				
2 Lines	95.83	100.00	103.33	plus VAT
5 Lines	120.83	125.00	128.75	plus VAT
8 Lines	145.83	150.00	154.58	plus VAT
Miniature Books				
2 Lines	104.17	108.33	111.66	plus VAT
5 Lines	112.50	116.67	120.00	plus VAT
8 lines	125.00	129.17	132.92	plus VAT
Remembrance cards				
2 Lines	62.50	66.67	68.75	plus VAT
5 Lines	70.83	75.00	77.50	plus VAT
8 Lines	83.33	87.50	90.00	plus VAT
Additional lines to existing books and cards per line	16.67	17.50	18.33	plus VAT
MEMORIAL SERVICE/USE OF CHAPEL FOR UP TO 1HR				
- Caskets	62.00	65.00	67.00	
- Extract from Register of Cremations	13.00	14.00	14.50	
Memorial Service (when space available)	400.00	420.00	433.00	
DEPOSIT OF ASHES				
- Temporary deposit of ashes per month after one month	17.00	17.50	18.00	
- For burying of ashes in Garden of Remembrance where cremation carried out at other crematorium	87.50	91.67	94.17	plus VAT

ENVIRONMENT- FEES AND CHARGES WEF 01/04/2025 - 31/03/2026

SERVICE : **CREMATORIUM (DCE)**
 NOT SUBJECT TO VAT UNLESS STATED IN END COLUMN

	PREVIOUS 2023/24 £	PREVIOUS 2024/25 £	CURRENT 2025/26 £	
MEMORIAL GARDEN				
Wall Tablet (10 year lease)	262.50	270.83	279.00	plus VAT
Bench Tablet (10 year lease)	358.34	370.83	382.00	plus VAT
Kerb Tablet (10 year lease)	383.34	395.83	408.00	plus VAT
Vault Tablet (20 year lease)	858.34	883.33	910.00	plus VAT
Designer images on plaques - from	133.34	137.50	142.00	plus VAT
Ceramic Photo Plaques				
4cm x 3cm	125.00	129.17	133.00	plus VAT
7cm x 5cm	166.67	175.00	180.00	plus VAT
Renewal of Wall Tablet (10 year lease)	158.34	162.50	167.50	plus VAT
Renewal of Bench Tablet (10 year lease)	245.84	254.17	262.00	plus VAT
Renewal of Kerb Tablet (10 year lease)	262.50	270.83	279.00	plus VAT

ENVIRONMENT- FEES AND CHARGES WEF 01/04/2025 - 31/03/2026

SERVICE : **BREAVEMENT SERVICES (DCE)**
 NOT SUBJECT TO VAT UNLESS STATED IN END COLUMN

	PREVIOUS 2023/24 £	PREVIOUS 2024/25 £	CURRENT 2025/26 £	
BREAVEMENT SERVICES				
Witnessed scattering in the Garden of Remembrance		20.00	20.50	
Witnessed burial in the Garden of Remembrance	35.00	36.00	37.00	
Direct Cremation Service	520.00	535.00	551.00	
Change of fees for a memorial permit to make it a clear price	125.00	130.00	134.00	
Extra Cremated Remains Bio Box		10.00	10.50	
WESLEY SYSTEM				
Audio recording supplied on CD - 1st Copy	54.17	58.33	60.00	plus VAT
Audio recording supplied on CD - subsequent copies	26.67	29.17	30.00	plus VAT
Video recording supplied on DVD - 1st copy	54.17	58.33	60.00	plus VAT
Video recording supplied on DVD - subsequent copies	26.67	29.17	30.00	plus VAT
Video recording supplied on download	25.00	25.00	25.83	plus VAT
VISUAL TRIBUTES				
Visual tribute - 1 photograph	22.50	23.33	24.16	plus VAT
Visual tribute - 2-5 photographs	31.67	33.33	34.16	plus VAT
Visual tribute - 6-10 photographs	41.67	43.33	44.16	plus VAT
Visual tribute – 10+ photographs subsequent per photograph)	2.50	2.50	2.50	plus VAT
Video tribute - up to 2 minutes	31.67	33.33	34.16	plus VAT
Video tribute - over 2 minutes to 5 minutes	41.67	43.33	44.16	plus VAT
DVD containing the tribute - 1st copy	31.67	33.33	34.16	plus VAT
DVD containing the tribute - subsequent copies	26.67	27.50	28.33	plus VAT
Tribute embedded into video of the service	71.67	75.00	77.50	plus VAT
WEBCASTING				
Webcasting of Service	54.17	58.33	60.00	plus VAT
MEMORIAL TREE				
Memorial Leaf (Name Only)*	170.84	175.00	180.00	plus VAT
Memorial Leaf (Name & Inscription)*	195.84	200.00	206.00	plus VAT

*Subject to a 10 year lease

ENVIRONMENT- FEES AND CHARGES WEF 01/04/2025 - 31/03/2026

SERVICE : **OTHER PUBLIC HEALTH, PUBLIC HEALTH INSPECTION & SALVAGE OPERATORS (DCE)**
 NOT SUBJECT TO VAT UNLESS STATED IN END COLUMN

	PREVIOUS 2023/24 £	PREVIOUS 2024/25 £	CURRENT 2025/26 £
LICENCES, CERTIFICATES AND AUTHORISATIONS			
Food Certificates			
- Condemned food (No charge for single items)	48.50	50.00	51.50
- Consignments for Export	85.50	88.10	91.00
Authorisations *- Prescribed Processes (All subject to notification by DEFRA) :			
- Application Fees			
- Standard	1,579.00	1,579.00	1,579.00
- Additional Fee for Operating without a Permit	1,137.00	1,137.00	1,137.00
- PVRI, SWOB's and Dry Cleaners	148.00	148.00	148.00
- PVR Combined I & II	246.00	246.00	246.00
- VR & other Reduced Fee Activities	346.00	346.00	346.00
- RFA Additional Fee for no Permit	68.00	68.00	68.00
- Mobile Plant **	1,579.00	1,579.00	1,579.00
- for 3rd to 7th Applications	943.00	943.00	943.00
- for 8th & Subsequent Applications	477.00	477.00	477.00
Where an Application for any of the above is for a combined Part B and Waste Application add extra £297 to Amount shown			
- Subsistence charges			
- Standard - Low	739.00	739.00	739.00
- Standard - Med	1,111.00	1,111.00	1,111.00
- Standard - High	1,672.00	1,672.00	1,672.00
- PVRI, SWOB's and Dry Cleaners Low	76.00	76.00	76.00
- PVRI, SWOB's and Dry Cleaners Med	151.00	151.00	151.00
- PVRI, SWOB's and Dry Cleaners High	227.00	227.00	227.00
- PVR I & II Combined Low	108.00	108.00	108.00
- PVR I & II Combined Med	216.00	216.00	216.00
- PVR I & II Combined High	326.00	326.00	326.00
- VRs & other Reduced Fees Low	218.00	218.00	218.00
- VRs & other Reduced Fees Med	349.00	349.00	349.00
- VRs & other Reduced Fees High	524.00	524.00	524.00
- Mobile Plants for 1st & 2nd Permits Low **	618.00	618.00	618.00
- Mobile Plants for 1st & 2nd Permits Med **	989.00	989.00	989.00
- Mobile Plants for 1st & 2nd Permits High **	1,484.00	1,484.00	1,484.00
- For the 3rd to 7th Permits Low	368.00	368.00	368.00
- For the 3rd to 7th Permits Med	590.00	590.00	590.00
- For the 3rd to 7th Permits High	884.00	884.00	884.00
- For the 8th and Subsequent Permits Low	189.00	189.00	189.00
- For the 8th and Subsequent Permits Med	302.00	302.00	302.00
- For the 8th and Subsequent Permits High	453.00	453.00	453.00
- Late Payment Fee	50.00	50.00	50.00
** Not using simplified Permits			
The Additional amounts in brackets must be charged where permit is for combined Part B and Waste Installation.			
Where a Part B Installation is subject to reporting under the E-PRTR Regulation, add £99 extra to the Amounts Shown			

ENVIRONMENT- FEES AND CHARGES WEF 01/04/2025 - 31/03/2026

SERVICE : **OTHER PUBLIC HEALTH, PUBLIC HEALTH INSPECTION & SALVAGE OPERATORS (DCE)**
 NOT SUBJECT TO VAT UNLESS STATED IN END COLUMN

	PREVIOUS 2023/24 £	PREVIOUS 2024/25 £	CURRENT 2025/26 £
LICENCES, CERTIFICATES AND AUTHORISATIONS			
- Transfer & Surrender			
- Standard Process Transfer	162.00	162.00	162.00
- Standard Process Partial Transfer	476.00	476.00	476.00
- New Operator - Low risk Fee	75.00	75.00	75.00
- Reduced Fee Activities Partial Transfer	45.00	45.00	45.00
- Temporary Transfer for Mobiles			
- First Transfer	51.00	51.00	51.00
- Repeat following Enforcement or Warning	51.00	51.00	51.00
- Substantial Change			
- Standard Process	1,005.00	1,005.00	1,005.00
- Standard Process where result in a new PPC Activity	1,579.00	1,579.00	1,579.00
- Reduced Fee Activities	98.00	98.00	98.00
Local Government Misc Provisions- Skin Piercers (including Tattooing & Acupuncture)			
- Premises	187.30	193.00	199.00
- Persons	36.50	38.00	40.00
Re-issue of Skin Piercers Registration Certificate	30.00	30.00	31.00
* 10% discount for registered charities			
PUBLIC CONVENIENCES			
Castle Hill	0.20	0.20	0.20
Tentercroft Street	0.20	0.20	0.20
Westgate	0.20	0.20	0.20
Bus Station	0.20	0.20	0.20
Lucy Tower	0.20	0.20	0.20
E-Access Card	4.17	4.17	4.17 plus VAT

ENVIRONMENT- FEES AND CHARGES WEF 01/04/2025 - 31/03/2026

SERVICE : **PEST CONTROL, DOG WARDEN, PUBLIC HEALTH INSPECTION (DCE)**
 NOT SUBJECT TO VAT UNLESS STATED IN END COLUMN

	PREVIOUS 2023/24 £	PREVIOUS 2024/25 £	CURRENT 2025/26 £	
Dogs :				
- Penalty for Strays *(Set by EPA & charged on 2nd continuing offence.)	25.00	25.00	25.00	
- Housing of Strays (Kennel fee per day) (Cost + Handling Charge)	11.58	12.08	12.50	plus VAT
- Acceptance of, for Destruction	93.00	96.00	248.00	
OTHER				
Provision of Information				
- Photograph (Each additional photo £1.30)	13.17	14.17	14.59	plus VAT
- Documents	12.08	12.50	12.88	plus VAT
- Factual Statement & Report of Investigations	131.67	137.50	141.63	plus VAT
- Food Safety Act Register (25 enteries or part)	4.58	5.00	5.15	plus VAT
- Information on Former Use of Land (Charge per hour, or part thereof)	94.50	98.00	100.94	
- Provision of Information - Outstanding Notices Admin Charge	47.30	48.72	50.18	
- Default Works (incl Intruder Alarm Disconnection)	Cost + 10%	Cost + 10%	Cost + 10%	
Safer Food Better Business Management System	10.00	10.30	11.00	
Safer Food Better Business Daily Diary	7.00	7.50	8.00	
Re-inspection of Food Business	171.50	180.00	186.00	
- Graffiti Busting per hour	48.70	50.20	51.71	plus VAT
* Concessions apply to OAP's and persons in receipt of benefit : - Retired persons over 65 years of age or, - individuals over 60, in receipt of state retirement pension or widows pension or, - persons in receipt of a means tested benefit				

ENVIRONMENT- FEES AND CHARGES WEF 01/04/2025 - 31/03/2026

SERVICE : **COMMUNITY SERVICES (DCE)**
 NOT SUBJECT TO VAT UNLESS STATED IN END COLUMN

	PREVIOUS 2023/24 £	PREVIOUS 2024/25 £	CURRENT 2025/26 £	
ENFORCEMENT OFFICER				
Fixed Penalty Notices				
- Littering	75.00	150.00	150.00	Discount of £50 if paid within 10 days
- Dog Fouling	50.00	50.00	50.00	
- Breach of Community Protection	75.00	75.00	75.00	Discount of £25 if paid within 10 days
- Breach of a Public Space Protection Order	75.00	75.00	75.00	Discount of £25 if paid within 10 days
- Breach of S46 Notice (Presentation of Waste)	75.00	75.00	75.00	Discount of £25 if paid within 10 days
- Fly Tipping	200.00	400.00	400.00	Discount of £100 if paid within 10 days
- Duty of Care	200.00	400.00	400.00	Discount of £100 if paid within 10 days
GREEN WASTE				
Green Waste Bin Collection				
- Annual Fee	39.00	39.00	40.00	
- Additional Bin	15.00	15.00	15.50	
- Delivery Fee	15.00	15.00	15.50	
DEVELOPER BIN CHARGES				
Charges per bin				
- 140 Litre Bin	24.60	25.30	26.00	plus VAT
- 240 Litre Bin	29.00	29.90	31.00	plus VAT
- Communal Bin (Usually 660l or 1100l)	166.00	171.00	176.00	plus VAT
- Delivery Charge	11.10	11.40	11.80	plus VAT
Admin Charge			10% of total charge	
BULKY ITEM COLLECTION				
Collection of large items - minimum charge applies for items worth up to 6 points			35.50	Items up to 6 points
Each additional point thereafter will be charged per point			4.65	Additional fee per point

This page is intentionally blank.

HOUSING- FEES AND CHARGES WEF 01/04/2025 - 31/03/2026

SERVICE :

HOUSING ADVANCES (DHR), HIMOs, GARAGES & SUPPORTED HOUSING

NOT SUBJECT TO VAT UNLESS STATED IN END COLUMN

	PREVIOUS 2023/24 £	PREVIOUS 2024/25 £	CURRENT 2025/26 £	
HOUSING ADVANCES				
- Second mortgage enquiry fee	96.83	99.75	102.75	plus VAT
- Transfer of mortgage fee	173.00	178.20	183.60	
- Business rate enquiry fee	37.60	38.70	39.90	
- Council Tax enquiry fee	29.70	30.60	31.50	
- Right to Buy leaseholders repair loan	225.80	232.60	239.60	
HOUSES IN MULTIPLE OCCUPATION				
Premises Licence Fee (5 year licence)*				
- Basic (up to 5 Bedrooms) - New Application	1,010.00	1,400.00	1,470.00	
- Basic (up to 5 Bedrooms) - Renewal Application**	1,010.00	1,210.00	1,270.00	
- 6 to 10 Bedrooms	Basic + 10%	Basic + 10%	Basic + 10%	
- 11 to 15 Bedrooms	Basic + 20%	Basic + 20%	Basic + 20%	
- 16 to 20 Bedrooms	Basic + 30%	Basic + 30%	Basic + 30%	
- For every 5, or part thereof, over 20	Additional 10%	Additional 10%	Additional 10%	
Variation to Licence				
Trusted Landlord Scheme Discount (must be accredited on the date of the completed application)	100.00	100.00	100.00	
<p>* The premises licence fee comprises of two elements. 60% of the total fee due will be payable on application as an application fee, and if the application is successful, the remaining 40% will be payable as a licence fee when the licence is granted.</p> <p>** Renewal applications must be made at least 30 days before the expiry of the current licence to benefit from the reduced rate</p>				
GARAGES				
Garage transfer fees	20.42	21.00	21.67	plus VAT
Garage sites	72.08	74.25	76.50	plus VAT
Garage access fees	72.08	74.25	76.50	plus VAT
PARKING BAY CHARGES				
Council Tenants (Hermit Mews/Street and those living in Park Ward)	-	124.17	197.89	VAT Exempt
Non Council Tenants (whose sole/main residence is in Park Ward)		124.17	197.89	plus VAT
Commuters - Council Tenants (who live outside of Park Ward)		124.17	363.90	VAT Exempt
Commuters - Non Council Tenants (who live outside Park Ward)		124.17	363.90	plus VAT

HOUSING- FEES AND CHARGES WEF 01/04/2025 - 31/03/2026

SERVICE :

HOUSING ADVANCES (DHR), HIMO's, GARAGES & SUPPORTED HOUSING

NOT SUBJECT TO VAT UNLESS STATED IN END COLUMN

	PREVIOUS 2023/24 £	PREVIOUS 2024/25 £	CURRENT 2025/26 £
HOUSING ACT 2004			
Health & Environment Enforcement Policy			
- Charge for enforcement activity	336.63	336.63	336.63*
* Minimum fine for a 1/2 bedroom property with one hazard identified The charge will vary upwards depending on the number of bedrooms and the number of hazards identified at the property			
- Civil Penalty Notice	30,000.00	30,000.00	30,000.00*
* Maximum fine of £30,000 - will be dependant on individual circumstances			
- Penalty Charge Notice for Smoke & Carbon Monoxide Alarms	5,000.00	5,000.00	5,000.00*
* £5,000 for first breach discounted to £2,500 if paid within 14 days. Repeat Breaches £5,000 with no discount for early payment			

HOUSING- FEES AND CHARGES WEF 01/04/2025 - 31/03/2026

SERVICE :

HOUSING REVENUE ACCOUNT & WORKS CMS (DHR)

NOT SUBJECT TO VAT UNLESS STATED IN END COLUMN

	PREVIOUS 2023/24 £	PREVIOUS 2024/25 £	CURRENT 2025/26 £	
SUPPORTED HOUSING - CONTROL CENTRE				
Community Alarms Service	168.00	173.00	182.00	
Alarm monitoring only and SIM	110.00	113.30	117.00	
Digital Alarm plus sim	216.00	221.00	230.00	
Wellbeing Lincs Response Service*	130.00	130.00	144.00	
District Council Transfer	168.00	173.00	182.00	
<i>*increase as a result of externally driven cost factors</i>				
Alarm Monitoring - 1 unit	67.05	69.06	71.13	plus VAT
Alarm Monitoring - 2-99 units	50.29	54.39	56.02	plus VAT
Alarm Monitoring - 100-499 units	43.81	47.38	48.80	plus VAT
Alarm Monitoring - 500-999 units	42.18	45.62	46.99	plus VAT
Alarm Monitoring - 1000-1749 units	41.10	44.45	45.78	plus VAT
Alarm Monitoring - 1750-2499 units	38.93	42.10	43.36	plus VAT
Alarm Monitoring - 2500+ units	30.93	33.45	34.45	plus VAT
Bogus Caller/Panic Button	11.90	11.90	12.30	
Bed Occupancy Sensor Mat (over mattress)	60.00	60.00	61.80	
Canary Care system	207.00	207.00	213.20	
Chiptech Go GPS Device	200.00	206.00	212.20	
Key Safe	15.00	15.00	15.50	
Medication Dispenser - PivoTell	45.00	45.00	46.40	
Medication reminders/welfare checks - per call	0.10	0.10	0.10	
Absorbent Enuresis Sensor	97.50	97.50	100.40	
Cotton Enuresis Sensor	82.50	82.50	85.00	
Epilepsy Sensor	84.00	84.00	86.50	
Exit Sensor	32.70	32.70	33.70	
Temperature Extremes Sensor	16.60	16.60	16.60	
Universal Sensor	18.00	18.00	18.50	
Pressure Mat	6.30	6.30	6.50	
Pillow Shaker	65.00	65.00	67.00	
Ivi Intelligent Pendant	32.50	32.50		
Smoke Detector (wireless)	16.00	16.00		
Flood Detector	20.40	20.40	21.00	
Passive Infra Red Detector	14.60	14.60	15.00	
Extra Rental - Carbon	27.90	27.90	28.70	
Extra Rental - Falls	32.50	32.50	33.50	
Extra Rental - Pendant	11.20	11.20	11.50	
Extra Rental - Smoke Alarm	16.00	16.00	16.50	
Extra Purchase - Carbon	90.00	90.00		
Extra Purchase - Falls	85.00	85.00		
Extra Purchase - Pendant	45.00	45.00		
Extra Purchase - Smoke Alarm	45.00	45.00		

SERVICE :
NOT SUBJECT TO VAT UNLESS STATED IN END COLUMN

HOUSING REVENUE ACCOUNT & WORKS CMS (DHR)

	PREVIOUS 2023/24 £	PREVIOUS 2024/25 £	CURRENT 2025/26 £	
SHELTERED ACCOMMODATION				
Service charges, per rent week (50 weeks) - residents :				
- 1 person flat				
Derek Miller Ct	9.90	10.20	10.50	
St.Botolphs	9.90	10.20	10.50	
- 2 person flat				
Derek Miller Ct	14.00	14.40	14.80	
St.Botolphs	14.00	14.40	14.80	
- Electricity				
Derek Miller Court (only)	4.70	4.80	4.90	
Service charges, per rent week (50 weeks) - wardens :				
- 2 bed accommodation	11.10	11.40	11.70	
- 3 bed accommodation				
Lenton Green	13.60	14.00	14.40	
Others	13.30	13.70	14.10	
De Wint Court				
- Service charge	95.88	102.43	95.37	
- Guest Room	21.92	22.58	23.25	plus VAT
- Key Fob	4.17	4.33	4.50	plus VAT
- Electric (based on sub metered usage)	Variable	Variable	Variable	
- Water & Heating (based on apportioned variable cost)	Variable	Variable	Variable	
Concessionary TV Licences	7.50	7.50	7.50	
Next Steps Accommodation Programme (NSAP) – Service Charge		£5,670**	£5,670**	
Rough Sleeping Accommodation Programme (RSAP) – Service Charge		£5,670**	£5,670**	
**The charge will vary up/down depending on the property value at time of acquitison				
MISCELLANEOUS				
Additional keys for door entry	12.92	13.33	13.75	plus VAT
Building Society enquiry fees	77.33	79.67	82.08	plus VAT

LEISURE, SPORT & CULTURE- FEES AND CHARGES WEF 01/04/2025 - 31/03/2026SERVICE : **ALLOTMENTS (DCE)**

NOT SUBJECT TO VAT UNLESS STATED IN END COLUMN

	PREVIOUS 2023/24 £	PREVIOUS 2024/25 £	CURRENT 2025/26 £	
ALLOTMENTS				
Standard rent for allotment				
51 to 100 sq yards	50.10	51.60	53.20	
101 to 150 sq yards	52.90	54.50	56.10	
151 to 200 sq yards	56.00	57.70	59.40	
201 to 250 sq yards	58.90	60.70	62.50	
251 to 300 sq yards	61.60	63.50	65.40	
301 to 350 sq yards	64.60	66.50	68.50	
351 to 400 sq yards	67.90	69.90	72.00	
401 to 450 sq yards	70.60	72.70	74.90	
451 to 500 sq yards	73.40	75.60	77.90	
501 to 550 sq yards	76.40	78.70	81.10	
551 to 600 sq yards	79.30	81.70	84.20	
601 to 650 sq yards	82.20	84.70	87.20	
651 to 700 sq yards	85.60	88.20	90.90	
701 to 750 sq yards	88.20	90.90	93.60	
751 to 800 sq yards	90.90	93.60	96.40	
801 to 850 sq yards	94.10	96.90	99.80	
851 to 900 sq yards	97.00	99.90	102.90	
901 to 950 sq yards	100.10	103.10	106.20	
951 to 1000 sq yards	102.90	106.00	109.20	
Water supply to allotment - minimum charge	22.60	23.30	24.00	
Garage site - Rents and access charge	40.08	41.25	42.49	plus VAT
Allotment Keys	7.00	7.00	7.21	
Discounts				
6 - 10 allotments	10%	10%	10%	
11+ allotments	20%	20%	20%	
Means tested benefits	50%	50%	50%	

CONDITIONS

*Concessions apply to persons in receipt of a means tested benefit

LEISURE, SPORT & CULTURE- FEES AND CHARGES WEF 01/04/2025 - 31/03/2026SERVICE : **COMMUNITY CENTRES (DCE)**

NOT SUBJECT TO VAT UNLESS STATED IN END COLUMN

	PREVIOUS 2023/24 £	PREVIOUS 2024/25 £	CURRENT 2025/26 £	
ALL CENTRES				
Room Hire (per hour)				
- Main Hall/Weighing Room				
Commercial	22.10	22.80	23.50	
Standard	17.90	18.50	19.10	
Supported	9.50	12.00	12.35	
- Small Meeting Rooms				
Commercial	11.60	12.00	12.35	
Standard	7.40	7.60	7.80	
Supported	4.70	6.00	6.20	
- Large Meeting Rooms				
Commercial	18.40	19.00	19.60	
Standard	14.70	15.10	15.60	
Supported	8.90	10.00	10.00	
Medium Meeting Room (SDCC Only)				
Commercial			15.95	
Standard			11.70	
Supported			8.25	
Surcharge after 11pm	100%	-	-	
Projector/Screen Hire				
- Per Hour	5.30	5.50	5.50	plus VAT
- Per day	26.30	26.50	26.50	plus VAT
Service Charge (Caretaker fee)	Cost	Cost	Cost	
Surcharge after 11pm (Caretaker	Cost	Cost	Cost	
Call out recharges	Cost	Cost	Cost	
Additional Cleaning	Cost	Cost	Cost	
Flip chart hire/paper	5.00	5.00	5.00	plus VAT
Storage Charge		Price on application	Price on application	
Other Charges				
Activities (per hour)				
- Badminton per court	8.75	9.00	9.30	
- Table Tennis per table	4.42	6.25	6.45	
- Carpet Bowls per carpet	5.25	6.25	6.45	
- Booking Fee**	5.30	5.50	5.70	
- Amendment Fee	3.20	3.30	3.40	
- PRS	Cost + 50%	Cost + 50%	Cost + 50%	plus VAT

*Service charge will be levied for all bookings who opt not to key hold

** Not applicable to sports bookings which includes table tennis and bowls

LEISURE, SPORT & CULTURE- FEES AND CHARGES WEF 01/04/2025 - 31/03/2026

SERVICE : **COMMONS & RECREATION GROUNDS**
 NOT SUBJECT TO VAT UNLESS STATED IN END COLUMN

	PREVIOUS 2023/24 £	PREVIOUS 2024/25 £	CURRENT 2025/26 £	
COMMONS				
- Impounding of Horses on City Commons	Contract Price + 15%	Contract Price + 15%	Contract Price + 15%	plus VAT
- Fair Licence	3,000.00	3,000.00	3,090.00	
RECREATION GROUNDS				
- Cricket, pitch and accommodation				
Weekend match				
Adult teams	36.33	41.67	42.95	
Youth teams	21.00	25.00	25.75	
Weekday match (evening)				
Adult teams	24.50	33.33	34.35	
Youth teams	17.50	20.83	21.45	
- Rounders (Per pitch Per match)	Cost	Cost	Cost	

* Tennis Courts at West Common are free

LEISURE, SPORT & CULTURE- FEES AND CHARGES WEF 01/04/2025 - 31/03/2026

SERVICE : **RECREATION GROUNDS (DCE) cont.**
 NOT SUBJECT TO VAT UNLESS STATED IN END COLUMN

	PREVIOUS 2023/24 £	PREVIOUS 2024/25 £	CURRENT 2025/26 £
RECREATION GROUNDS			
- Football (per pitch)			
Per game with attended changing facilities			
Adult teams	61.25	-	-
Youth teams	30.67	-	-
Junior Pitches (9v9)	28.25	-	-
Junior Pitches (7v7)	25.83	-	-
Mini Pitches (5v5)	15.33	-	-
Per game for keyholders (Skellingthorpe Rd and King George's Field)			
Adult teams	51.17	52.67	54.25
Youth teams	26.67	27.50	28.35
Junior Pitches	20.58	21.25	21.90
Service Charge (Caretaker fee)		Cost	Cost
Per season (16 Bookings**) with attended changing facilities			
Adult teams	550.70	-	-
Youth teams	269.30	-	-
Junior Pitches (9v9)	235.80	-	-
Junior Pitches (7v7)	202.10	-	-
Mini Pitches (5v5)	147.00	-	-
Per season (16 Bookings*) for key holders (Skellingthorpe Rd and King George's Field)			
Adult teams	428.40	441.50	454.75
Youth teams	214.20	220.60	227.25
Junior Pitches (9v9)	183.80	190.00	195.70
Junior Pitches (7v7)	153.30	158.00	162.75
Mini Pitches (5v5)	91.90	95.00	97.85
Additional Cleaning	Cost	Cost	Cost
Introductory Football Storage (per week)		5.00	5.15

LEISURE, SPORT & CULTURE- FEES AND CHARGES WEF 01/04/2025 - 31/03/2026SERVICE : **CREATIVE INDUSTRIES MANAGED WORKSPACE**

	PREVIOUS 2023/24 £	PREVIOUS 2024/25 £	CURRENT 2025/26 £	
THE TERRACE				
Boardroom				
Tenants (Inc Post Box Holders) - SEE FOOTNOTE BELOW				
Per Hour	7.40	7.60	7.80	plus VAT
Per Day	42.00	43.30	44.60	plus VAT
Non Tenants				
Per Hour	14.70	15.20	15.60	plus VAT
Per Day	84.00	86.50	89.00	plus VAT
- Laminating				
A4 (Per Sheet)	1.30	1.30	1.34	plus VAT
A3 (Per Sheet)	2.15	2.15	2.25	plus VAT
Telephone Answering Service				
Monthly Rate	15.80	16.00	16.50	plus VAT
Price is based on a calendar month and is exclusive to VAT.				
- Virtual Mailbox				
Annual	310.00	319.00	328.50	plus VAT
Replacement keys				
Security Access Key	12.00	12.30	12.65	plus VAT
GREETWELL PLACE				
Large Conference Room/Room 23 & 35				
Tenants				
Per Hour	11.10	11.40	11.75	plus VAT
Per Day	44.40	45.70	47.05	plus VAT
Non Tenants				
Per Hour	22.20	22.80	23.50	plus VAT
Per Day	66.60	68.60	70.60	plus VAT
Small Conference Room				
Tenants				
Per Hour	5.60	5.80	6.00	plus VAT
Per Day	28.00	28.80	29.70	plus VAT
Non Tenants				
Per Hour	11.10	11.40	11.75	plus VAT
Per Day	44.40	45.70	47.10	plus VAT
Beverages				
Flask of coffee	3.90	4.00	4.20	plus VAT
Flask of tea	2.80	2.90	3.00	plus VAT
Cup Tea/Coffee	0.56	0.60	0.65	plus VAT
Photocopying (Per Sheet)				
A4 Paper	0.10	0.10	0.10	
A3 Paper	0.15	0.15	0.15	
A4 Paper - Coloured	0.50	0.50	0.50	
A3 Paper - Coloured	1.00	1.00	1.00	
Bulk Copying (50+)				
Own Paper	0.05	0.05	0.05	

LEISURE, SPORT & CULTURE- FEES AND CHARGES WEF 01/04/2025 - 31/03/2026

SERVICE : **HARTSHOLME COUNTRY PARK (DCE)**
 NOT SUBJECT TO VAT UNLESS STATED IN END COLUMN

	PREVIOUS 2023/24 £	PREVIOUS 2024/25 £	PREVIOUS 2025/26 £	CURRENT 2026/27 £	
HARTSHOLME COUNTRY PARK					
- Overnight stay, incl use of showers (per night)					
Standard non-electric price for a pitch in the tent only area (apart from backpack tent).					
- High Season *	16.67	17.50	18.00	19.17	plus VAT
- Low Season	15.00	16.67	17.17	18.33	plus VAT
Electric included in pitch price for all other pitches					
Four berth caravan, motorhome or tent and car					
- High Season *	18.75	19.58	20.00	21.67	plus VAT
- Low Season	17.08	17.92	18.75	20.00	plus VAT
Dogs (each per stay)	0.83	0.83	1.25	1.25	plus VAT
Backpack Tent	11.67	12.08	12.08	12.50	plus VAT
Overflow Pitch	10.00	10.83	12.50	12.92	plus VAT
Camping Pod Single Night	35.00	35.83	35.83	36.66	plus VAT
Camping Pod 2 nights or more	30.83	31.67	32.50	35.00	plus VAT
Non-refundable deposit - (included within price)					
Bank Holiday Weekends only					
Single night	10.00	10.00	10.00	10.83	plus VAT
Two or more nights	20.83	20.83	20.83	20.83	plus VAT
Late Stay	2.50	2.50	2.50	2.50	plus VAT
Full Awning	2.50	2.50	2.50	2.50	plus VAT
Additional Adult	2.50	2.50	2.50	3.33	plus VAT
Additional Car parking	2.50	2.50	2.50	2.50	plus VAT
* High Season Period: Includes all Weekends, Bank Holidays, and LCC School Holidays. Deposits required.					
- Activity/Visit (tier 1)					
Per Person	3.08	3.33	3.33	3.75	plus VAT
Group of 30 (can be broken down into £40 per hour)	75.83	80.00	83.33	91.67	plus VAT
- Activity/Visit (tier 2) (Rangers Club per activity)	5.00	5.42	5.83	6.25	plus VAT
- Activity/Visit (tier 3)	22.75	23.92	25.00	29.17	plus VAT
- Hire of Activity Box	22.75	23.92	25.00	29.17	plus VAT
- Wreath Making	22.75	23.92	25.00	29.17	plus VAT
- Willow Weaving	22.75	23.92	25.00	29.17	plus VAT
- Meeting Room	9.17	9.58	10.00	10.83	plus VAT

PARKING SERVICES - FEES AND CHARGES WEF 01/04/2025 - 31/03/2026SERVICE : **CAR PARKS (DCE)**

NOT SUBJECT TO VAT UNLESS STATED IN END COLUMN

	PREVIOUS 2023/24 £	PREVIOUS 2024/25 £	CURRENT 2025/26 £	
- Lucy Tower Street				
1 hour	1.83	1.83	1.92	plus VAT
2 hours	3.25	3.33	3.42	plus VAT
3 hours	5.00	5.00	5.17	plus VAT
4 hours	5.83	6.25	6.42	plus VAT
Over 4 hours and up to 8am next day	7.50	7.92	8.17	plus VAT
Evening Charge	3.75	3.75	3.83	plus VAT
Motorcycles	2.50	2.50	2.58	plus VAT
- City Hall (Season Tickets Prohibited)				
1 hour	1.83	1.83	1.92	plus VAT
2 hours	3.25	3.33	3.42	plus VAT
3 hours	5.00	5.00	5.17	plus VAT
4 hours	5.83	6.25	6.42	plus VAT
Over 4 hours and up to 8am next day	7.50	7.92	8.17	plus VAT
Evening Charge	3.75	3.75	3.83	plus VAT
- Motherby Lane (Season Tickets Prohibited)				
1 hour	1.83	1.83	1.92	plus VAT
2 hours	3.25	3.33	3.42	plus VAT
3 hours	5.00	5.00	5.17	plus VAT
4 hours	5.83	6.25	6.42	plus VAT
Over 4 hours and up to 8am next day	7.50	7.92	8.17	plus VAT
Evening Charge	3.75	3.75	3.83	plus VAT
- Flaxengate				
1 hour	1.83	1.83	1.92	plus VAT
2 hours	3.25	3.33	3.42	plus VAT
3 hours	5.00	5.00	5.17	plus VAT
4 hours	5.83	6.25	6.42	plus VAT
Over 4 hours and up to 8am next day	7.50	7.92	8.17	plus VAT
Evening Charge	3.75	3.75	3.83	plus VAT
- Tentercroft Street				
1 hour	1.83	1.83	1.92	plus VAT
2 hours	3.25	3.33	3.42	plus VAT
3 hours	5.00	5.00	5.17	plus VAT
4 hours	5.83	6.25	6.42	plus VAT
Savvy shopper	2.92	2.92	3.00	plus VAT
Over 4 hours and up to 8am next day	7.50	7.92	8.17	plus VAT
Evening Charge	3.75	3.75	3.83	plus VAT
Motorcycles	2.50	2.50	2.58	plus VAT
			-	
- Lincoln Central Car Park (subject to portfolio holder approval)				
1 hour	1.83	2.08	2.08	plus VAT
2 hours	3.25	3.33	3.75	plus VAT
3 hours	5.00	5.00	5.42	plus VAT
4 hours	5.83	6.67	6.67	plus VAT
Over 4 hours and up to 12 hours	7.50	7.92	8.33	plus VAT
Over 12 hours and up to 1 day*	7.50	8.75	9.17	plus VAT
Evening Charge	3.75	3.75	4.17	plus VAT
Motorcycles	2.50	2.50	2.58	plus VAT
Lost Chip	8.33	10.00	10.00	plus VAT
- Castle (Season Tickets Prohibited)				
1 hour	1.67	1.67	1.75	plus VAT
2 hours	2.92	3.17	3.25	plus VAT
3 hours	5.00	4.58	4.75	plus VAT
4 hours	5.83	6.25	6.42	plus VAT
Over 4 hours and up to 8am next day	7.92	8.17	8.33	plus VAT
Evening Charge	3.75	4.17	4.33	plus VAT
Motorcycles	2.50	2.50	2.58	plus VAT

*All subsequent days are charged at this rate

PARKING SERVICES - FEES AND CHARGES WEF 01/04/2025 - 31/03/2026SERVICE : **CAR PARKS (DCE) cont.**

NOT SUBJECT TO VAT UNLESS STATED IN END COLUMN

	PREVIOUS 2023/24 £	PREVIOUS 2024/25 £	CURRENT 2025/26 £	
- Westgate (Season Tickets Prohibited)				
1 hour	1.67	1.67	1.75	plus VAT
2 hours	2.92	3.17	3.25	plus VAT
3 hours	5.00	4.58	4.75	plus VAT
4 hours	5.83	6.25	6.42	plus VAT
Over 4 hours and up to 8am next day	7.92	8.17	8.33	plus VAT
Evening Charge	3.75	4.17	4.33	plus VAT
Motorcycles	2.50	2.50	2.58	plus VAT
- The Lawn Complex				
1 hour	1.67	1.67	1.75	plus VAT
2 hours	2.92	3.17	3.25	plus VAT
3 hours	5.00	4.58	4.75	plus VAT
4 hours	5.83	6.25	6.42	plus VAT
Over 4 hours and up to 8am next day	7.92	8.17	8.33	plus VAT
Evening Charge	3.75	4.17	4.33	plus VAT
- Langworthgate				
1 hour	1.67	1.67	1.75	plus VAT
2 hours	2.92	3.17	3.25	plus VAT
3 hours	5.00	4.58	4.75	plus VAT
4 hours	5.83	6.25	6.42	plus VAT
Over 4 hours and up to 8am next day	7.92	8.17	8.33	plus VAT
Evening Charge	3.75	4.17	4.33	plus VAT
- St Pauls (Season Tickets Prohibited)				
1 hour	1.67	1.67	1.75	plus VAT
2 hours	2.92	3.17	3.25	plus VAT
3 hours	5.00	4.58	4.75	plus VAT
Evening Charge	3.75	4.17	4.33	plus VAT
- Broadgate				
1 hour	1.67	1.67	1.75	plus VAT
2 hours	2.50	2.92	3.00	plus VAT
3 hours	4.17	4.17	4.33	plus VAT
Over 4 hours and up to 8am next day	5.67	5.83	6.00	plus VAT
Evening Charge	2.92	3.33	3.42	plus VAT
Weekend 24 hours	4.17	4.17	4.33	plus VAT
Motorcycles	2.50	2.50	2.58	plus VAT
- Chaplin Street				
1 hour	1.67	1.67	1.75	plus VAT
2 hours	2.50	2.92	3.00	plus VAT
3 hours	4.17	4.17	4.33	plus VAT
Over 4 hours and up to 8am next day	5.67	5.83	6.00	plus VAT
Evening Charge	2.92	3.33	3.42	plus VAT
- Rosemary Lane (Season Tickets Prohibited)				
1 hour	1.67	1.67	1.75	plus VAT
2 hours	2.50	2.92	3.00	plus VAT
3 hours	4.17	4.17	4.33	plus VAT
Over 4 hours and up to 8am next day	5.67	5.83	6.00	plus VAT
Weekend 24 hours	4.17	4.17	4.33	plus VAT
School's Out	4.17	4.17	4.33	plus VAT
Evening Charge	2.92	3.33	3.42	plus VAT
- Weekend/Bank Holiday				
Up to 2 Hours	2.50	2.50	2.58	plus VAT
24 hours	4.17	4.17	4.33	plus VAT
Evening Charge	2.50	2.50	2.58	plus VAT
- Motorcycle parking where available	2.50	2.50	2.58	plus VAT

PARKING SERVICES - FEES AND CHARGES WEF 01/04/2025 - 31/03/2026SERVICE : **CAR PARKS (DCE) cont.**

NOT SUBJECT TO VAT UNLESS STATED IN END COLUMN

	PREVIOUS 2023/24 £	PREVIOUS 2024/25 £	CURRENT 2025/26 £	
OTHER				
- Car Park Evening Permit	85.83	85.83	88.33	plus VAT
- 7 Day Scratch Cards	37.50	37.50	38.75	plus VAT
- Evening Scratch Card (All sites)	20.83	20.83	20.83	plus VAT
- Hampton Street Compound	124.17	124.17	127.92	plus VAT
- Motorcycle parking where available	2.50	2.50	2.58	plus VAT
- Lost Chip	8.33	10.00	10.00	plus VAT

Additional Information:**Display of eligible Blue Badges will allow the following extra time:**

1 hour paid	1 extra hour	(2 hours parking)
2 hours paid	2 extra hours	(4 hours parking)
3 hours paid	3 extra hours	(6 hours parking)
4 hours paid	4 extra hours	(8 hours parking)
24 hours paid	To end of day on which ticket expires	

Special Offer Tariffs**SAVVY SHOPPER**

(Applicable to Tentercroft Street Car Park) £3.60 after 3pm for 3 hours parking, plus free evenings to 8am

SCHOOL'S OUT

(Rosemary Lane Only) £4.33 (plus VAT) all day during the months of July and August

CHRISTMAS SHOPPING

(Applicable to Lincoln Central Car Park on selected Thurs/Fri/Sat/Sun from Christmas Lights ceremony to Christmas Eve) Free parking between 16:00 hrs to 21.30 hrs

(Applicable to Pay by Phone on selected Thurs/Fri/Sat/Sun from Christmas Lights ceremony to Christmas Eve) Free parking between 16:00 hrs to 08:00 hrs

PARKING SERVICES - FEES AND CHARGES WEF 01/04/2025 - 31/03/2026SERVICE : **CAR PARKS (DCE) cont.**

NOT SUBJECT TO VAT UNLESS STATED IN END COLUMN

	PREVIOUS 2023/24 £	PREVIOUS 2024/25 £	CURRENT 2025/26 £	
OTHER				
- Season Tickets and Excess Charge Notices				
Annual (Valid for Broadgate, Lawn, King/Chaplin St/Langworthgate)				
Monday to Sunday	892.50	935.00	960.00	plus VAT
Monthly (Valid for Broadgate, Lawn, King/Chaplin St, Langworthgate)				
Monday to Sunday	79.17	83.33	86.00	plus VAT
Annual Premium Rate (Tentercroft St/Lucy Tower/Lincoln Central - max of 60 Annual/Monthly issued)				
Monday to Sunday	1,137.50	1,192.50	1,230.00	plus VAT
Monthly Premium Rate (Tentercroft St/Lucy Tower/Lincoln Central - max of 60 Annual/Monthly issued)				
Monday to Sunday	100.83	105.83	110.00	plus VAT
Lucy Tower St Long Stay Corporate User				
City Council staff (60 max)	835.00	875.00	902.00	plus VAT
County Council staff (40 max)	835.00	875.00	902.00	plus VAT
Corporate User, 100+ tickets				
Broadgate, King St/Chaplin St, Langworthgate and City Council staff	675.00	707.50	730.00	plus VAT
School Drop Off Pass				
Per Term	91.67		-	plus VAT
All 3 Terms	261.67		-	plus VAT
Admin Charge on Refunds	12.50	12.50	12.50	plus VAT
Replacement of Lost/Stolen Tkts	8.33	8.33	8.60	plus VAT
- Higher rate PCN contravention	58.33	58.33	58.33	plus VAT
- Higher rate PCN contravention - Discount	29.17	29.17	29.17	plus VAT
- Lower rate PCN contravention	41.67	41.67	41.67	plus VAT
- Lower rate PCN contravention - Discount	20.83	20.83	20.83	plus VAT
Discount only applies if PCN is paid within 14 days				
SPECIAL OFFER				
Part time staff, special offer via Lincoln BIG/Lincoln College - Bulk Scratch cards at pro rata season ticket rate				

PARKING SERVICES - FEES AND CHARGES WEF 01/04/2025 - 31/03/2026

SERVICE : **BUS STATION, RESIDENTS PARKING (DCE)**
 NOT SUBJECT TO VAT UNLESS STATED IN END COLUMN

	PREVIOUS 2023/24 £	PREVIOUS 2024/25 £	CURRENT 2025/26 £
--	--------------------------	--------------------------	-------------------------

CITY BUS STATION

- Departure Fees :				
Notified timetable departures				
Departures over 100,000	0.78	0.81	0.83	plus VAT
Departures under 100,000	0.78	0.81	0.83	plus VAT
	-	-		
- Layover Bay Per Bay Per Quarter :	975.00	1,004.17	1,034.29	plus VAT

RESIDENTS PARKING SCHEMES

- Private Residents				
1st permit	26.00	26.00	36.00	*
2nd permits	52.00	52.00	72.00	*
- Houses in Multiple Occupation (HIMO) max. of 2 per dwelling (each)	52.00	52.00	72.00	*
- Residents Parking Concessions permit (each)	No Charge	No Charge	No Charge	
- Business Permits max. of 2 per business (only issued to businesses in the residents parking zones with no off-street parking)	52.00	52.00	72.00	*
- Business Permits (Support Agencies)	70.00	70.00	80.00	*
- Daily Visitor Permits per 10	17.00	17.00	17.50	*
- Replacement Permits				
Change of vehicle registration	5.00	5.00	5.00	*
Damaged or lost	5.00	5.00	5.00	*
- Emissions Permit				
Low Emissions 1st Permit	13.00	13.00	18.00	
Low Emissions Subsequent Permit	26.00	26.00	36.00	
- Administration Charge on Refunds	5.00	5.00	5.00	

* There is a £5.00 Admin Charge on Permits that are Issued in Reception and not by Post

Concessions apply to :

- persons in receipt of income support / pension credit, JSA & ESA
- blue badge holders

This page is intentionally blank.

PLANNING SERVICES- FEES AND CHARGES WEF 01/04/2025 - 31/03/2026SERVICE : **TOWN PLANNING & CONSERVATION (DCE)**

NOT SUBJECT TO VAT UNLESS STATED IN END COLUMN

	PREVIOUS 2023/24 £	PREVIOUS 2024/25 £	CURRENT 2025/26 £	
Research and Supply of Information/Questions and Answers (per item)	41.67	43.33	46.67	plus VAT
Copies of Approvals, Permissions and associated documents (per item and electronic)				
Microfiche	88.00	90.83	95.83	plus VAT
Visit to site to check buildings erected in accordance with Permission				
- minimum charge	88.75	91.67	95.83	plus VAT
- or per property	24.67	25.83	29.17	plus VAT
Checking compliance with planning permission and/or legal agreement				
- minimum charge	63.58	66.67	70.83	plus VAT
- or per property	16.17	16.67	18.33	plus VAT
Advertisements erected in accordance with Advertisement Consent	45.33	47.50	50.00	plus VAT
Supply of Technical Information/Site visit reports	Cost+25%	Cost+25%	Cost+25%	plus VAT
Copies of Plans				
A4	2.40	2.50	3.00	
A3	4.30	5.00	6.00	
A2	11.30	12.00	12.36	
A1	11.30	12.00	12.36	
A0	11.30	12.00	12.36	
Document & Advice notes	Cost+25%	Cost+25%	Cost+25%	
Copies of Planning decision notices	40.00	42.00	45.00	
Copies of Section 106 Agreement	60.00	62.00	65.00	
Copies of Tree Preservation Orders and Planning decision notices (1993 onwards)	20.00	21.00	25.00	

Planning App fees are incorporated within a schedule provided by Central Government in accordance with the Town & Country Planning (Fees for Applications & Deemed Applications) (Amendment) Regulations 1993

PLANNING SERVICES- FEES AND CHARGES WEF 01/04/2025 - 31/03/2026

SERVICE : **LAND CHARGES , STREET NAMING AND NUMBERING (DCE)**
 NOT SUBJECT TO VAT UNLESS STATED IN END COLUMN

	PREVIOUS 2023/24 £	PREVIOUS 2024/25 £	CURRENT 2025/26 £	
Local Authority Land Charges				
- Standard Search Fees				
Con.29R	112.67	141.67	166.67	plus VAT
- Con. 29R individual questions				
Administration Fee	13.33	14.17	15.00	plus VAT
Question 3.5	2.75	2.92	3.33	plus VAT
Question 3.7 a	4.58	5.00	6.67	plus VAT
Question 3.7 b, c, f	4.58	5.00	6.67	plus VAT
Question 3.7 d	4.58	5.00	6.67	plus VAT
Question 3.8	3.25	4.17	5.00	plus VAT
Question 3.12	2.75	3.33	4.17	plus VAT
Question 3.13	2.75	3.33	4.17	plus VAT
- Part II enquiries	22.58	23.33	25.00	plus VAT
- Solicitors own enquiries	19.83	20.83	22.50	plus VAT
- Extra parcel of land	19.83	20.83	22.50	plus VAT
Street Naming and Numbering				
Issue/Change of House Name	17.30	18.00	20.00	
- Application Fee	57.30	60.00	62.00	
- Per Plot	14.40	15.00	16.00	

SERVICE : **CENTRAL MARKET , CORNHILL AND CITY SQUARE**
NOT SUBJECT TO VAT UNLESS STATED IN END COLUMN

	PREVIOUS 2023/24 £	PREVIOUS 2024/25 £	CURRENT 2025/26
--	--------------------------	--------------------------	--------------------

CENTRAL MARKET

Daily Lettings	25.50	25.50	-
TEMPORARY MARKETS :			
- Charitable organisations	No Charge	No Charge	-
- Professional traders (per stall)	10.30	10.30	-

PROMOTIONS :

- Advertising on Council Assets	Price on Application	Price on Application
---------------------------------	----------------------	----------------------

CORNHILL MARKET

Daily Lettings

TEMPORARY MARKETS :

- Charitable organisations	No Charge	No Charge
- Professional traders (per stall)		

Service charges, per unit, per annum:

- Café / Food and Beverage - unit 7 m ²	-	5,975.08	5,975.08	plus VAT
- Café / Food & Beverage / Brewery - unit 14 m ²	-	11,950.15	11,950.15	plus VAT
- Fruit & Veg - unit 9 m ²	-	4,000.32	4,000.32	plus VAT
- General Retail - unit 7 m ²	-	4,000.35	4,000.35	plus VAT
- General Retail - unit 7.6 m ²	-	4,343.25	4,343.25	plus VAT
- Hot Food & Beverage - unit 12.5 m ²	-	9,836.52	9,836.52	plus VAT
- Hot Food & Beverage - unit 15.2 m ²	-	11,961.23	11,961.23	plus VAT
- Hot Food & Beverage - unit 7.6 m ²	-	5,980.61	5,980.61	plus VAT
- Meat / Fish - unit 16.5 m ²	-	8,339.17	8,339.17	plus VAT
- Meat / Fish - unit 34 m ²	-	17,183.74	17,183.74	plus VAT
- Meat / Fish - unit 35 m ²	-	17,689.15	17,689.15	plus VAT
- Pop up - no service charge - unit 7 m ²	-	-	-	
- Retail / Food & Beverage - unit 7 m ²	-	4,381.45	4,381.45	plus VAT

MARKET LICENSE CHARGES

Commercial Food			
-Per Stall	17.00	17.00	-
- Per Table / Car Boot	8.80	8.80	-
Commercial Retail Goods			
-Per Stall	11.75	11.75	-
- Per Table / Car Boot	6.30	6.30	-
Craft items/home made goods			
-Per Stall	6.30	6.30	-
- Per Table / Car Boot	3.40	3.40	-
Second Hand Goods			
-Per Stall	6.30	6.30	-
- Per Table / Car Boot	3.40	3.40	-
Car Boot			
- Per Table / Car Boot	2.90	2.90	-
Per Stall (up to 8 m ²)			
Per Table/Car boot (up to 2 m ²)			

Charitable /Fundraising Market is a non commerical market operated by a defined organisation, i.e one that organises the market type event for chartiable, sporting, political or social fund raising purposes as opposed to personal financial gain.

All fees are for applications more than 28 days in advance of the market activity.
Applications within 28 days will be subject to a 20% additional premium.

SOCIAL INCLUSION- FEES AND CHARGES WEF 01/04/2025 - 31/03/2026SERVICE : **HOUSING BENEFIT (CX)**

NOT SUBJECT TO VAT UNLESS STATED IN END COLUMN

	PREVIOUS 2023/24 £	PREVIOUS 2024/25 £	CURRENT 2025/26 £
--	--------------------------	--------------------------	-------------------------

OTHER

- Housing Benefit Landlord Enquiry per year	182.00	188.00	194.00
--	--------	--------	---------------

This page is intentionally blank.



CITY OF
Lincoln
COUNCIL

CAPITAL STRATEGY

2025-2030



Contents

- 1. Introduction**
- 2. Purpose & Objectives**
- 3. Policy and Financial Planning Framework**
- 4. Financing the Capital Programme**
- 5. Capital Prioritisation**
- 6. Capital and Project Monitoring**
- 7. Commercial activity and investment property**
- 8. Loans to and investments in local businesses and organisations**
- 9. Knowledge and Skills**
- 10. Conclusion**

Section 1 - Introduction

This Capital Strategy details how the Council deploys and will subsequently manage its capital resources thereby explaining the Council's financial framework for capital investment in support of its strategic priorities.

This strategy covers all aspects of the Council's capital expenditure, resourced both directly by the Council and where resources have been attracted through external funding opportunities.

The strategy demonstrates that the Council takes capital expenditure and investment decisions in line with corporate and service objectives and properly takes account of stewardship, value for money, prudence, sustainability and affordability. The strategy sets out the medium-term context in which capital expenditure and investment decisions are made and gives due consideration to both risk and reward and impact on the achievement of priority outcomes.

The strategy reflects the aspirations and priorities identified in Vision 2030. The Strategy considers external influences such as government policy changes and as well as internal influences.

The Council's capital programme consists of two elements:

- The General Investment Programme (GIP) with a budget for 2025-30 of £32.006m
- The Housing Investment Programme (HIP) with a budget for 2025-30 of £72.958m

Both are accounted for separately, but the schemes making up the two programmes are subject to the same scrutiny and monitoring arrangements to ensure their effective delivery. All new capital schemes, with the exception of the ongoing capital maintenance programmes, are delivered through the Lincoln Project Management Model which evaluates the financial and service implications and potential risks that may arise from each scheme.

The Council has at 1 April 2024 a diverse asset portfolio including, 7,784 council dwellings, 3,622 car parking spaces, 2 sports and leisure centres, 1,131 acres of parks and recreation grounds, and 5 community centres. There is also a sizable commercial property portfolio including industrial units and shops.

The total value of assets held in the Council's Balance Sheet is shown below:

31/3/2023		31/3/2024
£000		£000
444,141	Property, Plant & Equipment	455,163
2,768	Heritage Assets	2,768
36,578	Investment Property	38,338
88	Intangible Assets	49
1,500	Assets held for sale	380
485,075	Total assets	496,698

Section 2 - Purpose and Objectives

The overall purpose of the Capital Strategy is to give a high-level overview of how capital expenditure capital financing and treasury management activity contribute to the provision of services along with an overview of how associated risk is managed and the implications for future financial sustainability.

This Capital Strategy seeks to achieve a number of specific objectives:

- Ensure that the Capital Programme is realistic, affordable and well managed to avoid project over-runs and expensive claims beyond the budgeted scheme value
- Ensure that capital expenditure supports a defined priority of the Council.
- Ensure that any on-going revenue cost implications including Minimum Revenue Provisions (MRP) and debt costs are understood and accounted for without impacting on the existing financial savings target of the Council.
- Wherever possible ensure capital investment activity is focussed on areas that yield on-going revenue savings for the Council or produce a contribution to revenue income, whilst not investing in debt-for-yield schemes.
- Use strategic procurement and new ways of procuring to drive up “value for money” and ‘get more for the same money’.

Section 3 - Policy and Financial Planning Framework

The capital programme for the council is a long-term ambition with the obligation for maintaining and improving council and operational buildings stretching far into the future, and as such should be considered accordingly in financial and asset management planning.

The Council's capital programme and its subsequent revenue implications form part of the Medium Term Financial Strategy (MTFS) 2025-30 and as such is one of a suite of plans and strategies that sit within the Council's Policy and Financial Planning Framework.

Longer term forecasts are not easily predicted and accuracy within them deteriorates the longer the period over which a plan is developed. Within longer term plans, uncertainty and complexity in terms of for example economic, social and technological factors mean that long term planning becomes an iterative process which is adjusted for these changes in these and other factors. For major projects and investment, the funding and financial implications are planned for well in advance.

There is clearly a link between long term capital planning and treasury management with the council's debt portfolio containing loans which mature up to 2076. The profile of debt repayment needs to be managed alongside other long term capital expenditure and funding forecasts.

Linkages with other key strategies and plans are identified below:

Vision 2030

The Council's Vision sets out the Council's vision for the future of the City, strategic priorities and core values.

The Council's current vision is;

"Together, let's deliver Lincoln's ambitious future"

Underpinning this vision are five strategic priorities, each with a number of supporting aspirations. The aspirations are in turn supported by groups of projects that have been delivered by the Council and its partners. The five current strategic priorities are:

- Let's drive inclusive and sustainable, economic growth
- Let's reduce all kinds of inequality
- Let's deliver quality housing
- Let's enhance our remarkable place
- Let's address the challenge of climate change

The delivery of the five strategic priorities is underpinned by the 'One Council' approach, which covers:

- Organisational development
- Best use of assets
- Technology
- Creating value processes

One Council aims to put the customer at the heart of everything the Council does and strives to make sure that when they access council services, they receive the support they need and have a good experience.

The Council's current Vision 2025, and its supporting delivery plans comes to a natural conclusion in March 2025, while the Council is proud of all it has achieved with Vision 2025 there is much more to do to make Lincoln achieve its potential, while improving the lives of its residents, businesses and communities and progressing the council's long-term vision. The Council's new Vision 2030 builds upon its progress of Vision 2025 and 2020 and forms phase three of the Council's vision for the City. It presents a roadmap to address today's most pressing issues while embracing opportunities for the future, progressing a vision for both the City and Council through to 2030.

The actions and projects within the new Vision have been developed by drawing on Lincoln's City Profile, performance data, feedback from communities and partners, assessment of the impact of key challenges and opportunities and reviewing progress with existing key projects and programmes. These actions and projects will cover both the General Fund and the Housing Revenue Account and the capital programmes.

Recognising the potential impacts of national policy changes in a number of areas, alongside Devolution and Local Government Reform, the action plans supporting

Vision 2030 prioritise its first 12 to 18 months, ensuring adaptability to legislative, policy and economic changes.

Within the initial 12-18th delivery plan, supporting each of the priorities, there will be a number of capital investments set to take shape over the period of the MTFS, this will primarily relate to the delivery of the Charterholme sustainable urban extension, along with continued investment in the Council's existing housing stock and additional affordable housing.

Some of the schemes will require further capital resource from the Council, others will require partner contributions and others will only be possible if the Council is able to attract sufficient external grant contributions. Each of these schemes will be included in the GIP and HIP at their appropriate stages of development and when funding is secured. Across the five strategic priorities the following areas of investment are highlighted:

- Let's drive inclusive economic growth
 - Delivery of Charterholme – delivery of the first 52 market homes on Phase 1a, delivery of the Tritton Road all-purpose bridge, secure funding to deliver the spine road and associated infrastructure and finalise design and planning process for the site wide infrastructure to enable delivery from 2026 (subject to funding).
 - City Centre Masterplan – completion of the new Masterplan (a key project with the Town Deal programme), including preferred delivery for Tentercroft Street and preferred scheme for Wigford Way- subject to funding to facilitate and directly deliver as appropriate Council schemes within the Masterplan.
 - Becoming a Digital City - working with partners to implement a digital network to ensure access for all across the city.
 - Lincoln Central Carpark – modernise operations in the car park by replacing end of life payment infrastructure and investment in improvements to pedestrian access and additional safety measures.
 - Inclusive Economic Growth Strategy – subject to funding to develop and deliver key interventions, the Council will develop a strategy and action plan setting out how it will address economic inequalities in the city and support residents through a range of interventions.
- Let's reduce all kinds of inequality
 - Neighbourhood Working – support the development of the Portland Street Offices and adjacent buildings.
 - To work with the Government and other relevant agencies with regard to National Asylum Dispersal Scheme and other Asylum Schemes – closely monitor external funding or initiatives provided by other agencies.
 - To try to eradicate the need for rough sleeping in the City - delivery of actions and interventions as set out in the Lincoln Homelessness Strategy 2024-2029.
- Let's deliver quality housing
 - Housing Pipeline for Lincoln – secure a development partner to deliver a housing pipeline including council housing and other tenures and continue to develop new homes across the City and add, net additional, numbers to the Council's stock.

- Temporary Accommodation – review options and agree proposals to address temporary accommodation challenges, reviewing smaller sites, considering modular temporary units for emergency accommodation and review options for tackling even more empty homes in the private sector.
 - Housing Revenue Account 30-Year Business Plan – progress delivery of the 30-year plan including estate and neighbourhood regeneration, delivery of new homes, and decarbonisation of the Council's housing stock.
 - Continue to increase net council house numbers – retain and develop a new pipeline, including Rookery Lane and Queen Elizabeth Road.
 - Housing and Health – support, deliver or facilitate activity to improve the quality of existing properties across all tenures.
- Let's enhance our remarkable place
 - Greening the City – work with partners to assess opportunities to introduce further greenery into the City Centre and improve the physical environment.
 - Heritage & Cultural Asset Programme – review of progress against the Heritage Asset Programme, and review priorities and opportunities should further grant funding be available, commission bespoke stock condition surveys for the City's ancient monuments and to complete the renovation of Greyfriars.
 - Tree planting and Wildflower Meadows – continue planting with Hope Wood being a particular focus and further develop areas covered by wildflower planting.
 - Leisure Strategy – develop investment opportunities to take facilities beyond current operational life and building on work in Central Lincolnshire on a Built Facility Strategy and Playing Pitch Strategy.
- Let's address the challenge of climate change
 - Maximising carbon reduction in shaping, designing and delivering new developments – minimising carbon footprint on Chaterholme development, energy efficient homes with sustainable materials and measures e.g. Jasmin Green.
 - Warm Homes Social Housing Fund – subject to funding bid outcome, delivery of energy efficiency improvements to c200 homes delivering insulation and low carbon heating works.
- One Council
 - ICT Infrastructure – invest in core ICT infrastructure to sustain service delivery, reviewing core infrastructure platform, desktop equipment and provision of applications.
 - Corporate Asset Maintenance – undertake a full stock condition survey of all corporate assets and develop new planning maintenance programme.

Local Plan

The Central Lincolnshire Local Plan has been developed in collaboration with West Lindsey District Council, North Kesteven District Council and Lincolnshire County

Council – for Lincoln it is a city-wide planning and regeneration strategy running up to 2040.

The local plan sets out where and how the City is going to develop over the next 20 years. It provides guidance to all developments ensuring it achieves the aspirations of the city, including things like protecting the heritage of the city, the vibrancy of the city centre, where homes are built and how transport will be offered.

Specifically, the Local Plan:

- is underpinned by an aspiration for sustainable growth in homes, jobs, services and facilities;
- is aiming to deliver many new homes between now and 2040;
- is seeking to attract new businesses and jobs;
- sets out policies to ensure development is of high quality, sustainable and meets the needs of everyone;
- sets out policies to address challenges relating to climate change and biodiversity;
- sets out policies to ensure all the infrastructure, such as play areas, roads, new schools and upgraded sewage disposal, are provided at the same time as the new homes; and
- is complemented by a separate Policies Map, which sets out where development should take place.

The Plan was formally adopted by the Central Lincolnshire Joint Strategic Planning Committee (CLJSPC) in April 2023.

In December 2024, the Government published its response to the National Planning Policy Framework (NPPF) consultation. As part of its plan to significantly reform the planning system, the Government has introduced new immediate mandatory housing targets for councils to deliver growth in housebuilding, with councils required to adopt up-to-date local plans or develop new plans that work for their communities. These housing targets, aimed to deliver 1.5 million new homes by 2029, will require councils across country to build 370,000 homes annually, with higher targets set for areas facing severe affordability issues.

For the Central Lincolnshire Partnership, which consists of Lincoln, West Lindsey District Council and North Kesteven District Council the housing targets have increased by 40% from 1,102 to 1,552, allocated as: Lincoln 413; West Lindsey 487 and North Kesteven 652 per year. These are extremely ambitious targets.

Further guidance from Government, particularly around plan making, is awaited, following which any revisions/review that may be required to the Local Plan will be assessed.

English Devolution White Paper

In advance of the publication of the English Devolution White Paper, Greater Lincolnshire (incorporating Lincolnshire County Council and North and North East Lincolnshire Unitaries) had secured a devolution deal for the creation of a Mayoral Combined Authority from May 2025. While the devolution deal provides funding and

some more localised decision making via an elected Mayor and as such could create opportunities for such as housing provision, with dedicated funding to increase delivery, the creation of the MCA also brings some financial risks to the Council. Currently there are a number of funding streams i.e UKSPF, Homes England, Affordable Homes Programme, that are allocated directly to the Council, with the creation of the MCA there is a high likelihood that funding will instead be channelled through there and will be subject to allocation in line with it's priorities. This creates a risk that the Council will no longer be able to access funding opportunities and ensure they are used in accordance with the needs of the City, it's residents and businesses and could also limit funding to take forward key capital projects in support of Vision 2030. Given the reliance on external funding to deliver capital projects this would only create further funding pressures.

Asset Management Plan

The Capital Strategy and the Asset Management Plan run alongside each other and have a number of key linkages. These include capital receipts (capital monies received from the sale of council land and property) and asset disposal programmes, maintaining, improving and deploying the Council's buildings to support delivery of services and potential loss of income from asset sales.

The MTFS includes capital receipts targets for both the General Investment Programme and the Housing Investment Programme. Currently the level of capital resources required to fund the capital programme in the General Fund is reliant upon property disposals from Phase 1a of the Charterholme development. In the HRA the targets are set in relation to Right-to-Buy sales. There are no general disposal targets, any further asset disposals would be treated as surplus capital receipts in the programme.

There is no associated loss of any rental income from the current asset sales built into the General Fund budget and therefore no general budget provision for loss of rental income associated with any future disposals is included in the General Fund budget.

There is no budget provision set aside for the loss of revenue rental income in the Housing Revenue Account, however the rental income budget has been set allowing for an average level of right to buy sales spread throughout the financial year.

The Property Services Team keeps under review the need for asset disposal and acquisition, which meet strategic priorities. Previously the Council had undertaken a number of commercial property investments, carefully considering each on an individual basis and in line the Council's Investment Property Strategy. This assessment included the impact on the MTFS, sustainability of the council and affordability of individual schemes, including MRP and borrowing costs, with each proposal subject to approval by the Council's Executive. However, as a result of revised PWLB lending terms, which is the Council's primary source of borrowing facility, and in light of the CIPFA: Prudential Property Investment guide, and the Prudential and Treasury Management Codes, the Council no longer pursues opportunities for investment primarily for yield.

HRA Business Plan

The HRA Business Plan is the Council's strategic plan for managing and maintaining Lincoln's council housing properties and estates. It also sets out how the Council will provide housing services to support its tenants, and their families, to live in well maintained and sustainable homes, which will be safe, secure, and of a high quality.

It also demonstrates that the proposed investment programme is financially viable by indicating that the underlying HRA debt is repayable within the 30-year period of the Business Plan, should the Council choose to do so. There is, however, no obligation to repay debt and the MTFS does not assume this is the case. Further borrowing to fund HRA investment is now limited by prudence rather than the old system of an imposed borrowing cap. Currently the HRA borrowing requirement stands at £78.9m and is expected to increase to £85.4m by the end of the MTFS period. This additional borrowing is being used to fund new build and purchase & repair expenditure.

The capital schemes contained within the Housing Investment Programme and the capital financing that underpins them feed from the HRA Business Plan and any updates to the plan, which will incorporate and new schemes in Vision 2030. The key areas of capital spend identified within the HRA Business Plan and the Housing Investment Programme are based on the results of the investment needs of existing housing stock plus any proposed new build schemes. The main areas of expenditure cover:

- Housing Investment - Decent Homes and Lincoln Standards Programme, estate regeneration and reducing carbon emissions.
- Housing Strategy – Additional affordable housing

The Council's latest Housing Revenue Account Business Plan 2024-2054 was approved in November 2023, following a fundamental review of resources, investment requirements and priorities. The Business Plan reflected the impact of government policy changes e.g. Social Housing Act 2023, the Building Safety Act, Fire Safety Act etc, the results of stock condition surveys and financial assumptions at the time.

Treasury Management Strategy

The Treasury Management Strategy is reviewed annually and forms part of the suite of documents which make up the Medium-Term Financial Strategy approved by Council each year. The Treasury Management Strategy deals with the borrowing and investments arising from all financial transactions of the council and is not limited to those arising from capital spending.

Section 4 - Financing the Capital Programmes

The resources necessary to fund the Council's Investment Programmes come from a variety of sources:

- Capital Receipts – from the sale of Council assets
- Use of Council's own resources – through depreciation charges, other contributions from revenue and use of reserves

- Capital Grants and Contributions – including contributions from developers and grants towards specific schemes
- Prudential Borrowing – the Prudential Code allows borrowing if the Council can demonstrate it is affordable, sustainable and prudent in its Prudential Indicators (detailed in the Treasury Management Strategy)

Although historically the GIP has been reliant on the generation of capital receipts to fund the investment required to deliver the programme in the long term the use of capital receipts is not sustainable. In addition, due to revenue pressures the use of direct revenue financing of the capital programme is also not a sustainable, and other sources of funding are regularly sought to fund capital expenditure.

However, many of the external grants and contributions, which are available, are designated for specific schemes, and whilst additional resources are clearly beneficial to local people, there is the danger that schemes funded may not be the Council's highest priorities.

The Capital Strategy must continue to identify both the priorities for these external funding regimes and pursue other innovative funding sources to improve its ability to deliver capital investment and deliver the priorities as set out in Vision 2030. Each project appraisal will consider all the internal and external resources available such as Government grants, Section 106 contributions, partner contributions and prudential borrowing.

Whilst the Council will no longer pursue invest to save opportunities financed through prudential borrowing which are deemed to be debt-for-yield schemes, there may still be opportunities where the revenue costs of borrowing are financed through additional income/reductions in expenditure such as spending to improve or maintain existing assets. The cost effectiveness of borrowing as opposed to selling capital assets is reviewed regularly together with the affordability tests and impact on prudential indicators to check whether borrowing would provide a more cost effective funding option. The use of long-term prudential borrowing to fund other key projects, in the GIP, given the additional revenue costs this creates and the current financial challenges the General Fund is facing, will only be considered in the absence of any other funding source.

Under the governments pooling regime capital receipts from Right-to-Buy (RTB) sales are pooled until a pre-set limit for government share of the income generated has been achieved. Once the target for the government share of the RTB receipts has been reached the Council may retain 100% of the receipts from any additional Right-to-Buy sales. These are subject to a formal retention agreement between the Council and MHCLG and must be used for replacement of the council housing sold, within an agreed timeframe (currently 5-years).

For the financial years 2022/23 and 2023/24, local authorities were permitted to retain the Treasury's share of right to buy receipts under the same conditions as above, being that they are used to replace council housing and must be spent within a set timeframe. The Government's Autumn Budget 2024 announced immediate reforms to the RTB scheme, which including continuing this arrangement indefinitely, with ongoing monitoring to assess how effectively this additional resource is being used.

The Council's capital programme is projected for a five-year period and is approved by full Council as part of the MTFS each year. It is monitored throughout the year by the Directorate Management Teams, the Chief Finance Officer and the Executive. The Chief Finance Officer and the Executive have varying levels of authority to approve changes to the programme during the year. A distinction is made between the General Fund schemes (GIP) and Housing Revenue Account schemes (HIP). It is Council policy that capital receipts from the sale of Council Houses and other Housing Revenue Account assets are used to fund the HIP, with capital receipts from the sale of General Fund assets used to fund the GIP.

The City Council's General Investment Programme and Housing Investment Programme for the 5 year period 2025/26 – 2029/30, are set out in the MTFS 2025-30.

Section 5 - Capital Prioritisation

In an environment of financial constraints and competing pressures on the Council it is important that the Council adheres to its methodology for prioritising potential projects and schemes. The methodology is based on both corporate and service based priorities. As well as considering capital costs and funding, attention is also focussed on the revenue implications of any capital expenditure to ensure the Council will not inherit a legacy of increased revenue costs. Therefore, whole life costs are considered when evaluating potential capital projects.

Project Managers are required prepare project briefs, which must go through five essential steps to initiate a project, with the clear intention of effectively demonstrating how the project will support the achievement of both their service area aims and the Council's strategic priorities.

The five essential steps are as follows:

1. The project mandate – where the ideas for the project is first discussed between the project sponsor and the project manager. It provides an initial assessment of the project and provides a clear description of why the project is required and what it is intended to achieve in terms of benefits to the Council's corporate objectives.
2. Establishing Reporting Criteria – formal approval and subsequent monitoring will take place. Approval for all new project budgets and budget changes will follow Financial Procedure Rules.
3. Appraise Options for Delivery - in order to demonstrate that the project delivery selected is the most appropriate and the most cost-effective.
4. Develop the Project Brief, Financial Assessment and Impact Assessment - these three documents clearly document the scope of the project, its objectives, the potential resources required (including a full financial breakdown) to deliver it and its impact.

5. Obtain approval to submit the project - Formal approval to submit the project is agreed and signed-off between the Project Manager and the Project Sponsor.

Once prepared, the project brief is submitted to the Vision Theme Groups for agreement ahead of consideration by the Corporate Management Team and Portfolio Holders to evaluate, including how well the proposal meets strategic priorities, including cross cutting strategies and budget priorities, and how it utilises partnership working and externally generated resources as well as its operational feasibility. They will also consider the robustness of each project brief against the corporate standards in relation to clarity of definition, establishment of measurable outcomes and overall deliverability and the robustness of each Financial Assessment and Impact Assessment, including cost data in relation to project costs (including any costs associated with borrowing), post implementation ongoing revenue costs and any consequential or related income.

Once a final project is developed it is submitted to the Executive for approval and inclusion in the capital programmes. Any public consultation undertaken on the project through either the community, business or voluntary groups will be reported to the Executive as part of this approval process.

The entire process conforms to both the Council's project management methodology (The Lincoln Project Management Model) and also the Performance Management Framework adopted by the Council, which ensures schemes are not progressed for Member deliberation and support unless they are deliverable within the context of other competing pressures.

Section 6 - Capital and Project Monitoring

The delivery of schemes supporting the delivery of the Vision 2030 is monitored by the individual vision theme groups who report progress on an exception basis to the Executive and Performance Scrutiny on a quarterly basis. In addition, the overall capital programmes are monitored by the Chief Finance Officer, with financial performance reporting to the Executive and Performance Scrutiny on a quarterly basis.

The Capital Strategy and the capital programme are updated on a rolling basis and are reported annually to Executive and Council for approval alongside the MTFS. In addition, the Council's Executive is required to approve variations to the capital programme beyond the limit delegated to the Chief Finance Officer.

When a project is completed a Post Implementation Review (PIR) is carried out. However, some projects are recurring in nature such as the capital maintenance programme or the Decent Homes programme and do not require a PIR. A PIR is a formal review of the project which aims to answer the question: "Did we achieve what we set out to do ... and if not, what should be done?"

A PIR can provide valuable lessons and experience that can be used to improve and shape service delivery in the future. The Lincoln Project Management Model includes a robust post project review system, overseen and reviewed, to ensure relevant information is collected and communicated to all relevant parties to enable improvement in both procurement and service provision and will consider if the project:

- Met its stated aims and objectives
- Was delivered on time and within budget
- Was acceptable to the client/stakeholder and met all their specific requirements

Section 7 – Commercial Activity and Investment Property

The Chartered Institute of Public Finance and Accountancy (CIPFA) defines investment property as property held solely to earn rentals or for capital appreciation or both. Returns from property ownership can be both income driven (through the receipt of rent) and by way of appreciation of the underlying asset value (capital growth).

The Council has previously invested in property to secure the economic wellbeing of the City by generating additional income for the provision of services, for the purpose of economic development or regeneration, or a combination of both. Historically the Council could fund the purchase of property through borrowing (through the PWLB or as part of cash flow borrowing). Under the new CIPFA Prudential Code borrowing it is no longer deemed prudent for authorities to undertake borrowing that has the main aim of producing commercial income. The code now states that authorities “must not borrow to invest primarily for financial return”. It also states that it is not prudent for authorities to make any investment or spending decision that could increase the need for borrowing, unless related to the functions of the authority and where financial returns are “either related to the financial viability of the project in question or otherwise incidental to the primary purpose”. In addition, the PWLB have revised their lending terms which now prohibits authorities from accessing PWLB funds to finance debt-for-yield schemes. As a result of these changes the Council’s GIP and Capital Strategy do not include any proposals to investment in any new commercial property. The Council will though continue to progress opportunities for regeneration and housing developments, in accordance with the revised guidance and lending terms.

Historically the council’s property investments have provided strong returns in terms of capital growth and generation of stable income. Property investments are not without risk as property values are subject to many national and other external factors which are outside the control of the council. Where possible investments of this type will also have a ‘fall back’ position in addition to their expected commercial arrangement e.g. the council has purchased the freehold of a car park which it leases to a large, national company however should the company surrender the lease or not meet the lease payments the council could operate the car park themselves or seek an alternative tenant.

At 31/3/2024 the council has £38.338m of investment properties on the balance sheet with no further investment planned in the current General Investment Programme. The income from investment properties is predominantly derived from ground rent and land leases. Further details relating to investment properties are given below:

Total value of investment properties	£38.338m
Value of properties held for rental income	£37.708m
Value of properties earning rental income	£36.583m
Income from properties earning rental income	£2.298m
Yield from properties earning rental income	6.28%

Value of properties held for capital appreciation or where the freehold has a market value*	£0.629m
---	---------

*The council has arrangements where the freehold on land is retained, generally subject to a long lease but which produces no rental income, however the freehold land does have a market value.

For the year 2024/25 the anticipated income from investment properties represents less than 4.3% of the council's gross expenditure (excluding Transfer Payments).

Many of the council's investment properties have been council assets for a number of years. More recently the council has borrowed to fund the purchase of assets. The financial impact of this is shown in the table below (MRP / VRP being the councils provision for the repayment of debt) :

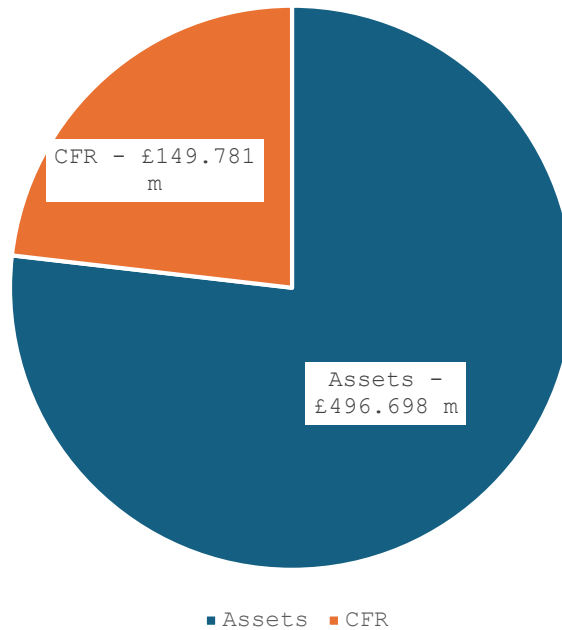
Asset type	Value as at 31/03/2024	Annual income (24/25)	Yield on value of assets	Borrowing costs	MRP / VRP 24/25	Annual surplus
Car Parks	£5,341,000	£398,728	7.47%	£224,287	£61,629	£112,811
Freehold property	£13,021,000	£871,586	6.69%	£272,145	£162,884	£436,557
Retail units	£6,277,750	£445,500	7.10%	£221,718	£63,383	£160,399

A new Prudential Indicator was introduced in the 2021 Prudential Code to show Net Income from Commercial and Service Investment Income to Net Revenue Stream. This indicator shows the financial exposure of the Authority to the loss of its non-treasury investment income.

	2025/26 Estimated %	2026/27 Estimated %	2027/28 Estimated %	2028/29 Estimated %	2029/30 Estimated %
Ratio - Net Income from Commercial Investment Income to Net Revenue Stream	11.1%	11.8%	11.6%	11.8%	11.6%

A graph illustrating the value of the council's assets compared to the capital financing requirement (the underlying need to borrow to fund capital investment) at 31 March 2024 is given below:

Value of Assets versus CFR at 31/03/2024



The table below indicates the interest cost of borrowing within the general fund and the housing revenue accounts compared to overall gross expenditure. The limits indicated are set locally and are not imposed by central government or advisory levels provided by CIPFA.

Current budgeted cost of borrowing					
	2025/26	2026/27	2027/28	2028/29	2029/30
GENF borrowing cost as a % of gross revenue expenditure	2.1%	2.6%	2.6%	2.5%	2.4%
Limit of GENF borrowing cost as a % of gross revenue expenditure	6%	6%	6%	6%	6%
HRA borrowing cost as a % of gross revenue expenditure	5.9%	5.7%	5.3%	5.1%	5.0%
Limit of HRA borrowing cost as a % of gross revenue expenditure	14%	14%	14%	14%	14%

Section 8 – Loans and investments in local businesses and organisations

The Council has the discretion to make loans and investments in local organisations for a number of reasons, primarily for economic growth; these loans are treated as capital expenditure.

In making these arrangements the council exposes itself to the risk that the borrower defaults on repayments. The council must therefore ensure that it has fully considered the risk implications with regard to both the individual loan and that the value of them individually and collectively is proportionate and prudent within the overall exposure to the council to risk of default.

To ensure that the risk is managed a full due diligence exercise is undertaken, with a business case that identifies the benefits and risks and considers whether adequate security is in place. Loans and investments will be agreed by Executive and will be subject to close regular monitoring.

Section 9 – Knowledge and Skills

The Council's Capital Strategy is reviewed annually and compiled by the Chief Finance Officer, an experienced and qualified accountant. External advice is available from the Council's Treasury Management advisors (MUFG) who offer a range of services in relation to borrowing advice, leasing and capital investment options. The council is also a subscriber to the CIPFA Finance Advisory Network which provides advice on technical accounting matters. Additional specialist tax advice in respect of tax implications for property transactions is available from an external supplier of this service (PS Tax). The council has an in-house legal team and additional legal specialist support is available from external sources. The council has an in-house property services section headed by a RICS qualified surveyor and additional specialist support in respect of property matters is available through the district valuer and other external sources.

Section 10 - Conclusion

The Council's Capital Strategy is a 'live' document, which provides a framework for the deployment and management of capital resources across the organisation in accordance with corporate priorities. It is therefore the framework for capital investment across the Council. The Strategy will be reviewed annually, to ensure it is kept up to date and is relevant and effective and reflects best practice.

This page is intentionally blank.

City of Lincoln Council's Budget Proposals for 2025/26 Consultation

About you

Please select which statement best describes you (select all that apply).

- I am a resident
- I represent / own a local business
- I represent a voluntary and community services (VCS) organisation
- I represent another stakeholder e.g. health, police, etc
- I am an employee at City of Lincoln Council

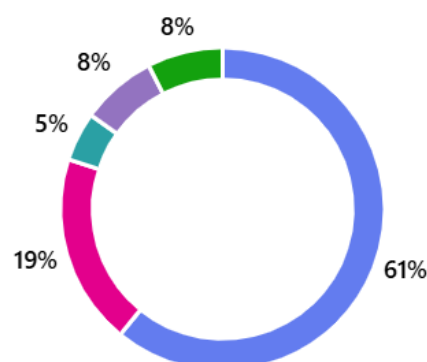


Figure 1

Figure 1 shows the role(s) of respondents when completing the consultation. It is important to note that respondents were able to select more than one option for this question, so the percentages are based on the total number of responses received. The majority who responded were residents with a figure of 61.0%.

Delivering Savings

To what extent do you agree or disagree with the statement: "The City of Lincoln Council provides value for money".

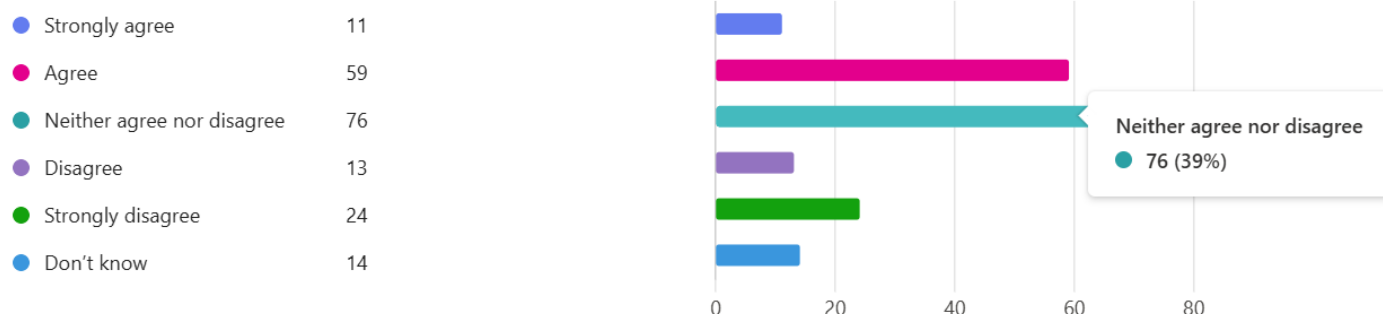


Figure 2

Figure 2 shows that, although most respondents remained ambivalent, the second most common selection was "agree" at 30%. This is 18% higher than those who strongly disagreed, the third most common choice amongst respondents.

To what extent do you agree or disagree with the council doing the following activities to generate savings:

■ Strongly agree ■ Agree ■ Neutral ■ Disagree ■ Strongly disagree ■ Don't know

Invest in the City to maximise future income streams from Council Tax and Business Rates



The majority of respondents **agree** that the above activity will generate savings.

Increase fees and charges for services to reflect the increased cost of providing these



The majority of respondents remained **neutral** regarding the above activity generating savings.

Make the best use of assets (e.g. share office space with other service providers)



The majority of respondents **agree** that the above activity will generate savings.

Increase Council Tax in line with referendum limits to safeguard services



The majority of respondents **agree** that the above activity will generate savings.

Review grants and financial support to voluntary groups, community groups and charities



The majority of respondents **agree** that the above activity will generate savings.

Transfer assets (e.g. community centres) to voluntary groups, communities, or charities



The majority of respondents **agree** that the above activity will generate savings.

Maximise income from commercial / property investments



The majority of respondents **agree** that the above activity will generate savings.

Maximise use of digital technology and instil a website first culture



The majority of respondents **agree** that the above activity will generate savings.

Consider options to deliver services in alternative ways with partner organisations



The majority of respondents **agree** that the above activity will generate savings.

Maximise external grant and funding opportunities to limit the need to borrow to fund capital investment



The majority of respondents **agree** that the above activity will generate savings.

Reduce or withdraw some vital services



The majority of respondents remained **neutral** regarding the above activity generating savings.

Council Tax

Based on the financial pressures the Council is facing, and the need for us to continue to develop plans for growth and to deliver Vision 2030, what level of council tax increase would you support for 2025/26?

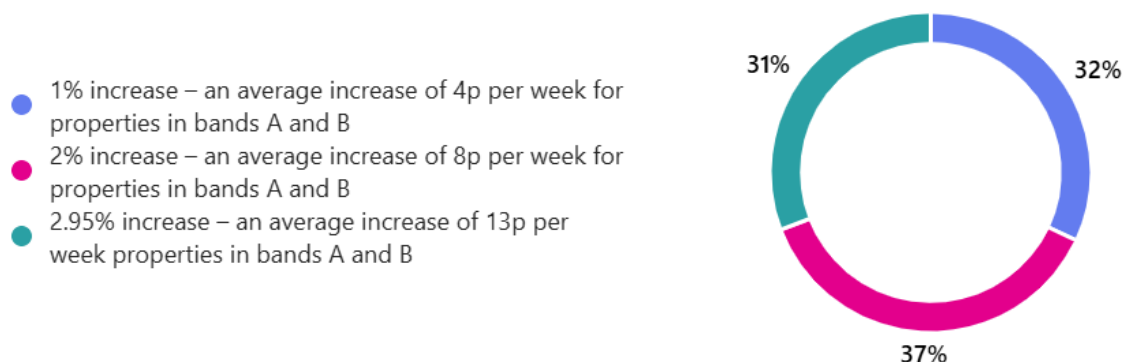


Figure 3

Figure 3 shows what level of council tax increase respondents would support for 2025/2026. Although the responses have shown an almost even split between all three options, the most frequently selected was a 2% increase at 37% of responses.

Do you think councils should have the ability to determine council tax increases, without the need for a referendum, based on their local circumstances?

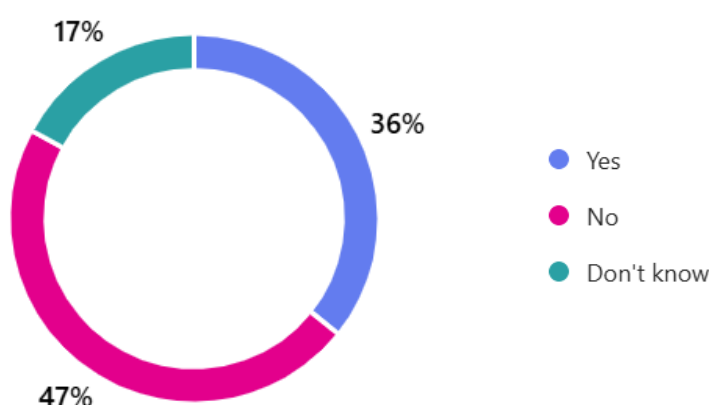


Figure 4

Figure 4 shows respondent's views on whether councils should have the ability to determine council tax increases without the need for a referendum. 47% of respondents felt the council should not have the ability to determine council tax increases without a referendum.

Please tell us your age:

Under 18	0
18-24	3
25-34	18
35-44	37
45-54	44
55-64	38
65+	47
Prefer not to say	8

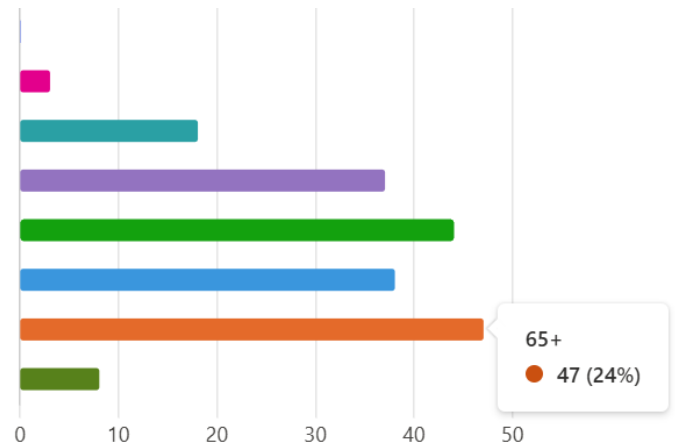


Figure 5

Figure 5 shows the age ranges of those who responded to the consultation. The majority of residents fell within the 65+ age range with a figure of 24.0%, however age range 45-54 was very close at 23%.

Please select your gender:

Male	116
Female	70
Prefer not to say	9
Other	1

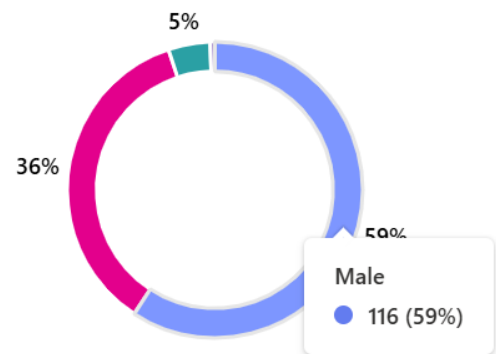


Figure 6

Figure 6 shows the gender of those completing our survey. As you can see, the majority of respondents were male.

Please tell us your ethnicity:

Asian or Asian British	2
Mixed	1
Black or Black British	9
White	158
Prefer not to say	17
Other	8

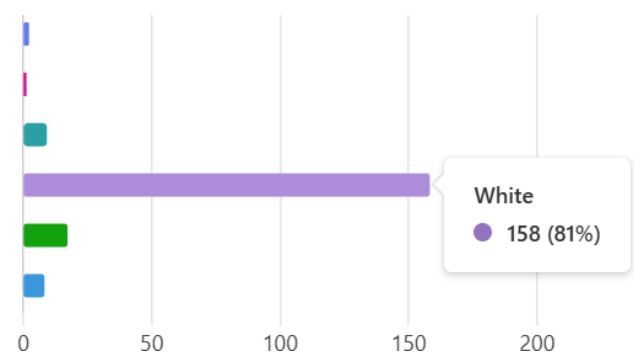


Figure 7

Figure 7 indicates the different ethnicities of those who responded to our survey. This is then broken down further into ethnic groups, allowing us to compare between our responders and the city’s population. Please see Figures 8-11:

Asian or Asian British

Chinese	0
Indian	1
Pakistani	0
Bangladeshi	0
Other	0

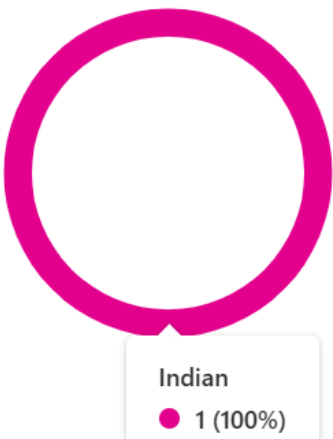
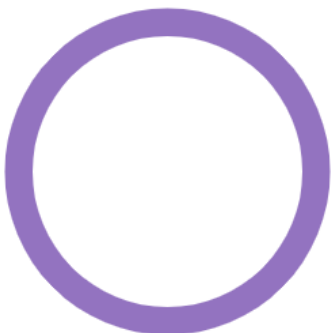


Figure 8

Mixed

White & Black Caribbean	0
White & Black African	0
White & Asian	0
Other	1

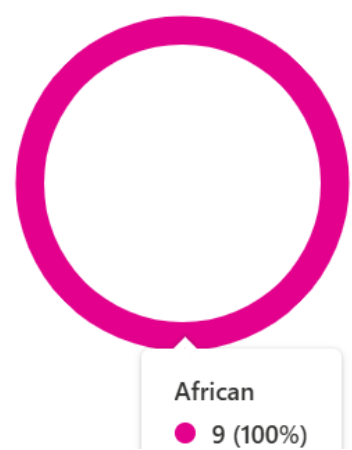


100% Figure 9

Black or Black British

Caribbean	0
African	9
Other	0

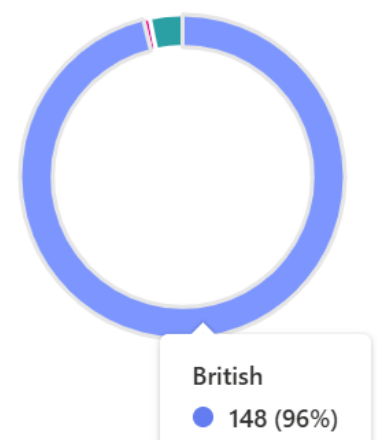
Figure 10



White

British	148
Irish	1
Other	5

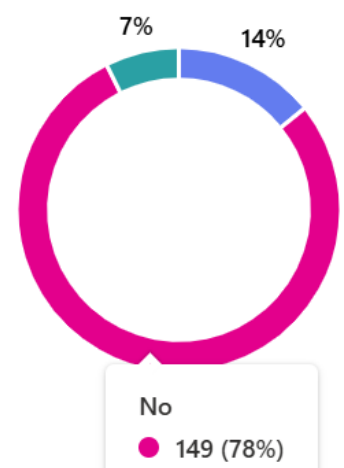
Figure 11



Do you consider yourself to have a disability:

Yes	27
No	149
Prefer not to say	14

Figure 12



Please select the type(s) of disability that apply to you:

Of the potential 200 responses, 50 people stated they consider themselves to have a disability. Of the 50, 43 went on to select the type of disability that applies to them, with Physical Disability being the most common at 26.0%.

Hearing impairment	8
Mental health	11
Learning disability	7
Physical disability	13
Sight impairment	4
Prefer not to say	4
Other	3

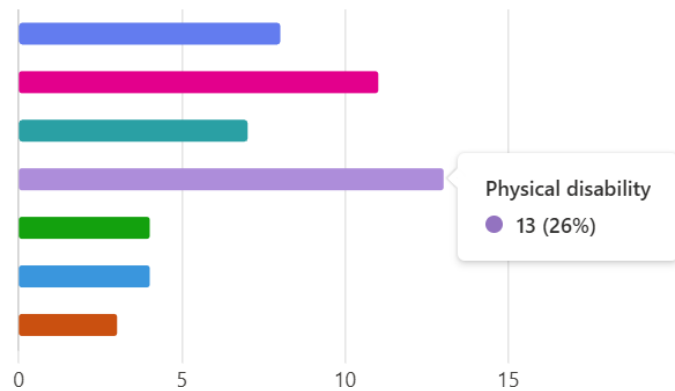


Figure 13

This page is intentionally blank.

Present: Councillor Gary Hewson (*in the Chair*),
Councillor Chris Burke, Councillor Annie Currier,
Councillor Lucinda Preston, Councillor Anita Pritchard,
Councillor Clare Smalley, Councillor Rachel Storer and
Councillor Pat Vaughan

Apologies for Absence: Councillor James Brown and Councillor Thomas Dyer

3. Declarations of Interest

Councillor Pat Vaughan declared a Personal Interest with regard to the agenda item titled 'Draft Medium Term Financial Strategy 2025-2030'.

Reason: His daughter worked in the Revenues and Benefits Team at City of Lincoln Council.

4. Draft Medium Term Financial Strategy 2025-30

Budget Review Group considered the Draft Medium Term Financial Strategy 2025-2030 and provisional 2025/26 budget and Council Tax proposals. A copy of the Medium-Term Financial Strategy was appended to the report. The results of the public engagement on the Budget Proposals for 2025/26 were also tabled at the meeting for members' information.

Jaclyn Gibson, Chief Finance Officer, presented her report and highlighted that the main objectives of this meeting were to:

- examine the principles and planning process that underlaid the proposed budget and Council Tax for the 2025/2026 financial year
- ensure that at each stage the budget was clear, focused, achievable, realistic, and based on sound financial practices;
- ensure that at each stage the budget had clear linkages with corporate and other plans that formed the Council's Policy Framework, establishing that they were identifiable and designed to improve services in the Council's strategic priority areas.

A number of questions were provided by Members in advance of the meeting which, together with responses provided, were noted as follows:

Question: For clarification, are the first build of housing on the Charterholme development a Council build investment under Major Development General Fund or is this a Lindum Development ?

Response: The land on which the first 52 homes at the Charterholme development was being built belonged to the Council. The Council had entered into a development agreement with Lindum Homes to build the homes on the Council's behalf. The Council would fund the cost of the works and would receive the proceeds of the sales. The homes were built as part of the General Fund and would be market homes for sale. The anticipated capital receipt from these sales was included in the General Investment Programme (page's 39-41) of the Medium Financial Term Strategy.

A report to the Executive on 22 July 2024 set out the detail of the development.

Supplementary Member Comment: If the Council did not do this, then we would not be able to build Council houses.

Response: The General Fund did not impact on the Housing Revenue Account. The Council had obtained grant funding from Homes England to assist with the project, which had specific grant conditions in terms of the tenure of the first 52 homes. The homes would be market homes as the gateway to the development.

Supplementary Question: Who would pay for the new link road for the southern access into the site?

Response: This was common infrastructure and was funded equally between the two landowners (the Council being one).

Supplementary Question: What financial benefit would the Council accrue from the scheme?

Response: There was a minimum land value for the Council set at £2m. Any amount over this would be subject to profit share arrangements as per the development agreement with the contractor.

Supplementary Question: When was the £2m land receipt expected?

Response: The new homes were on the market with a planned 18-month build time. We were expecting a completion date of Summer 2026.

Question: What is the sinking fund (AGP) and City Hall Sinking Fund. I don't see any reserved for the homeless.

Response: The AGP and City Hall sinking funds were earmarked reserves, which were monies set aside for a future use, i.e. they were similar to a savings account where resources could be contributed to each year and used when the need arose. It was particularly prudent to set reserves aside on a gradual basis for future capital commitments rather than be faced by a large cost in a future year.

The All Grass Pitches (AGP) sinking fund was money set aside to pay for the future replacement of the pitches at Yarborough Leisure Centre. The City Hall sinking fund was money set aside to meet future maintenance requirements.

As resources to provide homelessness support were a day-to-day service requirement, rather than a need to set resources aside for a future need, the expenditure and income were included within the revenue budgets (under the Directorate of Housing) rather than in the earmarked reserves.

Gross expenditure budgets for homelessness spend were c£1.9m in 2025/2026.

Supplementary Question: The Council had a legal requirement to take reasonable steps to help someone threatened with homelessness for a period of 56 days. Was temporary accommodation used to help relieve the pressure?

Response: The Council used both its own housing stock as well as other accommodation i.e. hotels, leased properties etc as temporary accommodation. The cost of all of these was however greater than funding through housing subsidy, which was capped at the local housing allowance rate. Using the Council's own housing stock was a cheaper alternative to the more expensive hotels but there was a balance with managing the Council's housing waiting list.

Supplementary Question: Had any work been carried out to examine the benefits of tenants being able to relocate to smaller, more efficient council properties?

Response: A Right-Sizing Incentive Scheme was available to Council tenants. More people were turning to council housing because they were getting priced out of the private market with significant increases in lease costs; therefore the Council had taken the decision to borrow to fund house building through the Charterholme development. No further major financial decisions would be taken moving forward until the future stability and growth was known over time.

Question: The office space at City Hall was now sparsely used. Was there any room for other organisations to come into the building?

Response: The Medium Term Financial Strategy encompassed a strand to maximise use of its assets including that of City Hall. Efforts were being made to try to secure further tenants to the building. Initial plans had been developed, however, it was best to wait until we secured a tenant before we relocated existing staff around the building. We hoped to introduce a public sector hub, although any interest from other organisations would also be considered.

Question: Was the cost known to the authority resulting from employer's national insurance contributions having been increased?

Response: The cost to the General Fund was c£350,000. It had been estimated that the Government grant would be c£140,000, however, the final allocation was announced as £184,000. There was also an additional cost of £210,000 to the Housing Revenue Account, for which there was no grant funding provided.

Supplementary Question: How was this additional cost covered?

Response: It was built into the Medium Term Financial Strategy as an ongoing budget cost.

Supplementary Member Comment: This financial year was not so critical as the Council had been able to retain some monies it had expected to lose, although future years would be much harder.

Question: In terms of fees and charges, car parking charges were a high income stream for the Council. Was there a strategy in place to maintain this income moving forward taking into account the environmental momentum to encourage less cars in the City?

Response: A refreshed car parking strategy had been approved by Executive last year which reflected climate change issues. Although we didn't have a specific strategy to replace car parking income in the MTFS, longer term the potential to utilise existing car park sites for alternative uses to generate income could be considered.

Supplementary Question: Why had licensing fees and charges not been increased in the Medium Term Financial Strategy?

Response: The majority of licensing fees and charges were set in statute and could not be increased.

Member Comment: Officers were praised for the excellent report presented to them this evening. The Council had managed well which was due to prudence and diligence.

RESOLVED that:

Budget Review Group agreed to provide its comments and recommendations to the next Performance Scrutiny Committee meeting, prior to progression to Council, and wished the following statement to be recorded:

'Budget Review Group took this opportunity to scrutinise the Draft Medium Term Financial Strategy 2025/2030 and noted the questions which were tabled for the meeting and also raised during the meeting, for which replies were given.'

Also, the Committee noted the budget consultation results.

Budget Review Group agreed that with the information available at this time to officers and which had been relayed to members, that the proposals were a sustainable strategy for the Council's objectives regarding the Medium Term Financial Strategy 2025/2030.'

EXECUTIVE**24 FEBRUARY 2025**

SUBJECT: COUNCIL TAX 2025/2026

REPORT BY: CHIEF EXECUTIVE & TOWN CLERK

LEAD OFFICER: JACLYN GIBSON, CHIEF FINANCE OFFICER

1. Purpose of Report

- 1.1 In light of the report on the Medium-Term Financial Strategy 2025-2030, which appears elsewhere on this agenda, this report will set out the City Council's council tax requirement and, together with the requirements of the County Council and the Police & Crime Commissioner Lincolnshire, will allow Members to make a formal recommendation to Council for the overall levels of council tax for 2025/26.

2. City Council Requirement 2025/26

- 2.1 The net General Fund Budget requirement for 2025/26, as set out in the Medium Term Financial Strategy 2025-2030, totals £14,832,290 which includes a contribution to balances of £129,440.
- 2.2 For 2025/26 a council tax increase of 2.9% has been applied.
- 2.3 The council tax requirement for 2024/25 is £8,166,750.
- 2.4 By reference to the Band D level, the 2024/25 council tax would rise by £9.00 to £316.98 per annum. The range of council taxes will be:

Band	2024/25 Council Tax £	2025/26 Council Tax £
A	205.32	211.32
B	239.54	246.54
C	273.76	281.76
D	307.98	316.98
E	376.42	387.42
F	444.86	457.86
G	513.30	528.30
H	615.96	633.96

3. Requirements of the County Council and the Police & Crime Commissioner

- 3.1 The County Council are due to agree their 2025/26 council tax requirement on the 21st February 2025, there is no confirmed date as yet as to when the Police & Crime Commissioner Lincolnshire is due to agree their requirement. The County Council have recommended a 2.99% increase (0.99% Precept and 2% ASC), and the Police & Crime Commissioner have provisionally proposed an increase of 4.59%.

At Band D council tax level these are as follows: -

	£
Police & Crime Commissioner	318.15
Lincolnshire County Council	1,625.85

Should any final amendments be made to either the County Council or the Police and Crime Commissioner's Band D equivalents, these will be reported to Full Council at its meeting on the 4th March when it will formally approve the overall council tax levels for 2025/26.

4. Total Council Tax 2025/26

- 4.1 The council tax requirements for all the authorities for 2025/26 is summarised as follows:

	£	% share
City of Lincoln Council	316.98	14.0%
Police & Crime Commissioner Lincolnshire (NOT YET CONFIRMED)	318.15	14.1%
Lincolnshire County Council (NOT YET CONFIRMED)	1,625.85	71.9%
Total Band D Charge	2,260.98	100.0%

This represents an overall increase of 3.2% for 2025/26.

5. Strategic Priorities

- 5.1 Council Tax income is a key source of revenue funding by which the Council is able to fund the services it delivers in support of its vision and strategic priorities.

6. Organisational Impacts

- 6.1 Finance – The council tax requirement is in accordance with the Council's 2025/26 budget requirement and MTFS 2025-30 which appear elsewhere on this agenda for approval.
- 6.2 Legal including Procurement Rules - Local authorities must decide, prior to the 11th March, each year how much they are going to raise from Council Tax.
- 6.3 The Local Government Finance Act 1992 sets out the legislative powers for each billing authority to levy and collect Council Tax which shall be payable in respect of dwellings situated in its area.
- 6.4 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 or human rights implications,

7. Risk Implications

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

8. Formal Council Tax Recommendation 2025/26

8.1 The Executive is requested to recommend to Council:

1. Acceptance of the 6th January 2025 Executive Committee recommendation that the Council Tax Base for 2025/26, as calculated in accordance with The Local Authorities (Calculation of Council tax Base) (England) Regulations 2012, to be 25,764.25.
2. That the following amounts be calculated for the year 2025/26 in accordance with Sections 31 to 36 of the Local Government Finance Act 1992:
 - a) £123,900,580 being the aggregate of the amounts which the Council estimates for the items set out in Section 31A(2) of the Act taking into account all precepts issued to it by Parish Councils.
 - b) £115,733,830 being the aggregate of the amounts which the Council estimates for the items set out in Section 31A(3) of the Act.
 - c) £8,166,750 being the amount by which the aggregate at 2(a) above exceeds 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) £316.98 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) £316.98 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
£211.32	£246.54	£281.76	£316.98
E	F	G	H
£387.42	£457.86	£528.30	£633.96

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, is applicable to dwellings listed in a particular band divided by the number which in proportion is 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 2025/26 Lincolnshire County Council have 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
£1,083.90	£1,264.55	£1,445.20	£1,625.85
E	F	G	H
£1,987.15	£2,348.45	£2,709.75	£3,251.70

4. That it be noted that for the year 2025/26 Police & Crime Commissioner Lincolnshire have 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
£212.10	£247.45	£282.80	£318.15
E	F	G	H
£388.85	£459.55	£530.25	£636.30

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 2025/26 in accordance with the dwelling bandings shown below:

Total Council Tax Charge 2025/26

A	B	C	D
£1,507.32	£1,758.54	£2,009.76	£2,260.98
E	F	G	H
£2,763.42	£3,265.86	£3,768.30	£4,521.96

Is this a key decision?	No – referral to Full Council
Do the exempt information categories apply?	No
Does Rule 15 of the Scrutiny Procedure Rules (call-in and urgency) apply?	No
How many appendices does the report contain?	None
List of Background Papers:	None
Lead Officer:	Jaclyn Gibson, Chief Finance Officer Jaclyn.gibson@lincoln.gov.uk

This page is intentionally blank.

SUBJECT: PRUDENTIAL INDICATORS 2024/2025 TO 2027/2028 AND TREASURY MANAGEMENT STRATEGY 2025/2026

DIRECTORATE: CHIEF EXECUTIVE AND TOWN CLERK

REPORT AUTHOR: LAURA SHIPLEY, FINANCIAL SERVICES MANAGER

1. Purpose of Report

1.1 The purpose of the report is for Executive to review and recommend to Council for approval the adoption of the:

- Treasury Management Strategy 2025/26;
- Prudential Indicators;
- Minimum Revenue Provision (MRP) Policy;
- Treasury Management Practices (TMP's).

2. Background

2.1 This report covers the operation of the Council's prudential indicators, its treasury function and its likely activities for the forthcoming year. It incorporates four key Council reporting requirements:

- Prudential and Treasury Indicators – the reporting of the statutory prudential indicators together with local indicators, in accordance with the requirements of the CIPFA Prudential Code for Capital Finance in Local Authorities and the CIPFA Treasury Management Code of Practice.
- Minimum Revenue Provision (MRP) Statement – the reporting of the MRP policy which sets out how the Council will pay for capital assets through revenue each year (as required by regulation under the Local Government Act 2003).
- Treasury Management Strategy – which sets out how the Council's treasury activity will support capital decisions, the day-to-day treasury management and the limitations on activity through treasury prudential indicators. The key indicator is the Authorised Limit, the maximum amount of debt the Council could afford in the short term, but which would not be sustainable in the longer term. This is the Authorised Borrowing Limit required by s3 of the Local Government Act 2003 and is in accordance with the CIPFA Code of Practice on Treasury Management and the CIPFA Prudential Code.
- Investment Strategy – this is included within the Treasury Management Strategy and sets out the criteria for choosing investment counterparties and limiting exposure to the risk of loss. It is reported annually (in accordance with Department for Levelling Up, Housing and Communities (DLUHC) Investment Guidance).

3. Key Prudential Indicators

- 3.1 The table below summarises the key prudential indicators that have been incorporated into the 2025/26 strategy. The projected capital expenditure will determine the capital financing or borrowing requirement, which will in turn determine the actual level of external borrowing taken and hence, cash balances available for investment.

Key Prudential Indicators	2024/25 Estimated £'000	2025/26 Estimated £'000	2026/27 Estimated £'000	2027/28 Estimated £'000
Capital Expenditure				
General Fund	22,025	24,232	4,617	1,052
HRA	17,411	19,600	15,216	13,736
Total	39,436	43,832	19,833	14,788
Capital Financing Requirement (CFR)				
General Fund	74,817	74,681	70,579	69,700
HRA	81,650	83,418	83,918	84,418
Total CFR	156,466	158,099	154,497	154,119
Movement in CFR	4,197	1,633	(3,602)	(378)
Actual external debt				
Estimated Borrowing at 31st March	105,067	108,537	107,851	112,160
Gross Debt & the CFR				
Under Borrowing	51,399	49,562	46,646	41,958
Operational Boundary for external debt				
Operational Boundary	118,067	121,537	120,851	125,160
Authorised Limit for external debt				
Authorised Limit	121,290	128,861	125,264	127,568
Upper limit for fixed interest rates	100%	100%	100%	100%
Upper limit for variable interest rates	40%	40%	40%	40%
Upper limit for investments >365 days	£7m	£7m	£7m	£7m
Current treasury investments as at 31/12/2024 in excess of 1 year maturing in each year	-	-	-	-

4. Minimum Revenue Provision (MRP) for Debt Repayment

- 4.1 In accordance with the Local Government Act 2003, the Council is required to pay off an element of accumulated General Fund capital expenditure each year through a revenue charge known as Minimum Revenue Provision (MRP).

The Council is required to determine a level of MRP it considers to be prudent, whilst having regard to the current MRP Guidance issued in 2018 by MHCLG (now renamed DLUHC). The Guidance gives four ready-made options for determining MRP which it considers to be prudent but does not rule out alternative approaches.

The overriding requirement of the Guidance is to set a prudent provision which ensures that debt is repaid over a period that is reasonably commensurate with that over which the capital expenditure provides benefits.

The Guidance requires that before the start of each financial year the Council prepares a statement of its policy on making MRP in respect of the forthcoming financial year and submits it to full Council for approval.

Changes to the 2003 MRP regulations implemented in April 2024 make it explicit that (i) capital receipts may not be used in place of the revenue charge, and (ii) there should be no intentional exclusion of debt from the MRP determination because it relates to an investment asset or capital loan.

With the introduction of IFRS16 the Council's Capital Financing Requirement (CFR) has increased during 2024/25 by £2.5m, bringing Right of Use (leased) assets on the balance sheet in line the updated Code of Practice. This increase in the CFR is reduced over the MTFS by an increased MRP provision in respect of the General Fund's leased assets.

There has been no Minimum Revenue Provision made within the MTFS relating to the Charterholme Development as the scheme relates to housing provision/regeneration and any borrowing related to this scheme will be short term and repaid using capital receipts, within the period of the MTFS.

5. Treasury Management Strategy

- 5.1** The Treasury Management Strategy covers both capital and treasury management issues, which are intrinsically linked.

The treasury management function ensures that cash flow is planned, so that cash is available when it is needed. Surplus monies are invested in line with the Council's low risk appetite, considering security and liquidity before maximising the return on investment.

Capital plans provide a guide to the borrowing need of the Council, essentially long term cash flow planning, to ensure the Council can meet its capital spending obligations. The management of the capital plan may involve arranging loans or utilising cash flow surpluses, whilst taking into consideration the implications on revenue budgets.

6 Investment Strategy

- 6.1** The Councils investment strategy is geared to provide security of investments whilst minimising risk through investing only with highly creditworthy counterparties. The Council uses external financial advisors (MUFG) to assess credit worthiness and provide due diligence before investing with an entity.

Using these carefully selected counterparties the Council will look to make investments which maximise the return / yield in line with its low risk appetite.

The Council will ensure adequate liquidity of its investments to cover its cash flow needs.

7. Environmental, Social and Governance (ESG) Considerations

- 7.1 The CIPFA Treasury Management Code 2021 incorporates ESG considerations into Treasury Management Practice 1. The Council will invest, where possible, in sustainable investment opportunities.

8. Strategic Priorities

- 8.1 The Medium Term Financial Strategy and supporting Capital Strategy and Treasury Management Strategy underpin the policy and financial planning framework. They set out the overall framework on which the Council plans and manages its financial resources to ensure that they fit with, and support, the direction of the Council's vision and strategic priorities.

9. Organisational Impacts

9.1 Finance

Financial implications are contained in the main body of the report.

9.2 Legal Implications including Procurement Rules

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

9.3 Equality, Diversity and Human Rights

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

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

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

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

10. Risk Implications

- 10.1 The Local Government Act 2003, the Prudential Code and the Treasury Management Code of Practice include a key principle 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.

11. Recommendation

The Executive are recommended to:

- 11.1 Review and recommend to full Council the Treasury Management Strategy 2025/26 including the Prudential Indicators;
- 11.2 Review and recommend to full Council the Minimum Revenue Provision Policy 2025/26.
- 11.3 Review and recommend to full Council the Treasury Management Practices.

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 – TMS Strategy

List of Background Papers:

Medium Term Financial Strategy 2025-30
CIPFA Code of Practice
CIPFA Prudential Code
Treasury Management Strategy
Treasury Management Practices

Lead Officer:

Laura Shipley – Financial Services Manager
Laura.shipley@lincoln.gov.uk

This page is intentionally blank.

**CITY OF LINCOLN COUNCIL
TREASURY MANAGEMENT STRATEGY
2025/26**

TREASURY MANAGEMENT STRATEGY

Contents

1. BACKGROUND

- 1.1 Treasury Management Reporting**
- 1.2 Treasury Management Strategy for 2025/26**
- 1.3 Training**
- 1.4 Treasury Management Consultants**

2. THE CAPITAL PRUDENTIAL INDICATORS 2025/26 – 2027/28

- 2.1 Capital Expenditure and Financing**
- 2.2 The Council's Borrowing Need – the Capital Financing Requirement (CFR)**
- 2.3 Liability Benchmark (LB)**
- 2.4 Core Funds and Expected Investment Balances**
- 2.5 Minimum Revenue Provision (MRP) Policy Statement**

3. BORROWING

- 3.1 Current Treasury Portfolio Position**
- 3.2 Treasury Indicators: Limits to Borrowing Activity**
- 3.3 Prospects for Interest Rates**
- 3.4 Borrowing Strategy**
- 3.5 Policy on Borrowing in Advance of Need**
- 3.6 Rescheduling**

4. INVESTMENT STRATEGY

- 4.1 Investment Policy – Management of Risk**
- 4.2 Creditworthiness Policy**
- 4.3 Limits**
- 4.4 Investment Strategy**
- 4.5 Investment Performance / Risk Benchmarking**

5. APPENDICES

APPENDIX 1 - ADDITIONAL LOCAL PRUDENTIAL INDICATORS 2025/26

APPENDIX 2 - INTEREST RATE FORECASTS 2024-2027

APPENDIX 3 - ECONOMIC BACKGROUND – FROM LINK (THE COUNCIL'S TREASURY ADVISORS)

APPENDIX 4 - APPROVED COUNTRIES FOR INVESTMENT

1. BACKGROUND

The Council is required to operate a balanced budget, which broadly means that cash raised during the year will meet cash expenditure. Part of the treasury management operation is to ensure that this cash flow is adequately planned, with cash being available when it is needed. Surplus monies are invested in low-risk counterparties or instruments commensurate with the Council's low risk appetite, providing adequate liquidity initially before considering investment return.

The second main function of the treasury management service is the funding of the Council's capital plans. These capital plans provide a guide to the borrowing need of the Council, essentially the longer-term cash flow planning, to ensure that it can meet its capital spending obligations. This management of longer-term cash may involve arranging long or short-term loans or using longer-term cash flow surpluses. On occasion, when it is prudent and economic, any debt previously drawn may be restructured to meet risk or cost objectives.

The contribution the treasury management function makes to the Council is critical, as the balance of debt and investment operations ensure liquidity or the ability to meet spending commitments as they fall due, either on day-to-day revenue or for larger capital projects. The treasury operations will see a balance of the interest costs of debt and the investment income arising from cash deposits affecting the available budget. Since cash balances generally result from reserves and balances, it is paramount to ensure adequate security of the sums invested, as a loss of principal will in effect result in a loss to the General Fund Balance.

CIPFA defines treasury management as:

"The management of the local authority's borrowing, investments and cash flows, including its banking, money market and capital market transactions; the effective control of the risks associated with those activities; and the pursuit of optimum performance consistent with those risks."

1.1 Treasury Management Reporting

The Council is required to receive and approve, as a minimum, three main treasury reports each year, which incorporate a variety of policies, estimates and actuals.

a. **Prudential and treasury indicators and treasury strategy** (this report) – which includes:

- Prudential Indicators to ensure that the Council's capital plans are affordable, prudent and sustainable (as required by CIPFA's Prudential Code).
- a Minimum Revenue Provision (MRP) policy, (how residual capital expenditure is charged to revenue over time as required by MHCLG's MRP Guidance)
- the Treasury Management Strategy before the start of each financial year (as required by CIPFA's Treasury Management Code); and
- an Annual Investment Strategy before the start of each financial year (as required by MHCLG's Investment Code).

- b. **A mid-year treasury management report** – This is a progress report and will update members on the capital position, amending prudential indicators as necessary, and whether any policies require revision.
- c. **An annual treasury report** – This provides details of a selection of actual prudential and treasury indicators and actual treasury operations compared to the estimates within the strategy.
- d. **Quarterly Reports** - In addition to the three major reports detailed above, quarterly reporting (end of June/end of December) is also required and must be adequately scrutinised, but do not need to go to Full Council. These reports are provided as part of the quarterly monitoring process to Performance Scrutiny and Executive Committees.

1.2 Treasury Management Strategy for 2025/26

The Strategy for 2025/26 covers two main areas:

Capital issues

- the capital expenditure plans and the associated prudential indicators
- the minimum revenue provision (MRP) policy

Treasury management issues

- the current treasury position
- treasury indicators which limit the treasury risk and activities of the Council
- prospects for interest rates
- the borrowing strategy
- policy on borrowing in advance of need
- debt rescheduling
- the investment strategy
- creditworthiness policy; and
- the policy on use of external service providers

These elements cover the requirements of the Local Government Act 2003, MHCLG Investment Guidance, MHCLG MRP Guidance, the CIPFA Prudential Code and the CIPFA Treasury Management Code.

1.3 Training

The CIPFA Treasury Management Code requires the responsible officer to ensure that members with responsibility for treasury management receive adequate training in treasury management. This especially applies to members responsible for scrutiny. The Chief Finance Officer is responsible for this function.

Furthermore, the Code states that it expects “all organisations to have a formal and comprehensive knowledge and skills or training policy for the effective acquisition and retention of treasury management knowledge and skills for those responsible for management, delivery, governance and decision making.

The Council will carry out the following to monitor and review knowledge and skills:

- Record attendance at training and ensure action is taken where poor attendance is identified.
- Prepare tailored learning plans for treasury management officers and relevant council members.
- Require treasury management officers and relevant council members to undertake self-assessment against the required competencies.
- Have regular communication with officers and relevant council members, encouraging them to highlight training needs on an ongoing basis.

Training provided to Performance Scrutiny and Audit Committee will consist of two one hour sessions provided by the Council's external treasury management advisors, with additional training arranged as required.

The training needs of treasury management officers are periodically reviewed.

A formal record of the training received by officers central to the Treasury function will be maintained within the Human Resources system. Similarly, a formal record of the treasury management/capital finance training received by members will also be maintained by Democratic Services.

1.4 Treasury Management Consultants

The Council uses MUFG Corporate Markets Treasury Limiter (formerly known as Link Group), as its external treasury management advisors. Responsibility for treasury management decisions remains with the Council at all times. Although the council will from time to time require the services of specialists, consultants and advisers in order to acquire access to specialist skills, undue reliance will not be placed upon the services and advice provided.

2. THE CAPITAL PRUDENTIAL INDICATORS 2025/26 – 2027/28

The Council's capital expenditure plans are the key driver of treasury management activity. The output of the capital expenditure plans is reflected in the prudential indicators, which are designed to assist members' overview and confirm capital expenditure plans.

2.1 Capital Expenditure and Financing

This prudential indicator is a summary of the Council's capital expenditure plans, both those agreed previously, and those forming part of this budget cycle. Members are asked to approve the capital expenditure forecasts: -

Indicators 1 & 2 - Capital Expenditure	2024/25 Estimated £'000	2025/26 Estimated £'000	2026/27 Estimated £'000	2027/28 Estimated £'000
General Fund	22,025	24,232	4,617	1,052
HRA (including New Build)	17,411	19,600	15,216	13,736
Total Expenditure	39,436	43,832	19,833	14,788
Financed by:				
Capital receipts	1,209	9,849	4,114	551
Capital grants & contributions	13,712	11,453	0	0

Depreciation (HRA only)	13,672	14,397	14,167	12,685
Revenue/Reserve Contributions	5,683	4,769	852	852
Borrowing need	5,160	3,365	700	700
Total Financing	39,436	43,832	19,833	14,788

2.2 The Council's Borrowing Need – the Capital Financing Requirement (CFR)

The CFR is the total historic outstanding capital expenditure which has not yet been paid for from either capital or revenue resources. It is essentially a measure of the Council's underlying borrowing need.

The CFR does not increase indefinitely, as the minimum revenue provision (MRP) is a statutory annual revenue charge which broadly reduces the indebtedness in line with each asset's life, and so charges the economic consumption of capital assets as they are used.

The CFR includes any other long-term liabilities (e.g. Finance leases). Whilst these increase the CFR, and therefore the Council's borrowing requirement, these types of schemes include a borrowing facility by the lease provider and so the Council is not required to separately borrow for these schemes. The CFR includes an allowance for the replacement of the majority of the vehicle fleet under leasing. The CFR has increased to reflect a borrowing requirement for the replacement fleet. This will also increase the MRP charge annually during the lifetime of the lease arrangements.

With the introduction of IFRS16 the councils CFR has increased by £2.5m in the current financial year, bringing Right of Use (leased) assets on the balance sheet in line the updated Code of Practice. This increase in the CFR is reduced over the MTFS by an increased MRP provision in respect of the General Fund's leased assets.

Based on the capital expenditure plans above the CFR for 2024/25 to 2027/28 is projected to be:

Indicators 3 & 4 - Capital Financing Requirement (CFR)	2024/25 Estimated £'000	2025/26 Estimated £'000	2026/27 Estimated £'000	2027/28 Estimated £'000
General Fund	74,817	74,681	70,579	69,700
HRA	81,650	83,418	83,918	84,418
Total CFR	156,466	158,099	154,497	154,119
Movement in CFR	4,197	1,633	(3,602)	(378)

Net borrowing need for the year	5,160	3,365	700	700
Minimum / Voluntary Revenue Provision (MRP/VRP)	(963)	(1,004)	(1,043)	(1,078)
Application of Capital Receipts	0	(729)	(3,259)	0
Movement in CFR	4,197	1,633	(3,602)	(378)

Indicator 5 - External Borrowing	2024/25 Estimated £'000	2025/26 Estimated £'000	2026/27 Estimated £'000	2027/28 Estimated £'000
Borrowing	105,067	108,537	107,851	112,160

2.3 Liability Benchmark (LB)

The Council is required to estimate and measure the Liability Benchmark for the forthcoming financial year and the following two financial years as a minimum.

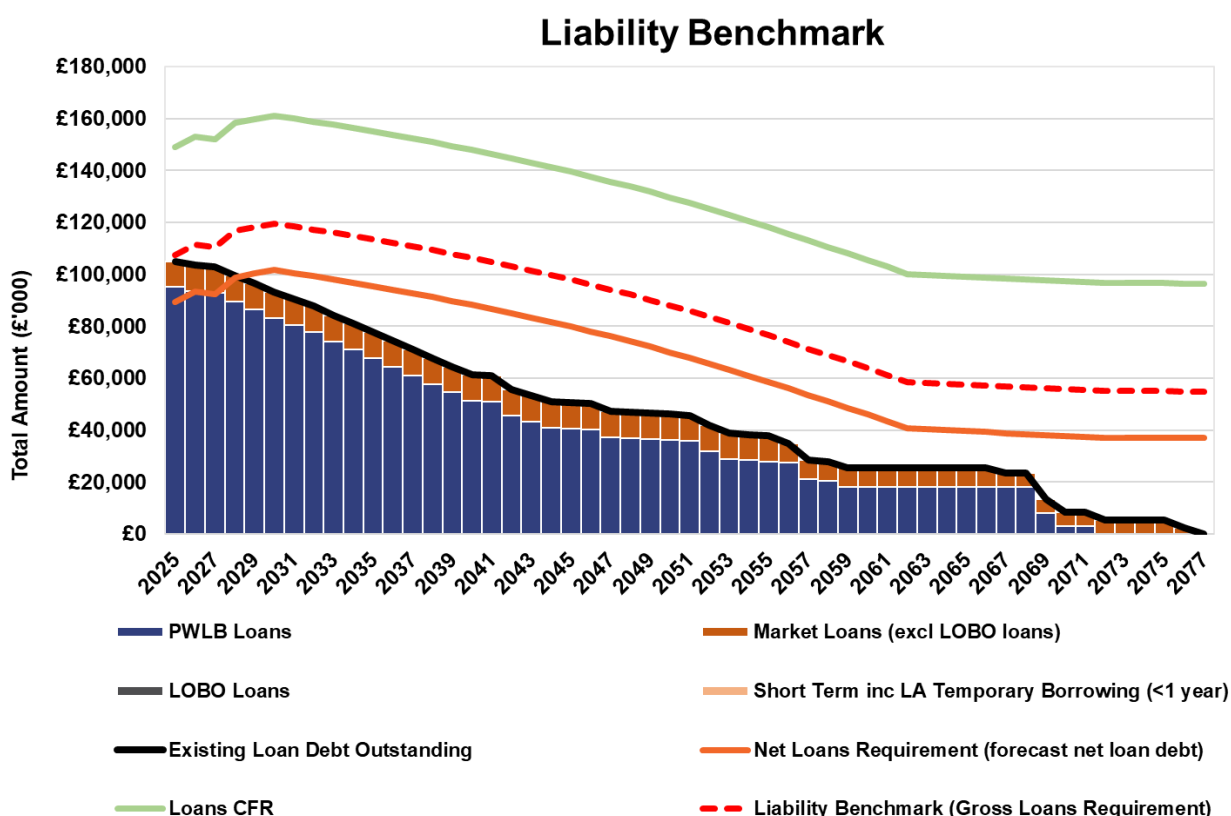
There are four components to the LB:

Existing loan debt outstanding: the Council's existing loans that are still outstanding in future years.

Loans CFR: this is calculated in accordance with the loans CFR definition in the Prudential Code and projected into the future based on approved prudential borrowing and planned MRP.

Net loans requirement: this will show the Council's gross loan debt less treasury management investments at the last financial year-end, projected into the future and based on its approved prudential borrowing, planned MRP and any other major cash flows forecast.

Liability benchmark (or gross loans requirement): this equals net loans requirement plus short-term liquidity allowance.



The chart illustrates the council is under borrowed against CFR and liability benchmark due to utilisation of internal resources and reserves.

2.4 Core Funds and Expected Investment Balances

The application of resources (capital receipts, reserves etc.) to either finance capital expenditure or other budget decisions to support the revenue budget will have an ongoing impact on investments unless resources are supplemented each year from new sources (asset sales etc.). Detailed below are estimates of the year-end balances for each resource and anticipated day-to-day cash flow balances.

Year End Resources £m	2023/24 Actual	2024/25 Estimate	2025/26 Estimate	2026/27 Estimate	2027/28 Estimate
Fund balances / reserves	3.38	3.57	3.90	3.31	3.03
Capital receipts	8.00	9.80	10.24	12.27	13.31
Provisions	0.73	0.73	0.73	0.74	0.74
Major Repairs Reserve	23.73	22.00	19.91	18.61	19.27
Insurance Reserve	3.20	3.01	3.04	2.79	2.77
Earmarked Reserves / Other	13.02	11.73	11.92	11.01	11.32
Total core funds	52.06	50.84	49.74	48.73	50.45
Working capital*	16.69	16.69	16.69	16.69	16.69
Under/over borrowing**	(42.04)	(48.95)	(47.15)	(44.27)	(39.62)
Expected investments	26.71	18.59	19.29	21.15	27.52

*Working capital balances shown are estimated year-end; these may be higher or lower mid-year

** Under/over borrowing in the table above excludes lease liabilities included in the CFR and relates to external debt only

2.5 Minimum Revenue Provision (MRP) Policy Statement

The Council is required to pay off an element of the accumulated General Fund borrowing each year through a revenue charge (the Minimum Revenue Provision) and is also allowed to undertake additional voluntary payments (VRP).

DLUHC Regulations have been issued which require full Council to approve an MRP Statement in advance of each year. A variety of options are provided so long as there is a prudent provision.

Members are recommended to approve the following MRP Statement:

(A) For supported capital expenditure incurred before 1st April 2008, the Council will apply the Asset Life Method using an annuity calculation over 50 years.

(B) For unsupported borrowing the MRP policy is the:

- Asset Life Method – MRP will be based on the estimated life of the assets on an annuity basis. Asset life is deemed to begin once the asset becomes operational. MRP will commence from the financial year following the one in which the asset becomes operational.
- The MRP calculation will be done on an annual weighted average basis.

- The interest rate applied to the annuity calculations will reflect the market conditions at the time and will for the current financial year be the Council's weighted average borrowing rate.
- MRP in respect of unsupported borrowing taken to meet expenditure, which is treated as capital expenditure by virtue of either a capitalisation direction or regulations, will be determined in accordance with the asset life method as recommended by the statutory guidance.
- MRP in respect of assets acquired under Finance Leases will be charged at a rate equal to the principal element of the annual lease rental.
- MRP Overpayments - The MRP Guidance allows that any charges made in excess of the statutory minimum revenue provision (MRP), i.e., voluntary revenue provision or overpayments, can be reclaimed in later years if deemed necessary or prudent. In order for these sums to be reclaimed for use in the budget, this policy must disclose the cumulative overpayment made each year. A VRP overpayment of £62k was made during the 2024/25 financial year and a £64k payment is forecast to be made in 2025/26.

3. BORROWING

The capital expenditure plans set out in Section 2 provide details of the service activity of the Council. The treasury management function ensures that the Council's cash is organised in accordance with the relevant professional codes, so that sufficient cash is available to meet this service activity and the Council's Capital Strategy. This will involve both the organisation of the cash flow and, where capital plans require, the organisation of appropriate borrowing facilities. The strategy covers the relevant treasury / prudential indicators, the current and projected debt positions, and the Annual Investment Strategy.

3.1 Current Treasury Portfolio Position

The overall treasury management position as at 31/03/24 and 2024/25 forecast outturn position are shown below for both borrowing and investments:

	31/03/2024 Actuals £'000	%	31/03/2025 Forecast £'000	%
Investments				
Banks	6,000	19	3,000	22
Local Authorities	3,000	10	0	0
Money Market Funds	8,543	71	10,505	78
TOTAL	17,543	100	13,505	100
Borrowing				
PWLB	95,742	89	95,067	90
LA borrowing	2,000	2	0	0
Market Loans	10,000	9	10,000	10
TOTAL	107,742	100	105,067	100

The Council's forward projections for borrowing are summarised below. The table shows the actual external debt, against the underlying capital borrowing need, (the Capital Financing Requirement - CFR), highlighting any over or under borrowing.

Indicator 6 - External Debt	2024/25 Estimated £'000	2025/26 Estimated £'000	2026/27 Estimated £'000	2027/28 Estimated £'000
Debt as at 1 April	107,742	105,067	108,537	107,851
Expected change in debt	(2,675)	3,470	(686)	4,309
Actual gross debt as at 31 March	105,067	108,537	107,851	112,160
Capital Financing Requirement	156,466	158,099	154,497	154,119
Under/(Over) Borrowing	51,399	49,526	46,646	41,958

3.2 Treasury Indicators: Limits to Borrowing Activity

The level of the proposed operational and authorised limits is based on an assessment of the level of borrowing required to meet the Capital Financing Requirement (CFR) and also an allowance for temporary borrowing for working capital and also in lieu of other capital financing sources (e.g. capital receipts). Financial modelling has been carried out for both and the affordability and sustainability of the potential borrowing requirement has been assessed and can be contained within the Draft MTFS 2025-30.

The Authorised Limit for external debt - represents a legal limit beyond which external debt is prohibited, and this limit needs to be set or revised by the Full Council. It reflects the level of external debt which, while not desired, could be afforded in the short-term, but is not sustainable in the longer-term.

Indicator 7 - Authorised Limit	2024/25 Estimated £'000	2025/26 Estimated £'000	2026/27 Estimated £'000	2027/28 Estimated £'000
Debt	117,840	125,411	121,814	124,118
Other long-term liabilities	3,450	3,450	3,450	3,450
Total	121,290	128,861	125,264	127,568

The Operational Boundary - boundary based on the expected maximum external debt during the course of the year.

Indicator 8 - Operational Boundary	2024/25 Estimated £'000	2025/26 Estimated £'000	2026/27 Estimated £'000	2027/28 Estimated £'000
Debt	115,067	118,537	117,851	122,160
Other long-term liabilities	3,000	3,000	3,000	3,000
Total	118,067	121,537	120,851	125,160

Affordability Prudential Indicators

Within this framework prudential indicators are required to assess the affordability of the capital investment plans. These provide an indication of the impact of the capital investment plans on the Council's overall finances.

Ratio of Financing Costs to Net Revenue Stream

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

Indicators 9 & 10 - Ratio Financing Costs : Net Revenue Stream	2024/25 Estimated %	2025/26 Estimated %	2026/27 Estimated %	2027/28 Estimated %
General Fund	12.05%	14.76%	15.68%	15.39%
HRA (including New Build)	29.18%	29.23%	28.51%	28.11%

Maturity Structure of Borrowing

These gross limits are set to reduce the Council's exposure to large fixed rate sums falling due for refinancing at the same time and are required for upper and lower limits.

Indicator 13	2025/26		2026/27		2027/28	
Maturity Structure of fixed borrowing	Lower	Upper	Lower	Upper	Lower	Upper
Under 12 months	0%	40%	0%	40%	0%	40%
12 months to 2 years	0%	40%	0%	40%	0%	40%
2 years to 5 years	0%	60%	0%	60%	0%	60%
5 years to 10 years	0%	80%	0%	80%	0%	80%
10 years and above	10%	100%	10%	100%	10%	100%

3.3 Prospects for Interest Rates

The Council has appointed MUFG (formerly known as Link Group) as its treasury advisor and part of their service is to assist the Council to formulate a view on interest rates. MUFG provided the following forecasts as at 11.11.24. These are forecasts for certainty rates, gilt yields plus 80 bps. The lower Housing Revenue Account (HRA) PWLB rate started on 15 June 2023 for those authorities with an HRA (gilts plus 40 bps).

Link Group Interest Rate View	11.11.24												
	Dec-24	Mar-25	Jun-25	Sep-25	Dec-25	Mar-26	Jun-26	Sep-26	Dec-26	Mar-27	Jun-27	Sep-27	Dec-27
BANK RATE	4.75	4.50	4.25	4.00	4.00	3.75	3.75	3.75	3.50	3.50	3.50	3.50	3.50
3 month ave earnings	4.70	4.50	4.30	4.00	4.00	4.00	3.80	3.80	3.80	3.50	3.50	3.50	3.50
6 month ave earnings	4.70	4.40	4.20	3.90	3.90	3.90	3.80	3.80	3.80	3.50	3.50	3.50	3.50
12 month ave earnings	4.70	4.40	4.20	3.90	3.90	3.90	3.80	3.80	3.80	3.50	3.50	3.50	3.50
5 yr PWLB	5.00	4.90	4.80	4.60	4.50	4.50	4.40	4.30	4.20	4.10	4.00	4.00	3.90
10 yr PWLB	5.30	5.10	5.00	4.80	4.80	4.70	4.50	4.50	4.40	4.30	4.20	4.20	4.10
25 yr PWLB	5.60	5.50	5.40	5.30	5.20	5.10	5.00	4.90	4.80	4.70	4.60	4.50	4.50
50 yr PWLB	5.40	5.30	5.20	5.10	5.00	4.90	4.80	4.70	4.60	4.50	4.40	4.30	4.30

Additional notes by MUFG on this forecast table: -

Following the 30 October Budget, the outcome of the US Presidential election on 6 November, and the 25bps Bank Rate cut undertaken by the Monetary Policy Committee (MPC) on 7 November, we have significantly revised our central forecasts for the first time since May. In summary, our Bank Rate forecast is now 50bps – 75bps higher than was previously the case, whilst our PWLB forecasts have been materially lifted to not only reflect our increased concerns around the future path of inflation, but also the increased level of Government borrowing over the term of the current Parliament.

If we reflect on the 30 October Budget, our central case is that those policy announcements will be inflationary, at least in the near-term. The Office for Budgetary Responsibility and the

Bank of England concur with that view. The latter have the CPI measure of inflation hitting 2.5% y/y by the end of 2024 and staying sticky until at least 2026. The Bank forecasts CPI to be 2.7% y/y (Q4 2025) and 2.2% (Q4 2026) before dropping back in 2027 to 1.8% y/y.

The anticipated major investment in the public sector, according to the Bank, is expected to lift UK real GDP to 1.7% in 2025 before growth moderates in 2026 and 2027. The debate around whether the Government's policies lead to a material uptick in growth primarily focus on the logistics of fast-tracking planning permissions, identifying sufficient skilled labour to undertake a resurgence in building, and an increase in the employee participation rate within the economy.

There are inherent risks to all the above. The worst-case scenario would see systemic blockages of planning permissions and the inability to identify and resource the additional workforce required to deliver large-scale IT, housing and infrastructure projects. This would lead to upside risks to inflation, an increased prospect of further Government borrowing & tax rises, and a tepid GDP performance.

Our central view is that monetary policy is sufficiently tight at present to cater for some further moderate loosening, the extent of which, however, will continue to be data dependent. We forecast the next reduction in Bank Rate to be made in February and for a pattern to evolve whereby rate cuts are made quarterly and in keeping with the release of the Bank's Quarterly Monetary Policy Reports (February, May, August and November).

Any movement below a 4% Bank Rate will, nonetheless, be very much dependent on inflation data in the second half of 2025. The fact that the November MPC rate cut decision saw a split vote of 8-1 confirms that there are already some concerns around inflation's stickiness, and with recent public sector wage increases beginning to funnel their way into headline average earnings data, the market will be looking very closely at those releases.

Regarding our PWLB forecast, the short to medium part of the curve is forecast to remain elevated over the course of the next year, and the degree to which rates moderate will be tied to the arguments for further Bank Rate loosening or otherwise. The longer part of the curve will also be impacted by inflation factors, but there is also the additional concern that with other major developed economies such as the US and France looking to run large budget deficits there could be a glut of government debt issuance that investors will only agree to digest if the interest rates paid provide sufficient reward for that scenario.

So far, we have made little mention of the US President election. Nonetheless, Donald Trump's victory paves the way for the introduction/extension of tariffs that could prove inflationary whilst the same could be said of further tax cuts and an expansion of the current US budget deficit. Invariably the direction of US Treasury yields in reaction to his core policies will, in all probability, impact UK gilt yields. So, there are domestic and international factors that could impact PWLB rates whilst, as a general comment, geo-political risks abound in Europe, the Middle East and Asia.

3.4 Borrowing Strategy

The Council is currently maintaining an under-borrowed position. This means that the capital borrowing need (the CFR), has not been fully funded with loan debt as cash supporting the Council's reserves, balances and cash flow has been used as a temporary measure. This strategy is prudent as medium and longer dated borrowing rates are forecast to fall over the next couple of years.

Against this background and the risks within the economic forecast, caution will be adopted with the 2025/26 treasury operations. The Chief Finance Officer will monitor interest rates in financial markets and adopt a pragmatic approach to changing circumstances:

- If it was felt that there was a significant risk of a sharp fall in long term rates e.g. due to a marked increase of risks around a relapse into recession or of risks of deflation, then long term borrowings will be postponed, and potential rescheduling from fixed rate funding into short term borrowing will be considered.
- If it was felt that there was a significant risk of a much sharper rise in long and short term rates than that currently forecast, perhaps arising from a greater than expected increase in world economic activity or a sudden increase in inflation risks, then the portfolio position will be re-appraised with the likely action that fixed rate funding will be drawn whilst interest rates remain low.

The Council's overall core borrowing objectives will remain uniform and follow a similar pattern to previous years as follows:

- To reduce the revenue costs of debt.
- 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 Council 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.

There is unsupported borrowing in the General Fund Investment Programme (GIP) as detailed in the Capital Strategy. The Council expects to take out loans for the General Fund however, it will continue to use internal balances and will only take out loans based on cashflow requirements and prevailing interest rates. The strategy allows for additional borrowing in line with the expected movement in the Capital Financing Requirement (CFR), should it become necessary for cash flow requirements or if attractive rates are offered. The Council will consider PWLB loans, Market loans, the Municipal Bond Agency and other financial institutions.

In addition, should new schemes be identified that benefit the Council's strategic aims and be deemed cost effective, i.e. Invest to Save schemes where the income streams more than pay for the borrowing costs, or for the sustainment of existing income streams, or in the absence of any other funding source, then unsupported borrowing will be considered.

Officers will also continue to evaluate the cost effectiveness of borrowing as opposed to selling capital assets.

3.5 Policy on Borrowing in Advance of Need

The Council has some flexibility to borrow funds this year for use in future years. The Chief Finance Officer may do this under delegated power where, for instance, a sharp rise in interest rates is expected, and so borrowing early at fixed interest rates will be economically beneficial or meet budgetary constraints. Whilst the Chief Finance Officer will adopt a cautious approach to any such borrowing, where there is a clear business case for doing so borrowing may be undertaken to fund the approved capital programme or to fund future debt maturities. Borrowing in advance will be made within the constraints that:

- It will be limited to no more than 75% of the expected increase in borrowing need (CFR) over the three year planning period; and
- Would not look to borrow more than 36 months in advance of need

Risks associated with any advance borrowing activity will be subject to appraisal in advance and subsequent reporting through the mid-year or annual reporting mechanism.

3.6 Rescheduling

Rescheduling of current borrowing in our debt portfolio is unlikely to occur as there is still a large difference between premature redemption rates and new borrowing rates.

If rescheduling is to be undertaken, it will be reported to the Executive at the meeting immediately following its action, in the quarterly report and in the annual review report.

4. INVESTMENT STRATEGY

4.1 Investment Policy – Management of Risk

The Council's investment strategy's primary objectives are safeguarding the repayment of the principal and interest of its investments on time, ensuring adequate liquidity, with the investment return being the final objective.

The intention of the strategy is to provide security of investment and minimisation of risk.

The aim of the strategy is to generate a list of highly creditworthy counterparties which will also enable diversification and thus avoidance of concentration risk.

In the current economic climate, it is considered appropriate to maintain a degree of liquidity to cover cash flow needs but the Council will also consider "laddering" investments for periods up to 12 months with high credit rated financial institutions, whilst investment rates remain elevated.

In line with this aim, the Council will ensure:

- It maintains a policy covering the types of specified and unspecified investments it will invest in, criteria for choosing investment counterparties with adequate security and monitoring their security. This is set out in the paragraphs below.
 - **Specified Investments** – these are high security investments (i.e. high credit quality) and high liquidity investments in sterling with a maturity of no more than one year.

- **Non-specified Investments** – investments that do not fall into the category of Specified Investments, representing a potential greater risk (e.g. other Local Authorities).
- It has sufficient liquidity in its investments. For this purpose, it will set out procedures for determining the maximum periods for which funds may prudently be committed. These procedures also apply to the Council's prudential indicators covering the maximum principal sums invested.

4.2 Creditworthiness Policy

Investment Counterparty Selection Criteria

The primary principle governing the Council's investment criteria is the security of its investments although the yield or return on the investment is also a key consideration. After this main principle the Council will ensure:

- It maintains a policy covering both the categories of investment types it will invest in, criteria for choosing investment counterparties with adequate security, and monitoring their security. This is set out in the Specified and Non-Specified investment sections below.
- It has sufficient liquidity in its investments. For the purpose it will set out procedures for determining the maximum periods for which funds may be prudently committed. These procedures also apply to the Council's prudential indicators covering the maximum principal sums invested.

The Chief Finance Officer will maintain a counterparty list in compliance with the criteria set out and will revise the criteria and submit them to Council for approval as necessary. These criteria are separate to that which chooses Specified and Non-Specified investments as they provide an overall pool of counterparties considered high-quality which the Council may use rather than defining what its investments are.

As a result of the financial pressures the Council faces, the identification of reductions in operating costs and income generation are critical to the delivery of the Medium Term Financial Strategy. Treasury Management is an important area for further income generation and therefore, the main theme of the Council's investment strategy must continue to be to maximise interest from investments, after ensuring adequate security and liquidity. The Investment Strategy 2025/26 seeks to achieve this objective by maintaining a varied pool of investment counterparties and working within acceptable risk levels.

The Council uses MUFG's' creditworthiness service. This service employs a sophisticated modelling approach utilising credit ratings from the three main credit rating agencies – Fitch, Moody's and Standard and Poor's.

In accordance with the guidance from the MHCLG and CIPFA, and in order to minimise the risk to investments, the Council applies minimum acceptable credit criteria in order to generate a list of highly creditworthy counterparties which also enables diversification and thus avoidance of concentration risk. The key ratings used to monitor counterparties are the Short Term and Long Term ratings.

As with previous practice, ratings will not be the sole determinant of the quality of an institution; it is important to continually assess and monitor the financial sector on both a micro and macro basis and in relation to the economic and political environments in which institutions operate. The assessment will also take account of information that reflects the opinion of the markets, engaging with its advisors to maintain a monitor on market pricing such as “credit default swaps” and overlay that information on top of the credit ratings. This is fully integrated into the creditworthiness methodology provided by MUFG . The result is a colour coding system, which shows the varying degrees of suggested creditworthiness.

Alongside the credit ratings other information sources are used and include the financial press, share price and other such information pertaining to the banking sector in order to establish the most robust scrutiny process with regard to the suitability of potential investment counterparties.

The credit ratings of counterparties are supplemented with the following overlays:

- Credit watches and credit outlooks from credit rating agencies;
- Credit Default Swaps (CDS) spreads to give early warning of likely changes in credit ratings;
- Sovereign ratings to select counterparties from only the most creditworthy countries.

This modelling approach combines credit ratings, credit watches and credit outlooks in a weighted scoring system which is then combined with an overlay of CDS spreads resulting in a series of colour coded bands which indicate the relative creditworthiness of counterparties. These colour codes are used by the Council to determine the suggested duration for investments. The Council will therefore use counterparties within the following durational bands:

Yellow	5 years
Purple	2 years
Blue	1 year (only applies to part-government owned UK banks)
Orange	1 year
Red	6 months
Green	100 days
No colour	Not to be used

MUFG’s creditworthiness service uses a wider array of information than primary ratings alone and by using a risk weighted scoring system, does not give undue preponderance to just one agency’s ratings.

Typically, the minimum credit ratings criteria the Council use will be a Short Term rating (Fitch or equivalents) of F1 and a Long Term rating of A-. There may be occasions when the counterparty ratings from one rating agency are marginally lower than these ratings but may still be used. In these instances, consideration will be given to the whole range of ratings available, or other topical market information, to support their use.

The credit ratings specified above are defined as follows:-

F1 (short term rating) – Highest credit quality

A- (long term rating) – High credit quality, denoting a very strong bank

All credit ratings will be monitored regularly. The Council is alerted to changes to ratings of all three agencies through its use of MUFG's creditworthiness service.

- If a downgrade results in the counterparty no longer meeting the Council's minimum criteria, its further use as a new investment will be withdrawn immediately.
- In addition to the use of credit ratings the Council will be advised of information in movements in credit default swap spreads against the iTraxx benchmark and other market data on a weekly basis. Extreme market movements may result in downgrade of an institution or removal from the Council's counterparty list.

Sole reliance will not be placed on the use of this external service. In addition the Council will also use market data and market information, information on sovereign support for banks and the credit ratings of that supporting government.

Y	Pi1	Pi2	P	B	O	R	G	N/C
1	1.25	1.5	2	3	4	5	6	7
Up to 5yrs	Up to 5yrs	Up to 5yrs	Up to 2yrs	Up to 1yr	Up to 1yr	Up to 6mths	Up to 100days	No Colour

Institution	Minimum credit criteria/colour band	Maximum limit per group or institution £	Maximum maturity period
SPECIFIED INVESTMENTS			
UK Bank ^{*1}	Orange/Blue Red Green	£7 million	1 year 6 months 100 days
Non-UK Banks ^{*1} Sovereign rating AA	Orange Red Green	£7 million	1 year 6 months 100 days
Building Society ^{*2}	Orange Red Green	£5 million	1 year 6 months 100 days
Money Market Fund CNAV ^{*3}	Yellow	£7 million	Liquid
Money Market Fund LVNAV ^{*3}			
Money Market Fund VNAV ^{*3}			
UK Government ^{*4}	Yellow	unlimited	6 months
UK Local Authority ^{*4}	Yellow	£3 million	1 year
NON-SPECIFIED INVESTMENTS			
UK Bank ^{*1}	Purple	£7 million	2 years
Non-UK Banks ^{*1} Sovereign rating AA	Purple	£7 million	2 years
Building Society ^{*2}	Purple Yellow	£2 million	2 years 5 years
UK Local Authority ^{*4}	Yellow	£3 million	5 years
Lincoln Credit Union	N/A	£10K	N/A
Council's own bank ^{*5}	N/A	£500K	Overnight

(operational cash limit in addition to investment group limit)			
--	--	--	--

*1 Where the term 'Bank' is used, this denotes a UK or European Bank authorised to accept deposits through a bank account incorporated within the UK banking sector. The maximum amount indicated is the 'Group total' and covers the total amount that can be invested when spread over any number of subsidiaries within that group.

*2 Where the term Building Society is used, this denotes a UK Building Society.

*3 Money market funds (MMF) are mutual funds that invest in short-term high quality debt instruments. The assets are actively managed within very specific guidelines to offer liquidity and competitive returns. Recently MMFs have changed from a constant net asset value basis to a low volatility net asset value. Although money funds are regarded as short-term investments the rating agencies use a classification system based on long-term debt ratings.

*4 The UK Government (i.e. HM Treasury and its Executive Agency, the Debt Management Office) and Local Authorities, although not rated as such, are classified as having the equivalent of the highest possible credit rating.

*5 This limit covers normal treasury management activities but excludes any deposits received after money market trading has closed. It allows up to £500K of operational cash to be held in the Council's main bank account in addition to the group investment limit for the bank, if the bank is included on the Council's counterparty list.

4.3 Limits

Country and Sector Considerations

Due care will be taken to consider the country, group and sector exposure of the Council's investments. In part the country selection will be chosen by the credit rating of the Sovereign state. In addition.

- No more than 50% will be placed with any non-UK country at any time.
- Group limits have been set to ensure that the Council is not exposed to excessive risk due to concentration of investments within any one institution or group. These are detailed in the Investment Counterparty Limits table.

Although the strategy sets a limit for investment in non-UK countries at no more than 50%, the Council has been operating a tighter operational strategy in the light of the Eurozone difficulties and has not been investing outside the UK. This operational restriction will continue until the problems in the Eurozone economy have been sufficiently resolved.

In the normal course of the Council's cash flow operations it is expected that both Specified and Non-specified investments will be used for the control of liquidity as both categories allow for short-term investments. The Chief Finance Officer will strive to keep investments within the Non-specified category to a prudent level (having regard to security and liquidity before yield). To these ends the Council will maintain a maximum of 75% of investments in Non-specified investments.

The use of longer-term instruments (greater than one year from inception to repayment) will fall in the non-specified investment category. These instruments will only be used where the Council's liquidity requirements are safeguarded. The investment in longer-term instruments is also limited as shown in paragraph 4.4, which gives the maximum amount to be invested over 1 year, as well as the limits on the amounts that can be placed with the categories within the non-specified range of investments (see above table, section 4.2).

There are operational challenges arising from the ongoing economic conditions. Ideally investments would be invested longer to secure better returns, however shorter dated investments provide better security.

The criteria for choosing counterparties set out above provide a sound approach to investment in difficult market circumstances.

4.4 Investment Strategy

Investment returns expectations.

The current forecast shown in paragraph 3.3, includes a forecast for the Bank Rate to steadily decrease from current rates of 4.75% (Jan 2025) to 3.50% towards the end of 2026.

The suggested budgeted investment earnings rates for returns on investments placed for periods up to about three months during each financial year are as follows: -

Average earnings in each year	
2024/25 (remainder)	4.60%
2025/26	4.10%
2026/27	3.70%
2027/28	3.50%
2028/29	3.50%
Years 6 to 10	3.50%
Years 10+	3.50%

As there are so many variables at this time, caution must be exercised in respect of all interest rate forecasts. Rates used for MTFS investment income budgets differ slightly from the above as they have been adjusted to reflect the split between fixed term investments and ones kept more liquid in Money Market Funds.

Investment treasury indicator and limit - total principal funds invested for greater than 365 days. These limits are set with regard to the Council's liquidity requirements and to reduce the need for early sale of an investment and are based on the availability of funds after each year-end.

Indicator 11 - Upper Limit for Fixed Interest Rates	2025/26 £m	2026/27 £m	2027/28 £m
	100%	100%	100%

Indicator 12 - Upper Limit for Variable Interest Rates	2025/26 £m	2026/27 £m	2027/28 £m
	40%	40%	40%

Indicator 14 - Maximum Principal Sums Invested for longer than 365 days	2025/26 £m	2026/27 £m	2027/28 £m
	7	7	7

4.5 Investment Performance / Risk Benchmarking

Yield benchmarks are widely used to assess investment performance. Discrete security and liquidity benchmarks are also requirements to Treasury Management reporting, although the application of these is more subjective in nature.

These benchmarks are simple guides to maximum risk, so may be breached from time to time, depending on movements in interest rates and counterparty criteria. The purpose of the benchmark is that officers will monitor the current and trend position and amend the operational strategy to manage risk as conditions change. Any breach of the benchmarks will be reported, with supporting reasons in the Mid-Year or Annual Report.

Security

Counterparty risk increases as the duration of investments increases. The council will continue its policy of investing the majority of its investments with duration of less than 12 months.

The Council's maximum security risk benchmark for the current portfolio, when compared to the historic default tables is 0.007%. This benchmark is an average risk of default measure and would not constitute an expectation of loss against a particular investment.

Liquidity

In respect of this area the Council seeks to maintain:

- Bank overdraft - £nil.
- Liquid short term deposits of at least £5 million available with a week's notice.
- Weighted Average Life benchmark is expected to be less than 0.5 years, with a maximum of 1.00 years.

Yield

Local measure of yield benchmark employed is:

- Investments – return above the 7 day SONIA compounded rate.

5 APPENDICES

1. Additional local prudential indicators
2. Interest rate forecasts
3. Economic background
4. Approved countries for investments
5. Treasury Management Practices

APPENDIX 1- ADDITIONAL LOCAL PRUDENTIAL INDICATORS 2025/26

Local Prudential Indicators

In addition to the statutory indicators set out in the Strategy, the Chief Finance Officer has set four additional local indicators aimed to add value and assist in the understanding of the main indicators.

Additional Local Indicator	2025/26 Target
1. Borrowing rate achieved(i.e. temporary borrowing of loans less than 1 year)	Less than SONIA rate
2. Investment rate achieved against the SONIA rate	Greater than SONIA rate
3. Average rate of interest paid on Council debt during the year	4.0%
4. The amount of interest on debt as a percentage of gross revenue expenditure.	Reported at year end
5. Net Income from Commercial and Service Investments to Net Revenue Stream	11.14%

APPENDIX 2- INTEREST RATE FORECASTS 2024-2027

Link Group Interest Rate View	11.11.24												
	Dec-24	Mar-25	Jun-25	Sep-25	Dec-25	Mar-26	Jun-26	Sep-26	Dec-26	Mar-27	Jun-27	Sep-27	Dec-27
BANK RATE	4.75	4.50	4.25	4.00	4.00	3.75	3.75	3.75	3.50	3.50	3.50	3.50	3.50
3 month ave eamings	4.70	4.50	4.30	4.00	4.00	4.00	3.80	3.80	3.80	3.50	3.50	3.50	3.50
6 month ave eamings	4.70	4.40	4.20	3.90	3.90	3.90	3.80	3.80	3.80	3.50	3.50	3.50	3.50
12 month ave earnings	4.70	4.40	4.20	3.90	3.90	3.90	3.80	3.80	3.80	3.50	3.50	3.50	3.50
5 yr PWLB	5.00	4.90	4.80	4.60	4.50	4.50	4.40	4.30	4.20	4.10	4.00	4.00	3.90
10 yr PWLB	5.30	5.10	5.00	4.80	4.80	4.70	4.50	4.50	4.40	4.30	4.20	4.20	4.10
25 yr PWLB	5.60	5.50	5.40	5.30	5.20	5.10	5.00	4.90	4.80	4.70	4.60	4.50	4.50
50 yr PWLB	5.40	5.30	5.20	5.10	5.00	4.90	4.80	4.70	4.60	4.50	4.40	4.30	4.30

PWLB forecasts are based on PWLB certainty rates.

APPENDIX 3- ECONOMIC BACKGROUND – FROM LINK (THE COUNCIL’S TREASURY ADVISORS)

The third quarter of 2024 (July to September) saw:

- GDP growth stagnating in July following downwardly revised Q2 figures (0.5% q/q)
- A further easing in wage growth as the headline 3myy rate (including bonuses) fell from 4.6% in June to 4.0% in July;
- CPI inflation hitting its target in June before edging above it to 2.2% in July and August;
- Core CPI inflation increasing from 3.3% in July to 3.6% in August;
- The Bank of England initiating its easing cycle by lowering interest rates from 5.25% to 5.0% in August and holding them steady in its September meeting;
- 10-year gilt yields falling to 4.0% in September.

Over the aforementioned period, the economy’s stagnation in June and July pointed more to a mild slowdown in UK GDP growth than a sudden drop back into a recession. However, in the interim period, to 12 December, arguably the biggest impact on the economy’s performance has been the negative market sentiment in respect of the fallout from the Chancellor’s Budget on 30 October.

If we reflect on the 30 October Budget, our central case is that those policy announcements will prove to be inflationary, at least in the near-term. The Office for Budgetary Responsibility and the Bank of England concur with that view. The latter have the CPI measure of inflation hitting 2.5% y/y by the end of 2024 and staying sticky until at least 2026. The Bank forecasts CPI to be elevated at 2.7% y/y (Q4 2025) before dropping back to sub-2% in 2027. Nonetheless, since the Budget, the October inflation print has shown the CPI measure of inflation bouncing up to 2.3% y/y with the prospect that it will be close to 3% by the end of the year before falling back slowly through 2025. The RPI measure has also increased significantly to 3.4% y/y.

How high inflation goes will primarily be determined by several key factors. First amongst those is that the major investment in the public sector, according to the Bank of England, will lift UK real GDP to 1.7% in 2025 before growth moderates in 2026 and 2027. The debate around whether the Government’s policies lead to a material uptick in growth primarily focus on the logistics of fast-tracking planning permissions, identifying sufficient skilled labour to undertake a resurgence in building, and an increase in the employee participation rate within the economy.

There are inherent risks to all the above. The worst-case scenario would see systemic blockages of planning permissions and the inability to identify and resource the additional workforce required to deliver large-scale IT, housing and infrastructure projects. This would lead to upside risks to inflation, an increased prospect of further Government borrowing & tax rises in the June 2025 Spending Review (pushed back from the end of March), and a tepid GDP performance.

Regarding having a sufficiently large pool of flexible and healthy workers, the initial outlook does not look bright. Research from Capital Economics has alluded to an increase of some 500,000 construction workers being needed to provide any chance of the Government hitting its target of 300,000 new homes being built in each of the next five years (234,000 net additional dwellings in England in 2022/23). But the last time such an increase was needed, and construction employment is currently at a nine-year low, it took 12 years to get there

(1996 to 2008). Also note, as of October 2024, job vacancies in the construction sector were still higher than at any time in the 20 years preceding the pandemic.

Currently, it also seems likely that net inward migration is set to fall, so there is likely to be a smaller pool of migrant workers available who, in the past, have filled the requirement for construction worker demand. The Government plans to heavily promote training schemes, particularly to the one million 16- to 24-year-olds who are neither in education nor work. But it is arguable as to whether the employee shortfall can be made up from this source in the requisite time, even if more do enter the workforce.

Against, this backdrop, there may be a near-term boost to inflation caused by a wave of public sector cash chasing the same construction providers over the course of the next year or so, whilst wages remain higher than the Bank currently forecasts because of general labour shortages, including in social care where Government accepts there is a 150,000 shortfall at present.

Unemployment stands at a low 4.3% (September), whilst wages are rising at 4.3% y/y (including bonuses) and 4.8% (excluding bonuses). The Bank would ideally like to see further wage moderation to underpin any further gradual relaxing of monetary policy. Indeed, over the next six months, the market is currently only pricing in Bank Rate reductions in February and May – which would see Bank Rate fall to 4.25% - but further cuts, thereafter, are highly likely to be even more data-dependent.

If we focus on borrowing, a term we are likely to hear throughout 2025 is “bond vigilante”. Essentially, this represents a generic term for when the market is ill at ease with the level of government borrowing and demands a higher return for holding debt issuance. In the UK, we do not need to go back too far to recall the negative market reaction to the Truss/Kwarteng budget of 2022. But long-term borrowing rates have already gradually moved back to those levels since their recent low point in the middle of September 2024. Of course, the UK is not alone in this respect. Concerns prevail as to what the size of the budget deficit will be in the US, following the election of Donald Trump as President, and in France there are on-going struggles to form a government to address a large budget deficit problem too. Throw into the mix the uncertain outcome to German elections, and there is plenty of bond investor concern to be seen.

Staying with the US, Donald Trump’s victory paves the way for the introduction/extension of tariffs that could prove inflationary whilst the same could be said of further tax cuts. Invariably the direction of US Treasury yields in reaction to his core policies will, in all probability, impact UK gilt yields. So, there are domestic and international factors that could impact PWLB rates whilst, as a general comment, geo-political risks continue to abound in Europe, the Middle East and Asia.

In the past month, the US Core CPI measure of inflation has indicated that inflation is still a concern (3.3% y/y, 0.3% m/m), as has the November Producer Prices Data (up 3.0 y/y v a market estimate of 2.6% y/y, 0.4% m/m v an estimate of 0.2% m/m) albeit probably insufficient to deter the FOMC from cutting US rates a further 0.25% at its December meeting. However, with Trump’s inauguration as President being held on 20 January, further rate reductions and their timing will very much be determined by his policy announcements and their implications for both inflation and Treasury issuance.

Looking at gilt movements in the first half of 2024/25, and you will note the 10-year gilt yield declined from 4.32% in May to 4.02% in August as the Bank’s August rate cut signalled the

start of its loosening cycle. More recently, however, 10 year gilt yields have spiked back up to 4.35%.

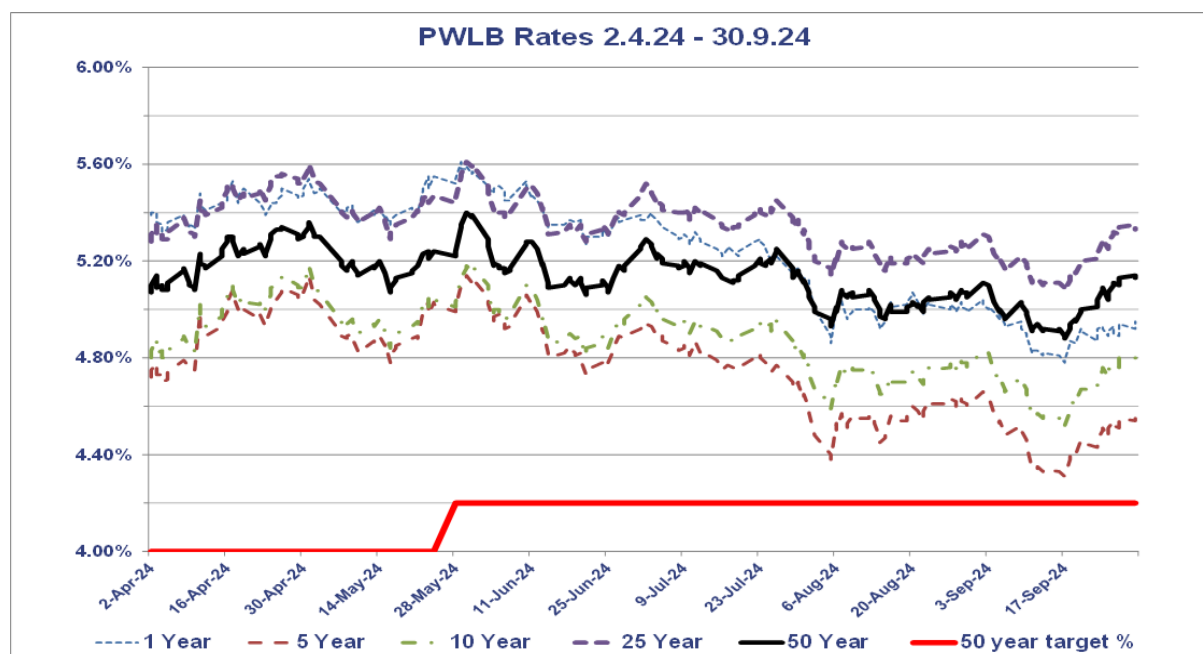
The FTSE 100 reached a peak of 8,380 in the third quarter of 2024 (currently 8,304), but its performance is firmly in the shade of the US S&P500, which has breached the 6,000 threshold on several occasions recently, delivering returns upwards of 25% y/y. The catalyst for any further rally (or not) is likely to be the breadth of AI's impact on business growth and performance.

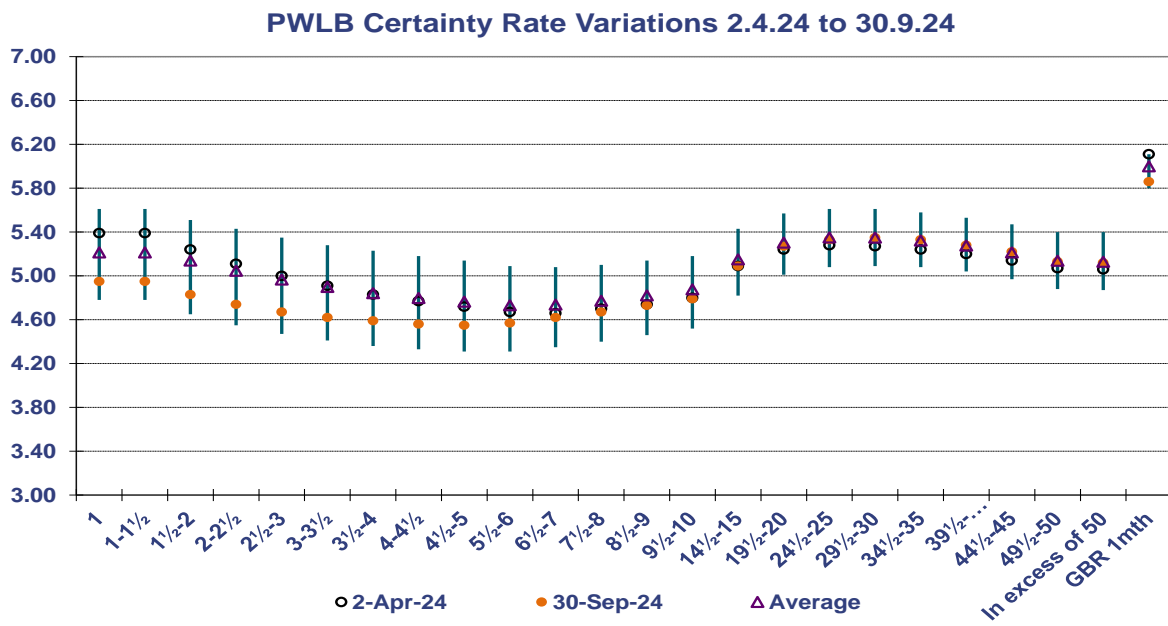
MPC meetings: 9 May, 20 June, 1 August, 19 September, 7 November 2024

- On 9 May, the Bank of England's Monetary Policy Committee (MPC) voted 7-2 to keep Bank Rate at 5.25%. This outcome was repeated on 20th June.
- However, by the time of the August meeting, there was a 5-4 vote in place for rates to be cut by 25bps to 5%. However, subsequent speeches from MPC members have supported Governor Bailey's tone with its emphasis on "gradual" reductions over time.
- Markets thought there may be an outside chance of a further Bank Rate reduction in September, following the 50bps cut by the FOMC, but this came to nothing.
- On 7 November, Bank Rate was cut by 0.25% to 4.75%. The vote was 8-1 in favour of the cut but the language used by the MPC emphasised "gradual" reductions would be the way ahead with an emphasis on the inflation and employment data releases, as well as geo-political events.

In the chart below, despite a considerable gilt market rally in mid-September, rates started and finished the six-month period under review in broadly the same position.

PWL B RATES 02.04.24 - 30.09.24





HIGH/LOW/AVERAGE PWLB RATES FOR 02.04.24 – 30.09.24

	1 Year	5 Year	10 Year	25 Year	50 Year
02/04/2024	5.39%	4.72%	4.80%	5.28%	5.07%
30/09/2024	4.95%	4.55%	4.79%	5.33%	5.13%
Low	4.78%	4.31%	4.52%	5.08%	4.88%
Low date	17/09/2024	17/09/2024	17/09/2024	17/09/2024	17/09/2024
High	5.61%	5.14%	5.18%	5.61%	5.40%
High date	29/05/2024	01/05/2024	01/05/2024	01/05/2024	01/05/2024
Average	5.21%	4.76%	4.88%	5.35%	5.14%
Spread	0.83%	0.83%	0.66%	0.53%	0.52%

APPENDIX 4- APPROVED COUNTRIES FOR INVESTMENT

This list is based on those countries which have sovereign ratings of AA- or higher, (we show the lowest rating from Fitch, Moody's and S&P) and also, (except - at the time of writing - for Hong Kong and Luxembourg), have banks operating in sterling markets which have credit ratings of green or above in the Link creditworthiness service.

Based on lowest available rating (as at 25.11.24)

AAA

- Australia
- Denmark
- Germany
- Netherlands
- Norway
- Singapore
- Sweden
- Switzerland

AA+

- Canada
- Finland
- U.S.A.

AA

- Abu Dhabi (UAE)
- Qatar

AA-

- Belgium
- France
- **U.K.**

**CITY OF LINCOLN COUNCIL
TREASURY MANAGEMENT POLICY –
CODE OF PRACTICE FOR TREASURY
MANAGEMENT
(January 2025)**

KEY PRINCIPLES

The City of Lincoln Council adopts the following three key principles identified within the *CIPFA Treasury Management in the Public Services Code of Practice* (The Code).

Key Principle 1

Public service organisations should put in place formal and comprehensive objectives, policies and practices, strategies and reporting arrangements for the effective management and control of their treasury management activities.

Key Principle 2

The policies and practices should make clear that the effective management and control of risk are prime objectives of the treasury management activities and that responsibility for these lies clearly within the organisation. The appetite for risk should form part of the annual investment strategy, including any use of financial instruments for the prudent management of those risks, and should ensure that priority is given to security and *portfolio* liquidity when investing *treasury management* funds.

Key Principle 3

They should acknowledge that the pursuit of value for money in treasury management, and the use of suitable performance measures, are valid and important tools for responsible organisations to employ in support of their business and service objectives; and that within the context of effective risk management, their treasury management policies and practices should reflect this.

ADOPTED CLAUSES

In accordance with *CIPFA's Treasury Management in the Public Services Code of Practice* (The Code), the City of Lincoln Council adopts the following four clauses:

1. The City of Lincoln Council will create and maintain, as the cornerstones for effective treasury and investment management:
 - a treasury management policy statement, stating the policies, objectives and approach to risk management of its treasury management activities
 - suitable treasury management practices (TMP's), setting out the manner in which it will seek to achieve those policies and objectives, and prescribing how it will manage and control those activities.

The content of the policy statement and TMP's will follow the recommendations contained in Sections 6 and 7 of the Code, subject only to amendment where necessary to reflect the particular circumstances of this organisation. Such amendments will not result in the City of Lincoln Council materially deviating from the Code's key principles.

2. The Performance Scrutiny Committee of the City of Lincoln Council will receive reports on its treasury management policies, practices and activities, including, a quarterly review and an annual report after its close, in the form prescribed in its TMP's. The Audit Committee of the City of Lincoln Council will receive on at least an annual basis a report of the treasury management strategy before approval by the Executive and full Council. Revised strategies may be prepared and presented within the quarterly monitoring report.
3. The City of Lincoln Council delegates responsibility for the implementation and regular monitoring of its treasury management policies and practices to the Performance Scrutiny Committee, and for the execution and administration of treasury management decisions to the Chief Finance Officer, who will act in accordance with the organisation's policy statement and TMPs.
4. The City of Lincoln Council nominates the Audit Committee to be responsible for ensuring effective scrutiny of the treasury management strategy and policies.

TREASURY MANAGEMENT POLICY STATEMENT

1. The City of Lincoln Council defines its treasury management activities as:

“The management of the organisation’s borrowing, investments and cash flows, its banking, money market and capital market transactions; the effective control of the risks associated with those activities; and the pursuit of optimum performance consistent with those risks.”

2. The City of Lincoln Council regards the successful identification, monitoring and control of risk to be the prime criteria by which the effectiveness of its treasury management activities will be measured. Accordingly, the analysis and reporting of treasury management activities will focus on their risk implications for the organisation, and any financial instruments entered into to manage these risks.

3. The City of Lincoln Council acknowledges that effective treasury management will provide support towards the achievement of its business and service objectives. It is therefore committed to the principles of achieving value for money in treasury management, and to employing suitable comprehensive performance measurement techniques, within the context of effective risk management.

The City of Lincoln Council's Treasury Management Practices (TMPs) set out the manner in which the Council will seek to achieve its treasury management policies and objectives and how it will manage and control those activities. The schedules below follow the TM Code and have been suitably amended where necessary to reflect the Council's particular needs and circumstances.

TREASURY MANAGEMENT PRACTICES (2024-25)

Contents

TMP1 - TREASURY RISK MANAGEMENT	5
TMP2 - PERFORMANCE MANAGEMENT	21
TMP3 - DECISION-MAKING AND ANALYSIS.....	24
TMP4 - APPROVED INSTRUMENTS, METHODS AND TECHNIQUES.....	27
TMP5 - ORGANISATION, CLARITY AND SEGREGATION OF RESPONSIBILITIES, AND DEALING ARRANGEMENTS.....	31
TMP6 - REPORTING REQUIREMENTS AND MANAGEMENT INFORMATION ARRANGEMENTS	39
TMP7 - BUDGETING, ACCOUNTING AND AUDIT ARRANGEMENTS	42
TMP8 - CASH AND CASH FLOW MANAGEMENT	44
TMP9 - MONEY LAUNDERING	47
TMP10 - STAFF TRAINING AND QUALIFICATIONS.....	51
TMP11 - USE OF EXTERNAL SERVICE PROVIDERS	53
TMP12 - CORPORATE GOVERNANCE	56
INVESTMENT MANAGEMENT PRACTICES FOR NON-TREASURY INVESTMENTS	57

TMP1 - TREASURY RISK MANAGEMENT
--

General statement

The City of Lincoln Council regards a key objective of its treasury management activities to be the security of the principal sums it invests. Accordingly, it will ensure that robust due diligence procedures cover all external investments including investment properties.

The Chief Finance Officer will design, implement and monitor all arrangements for the identification, management and control of treasury management risk, will report at least annually on the adequacy/suitability thereof, and will report, as a matter of urgency, the circumstances of any actual or likely difficulty in achieving the City of Lincoln Council's objectives in this respect, all in accordance with the procedures set out in TMP6 *Reporting requirements and management information arrangements*.

[1] Credit and counterparty risk management

Credit and counter-party risk is *"The risk of failure by a counterparty to meet its contractual obligations to the organisation under an investment, borrowing, capital project or partnership financing, particularly as a result of the counterparty's diminished creditworthiness, and the resulting detrimental effect on the organisation's capital or current (revenue) resources"*

The City of Lincoln Council regards a key objective of its treasury management activities to be the security of the principal sums it invests. Accordingly, it will ensure that its counterparty lists and limits reflect a prudent attitude towards organisations with which funds may be deposited, and will limit its investment activities to the instruments, methods and techniques referred to in TMP4 Approved Instruments Methods and Techniques and listed in the schedule to this document. It also recognises the need to have, and will therefore maintain, a formal counterparty policy in respect of those organisations from which it may borrow, or with whom it may enter into other financing arrangements.

Policy on the use of credit risk analysis techniques

[1] Credit and counterparty risk management (reviewed and updated annually as part of the Council's Treasury Management Strategy)

- **Debt Management Office** – The council to use at the discretion of the Chief Finance Officer.
- **Criteria to be used for creating/managing approved counterparty lists/limits** – the type of institutions that are included on the Council's counterparty list are based on the Council's ethical policy and by reference to investment guidance. The Council uses the creditworthiness service

provided by its treasury management advisors, MUFG (formerly known as Link Group). This service employs a sophisticated modelling approach utilising credit ratings from the three main credit rating agencies, Fitch, Moody's and Standard and Poor's. The credit ratings of counterparties are supplemented with overlays of credit watches and credit outlooks from credit rating agencies; Credit Default Swaps (CDS) spreads to give early warning of likely changes in credit ratings; and sovereign ratings to select counterparties from creditworthy countries. The criteria used for the counterparty list are based on the Council's attitude to investment risk and advice from the Council's treasury management consultants. Typically, the minimum credit ratings criteria the Council use will be a short-term rating (Fitch or equivalent) of F1 (highest credit quality) and a long-term rating A- (high credit quality). There may be occasions when the counterparty ratings from one rating agency are marginally lower than these ratings but the counterparty may still be used if consideration of the whole range of ratings available and other topical market information supports their use.

MUFG modelling approach described above combines credit ratings, credit watches and credit outlooks in a weighted scoring system which is then combined with an overlay of CDS spreads for which the end product is a series of colour coded bands which indicate the relative creditworthiness of counterparties. These colour codes are used by the Council to determine the suggested duration for investments. The Council will therefore use counterparties within the following durational bands:

Yellow	5 years
Purple	2 years
Blue	1 year (only applies to part-government owned UK banks)
Orange	1 year
Red	6 months
Green	100 days
No colour	Not to be used

The current minimum criteria for inclusion of counterparties on the list using the colour coding are as shown below, along with the allowable time and money limits.

Investment Counterparty Limits

Institution	Minimum credit criteria/colour band	Maximum limit per group or institution £ million	Maximum maturity period
SPECIFIED INVESTMENTS			
UK Bank ^{*1}	Orange/Blue Red Green	£7 million	Up to 1 year Up to 6 months Up to 100 days
Non-UK Banks ^{*1} Sovereign rating AA	Orange Red Green	£7 million	Up to 1 year Up to 6 months Up to 100 days
Building Society ^{*2}	Orange Red Green	£5 million	Up to 1 year Up to 6 months Up to 100 days
Money Market Fund CNAV ^{*3}	Yellow	£7 million	Liquid
Money Market Fund LVNAV ^{*3}			
Money Market Fund VNAV ^{*3}			
UK Government ^{*4}	Yellow	unlimited	Up to 6 months
UK Local Authority ^{*4}	Yellow	£3 million	Up to 1 year
UNSPECIFIED INVESTMENTS			
UK Bank ^{*1}	Purple	£7 million	Up to 2 years
Non-UK Banks ^{*1} Sovereign rating AA	Purple	£7 million	Up to 2 years
Building Society ^{*2}	Purple Yellow	£2 million	Up to 2 years Up to 5 years
UK Local Authority ^{*4}	Yellow	£3 million	Up to 5 years
Lincoln Credit Union	N/A	£10K	N/A
Council's own bank ^{*5} (operational cash limit in addition to the investment group limit)	N/A	£500K	Overnight

^{*1} Where the term 'Bank' is used this denotes a UK or European Bank authorised to accept deposits through a bank account incorporated within the UK banking sector. The maximum amount indicated is the 'Group total' and covers the total amount that can be invested when spread over any number of subsidiaries within that group.

^{*2} Where the term Building Society is used this denotes a UK Building Society.

^{*3} Money market funds are mutual funds that invest in short-term high quality debt instruments. The assets are actively managed within very specific guidelines to offer safety of principal, liquidity and competitive returns. Although money funds are regarded as short-term investments the rating agencies use a classification system based on long-term debt ratings.

^{*4} The UK Government (i.e. HM Treasury and its Executive Agency the Debt Management Office) and Local Authorities, although not rated as such, are classified as having the equivalent of the highest possible credit rating.

^{*5} This limit covers normal treasury management activities but excludes any deposits received after money market trading has closed. It allows up to £500K operational cash to be held in the Council's main bank account in addition to the group investment limit for the bank, if the bank is included on the Council's counterparty list.

- **Approved methodology for changing limits and adding/removing counterparties** - The Council's treasury management consultants compile a full list of counterparties, with their appropriate colour coding, designated as the "Credit list". This list is issued to the Council and renewed on a weekly basis. Notifications of any changes are received as they occur. The latest

position is also available on MUFG's Passport system. The credit rating position is updated on this system as soon as any changes are made to credit ratings. The latest position will be checked and is used as a source of reference before any investments are undertaken. If the change to a counterparty is a downgrade and no longer meets the Council's minimum criteria then its further use as a new investment will be withdrawn immediately.

- ***Full individual listings of counterparties and counterparty limits*** – the minimum creditworthiness (indicated by the colour coding) for inclusion of a counterparty is shown in the table above. Investments are categorised as specified and non-specified (in line with the investment guidelines issued in March 2010) and the maximum amounts and periods to be invested within the two categories are shown in the table above (based on the current Treasury Management Strategy).
- ***Details of credit rating agencies' services*** – The creditworthiness service provided by MUFG and used by the Council uses the three credit rating agencies, Fitch, Standard and Poor's and Moody's, which are recognised worldwide. Each of them is established in most countries and has a universal credit rating scale. These three leading international rating agencies have established a universal and open methodology of drawing up rating reports. Activities of the rating agency are public and all necessary information of rating decisions is available on the Internet.
- **Country and sector considerations** - Due care will be taken to consider the country, group and sector exposure of the Council's investments. In part the country selection will be chosen by the credit rating of the Sovereign state. In addition:
 - No investments to be placed in non-EU banks.
 - No more than 50% will be placed with any non-UK country.
 - Group limits have been set to ensure that the Council is not exposed to excessive risk due to concentration of investments within any one institution or group. These are detailed in the Investment Counterparty Limits table.
- **Use of additional information other than credit ratings** - Additional requirements under the Code of Practice now require the Council to supplement credit rating information. The creditworthiness service provided by MUFG now employed by the Council fully meets this requirement as the sophisticated modelling approach combines credit ratings, credit watches and credit outlooks and then overlays CDS spreads to produce a final creditworthiness score. However, sole reliance is not placed on the use of this external service. In addition, the Council will also use market data and market information, information on government support for banks and the credit ratings of that supporting government.

In preparing the annual strategy, the City of Lincoln Council will:

- Produce a list of approved investment instruments for both Specified and Non-specified Investments,
- Identify criteria for inclusion on the Council's Counterparty List,
- Determine the minimum credit ratings required for both Specified and Non-Specified Investments and the maximum amounts and periods to be invested in Specified and Non-specified Investments.

Policy on environmental, social and governance (ESG) considerations

The Council's credit and counterparty policies should set out its policy and practices relating to environmental, social and governance (ESG) investment considerations. This is a developing area, and it is not implied that the Council's ESG policy will currently include ESG scoring or other real-time ESG criteria at individual investment level.

Councils are currently recommended to consider their credit and counterparty policies in light of ESG information and develop their own ESG investment policies and treasury management practices consistent with their organisation's own relevant policies, such as environmental and climate change policies.

The prime consideration when assessing the suitability of counterparties and investments must continue to be Security, Liquidity and then Yield, in that order. Only then will ESG factors be considered. The Council does not invest in bond or equity markets, therefore there is currently a lack of data available on which to base ESG considerations relevant to the Council's investments. The main ratings agencies are increasingly including ESG risks alongside more traditional financial risk metrics when assessing counterparty ratings. Therefore, the incorporation of ESG risks is already being considered, to an extent, by the use of mainstream rating agencies. Our treasury advisors MUFG also continue to look at ways in which ESG factors can be incorporated into their creditworthiness assessment service, and they have advised clients that they will review the options and will update clients as progress is made. As the Council develops its environmental and climate change policies, including the net zero carbon target by 2030, ESG investment policies and procedures can then be developed to align with these.

[2] Liquidity risk management

This is "The risk that cash will not be available when it is needed, that ineffective management of liquidity creates additional unbudgeted costs, and that the organisations business/service objectives will be thereby compromised."

The City of Lincoln Council will ensure it has adequate though not excessive cash resources, borrowing arrangements, or standby facilities to enable it at all times to have the level of funds available to it which are necessary for the achievement of its business/service objectives.

The City of Lincoln Council will only borrow in advance of need where there is a clear business case for doing so and will only do so for the current capital programme or to finance future debt maturities.

The Treasury Management section shall seek to minimise the balance held in the Council's main bank accounts at the close of each working day at £500,000. Borrowing or lending shall be arranged in order to achieve this aim.

- **Minimum cash balances and short-term investments** – the Council has a policy of a minimum of £5m to be deposited in instruments that can be accessed within a week but does not have set amounts for minimum cash balances to cover shortages in cash flow. A twelve-month cash flow forecast model is used as a tool to forecast cash inflows and outflows, and investments are made for specific periods, which take into account when money is required to fund cash outflows, thereby keeping short-term borrowing to an absolute minimum. However, short-term borrowing will be incurred, if it is deemed prudent to take advantage of good investment rates.
- **Standby facilities** – these relate to any tools that the Council has to manage its liquidity and as such are covered by short-term borrowing facilities (see below). In addition, the Council also maintains several Money Markets Funds and five Deposit accounts. These are exceptionally liquid investment instruments that offer same day access to any funds placed therein. The Council does not have a Policy of maintaining a minimum balance within any of these funds but in reality, these funds are used as an alternative to overnight and other short-term periods of investment.
- **Bank overdraft arrangements** – the Council does not currently have an overdraft facility with its bankers (currently Lloyds Bank). Accurate cash flow forecasting and immediate access to funds in Money Market Funds mean that under normal circumstances an overdraft facility is not required. On the very rare occasions that the bank balance may be overdrawn the fees charged are considerably less than the annual overdraft fee. The need for an overdraft facility is reviewed annually on August 30th and forms part of the 'Overdraft and other Facilities' agreement with the Bank.
- **Short-term borrowing facilities** – When the Council has a need to borrow short-term (up to 1 year), Money Market Brokers are contacted (currently Tradition, BGC or King and Shaxson) to obtain the necessary funds. The broker will quote a rate that is based on current market conditions. A fee is payable to the broker for this service, typically between 3 and 10 basis points.
- **Insurance/guarantee facilities** – the Council is insured in respect of loss of money or other property belonging to it or in its trust or custody under a Fidelity Guarantee with Travelers. This only relates to loss occurring as a direct result of any act of fraud or dishonesty on the part of an employee (as specified under the Policy Schedule). This Policy is renewable annually in

April. The full terms and conditions of the Fidelity Guarantee and Policy schedule including the designated Officers, the employees and sums for which they are covered are available from the Financial Services Manager.

- **Other contingency arrangements** – in line with investment guidance the Council has set maximum amounts and periods for which funds may prudently be committed to ensure it has sufficient liquidity in its investments. The limits are shown above (Investment counterparty limits) - limits are based on the current Treasury Management Strategy.

The Council has adopted the following Prudential Indicator to limit the amount that can be invested over 1 year as shown below:

Prudential Indicator No.14	2025/26 £m	2026/27 £m	2027/28 £m
Maximum principal sums invested for longer than 1 year	7	7	7

[3] Interest rate risk management

This is *“The risk that fluctuations in the levels of interest rates create an unexpected or unbudgeted burden on the organisation’s finances, against which the organisation has failed to protect itself adequately.”*

The City of Lincoln Council will manage its exposure to fluctuations in interest rates with a view to containing its interest costs, or securing its interest revenues, in accordance with the amounts provided in its budgetary arrangements as amended in accordance with TMP6 *Reporting requirements and management information arrangements*.

It will achieve this by the prudent use of its approved financing and investment instruments, methods and techniques, primarily to create stability and certainty of costs and revenues, but at the same time retaining a sufficient degree of flexibility to take advantage of unexpected, potentially advantageous changes in the level or structure of interest rates. This should be subject to the consideration and, if required, approval of any policy or budgetary implications.

Approved interest rate exposure limits – in order to minimise the risk of wide fluctuations in interest rates the Council sets annually upper limits on variable and fixed interest rate exposure (based upon the debt position net of investments), please refer to the Annual Treasury Management Strategy for the current limits which are based on the following limits on borrowing and investment exposures:

- Upper limit on fixed rate investments – 100%
- Upper limit on variable rate investments – 75%
- Upper limit on fixed rate borrowing – 100%

- Upper limit on variable rate borrowing – 40%

The indicators above are set as part of the Council's annual Prudential Indicators and Treasury Management Strategy.

- ***Trigger points and other guidelines for managing changes to interest rate levels*** – the Council's current Treasury Management consultants provide regular interest rate forecasts and economic advice, which assists the Council to manage changes in interest rate levels. This forecasting and economic advice includes:
 - Regular forecasts of PWLB rates and imminent changes are given to the Council, with particular regard to the agreed underlying strategy. Continuous updates on market conditions and trends affected by economic, fiscal and political factors are also provided
 - A weekly and monthly newsletter
 - A quarterly 'Economic and Interest Rate Forecast' bulletin
- ***Minimum/maximum proportions of variable rate debt/interest*** – the Council has set the maximum proportion of variable interest rate exposure.

The Council also sets a minimum level for the proportions of variable rate debt and interest. These limits feed into the limit on the net debt position, which is based on estimated levels of debt and investments.

Policies concerning the use of instruments for interest rate management.

- Forward dealing
Consideration will be given to dealing from forward periods dependent upon market conditions. When forward dealing is more than 1 month forward then the approval of the Chief Finance Officer is required.
- Callable deposits
The Council will use callable deposits as part as of its Investment Strategy. The credit criteria and maximum periods are set out in the Schedule of Specified and Non-Specified Investments in the Investment Strategy.
- LOBOS (borrowing under lender's option/borrower's option)
Use of LOBOs are not currently considered as part of the annual borrowing strategy. All borrowing for periods in excess of 364 days must be approved by Chief Finance Officer.

[4] Exchange rate risk management

This is *“The risk that fluctuations in foreign exchange rates create an unexpected or unbudgeted burden on the organisation’s finances, against which the organisation has failed to protect itself adequately.”*

City of Lincoln Council will manage its exposure to fluctuations in exchange rates so as to minimise any detrimental impact on its budgeted income/expenditure levels.

The Council only invests and borrows funds in sterling; thereby avoiding any risk associated with fluctuations in exchange rates.

[5] Inflation risk management

This is *“The chance that the cash flows from an investment won’t be worth as much in the future because of changes in purchasing power due to inflation,”*

The City of Lincoln Council will keep under review the sensitivity of its treasury assets and liabilities to inflation and will seek to manage the risk accordingly in the context of the whole organisation’s inflation exposures.

[6] Refinancing risk management

“The risk that maturing borrowings, capital, project or partnership financing cannot be refinanced on terms that reflect the provisions made by the organisation for those refinancings, both capital and current (revenue), and / or that the terms are inconsistent with prevailing market conditions at the time.”

The City of Lincoln Council will ensure that its borrowing, private financing and partnership arrangements are negotiated, structured and documented, and the maturity profile of the monies so raised are managed, with a view to obtaining offer terms for renewal or refinancing, if required, which are competitive and as favourable to the City of Lincoln Council as can reasonably be achieved in the light of market conditions prevailing at the time.

It will actively manage its relationships with its counterparties in these transactions in such a manner as to secure this objective and will avoid over-reliance on any one source of funding if this might jeopardise achievement of the above.

Debt/Other Capital Financing, Maturity Profiling, Policies and Practices

The Council will establish through its Prudential and Treasury Indicators the amount of debt maturing in any year/period.

Any debt rescheduling will be considered when the difference between the refinancing rate and the redemption rate is most advantageous, and the situation will be continually monitored in order to take advantage of any perceived

anomalies in the yield curve. The reasons for any rescheduling to take place will include:

- the generation of cash savings at minimum risk;
- to reduce the average interest rate;
- to amend the maturity profile and /or the balance of volatility of the debt portfolio.

Rescheduling will be reported to the Executive at the meeting immediately following its action in the quarterly report and in the annual review report.

Projected Capital Investment Requirements

The Chief Finance Officer will prepare a five-year plan for capital expenditure for the Council. The capital plan will be used to prepare a five-year revenue budget for all forms of financing charges.

In addition, the Chief Finance Officer will draw up a capital strategy report which will give a longer-term view.

The definition of capital expenditure and long-term liabilities used in the Code will follow recommended accounting practice as per the Code of Practice on Local Authority Accounting.

Policy Concerning Limits on Affordability and Revenue Consequences of Capital Financing

In considering the affordability of its capital plans, the Council will consider all the resources currently available/estimated for the future together with the totality of its capital plans, revenue income and revenue expenditure forecasts for the forthcoming year and the two following years and the impact these will have on council tax and housing rent levels. It will also consider affordability in the longer term beyond this three-year period and assess the risks and rewards of significant investments to ensure the long-term financial sustainability of the authority.

The Council will use the definitions provided in the Prudential Code for borrowing, capital expenditure, capital financing requirement, commercial property, debt, financing costs, investments, net revenue stream, other long-term liabilities, treasury management and transferred debt.

[7] Legal and regulatory risk management

This is *“The risk that the organisation itself, or a third party with which it is dealing in its treasury management activities, fails to act in accordance with its legal powers or regulatory requirements, and that the organisation suffers losses accordingly.”*

The City of Lincoln Council will ensure that all of its treasury management activities comply with its statutory powers and regulatory requirements. It will demonstrate such compliance, if required to do so, to all parties with whom it deals in such activities. In framing its credit and counterparty policy under TMP1[1] *Credit and counterparty risk management*, it will ensure that there is evidence of counterparties' powers, authority and compliance in respect of the transactions they may affect with the City of Lincoln Council, particularly with regard to duty of care and fees charged.

The City of Lincoln Council recognises that future legislative or regulatory changes may impact on its treasury management activities and, so far as it is reasonably able to do so, will seek to minimise the risk of these impacting adversely on the City of Lincoln Council.

References to Relevant Statutes and Regulations

The treasury management activities of the Council shall comply fully with legal statute, guidance, Codes of Practice and the regulations of the Council. These are:

Statutes

- Local Government Finance Act 1988 section 114 – duty on the responsible officer to issue a report if the Council is likely to get into a financially unviable position.
- Requirement to set a balanced budget - Local Government Finance Act 1992 section 32 for billing authorities and section 43 for major precepting authorities.
- Local Government Act 2003
- S.I. 2003 No.2938 Local Government Act 2003 (Commencement No.1 and Transitional Provisions and Savings) Order 2003 13.11.03
- S.I. 2003 No.3146 Local Authorities (Capital Finance and Accounting) (England) Regulations 2003 and associated commentary 10.12.03
- S.I. 2004 No.533 Local Authorities (Capital Finance) (Consequential, Transitional and Savings Provisions) Order 2004 8.3.04
- S.I. 2004 No.534 Local Authorities (Capital Finance and Accounting) (Amendment) (England) Regulations 2004 8.3.04
- S.I. 2004 no. 3055 [The Local Authorities \(Capital Finance and Accounting\) \(Amendment\) \(England\) \(No. 2\) Regulations 2004](#)
- S.I. 2006 no. 521 Local Authorities (Capital Finance and Accounting) (Amendment) (England) Regulations 2006
- S.I. 2007 no. 573 Local Authorities (Capital Finance and Accounting) (Amendment) (England) Regulations 2007
- Local Government and Public Involvement in Health Act 2007 s238(2) – power to issue guidance; to be used re: MRP
- S.I. 2008 no. 414 Local Authorities (Capital Finance and Accounting) (Amendment) (England) Regulations 2008
- S.I. 2009 no. 321 Local Authorities (Capital Finance and Accounting) (Amendment) (England) Regulations 2009

- S.I. 2009 no. 2272 The Local Authorities (Capital Finance and Accounting) (England) (Amendment) (No.2) Regulations 2009
- S.I. 2009 no. 3093 The Local Government Pension Fund Scheme (Management and Investment of Funds) Regulations 2009
- S.I. 2010 no. 454 (Capital Finance and Accounting) (Amendment) (England) Regulations 2010
- Localism Act 2011
- S.I. 2012 no. 265 Local Authorities (Capital Finance and Accounting) (England) (Amendment) Regulations 2012
- S.I. 2012 No. 711 The Local Authorities (Capital Finance and Accounting) (England) (Amendment) (No. 2) Regulations 2012
- S.I. 2012 No. 1324 The Local Authorities (Capital Finance and Accounting) (England) (Amendment) (No.3) Regulations 2012
- S.I. 2012 No. 2269 [The Local Authorities \(Capital Finance and Accounting\) \(England\) \(Amendment\) \(No. 4\) Regulations 2012](#)
- S.I. 2013 no. 476 The Local Authorities (Capital Finance and Accounting) (England) (Amendment) Regulations 2013
- S.I. 2015 no. 234 Accounts and Audit Regulations 2015
- *There has not been an issue of a Local Authorities (Capital Finance and Accounting) (England) Regulations statutory instrument in 2005, 2011 and 2016*
- S.I. 2017 no. 536 The Local Authorities (Capital Finance and Accounting) (England) (Amendment) Regulations 2017
- S.I. 2018 no. 1207 The Local Authorities (Capital Finance and Accounting) (England) (Amendment) Regulations 2018
- Statutory Guidance on Investments 2018
- Statutory Guidance on MRP 2018
- 2019 No. 394 Exiting the European Union financial services: The Money Market Funds (Amendment) (EU Exit) Regulations 2019
- S.I. 2019 no. 396 The Local Authorities (Capital Finance and Accounting) (England) (Amendment) Regulations 2019
- S.I. 2020 no. 1212 The Local Authorities (Capital Finance and Accounting) (England) (Amendment) Regulations 2020
- S.I. 2021 no. 611 The Local Authorities (Capital Finance and Accounting) (England) (Amendment) Regulations 2021

Guidance and codes of practice

- CIPFA Local Authority Capital Accounting - a reference manual for practitioners' latest year Edition
- CIPFA Guide for Chief Financial Officers on Treasury Management in Local Authorities 1996
- CIPFA Standard of Professional Practice on Treasury Management 2002
- CIPFA Standard of Professional Practice on Continuous professional Development 2005
- CIPFA Standard of Professional Practice on Ethics 2006
- The Good Governance Standard for Public Services 2004

- CIPFA's Treasury Management Codes of Practice and Guidance Notes 2021,
- CIPFA Prudential Code for Capital Finance in Local Authorities and Guidance Notes revised 2021
- LAAP Bulletins
- IFRS - Code of Practice on Local Authority Accounting in the United Kingdom: A Statement of recommended Practice
- PWLB circulars on Lending Policy
- The UK Money Markets Code (issued by the Bank of England – it was formerly known as the Code of Market Conduct issued by the Financial Conduct Authority)
- The Council's Standing Orders relating to Contracts
- The Council's Financial Procedure Rules
- The Council's Scheme of Delegated Functions

Procedures for Evidencing the Council's Powers/Authorities to Counterparties

The Council's powers to borrow and invest are contained in legislation.

Investing: Local Government Act 2003, section 12

Borrowing: Local Government Act 2003, section 1

In addition, it will make available on request the following: -

- the scheme of delegation of treasury management activities which is contained in Financial Procedure Rules
- the document which sets out which officers are the authorised signatories [TMP5]

Required Information on Counterparties

Lending shall only be made to counterparties on the Approved Lending list. This list has been compiled using advice from the Council's treasury advisers based upon credit ratings supplied by Fitch, Moodys and Standard and Poors.

Statement on the Council's Political Risks and Management of Same

The Chief Finance Officer shall take appropriate action with the Council, the Chief Executive and the Leader of the Council to respond to and manage appropriately political risks such as change of majority group, leadership in the Council, change of Government etc.

Monitoring Officer

The monitoring officer is the City Solicitor; the duty of this officer is to ensure that the treasury management activities of the Council are lawful.

Chief Financial Officer

The Chief Financial Officer is the S151 Officer, the duty of this officer is to ensure that the financial affairs of the Council are conducted in a prudent manner and to make a report to the Council if she has concerns as to the financial prudence of its actions or its expected financial position.

[8] Operational Risk, including Fraud, Error and Corruption

“The risk that an organisation fails to identify the circumstances in which it may be exposed to the risk of loss through fraud, error, corruption or other eventualities in its treasury management dealings, and fails to employ suitable systems and procedures and maintain effective contingency management arrangements to these ends. It includes the area of risk commonly referred to as operational risk.”

The City of Lincoln Council will ensure that it has identified the circumstances which may expose it to the risk of loss through fraud, error, corruption or other eventualities in its treasury management dealings. Accordingly, it will employ suitable systems and procedures, and will maintain effective contingency management arrangements, to these ends.

The Council will therefore: -

- seek to ensure an adequate division of responsibilities and maintenance at all times of an adequate level of internal check which minimises such risks.
- Fully document all its treasury management activities so that there can be no possible confusion as to what proper procedures are.
- Staff will not be allowed to take up treasury management activities until they have had proper training in procedures and are then subject to an adequate and appropriate level of supervision.
- Records will be maintained of all treasury management transactions so that there is a full audit trail and evidence of the appropriate checks being carried out.

Systems and procedures to be followed – in order to minimise the possibility of fraud, error or corruption, procedures for carrying out and monitoring treasury management activities involve rigorous requirements for audit, checking, control and reporting. These requirements are detailed in the relevant schedules i.e. TMP5 – Organisation, Clarity and Segregation of Duties and Dealing Arrangements. In the event of any fraud or corruption this will be immediately reported to either the Financial Services Manager or Chief Finance Officer who will determine the appropriate course of action. Similarly, any errors, which result in the breach of procedures set down in these schedules, will be reported either to the Financial Services Manager or Chief Finance Officer.

Emergency and contingency planning arrangements – Procedures to be implemented in the event of a disaster will be contained in the Council's Business Continuity Plans and I.T. Disaster Recovery Plan.

Insurance cover details – see TMP 1[2] for details.

[9] Price risk management

“The risk that, through adverse market fluctuations in the value of the principal sums an organisation borrows and invests, its stated TM policies and objectives are compromised, against which effects it has failed to protect itself adequately.”

The City of Lincoln Council will seek to ensure that its stated treasury management policies and objectives will not be compromised by adverse market fluctuations in the value of the principal sums it invests and will accordingly seek to protect itself from the effects of such fluctuations.

Approved procedures and limits for controlling exposure to investments whose capital value may fluctuate - the Council does not expose itself to this risk as it does not use investments whose capital value may fluctuate; in addition the Council does not use Fund Managers who may use investments whose capital value may fluctuate.

TMP2 - PERFORMANCE MANAGEMENT

The City of Lincoln Council is committed to the pursuit of value for money in its treasury management activities, and to the use of performance methodology in support of that aim, within the framework set out in its treasury management policy statement.

Accordingly, the treasury management function will be the subject of ongoing analysis of the value it adds in support of the City of Lincoln Council's stated business or service objectives. It will be the subject of regular examination of alternative methods of service delivery, of the availability of fiscal or other grant or subsidy incentives, and of the scope for other potential improvements. The performance of the treasury management function will be measured using the criteria set out in the schedule to this document.

Evaluation and Review of Treasury Management Decisions

The Council has a number of approaches to evaluating treasury management decisions: -

- quarterly reviews carried out by the treasury management team
- reviews with our treasury management consultants
- annual review after the end of the year as reported to full Council
- half yearly / quarterly / other monitoring reports to committee / full Council
- comparative reviews
- strategic, scrutiny and efficiency value for money reviews

Reviews with our treasury management consultants

The treasury management team holds reviews with our consultants every 6 months to review the performance of the investment and debt portfolios.

Review reports on treasury management

An Annual Treasury Report is submitted to the Council each year after the close of the financial year which reviews the performance of the debt / investment portfolios. This report contains the following: -

- total external debt (gross external borrowing plus other long-term liabilities such as finance leases) and average interest rates at the beginning and close of the financial year compared to the Capital Financing Requirement
- borrowing strategy for the year compared to actual strategy
- whether or not a decision was made to defer borrowing or to borrow in advance
- comment on the level of internal borrowing and how it has changed during the year
- assumptions made about interest rates
- investment strategy for the year compared to actual strategy

- explanations for variance between original borrowing and investment strategies and actual
- debt rescheduling done in the year
- actual borrowing and investment rates available through the year
- compliance with Prudential and Treasury Indicators
- other

In addition, quarterly reports will be submitted each year to provide updates on the above.

Comparative reviews

When data becomes available, comparative reviews are undertaken to see how the performance of the authority on debt and investments compares to other authorities with similar size portfolios (but allowing for the fact that Prudential and Treasury Indicators are locally set). Data used will be sourced from: -

- CIPFA Treasury Management statistics published each year for the last complete financial year
- CIPFA Benchmarking Club
- other

Benchmarks and Calculation Methodology:

Debt management

- Average rate on all external debt
- Average rate on external debt borrowed in previous financial year
- Average rate on internal borrowing
- Average period to maturity of external debt
- Average period to maturity of new loans in previous year
- Debt portfolio compared to the debt liability benchmark

Investment

The performance of investment earnings will be measured against the following benchmarks: -

- In house investments - Average daily SONIA

Policy Concerning Methods for Testing Value for money in Treasury Management

Frequency and processes for tendering

The process for advertising and awarding contracts will be in line with the Council's Contract Procedure Rules.

Banking services

The Council's banking arrangements are to be subject to competitive tender every 5 years unless it is considered that there will be changes in the volume of

transactions in the foreseeable future which renders a shorter period appropriate.

Money-broking services

The Council use money broking services in order to make deposits or to borrow and establish charges for all services prior to using them.

An approved list of brokers has been established which takes account of both prices and quality of services [TMP11].

Consultants'/advisers' services

This Council has appointed MUFG as its professional treasury management advisers.

Policy on External Managers (Other than relating to Superannuation Funds)

The Council's policy is not to appoint external investment fund managers.

TMP3 - DECISION-MAKING AND ANALYSIS
--

The City of Lincoln Council will maintain full records of its treasury management decisions, and of the processes and practices applied in reaching those decisions both for the purposes of learning from the past and for demonstrating that reasonable steps were taken to ensure that all issues relevant to those decisions were taken into account at the time. The issues to be addressed and processes and practices to be pursued in reaching decisions are detailed below.

Records to be kept:

Detailed records are maintained of all borrowings and investments made by the Council.

Processes to be pursued:

- Cash flow analysis;
- Debt and investment maturity analysis;
- Ledger reconciliation;
- Review of opportunities for debt restructuring;
- Review of borrowing requirement to finance capital expenditure (and other forms of financing where those offer value for money);
- Performance information (e.g. monitoring of actuals against budget for debt charges, interest earned, debt management; also monitoring of average pool rate, investment returns, etc).

Issues to be addressed:

In respect of every Treasury Management decision made, the Council will:

- above all be clear about the nature and extent of the risks to which the Council may become exposed
- be certain about the legality of the decision reached and the nature of the transaction, and that all authorities to proceed have been obtained
- be content that the documentation is adequate both to deliver the Council's objectives and protect the Council's interests, and to deliver good housekeeping
- ensure that third parties are judged satisfactory in the context of the Council's creditworthiness policies and that limits have not been exceeded
- be content that the terms of any transactions have been fully checked against the market, and have been found to be competitive

With the need to realise significant General Fund revenue savings to ensure that the budget is balanced and sustainable in the long term and the need to achieve efficiency savings in the Housing Revenue Account, the main theme of the borrowing and debt strategy is to reduce the individual average interest rates paid by each fund. The reduction in interest rates will be undertaken through debt restructuring opportunities and taking new borrowing with lower interest rates than the rates that have been projected in the budget estimates. However,

restructuring that increases the interest rate payable may be considered if it offers the Council the opportunity to take a discount, as part of the rescheduling exercise.

In respect of borrowing decisions, the Council will:

- consider the ongoing revenue liabilities created, and the implications for the organisation's future plans and budgets to ensure that its capital plans and investment plans are affordable, proportionate to the Council's overall financial capacity, and are within prudent and sustainable levels. This evaluation will be carried out in detail for three budget years ahead.
- Less detailed evaluation will also be carried out over a longer period to ensure that plans continue to be affordable, proportionate, prudent and sustainable in the longer term.
- not borrow to invest primarily for financial return.
- not borrow earlier than required to meet cash flow needs unless there is a clear business case for doing so.
- not borrow unless it is to finance the current capital programme or to fund future debt maturities, or to ensure an adequate level of short-term investments to provide liquidity for the Council.
- increase its CFR and borrowing solely for purposes directly and primarily related to the functions of the authority and where any financial returns are either related to the financial viability of the project in question or otherwise incidental to the primary purpose.
- undertake an annual review of any investments in commercial (debt for yield) schemes with a view to identify whether such assets should be sold to provide resources to finance capital expenditure plans or refinance maturing debt.
- evaluate the economic and market factors that might influence the manner and timing of any decision to fund.
- consider the merits and demerits of alternative forms of funding, including funding from revenue, leasing, external grants and private partnerships.
- consider the alternative interest rate bases available, the most appropriate periods to fund and repayment profiles to use and, if relevant, the opportunities for foreign currency funding.
- ensure that treasury management decisions are made in accordance with good professional practice.

The main theme of the investment strategy is to ensure the security of the sums invested as a first priority and secondly to ensure that the Council has access to sufficient liquid funds. Then thirdly to maximise interest from investments, within the constraints imposed by having regard to security and liquidity, in order to contribute towards any General Fund and Housing Revenue Account savings targets as detailed above. The increase of investment income will be sought through actively undertaking investments with higher interest rates than the rates that have been projected in the budget estimates.

In respect of investment decisions, the Council will:

- consider the optimum period, in light of cash flow availability and prevailing market conditions
- consider the alternative investment products and techniques available, especially the implications of using any which may expose the Council to changes in the value of its capital. The Council does not use such products
- ensure investments are included in the Councils 'approved investment instruments' (see TMP4 below)
- consider financial institutions and ensure they meet the minimum requirements for inclusion in the Council's counterparty list (see TMP1 schedule [1] above)
- ensure that the counterparty individual/group investment limits are not exceeded (see TMP1 [1] above)
- ensure the non-specified investment limit is not exceeded. The current limit is as approved in the Prudential Indicators and Treasury Management Strategy
- ensure that investments over 1 year do not exceed the limit as approved in the Treasury Management Strategy (see TMP1 schedule [1] above). This includes forward deals.

A meeting will be held for the Finance Business Partner to advise the Financial Services Manager when it is necessary to make investment and borrowing decisions where the length of the deal to be brokered has a maturity period greater than 3 months, and as necessary when other issues arise. A briefing note is prepared giving details of the proposed deal and supporting information which is discussed at the meeting. It will be signed off by the Financial Services Manager (or the Chief Finance Officer or City Solicitor in their absence) before the investment is made or any borrowing is taken.

Any investments with a maturity period greater than 364 require Chief Finance Officer approval.

TMP4 - APPROVED INSTRUMENTS, METHODS AND TECHNIQUES

The City of Lincoln Council will undertake its treasury management activities by employing only those instruments, methods and techniques detailed in the schedule to this document, and within the limits and parameters defined in TMP1 *Risk management*.

City of Lincoln Council has reviewed its classification with financial institutions under MIFID II and has set out in this schedule those organisations with which it is registered as a professional client and those with which it has an application outstanding to register as a professional client.

Approved Activities of the Treasury Management Operation

- borrowing;
- lending;
- debt repayment and rescheduling;
- consideration, approval and use of new financial instruments and treasury management techniques;
- managing the underlying risk associated with the Council's capital financing and surplus funds activities;
- managing cash flow;
- banking activities;
- leasing.

Approved instruments for investments

- ***Listings and individual limits for the use of approved instruments*** – In accordance the Council's current treasury management strategy, the instruments (split between specified and non-specified investments) that the Council will consider investing surplus funds in are shown below (individual limits are not set for approved investment instruments):

Instruments of Specified Investments *1

1. Gilt-edged securities issued by the United Kingdom Debt Management Office (UK DMO), an Executive Agency of HM Treasury.
2. Treasury Bills issued by the UK DMO.
3. Deposits with the Debt Management Office Debt Management Account Deposit Facility (DMADF).
4. Deposits with a Local Authority, Parish Council or Community Council.
5. Deposits with Banks and Building Societies (Including opening Business Accounts).
6. Certificates of deposit issued by Banks and Building societies.
7. Investment Schemes i.e. a Money Market Fund.

***1** To be defined as a Specified Investment the above instruments will have these features common to all:

- Be denominated in Sterling,
- Of not more than 1 year maturity,
- Of longer than 1 year maturity but the Council has the right to be repaid within 12 months,
- For instruments numbered 5 to 7 these must be with institutions that have been awarded a high credit rating by a Rating Agency.

Instruments of Non-Specified Investments *2

1. Deposits with Banks, Building Societies and their subsidiaries.

***2** To be defined as a Non-Specified Investment the above instruments will have these features common to all:

- Denominated in Sterling,
- Of more than 1-year maturity,
- Of less than 1-year maturity with an institution that does not meet the basic security requirements under Specified Investments e.g. a deposit with a non-credit rated Bank or Building Society.

Implementation of MIFID II Requirements

Since 3 January 2018, UK public sector bodies have been defaulted to 'retail' status under the requirements of MIFID II. However, for each counterparty it is looking to transact with (eg financial institution, fund management operator, broker), there remains the option to opt up to 'professional' status, subject to meeting certain requirements specified by MIFID II and that it has the appropriate level of knowledge and expertise and decision making processes in place in order to use regulated investment products.

MIFID II does not cover term deposits so local authorities should not be required to opt up to professional status. However some non-UK banks do not have the necessary regulatory permissions to deal with retail clients, so opting up to professional status would be required.

For investing in negotiable investment instruments (eg certificates of deposit, gilts, corporate bonds), money market funds and other types of investment funds, which are covered by MIFID II, a schedule is maintained of all counterparties that the treasury management team are authorized to place investments with. Records are held of each counterparty where the Council has opted up to professional status, with details of permissions applied for, instrument and date received, and similarly a record is held of those

counterparties/investments where there is no requirement to opt up to professional status.

- **MIFID II** – the council has opted for professional status for the purposes of MIFID II. The council is registered as a professional client with:

MUFG
King and Shaxson
BGC
Tradition
Institutional Cash Distributors Ltd

Approved Techniques

- Forward dealing;
- LOBOs – lenders option, borrower's option borrowing instrument;
- The use of structured products such as callable deposits.

Approved methods and sources of raising capital finance – capital finance will only be raised in accordance with the Local Government Act 2003 and within this limit the Council has a number of approved methods and sources of raising capital finance. These could include:

	Fixed	Variable
PWLB	●	●
Market Loans (long-term)	●	●
Local Bonds	●	
Negotiable Bonds	●	●
Finance Leases	●	●
Internal (capital receipts & revenue balances)	●	●

Other methods of financing include Government and European Capital Grants, Lottery monies, Private Finance Initiative (PFI), Public-Private Partnerships (PPP), operating leases and other capital contributions from relevant partners and stakeholders.

Borrowing will only be done in Sterling. All forms of funding will be considered dependent on the prevailing economic climate, regulations and local considerations. The Chief Finance Officer has delegated powers, in accordance with the Officers' Scheme of Delegation within the Constitution and the Treasury Management Strategy, to borrow using the most appropriate sources.

Investment Limits

The Investment Strategy sets out the limits and the guidelines for use of each type of investment instrument.

Borrowing Limits

See the Treasury Management Strategy Statement and Prudential and Treasury Indicators.

Non-Treasury Management Investments

Please see Non-Treasury Management Investments Schedule at the end of this document.

TMP5 - ORGANISATION, CLARITY AND SEGREGATION OF RESPONSIBILITIES, AND DEALING ARRANGEMENTS

The City of Lincoln Council considers it essential, for the purposes of the effective control and monitoring of its treasury management activities, for the reduction of the risk of fraud or error, and for the pursuit of optimum performance, that these activities are structured and managed in a fully integrated manner, and that there is a clarity of treasury management responsibilities at all times.

The principle on which this will be based is a clear distinction between those charged with setting treasury management policies and those charged with implementing and controlling those policies, particularly regarding the execution and transmission of funds, the recording and administering of treasury management decisions, and the audit and review of the treasury management function.

If and when the City of Lincoln Council intends, as a result of lack of resources or other circumstances to depart from these principles, the Chief Finance Officer will ensure that the reasons are properly reported in accordance with TMP6 *Reporting requirements and management information arrangements*, and the implications properly considered and evaluated.

The Chief Finance Officer will ensure that there are clear written statements of the responsibilities for each post engaged in treasury management, and the arrangements for absence cover. The Chief Finance Officer will also ensure that those engaged in treasury management will, at all times, follow the policies and procedures set out.

The Chief Finance Officer will ensure there is proper documentation for all deals and transactions, and that procedures exist for the effective transmission of funds.

The Chief Finance Officer will fulfil all responsibilities in accordance with the City of Lincoln Council's policy statement and TMP's.

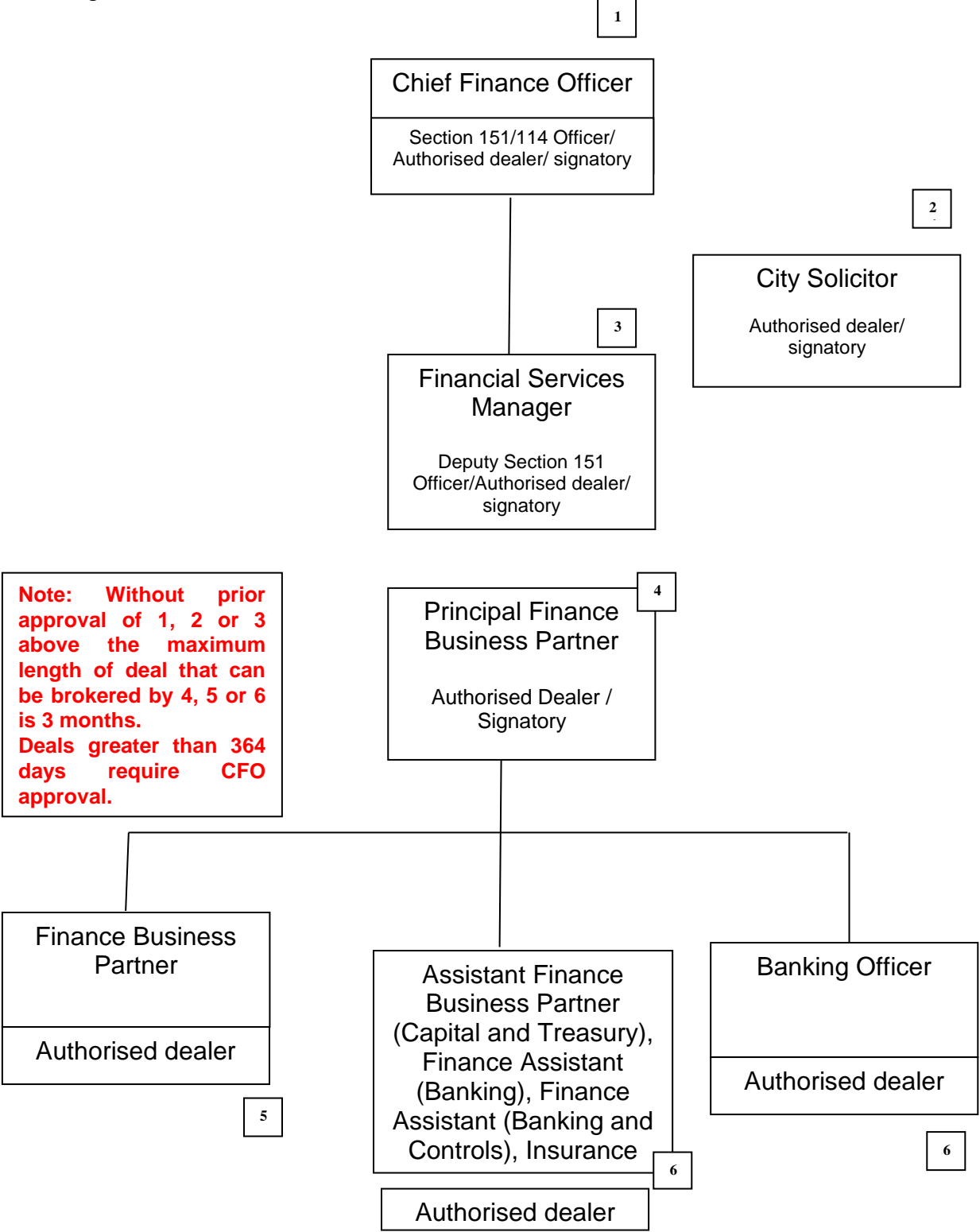
Full Board / Council

- ***Limits to responsibilities/discretion at committee/executive levels*** – in accordance with the Council's financial procedure rules, full Council is responsible for approving the annual prudential indicators and treasury management strategy, which is proposed to full Council by the Executive. All decisions on borrowing, investment or financing are delegated to the Chief Finance Officer, who is required to act in accordance with CIPFA's Code of Practice for Treasury Management in Local Authorities. A mid year report and end of year report detailing the performance against the Prudential indicators,

local indicators and treasury management activities are submitted to the Council's Performance Scrutiny Committee, Executive and full Council. Quarterly treasury management reports will be submitted to the Council's Executive and Performance Scrutiny Committee, to update Members as to the actual position against the local and Statutory Prudential Indicators, and to summarise the treasury management activities undertaken during the previous quarter.

- ***Principles and practices concerning segregation of duties*** – in order to reduce the risk of fraud and corruption, the following duties are divided between different staff:
 - As part of the procedures for making CHAPS payments (i.e. repayment of loans, depositing investments and urgent payments) three different members of staff undertake the stages of setting up the payment, approval and authorisation
 - The Financial Services Manager (or Chief Finance Officer or City Solicitor in their absence) must approve investments or borrowing for periods greater than 3 months (up to 364 days). Deals greater than 364 days deals require Chief Finance Officer approval. A briefing document giving all the details of the investment or borrowing will be presented for approval for sign off.
 - The principal and practices concerning segregation of duties is set out in the hierarchical responsibilities/duties of each post, as set out below:

Treasury Management organisation chart – the Council's current organisational chart is as follows:



▪ ***Statement of duties/responsibilities of each treasury post –***

1. Chief Finance Officer

- Duties in line with S151 and S114 responsibilities
- Authorised Dealer (i.e. authorised to invest and borrow in line with the Council's Treasury Management Strategy)
- Authorised Signatory

2. City Solicitor

- Authorised Dealer (i.e. authorised to invest and borrow in line with the Council's Treasury Management Strategy)
- Authorised signatory

3. Financial Services Manager

- Duties in line with deputy S151 responsibilities
- Advise the Chief Finance Officer on Treasury Management matters
- Receive and review Treasury Management investment and borrowing proposals
- Review and appoint Treasury Management consultants
- Ensure that staff involved in treasury management receive appropriate training
- Ensure that the treasury management function is adequately resourced to meet current requirements
- Absence cover for the Chief Finance Officer for responsibilities detailed above.
- Ensure there is adequate internal checking and control
- Ensure the Treasury Management Strategy, the Treasury Management Outturn Report and Quarterly Monitoring Reports are prepared and complied with
- Ensure implementation of Treasury Management actions agreed by the Chief Finance Officer
- Ensure Treasury Management Practices are complied with and are reviewed at least annually
- Ensure the appropriate division of duties within the section
- Identify and recommend opportunities for improved Treasury Management Practices
- Implementation of the Treasury Management Strategy
- Authorised Dealer (i.e. authorised to invest and borrow in line with the Council's Treasury Management Strategy)
- Authorised signatory

4. Principal Finance Business Partner (PFBP)

- Advise Financial Services Manager on Treasury Management matters
- Receive and review Treasury Management investment and borrowing proposals
- Oversee the compilation of the yearly cash flow
- Oversee the monitoring, update, revision and reporting on the authorities cash flow
- Prepare the annual Treasury Management Strategy and Outturn Reports
- Compile mid-year treasury management reports to the Council's Performance Scrutiny Committee
- Monitor and calculate the prudential indicators/local indicators and performance against budget targets (i.e. borrowing and investment interest)
- Prepare an annual budget for Treasury Management activities (i.e. borrowing and investment interest, debt management expenses)
- Ensure implementation of Treasury Management actions agreed by the Financial Services Manager and Chief Finance Officer
- Assist the Financial Services Manager in implementation of the Treasury Management Strategy
- Authorised Dealer (i.e. authorised to invest and borrow in line with the Council's Treasury Management Strategy)

5. Finance Business Partner (FBP)

- Construction of yearly cash flow
- Advise Financial Services Manager and PFBP on Treasury Management matters
- Monitor, update, revise and report on the authority's cash flow
- Monitor and calculate the prudential indicators/local indicators and performance against budget targets (i.e. borrowing and investment interest)
- Maintain the Council's Money Market Funds and Call accounts
- Liaise with brokers on a day to day basis and monitor interest rates
- Invest short-term cash surpluses in line with Councils investment policy/strategy
- Take short-term borrowings to cover cash flow shortages in line with Council's investment policy/strategy.
- Maintain the Councils Counterparty list in line with Council's investment policy/strategy
- Action periodic interest payments on long term loans
- Instigate year-end accruals for investments and loans.
- Assist in the preparation of mid-year treasury management reports and Annual Treasury Management Strategy and Outturn Reports.

- Administer the Council's 3% Stock, war stock and local bonds
- Monitor the Council's approved Prudential Indicators/Local Indicators and percentage of investments held as Specified/Non-Specified Investments
- Authorised Dealer (i.e. authorised to invest and borrow in line with the Council's Treasury Management Strategy)
- Production of quarterly reconciliations for all Treasury Management ledger accounts

6. Assistant Finance Business Partner (Capital and Treasury), Finance Assistant (Banking), Finance Assistant (Banking and Control) and Insurance Assistant, Banking and Controls Officer

- Authorised Dealer (i.e. authorised to invest and borrow in line with the Council's Treasury Management Strategy)
 - Absence cover for Finance Business Partners
 - Download on a daily basis the Council's bank statements in order to monitor Council's cash position.
- ***Absence cover arrangements*** – The Banking Team (within the Technical and Exchequer section) provides absence cover for the Finance Business Partner (Capital, Treasury and VAT) and the Assistant Finance Business Partner (Capital and Treasury).
 - ***Dealing Limits*** – all staff authorised to deal on behalf of the Council must comply with the Council's Counterparty list limits set out in the Treasury Management Strategy as detailed in TMP schedule 1
 - ***List of approved brokers*** –BGC Brokers, Tradition, King and Shaxson and MUFG
 - ***Policies on recording of conversations*** – Calls to Brokers are currently recorded by the Brokers only. Taping facilities from the main Council switchboard are not available at present.
 - ***Direct dealing practices*** – interest rates/risks are evaluated through comparing the rates offered by brokers and those offered direct from institution e.g. Debt Management Office. Should deals from direct institutions prove to be better value this option will be preferred.
 - ***Settlement transmission procedures*** – all funds to be remitted in respect of a treasury management transaction are via CHAPS. The Council uses the Lloyds Commercial Banking online Electronic Payments System provided by the Council's Bankers. The procedure is as follows:
 - The officer setting up the payment completes a pro-forma detailing the agreed transaction(s) together with a batch header

- An officer with the appropriate level of access (see below) sets up the transaction(s) on Lloyds Commercial Banking online
- The transaction is approved by a separate officer with the appropriate level of access (see below) on Lloyds Commercial Banking online
- The transaction is then authorised by a separate officer with the appropriate level of access (see below) on Lloyds Commercial Banking online
- Finally, the transaction is submitted via Lloyds Commercial Banking online for onward transition to the borrower/lender

Lloyds Commercial Banking Online Authorisation Levels

Post	Lloyds Commercial Banking Online Level *
Chief Finance Officer	Authorisation
City Solicitor	Authorisation
Financial Services Manager	Authorisation
Principal Finance Business Partners	Authorisation
Finance Business Partner(s)	Set up, verify and first level of approval
Assistant Finance Business Partner	Setup
Banking Officer	Set up, verify and first level of approval
Exchequer Officer	Set up, verify and first level of approval

Lloyds Commercial Banking online is the electronic banking system of the Council's bank, Lloyds.

- **Documentation requirements** – Money market deals are confirmed using either the Institutional Cash Distributors (ICD) treasury portal, this is an online independent trading platform, or verbally with the money market fund, counterparty or broker. All the Money market funds currently in use by the Council are registered with ICD. All deals are followed by written confirmation of the transaction from the borrower/lender i.e. amount, interest rate, period, bank account details, proceeds or liability on maturity. Deposit accounts require an email/fax instruction when placing or withdrawing funds and this must be signed by one of the Council's Authorised signatories. The Debt Management Office requires all deposits and withdrawals to be agreed verbally. In the event of the Council having temporary borrowing, the Council

will confirm in writing the transaction. In addition, for those deals carried out via a broker, the broker will send their own confirmation of the transaction.

TMP6 - REPORTING REQUIREMENTS AND MANAGEMENT INFORMATION ARRANGEMENTS

The City of Lincoln Council will ensure that regular reports are prepared and considered on the implementation of its treasury management policies; on the effects of decisions taken and transactions executed in pursuit of those policies; on the implications of changes, particularly budgetary, resulting from regulatory, economic, market or other factors affecting its treasury management activities; and on the performance of the treasury management function.

As a minimum, the full Council will receive:

- an annual report on the strategy and plan to be pursued in the coming year. Revised strategies may be presented to full Council at any point in the year if deemed necessary.
- a mid-year review;
- an annual report on the performance of the treasury management function, the effects of the decisions taken and the transactions executed in the past year, and on any circumstances of non-compliance with its treasury management policy statement and TMP's.

The Performance Scrutiny Committee will receive regular monitoring reports on treasury management activities and risks. It will receive an annual report on the treasury management activities before approval by the Executive and full Council.

The Audit Committee will have responsibility for the scrutiny of treasury management policies and practices. It will receive an annual report on the treasury management strategy before approval by the Executive and full Council.

The Executive will receive the Treasury Management Strategy prior to submission to Full Council, regular monitoring reports and an annual report on the Treasury Management function, on the effects of the decisions taken and the transactions executed in the past year.

The City of Lincoln Council will report the treasury management indicators as detailed in the local authority guidance notes.

The present arrangements and the form of these reports are detailed in the schedule to this document.

Content and frequency of board/committee reporting requirements – the annual Treasury Management Strategy sets out the expected treasury activities for the forthcoming financial year. This Strategy is submitted to the Audit Committee for review and scrutiny then onto the Executive who in turn

recommends it to full Council, before the beginning of each financial year. The formation of the annual Strategy involves determining the appropriate treasury management decisions in light of the anticipated movement in both fixed and shorter-term variable interest rates. For instance, this Council may decide to postpone borrowing if fixed interest rates are expected to fall or borrow early if fixed interest rates are expected to rise. The Strategy is concerned with the following elements:

- Prudential and Treasury Indicators
- current Treasury portfolio position
- borrowing requirement
- prospects for interest rates
- borrowing strategy
- policy on borrowing in advance of need
- debt rescheduling
- investment strategy
- creditworthiness policy
- policy on the use of external service providers
- any extraordinary treasury issues
- the MRP strategy

The Treasury Management Strategy will establish the expected move in interest rates against alternatives (using all available information such as published interest rate forecasts where applicable), and highlight sensitivities to different scenarios

The Investment Strategy

At the same time as the Council receives the Treasury Management Strategy it will also receive a report on the Investment Strategy which will set out the following: -

- The Council's risk appetite in respect of security, liquidity and optimum performance
- The definition of high credit quality to determine what are specified investments as distinct from non-specified investments
- Which specified and non-specified instruments the Council will use
- Whether they will be used by the in-house team, external managers or both (if applicable)
- The Council's policy on the use of credit ratings and other credit risk analysis techniques to determine creditworthy counterparties for its approved lending list
- Which credit rating agencies the Council will use
- How the Council will deal with changes in ratings, rating watches and rating outlooks
- Limits of value and time for individual counterparties and groups
- Country limits
- Maximum value and maximum periods for which funds may be prudently invested

- Interest rate outlook
- Investment return expectations
- A review of the holding of longer-term investments
- Policy on the use of external service providers

The Annual Minimum Revenue Provision Statement

This statement will set out how the Council will make revenue provision for repayment of its borrowing using the four options for so doing and will be submitted at the same time as the Annual Treasury Management Strategy Statement.

Policy on Prudential and Treasury Indicators

The Council approves before the beginning of each financial year a number of treasury limits which are set through Prudential and Treasury Indicators.

The Chief Finance Officer is responsible for incorporating these limits into the Annual Treasury Management Strategy Statement, and for ensuring compliance with the limits. Should it prove necessary to amend these limits, the Chief Finance Officer shall submit the changes for approval to the full Council

Quarterly and Mid-Year Reviews

The Council will review its treasury management activities and strategy on a quarterly and six monthly basis. The mid-year review will go to Full Council. This review will consider the following: -

- activities undertaken
- variations (if any) from agreed policies/practices
- interim performance report
- regular monitoring
- monitoring of treasury management and prudential indicators

The quarterly review will monitor the treasury management and prudential indicators as part of the authority's general revenue and capital monitoring.

Annual Review Report on Treasury Management Activity

- transactions executed and their revenue (current) effects
- report on risk implications of decisions taken and transactions executed
- compliance report on agreed policies and practices, and on statutory/regulatory requirements
- performance report
- report on compliance with CIPFA Code recommendations, approved policies and practices, the member approved treasury management strategy and on statutory/regulatory requirements
- monitoring of treasury management indicators.

TMP7 - BUDGETING, ACCOUNTING AND AUDIT ARRANGEMENTS

The Chief Finance Officer will prepare, and the Council will approve and, if necessary, from time to time will amend, an annual budget for treasury management, which will bring together all of the costs involved in running the treasury management function, together with associated income. The matters to be included in the budget will as a minimum be those required by statute or regulation, together with such information as will demonstrate compliance with TMP1 *Risk management*, TMP2 *Performance measurement*, and TMP4 *Approved instruments, methods and techniques*. The form, which the City of Lincoln Council's budget will take, is set out in the schedule to this document. The Chief Finance Officer will exercise effective controls over this budget and will report upon and recommend any changes required in accordance with TMP6 *Reporting requirements and management information arrangements*.

The City of Lincoln Council will account for its treasury management activities, for decisions made and transactions executed, in accordance with appropriate accounting practices and standards, and with statutory and regulatory requirements in force for the time being.

Statutory/Regulatory Requirements

The accounts are drawn up in accordance with the Code of Practice on Local Authority Accounting in Great Britain that is recognised by statute as representing proper accounting practices.

The Council has also adopted in full the principles set out in CIPFA's 'Treasury Management in the Public Services - Code of Practice' (the 'CIPFA Code'), together with those of its specific recommendations that are relevant to this Council's Treasury Management activities.

Budgets / Accounts / Prudential and Treasury Indicators

The Chief Finance Officer will prepare a five year medium term financial plan with Prudential and Treasury Indicators for Treasury Management which will incorporate the budget for the forthcoming year and provisional estimates for the following four years. This will bring together all the costs involved in running the function, together with associated income. The Chief Finance Officer will exercise effective controls over this budget and monitoring of performance against Prudential and Treasury Indicators, and will report upon and recommend any changes required in accordance with TMP6.

List of Information Requirements of External Auditors

- Reconciliation of loans outstanding in the financial ledger to Treasury Management records
- Maturity analysis of loans outstanding
- Certificates for new long-term loans taken out in the year

- Reconciliation of loan interest, discounts received and premiums paid to financial ledger by loan type
- Calculation of loans fund interest and debt management expenses
- Details of interest rates applied to internal investments
- Calculation of interest on working balances
- Interest accrual calculation
- Principal and interest charges reports
- Analysis of any deferred charges
- Calculation of loans fund creditors and debtors
- Annual Treasury Report
- Treasury Management Strategy Statement and Prudential and Treasury Indicators
- Review of observance of limits set by Prudential and Treasury Indicators
- Calculation of the Minimum Revenue Provision
- External fund manager(s) valuations (where used) including investment income schedules and movement in capital values.

Quarterly Budget Monitoring Report

Quarterly Budget Monitoring reports are produced for the Performance Scrutiny Committee. The report is intended to highlight any variances between budgets and spend in order that the Council can assess its financial position. Details of Treasury Management activities are included within this report.

TMP8 - CASH AND CASH FLOW MANAGEMENT

Unless statutory or regulatory requirements demand otherwise, all monies in the hands of the City of Lincoln Council will be under the control of the Chief Finance Officer and will be aggregated for cash flow and investment management purposes. Cash flow projections will be prepared on a regular and timely basis, and the Chief Finance Officer will ensure that these are adequate for the purposes of monitoring compliance with TMP1 *liquidity risk management*. The present arrangements for preparing cash flow projections, and their form, are set out in the schedule to this document.

Arrangements for Preparing/Submitting Cash Flow Statements -

Cash flow projections are prepared annually, monthly and daily. The annual and monthly cash flow projections are prepared from the previous years' cash flow records, adjusted for known changes in levels of income and expenditure and also changes in payments and receipts dates. These details are supplemented on an ongoing basis by information received of new or revised amounts to be paid or received as and when they are known.

– An up to date cash flow estimate will be maintained in order to effectively manage cash balances. The cash flow forecasts will be reviewed and discussed regularly among treasury staff (as above) and will influence the treasury management decision-making and analysis processes detailed in TMP3.

Arrangements for preparing/submitting medium to long-term forecasts of the organisation's net debt (or net investment) requirements consistent with its approved plans, eg through development of a liability benchmark -

A debt liability benchmark will be monitored on a quarterly basis to inform a long-term view of liquidity requirements. The benchmark will be analysed as part of the annual treasury management strategy and any substantial mismatches between actual loan debt outstanding and the liability benchmark will be explained.

Content and frequency of cash flow budgets

An annual cash flow forecast is produced prior to the beginning of the financial year. This forecast is reconciled to the closing ledger balance of the Council's Summary account bank statement on a daily basis. Cash flow forecasts are continually updated and revised in line with information received from a variety of sources.

The annual cash flow forecast consists of an estimate of the total income, total expenditure and Treasury Management transactions in the financial year.

Income receipts can be broken down into the following types:

- NNDR, Council Tax and Council House Rents
- Grants and Subsidy

- Capital Receipts from sale of assets
- VAT
- Debtor bills and other miscellaneous income from services provided by the Council

Expenditure can be broken down as follows:

- NNDR to MHCLG and Lincolnshire County Council
- Precepts to Lincolnshire County Council and Police and Crime Commissioner for Lincolnshire
- Pooling of Housing Capital Receipts to MHCLG
- General creditor payments for goods and services received
- Payment of Benefit to claimants
- Capital programme spend
- Monthly salary payments
- Income Tax and other deductions from salary (to HM Revenue and Customs)
- Grants
- Levies
- Insurance premiums

Treasury Management can be broken down as follows:

Investments

- Interest from maturing investments, Money Market Funds and Bank accounts
- Deposits to borrowers and investment maturities

Borrowing

- Interest payments on the Council's outstanding long-term debt
- Repayment of maturing debt including debt restructuring
- Receipt and repayment of short and longer-term loans

Listing of sources of information – the sources of information used to initially compile and regularly update the cash flow are as follows:

Income:

- MHCLG grant schedules (i.e. RSG)
- Other grant schedules (i.e. Home Office, DWP,)
- Internal Systems (i.e. Council Tax, Council House Rents, Capital Receipts, VAT, Debtors, Short and longer-term loans, Investment maturities and interest.)

Expenditure:

- MHCLG and Lincolnshire County Council payment schedules (i.e. NNDR payable)

- Lincolnshire County Council and Police and Crime Commissioner for Lincolnshire precept schedules
- Drainage Board schedules (Levies)
- Grant Forms (i.e. MHCLG pooling of Right To Buy capital receipts)
- Internal Systems (Housing Benefit Payments, Revenue and Capital Creditors, Payroll, Insurance premiums, Interest payments on the Council's outstanding debt, Investments, Maturing Debt)
- The Council's 5-year Financial Strategy to calculate the creditor payments for goods and services received (capital and revenue)

Bank statements procedures – Bank statements are available to be downloaded electronically on a daily basis from the Lloyds Commercial Banking online system. All amounts on the statements are checked to source data. Bank reconciliations are the responsibility of the Banking Team.

Payment scheduling and agreed terms of trade with creditors – Creditor payment runs are currently scheduled twice weekly. The majority of these payments (approximately 95% by total value) are paid by electronic means (primarily by BACS direct credit). The City Council aims to pay 100% of its creditors within their agreed payment terms or if no terms are quoted within 30 days of receipt of their demand for payment. The exception to this would be if the Council deems itself to be in dispute with its creditor; in which case the invoice will be paid within 30 days of that dispute being resolved. Furthermore, no invoice that is paid within 30 days to its creditor will be deemed to have been paid late for performance monitoring purposes even if the creditor's terms are less than 30 days.

Arrangements for monitoring debtor/creditor levels – The Exchequer Section is responsible for monitoring the levels of debtors and creditors. The recovery of outstanding Debtor invoices is undertaken by the Recovery Team within the Revenue and Benefits Shared Service, who follow strict recovery procedures. Recovery of debtors will be closely coordinated with the invoice issuing service area who will assist with recovery if possible.

Procedures for banking of funds – All money received by an officer on behalf of the Council will without unreasonable delay be deposited in the Council's bank account.

Practices concerning prepayments to obtain benefits - The Council has no formal arrangement in place. Where such opportunities arise, the prepayment would be sought and authorised by the Chief Finance Officer.

TMP9 - MONEY LAUNDERING

The City of Lincoln Council is alert to the possibility that it may become the subject of an attempt to involve it in a transaction involving the laundering of money. Accordingly, procedures are maintained for verifying and recording the identity of counterparties, and reporting suspicions ensuring that staff involved in treasury activities and accepting payments are properly trained.

Money Laundering is defined as “*a process where the identity of the proceeds of criminal proceedings (dirty money) is changed through apparently legitimate transactions so that the money appears to originate from a legitimate source*”.

The City of Lincoln Council last updated its Anti-Money Laundering Policy Statement and Procedures in February 2023. The Policy is reviewed and presented to Audit Committee every two years.

The City of Lincoln Council is committed to prevent the Council and its employees being exposed to money laundering, to identify the risks where it may occur, and to comply with legal and regulatory requirements, especially with regards to reporting suspected cases.

The key message of this Policy is that if you suspect that money laundering activity may be taking place or proposed in relation to anything you are dealing with you should immediately disclose those suspicions to the Council’s Money Laundering Reporting Officer (the Chief Executive). If the suspicion involves a proposed transaction (e.g. the sale of property or a significant cash receipt) you should not proceed with the transaction without approval from the Money Laundering Reporting Officer. You should defer the transaction in such a way as not to alert anyone else to your suspicions. If you believe you cannot reasonably do so, you should immediately contact the Money Laundering Reporting Officer or the Council’s Monitoring Officer. There are two forms to complete depending on circumstances but in the first instance you should contact a deputy MLRO (City Solicitor or Chief Finance Officer) for advice.

Key Points

- The Council is committed to the prevention, detection and reporting of money laundering
- All employees should be vigilant for signs of money laundering
- An employee who suspects money laundering activity should report this promptly to the Money Laundering Reporting Officer
- The Council will not accept payments in cash that exceed £2,000

Proceeds of Crime Act 2002

Money laundering has the objective of concealing the origin of money generated through criminal activity. Legislation has given a higher profile to the need to report suspicions of money laundering. The Proceeds of Crime Act (POCA) 2002 established the main offences relating to money laundering. In summary, these are:

- concealing, disguising, converting, transferring or removing criminal property from England and Wales, from Scotland or from Northern Ireland
- being concerned in an arrangement which a person knows, or suspects facilitates the acquisition, retention, use or control of criminal property
- acquiring, using or possessing criminal property.

These apply to all persons in the UK in a personal and professional capacity. Any person involved in any known or suspected money-laundering activity in the UK risks a criminal conviction. Other offences under the POCA include:

- failure to disclose money-laundering offences
- tipping off a suspect, either directly or indirectly
- doing something that might prejudice an investigation – for example, falsifying a document.

The Terrorism Act 2000

This act made it an offence of money laundering to become concerned in an arrangement relating to the retention or control of property likely to be used for the purposes of terrorism or resulting from acts of terrorism. All individuals and businesses in the UK have an obligation to report knowledge, reasonable grounds for belief or suspicion about the proceeds from, or finance likely to be used for, terrorism or its laundering, where it relates to information that comes to them in the course of their business or employment.

The Money Laundering Regulations 2012, 2015 and 2017

Organisations pursuing relevant business (especially those in the financial services industry regulated by the FCA) are required to do the following: -

- identify and assess the risks of money laundering and terrorist financing
- have policies, controls and procedures to mitigate and manage effectively the risks of money laundering and terrorist financing identified through the risk assessments
- appoint a nominated officer
- implement internal reporting procedures
- train relevant staff in the subject
- obtain, verify and maintain evidence and records of the identity of new clients and transactions undertaken
- report their suspicions.

Local authorities

Public service organisations and their staff are subject to the full provisions of the Terrorism Act 2000 and subsequent Terrorism Acts and may commit most of the principal offences under the POCA but are not legally obliged to apply the provisions of the Money Laundering Regulations 2012, 2015 and 2017. However, as responsible public bodies, they should employ policies and procedures which reflect the essence of the UK's anti-terrorist financing, and anti-money laundering, regimes. Accordingly, this Council will do the following: -

- evaluate the prospect of laundered monies being handled by them
- determine the appropriate safeguards to be put in place
- require every person engaged in treasury management to make themselves aware of their personal and legal responsibilities for money laundering awareness
- make all its staff aware of their responsibilities under POCA
- appoint a member of staff to whom they can report any suspicions.
- in order to ensure compliance is appropriately managed, this Council will require senior management to give appropriate oversight, analysis and assessment of the risks of clients and work/product types, systems for monitoring compliance with procedures and methods of communicating procedures and other information to personnel.
- The officer responsible for the creation and monitoring the implementation of a corporate anti money laundering policy and procedures is the City Solicitor and it shall be a requirement that all services and departments implement this corporate policy and procedures.

▪ ***Procedures For Establishing Identity / Authenticity of Lenders***

It is not a requirement under POCA for local authorities to require identification from every person or organisation it deals with. However, in respect of treasury management transactions, there is a need for due diligence, and this will be effected by following the procedures below.

The City of Lincoln Council will not accept loans from individuals. All loans are obtained from the Public Works Loan Board, other local authorities, or from authorised institutions under the Financial Services and Markets Act 2000. This register can be accessed through the FCA web site on www.fca.gov.uk. When repaying loans, the procedures below will be followed to check the bank details of the recipient.

• ***Methodology For Identifying Sources Of Deposit***

In the course of its treasury activities, the Council will only lend money to, or invest with, those counterparties that are on its approved lending list and meet minimum criteria (TMP schedule 1). The Council only places deposits with counterparties which have been credit checked by the Rating Agencies Fitch,

Moody's or Standard and Poor's. All transactions will be carried out by Direct Debit, BACS or CHAPS for making deposits or repaying loans.

TMP10 - STAFF TRAINING AND QUALIFICATIONS
--

The City of Lincoln Council recognises the importance of ensuring that all staff involved in the treasury management function are fully equipped to undertake the duties and responsibilities allocated to them. It will therefore seek to appoint individuals who are both capable and experienced and will provide training for staff to enable them to acquire and maintain an appropriate level of expertise, knowledge and skills. The Chief Finance Officer will recommend and implement the necessary arrangements, including the specification of the expertise, knowledge and skills required by each role or member of staff.

The Chief Finance Officer will ensure that the council members tasked with treasury management responsibilities, including those responsible for scrutiny, have access to training relevant to their needs and those responsibilities.

Those charged with governance recognise their individual responsibility to ensure that they have the necessary skills to complete their role effectively.

All treasury management staff should receive appropriate training relevant to the requirements of their duties at the appropriate time. The Council operates a professional development process which identifies the training requirements of individual members of staff engaged on treasury related activities.

Additionally, training may also be provided on the job, and it will be the responsibility of the Chief Finance Officer to ensure that all staff under their authority receive the level of training appropriate to their duties. This will also apply to those staff who from time-to-time cover for absences from the treasury management team.

Details of approved training courses

Treasury management staff and Councillors will undertake training, principally using seminars and training, where appropriate, provided by the Council's external treasury management advisors, CIPFA, money brokers etc.:

- bi-annual seminars, including workshops
- regional training
- specific training or individual briefing sessions

Records of Training Received by Treasury Staff

A record will be maintained of all training courses and seminars attended by staff engaged in treasury management activities.

Experience and Approved qualifications for treasury staff

All staff engaged on treasury management activities will undergo regular professional development reviews to assist in career development.

The Chief Finance Officer, Financial Services Manager and Principal Finance Business Partners will be professionally qualified accountants:

- Chartered Institute of Public Finance and Accountancy (CIPFA)
- Other CCAB qualifications i.e.
 - Institute of Chartered Accountants in England and Wales (ICAEW),
 - Chartered Institute of Management Accountants (CIMA)
 - and Association of Certified Chartered Accountants (ACCA).
- Association of Accounting Technicians (AAT).

Those staff that are CIPFA members are required by their Institute to act in accordance with CIPFA's Standard of Professional Practice on Treasury Management and the Chief Finance Officer also has a responsibility to ensure that the relevant staff are appropriately trained.

Member training records

Records will be kept by Democratic Services of all training in treasury management provided to Members.

Members charged with governance

Members charged with diligence also have a personal responsibility to ensure that they have the appropriate skills and training for their role.

TMP11 - USE OF EXTERNAL SERVICE PROVIDERS**Details of contracts with service providers, including bankers, brokers, consultants, advisers and details of services provided**

The Council will employ the services of other organisations to assist it in the field of treasury management. In particular, it will use external consultants to provide specialist advice in this ever more complex area. However, it will ensure that it fully understands what services are being provided and that they meet the needs of the Council, especially in terms of being objective and free from conflicts of interest.

It will also ensure that the skills of the in house treasury management team are maintained to a high enough level whereby they can provide the appropriate challenge to external advice and can avoid undue reliance on such advice.

Treasury management staff and their senior management will therefore be required to allocate appropriate levels of time to using the following sources of information so that they are able to develop suitable levels of understanding to carry out their duties, especially in challenge and avoiding of undue reliance:

- quality financial press
- market data
- information on government support for banks
- the credit ratings of that government support

Banking Services

- Name of supplier of service is Lloyds Bank.
 - Regulatory status – banking institution authorised to undertake banking activities by the FCA
 - The branch address is:
202 High Street, Lincoln LN5 7AP
Tel :-0345 602 1997
 - Contract commenced Jan 2022 and runs for 7 years until 2029 with an option to extend for a further 3 years.
 - Cost of service is variable depending on schedule of tariffs and volumes
 - Payments due monthly
 - The organisation may terminate the agreement at any time by giving one months' written notice to the Bank.
-
- Allpay provide services for the collection of Council Tax, Rent and sundry debtors through Post Office and Paypoint facilities.

Procedures and frequency for tendering services – The Council's main banking services are subject to tender.

The current Allpay contract runs to February 2026 with an option to extend for a further two years to February 2028 (2+ 2 years) utilising a framework agreement.

Money-broking services

The Council will use money brokers for temporary borrowing and investment and long-term borrowing. It will seek to give an even spread of business amongst the approved brokers. The performance of brokers is reviewed by the Treasury Team regularly to see if any should be taken off the approved list and replaced by another choice and make appropriate recommendations to change the approved brokers list to the Chief Finance Officer. All of the following brokers are authorised and regulated by the Financial Conduct Authority.

Name of broker	Address and tel. no.
BGC Brokers	5 Churchill Place, London, E14 5HU 0207 894 7742
King & Shaxson Ltd	1st Floor Cutlers Court, 115 Houndsditch, London, EC3A 7BR 020 7426 5950
Tradition (UK) Ltd	Beaufort House, 15 St. Botolph Street, London, EC3A 7QX 020 7422 3566
MUFG Corporate Markets Treasury Limited	65 Gresham St, London, EC2V 7NQ 020 7204 7624
Imperial Treasury Services	Imperial House, 5 Port Hill, Hertford SG14 1PJ 01992 945550
Munix Municipal Exchange	9 Ainslie Place, Edinburgh EH3 6AT 07985 106188

The City Council does not have a formal written contract with any of these organisations, therefore the Council is not restricted to using these brokers.

Treasury Consultancy Services

The Council will seek to take expert advice on interest rate forecasts, annual Treasury Management strategy, timing for borrowing and lending, debt rescheduling, use of various borrowing and investment instruments, how to select credit worthy counterparties to put on its approved lending list etc.

The performance of consultants will be reviewed as part of regular contract management meeting to check whether performance has met expectations.

- Name of supplier of service is MUFG Corporate Market treasury Limited.
Their address is 65 Gresham Street London EC2V 7NQ
- Regulatory status: investment adviser authorised by the FCA
- Contract is reviewed and renewed annually, running from 1st January to 31st December.

Leasing Consultancy Services

The Council's Treasury Consultants MUFG provide leasing advice upon request as part of their contract.

Credit rating agency

The Council receives a credit rating service through its treasury management consultants, the costs of which is included in the consultant's annual fee.

Procedures and frequency for tendering services

See TMP 2 Performance measurement.

TMP12 - CORPORATE GOVERNANCE

The City of Lincoln Council is committed to the pursuit of proper corporate governance throughout its businesses and services, and to establishing the principles and practices by which this can be achieved. Accordingly, the treasury management function and its activities will be undertaken with openness and transparency, honesty, integrity and accountability.

The City of Lincoln Council has adopted the CIPFA Code of Practice on Treasury Management and has implemented the key principles of the Code. These are considered vital to the achievement of proper corporate governance in treasury management, and the Chief Finance Officer will monitor and, if and when necessary, report upon the effectiveness of these arrangements.

The following documents are available for public inspection:

- Treasury Management Policy Statement
- Treasury Management Strategy Statement
- Investment Strategy
- Minimum Revenue provision policy statement
- Annual Treasury Outturn Report
- Quarterly Treasury Management monitoring reports
- Annual accounts and financial instruments disclosure notes
- Medium Term Financial Strategy
- Capital Programme
- Capital Strategy
- Minutes of Council / Cabinet / committee meetings

INVESTMENT MANAGEMENT PRACTICES FOR NON-TREASURY INVESTMENTS

City of Lincoln Council recognises that investment in other financial assets and property primarily for financial return, taken for non-treasury management purposes, requires careful investment management. Such activity includes loans supporting service outcome, investments in subsidiaries, and investment property portfolios.

City of Lincoln Council will ensure that all its investments are covered in the capital strategy or equivalent, and will set out, where relevant, its risk appetite and specific policies and arrangements for non-treasury investments. It will be recognised that the risk appetite for these activities may differ from that for treasury management.

The City of Lincoln Council will maintain a schedule setting out a summary of existing material investments.

The Council recognises that many of the principles underlying TMPs 1 to 12 will apply to non-treasury investments as they do to treasury investments. However, some aspects are likely to differ, these are laid out below.

Risk Management [TMP1]

Due diligence processes and procedures are undertaken to reflect the additional risk the Council is taking on.

Independent and expert advice

Independent expert advice is sought for property purchases as part of the due diligence.

In carrying out due diligence, potential project risks are identified and relevant mitigation measures documented prior to approval. All risks are then managed in line with the Council's risk management policy which includes documenting risks on a risk register, assigning owners, regular review of risks and Red Amber Green (RAG) rating.

Verification of purchase price by external suitably qualified RICS Approved Valuers is obtained prior to any investment.

Performance measurement and management - including methodology and criteria for assessing the performance and success of non-treasury investments [TMP2]

The relevant aspects of TMP 2 will be applied when considering non-treasury investments.

Decision making, governance and organisation [TMP5]

The Financial Procedure Rules detail how capital projects are approved and added to the capital programme. For non-treasury investments the appropriate professional due diligence is carried out to support the decision making.

Reporting and management information [TMP6]

The relevant aspects of TMP 6 will be applied when considering non-treasury investments.

With regard to the specific non-treasury investments:

- Commercial Investment Properties within the Local Authority Area / Council Owned Commercial/Industrial Estates -

Details are reported in the Council's Capital Strategy.

Training and qualifications [TMP10]

Relevant knowledge and skills in relation to non-treasury investments will be arranged and maintained.

The relevant aspects of TMP10 will be applied when considering non-treasury investments. Treasury Management staff are either AAT or CCAB qualified and all CCAB qualified staff must complete the annual CPD requirements of their professional accountancy bodies. Training courses run by CIPFA and seminars and updates provided by MUFG are also attended.

With regard to non-treasury investments, the Council employs qualified and experienced staff such as accountants, solicitors and surveyors. It is fully supportive in providing access to courses both internal and external to enable those staff to complete their Continuing Professional Development (CPD) requirements.

The Council ensures that its Members are qualified to undertake their governance role by providing training opportunities and access to workshops, etc. Members will also required to undertake a self-assessment against the required competencies as set out in CIPFA's 'Effective Scrutiny of Treasury Management' assessment tool. The Council also procures expert advice and assistance such as financial and legal advice as and when required.

SUBJECT: STRATEGIC RISK REGISTER – QUARTERLY REVIEW

DIRECTORATE: CHIEF EXECUTIVE AND TOWN CLERK

REPORT AUTHOR: JACLYN GIBSON, CHIEF FINANCE OFFICER

1. Purpose of Report

- 1.1 To provide Members with a status report of the revised Strategic Risk Register as at the end of the third quarter 2024/25.

2. Background

- 2.1 An update of the Strategic Risk Register, developed under the risk management approach of 'risk appetite', was last presented Members in November 2024 and contained fifteen strategic risks.
- 2.2 Since reporting to Members in November, the Strategic Risk Register has been refreshed and updated by the Risk Owners and Corporate Management Team. This update has reviewed each risk in terms of the level of assessed risk, control measures in place and mitigating actions required, and has identified that there have been some positive movement in the Risk Register. It has also considered whether there are new risks that need to be assessed.
- 2.3 This updated register is contained with Part B of this agenda, it contains fifteen strategic risks which are listed below, along with details of relevant mitigations.

3. Strategic Risks

- 3.1 The Strategic Risk Register contains fifteen risks, as follows:
- 1) Failure to engage & influence effectively the Council's strategic partners, council staff and all stakeholders to deliver against the Council's new Vision 2030.
 - 2) Failure to deliver a sustainable Medium-Term Financial Strategy that supports delivery of the Council's Vision (specifically in relation to the General Fund).
 - 3) Failure to deliver the Towards Financial Sustainability Programme.
 - 4) Failure to ensure compliance with existing and new statutory duties/functions.
 - 5) Failure to protect the local authority's long term vision due to changing structures and relationships in local government and impact on size, scale and scope of the Council.

- 6) Unable to meet the emerging changes required in the Council's culture, behaviour and skills to support the delivery of the council's vision, transformational journey to one Council approach and service delivery.
- 7) Insufficient levels of resilience, capability and capacity exist in order to deliver key strategic projects & services within the Council.
- 8) Decline in the economic prosperity within the City Centre.
- 9) Failure to deliver key strategic projects.
- 10) Failure of the Council's key contractors and partners to remain sustainable and continue to deliver value for money to the Council.
- 11) Failure to protect the vulnerable in relation to the Council's PREVENT and compliance with safeguarding and domestic abuse duties.
- 12) Failure to mitigate against the risk of a successful cyber-attack against the council
- 13) Impacts of the uncertainty of Government's policies on migration policy, asylum dispersal, early prison release etc on the Council's service delivery, capacity and MTFS as well as the impacts on housing, communities and the economic vitality of the City Centre.
- 14) Failure to deliver critical services in an emergency situation.
- 15) Failure of service delivery leading to reputational impacts on the Council and adverse financial implications.

3.2 Each risk includes a number of control measures in order to avoid, seek, modify, transfer or retain the risks, these include actions already in place and further actions required with the relevant timescales for implementation. These control actions continue to be implemented, and the risks managed accordingly.

3.3 Each risk is evaluated in terms of the level of assessed risk (likelihood and impact), taking into consideration any changes in control measures and the wider environment in which the Council operates. While there have been some positive movements in terms of the implementation of control measures, there has also been external factors which has resulted in a change to the assessed levels of likelihood and/or impact of two of the risks, as follows:

- Risk 1 has increased from Amber: Possible/Major to Amber: Probable/Major.
- Risk 5 has increased from Amber: Probable/Major to Red: Almost Certain/Critical

Both of these risks have been escalated in light of the publication, in December 2024, of the Government's "English Devolution White Paper".

3.4 The assessed level of each of these fifteen risks is as follows:

Risk No.	Risk Rating	Likelihood	Impact
1.	Medium	Probable	Major
2.	High	Almost Certain	Critical
3.	Medium	Probable	Major
4.	Medium	Probable	Major
5.	High	Almost Certain	Critical
6.	Medium	Possible	Major
7.	High	Almost Certain	Critical
8.	High	Almost Certain	Critical
9.	Medium	Probable	Major
10.	High	Almost Certain	Major
11.	Medium	Possible	Critical
12.	High	Probable	Critical
13.	Medium	Probable	Major
14.	Medium	Probable	Major
15.	High	Almost Certain	Critical

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

4. Strategic Priorities

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

5. Organisational Impacts

5.1 Finance - There are no direct financial implications arising as a result of this report. The Council's Strategic Risk Register contains two specific risks in relation to the Medium Term Financial Strategy and the Towards Financial Sustainability Programme, the risk registers that support these have been reviewed as part of the refresh of the MTFS 2025-2030.

5.2 Legal Implications including Procurement Rules - The Council is required under the Accounts and Audit Regulations 2011 to have a sound system of Internal Control which facilitates the effective exercise of the Council's functions, and which includes arrangements for the management of risk. The maintenance of a Strategic Risk Register and the control actions which the Council undertakes are part of the way in which the Council fulfils this duty.

5.3 Equality, Diversity and Human Rights

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

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

- Eliminate discrimination

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

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

6. Risk Implications

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

7. Recommendation

- 7.1 Members are asked to note and comment on the Council's strategic risks as at the end quarter 3 2024/25.

Is this a key decision? No

Do the exempt information categories apply? No

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

How many appendices does the report contain? None

List of Background Papers: None

Lead Officer: Jaclyn Gibson, Chief Finance Officer
Jaclyn.gibson@lincoln.gov.uk

SUBJECT:	EXCLUSION OF THE PRESS AND PUBLIC
DIRECTORATE:	CHIEF EXECUTIVE & TOWN CLERK
REPORT AUTHOR:	CAROLYN WHEATER, MONITORING OFFICER

1. Purpose of Report

- 1.1 To advise members that any agenda items following this report are considered to contain exempt or confidential information for the reasons specified on the front page of the agenda for this meeting.

2. Recommendation

- 2.1 It is recommended that the press and public be excluded from the meeting at this point as it is likely that if members of the press or public were present there would be disclosure to them of exempt or confidential information.

This page is intentionally blank.

Document is Restricted

This page is intentionally blank.

Document is Restricted

This page is intentionally blank.