

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

79. Confirmation of Minutes - 17 January 2022

RESOLVED that the minutes of the meeting held on 17 January 2022 be confirmed.

80. Declarations of Interest

No declarations of interest were received.

81. Vision 2025 - 3-Year Delivery Plan 2022-2025

Purpose of Report

To seek approval from Executive on the draft mid-term review of the Vision 2025 and the core delivery plan for the final three years of Vision 2025.

Decision

That the Vision 2025 Interim Review (February 2022), including the three-year delivery plan, as set out in Appendix A to the report, be approved.

Alternative Options Considered and Rejected

As detailed in the report.

Reasons for the Decision

Following the successful completion of the Vision 2020 strategic plan in 2019, Vision 2025 was approved in February 2020. Vision 2025 set out the Council's priorities and aspirations, with the intention that the details of implementation would be specified in an annual delivery plan. However, the impact of Covid-19 on the Council had limited the focus to maintaining critical services, and a number of these impacts were continuing. As a result Vision 2025 had been reviewed, and the focus would now be on the economic recovery plan for the city; the health and inequalities faced by residents; and the provision for more greening projects across the city.

As a result of the review, the projects spread across the five priorities and aspirations, in a three-year plan, which would provide the flexibility to spread the workload to match available resource as well as meet customer priorities.

Consultation with the public, businesses and the voluntary sector, which had taken place between 18 January 2022 and 10 February 2022, had indicated a preference for prioritisation of key existing programmes, and the results would inform the programme over the next three years. These views had included: taking a leading role in the recovery of the Lincoln economy; improving the health and quality of life for people living in Lincoln; continuing to increase the supply and number of affordable homes in the city; embarking on a programme to

enhance the natural environment across the city; and promoting sustainable transport options.

82. Financial Performance - Quarterly Monitoring

Purpose of Report

To present the third quarter's performance (up to 31 December 2021), on the Council's general fund; housing revenue account; housing repairs service; and capital programmes.

To seek approval for contributions to and from earmarked reserves; and to consider a request for a carrying forward a budget.

To seek approval for changes to both the revenue and capital programmes.

To comply with financial procedural rules, which require the Executive 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.

Decision

- (1) That the financial performance for the period 1 April to 31 December 2021, and the projected outturns for 2021/22 be noted.
- (2) That the assessment of the underlying impact of the pressures and underspends, as detailed in paragraphs 3.3 (and Appendix B), 4.3 (and Appendix D), and 5.2 (and Appendix F) of the report, be noted.
- (3) That the proposed contributions to and from earmarked reserves, as set out in paragraph 3.6, and the proposed carry forward, as set out in paragraph 3.7 of the report, be approved.
- (4) That the changes to the General Investment Programme and the Housing Investment Programme, as detailed in paragraphs 7.4, 7.11 and 7.12 of the report be approved.

Alternative Options Considered and Rejected

As detailed in the report.

Reasons for the Decision

The report covered the General Fund Revenue, Housing Revenue Account budgets and Investment Programmes for the current financial year. Following the unprecedented impact of Covid-19 on the Council's finances in 2020/21, budgets for 2021/22 were revised as part of the Medium Term Financial Strategy (MTFS) 2021-26 based on a number of assumptions around the speed and extent of the national and local recoveries particularly in relation to income budgets. Whilst in many cases these assumptions had reflected the actual position to date and had in fact exceeded assumptions, there were still some areas where the rate of recovery was impacting adversely on the Council's finances.

In addition, the impact of Covid-19 was still being felt throughout the authority in relation to service delivery both in terms of backlogs of outstanding work but also

due to the current economic operating conditions in terms of supply chain issues, escalating costs and availability of labour etc, whilst these issues were being addressed, they were likely to continue in the medium term and impact on the Council's finances. Close monitoring of the position and ongoing implementation of mitigating actions over quarter 4 would be key to ensuring the Council maintained a balanced budget position for 2021/22.

83. Medium Term Financial Strategy 2022 - 2027

Purpose of Report

To consider recommending the Medium-Term Financial Strategy for the period 2022-2027 and the budget for 2022/23 to the Council for approval.

To consider recommending the Capital Strategy 2022-2027 to the Council for approval.

Decision

That the Council be recommended to approve the Medium Term Financial Strategy 2022-2027, and the Capital Strategy 2022-2027, which included the following specific elements:

- a proposed council tax Increase of 1.89% for 2022/23;
- a proposed housing rent increase of 3.6% for 2022/23;
- the Council being a member of the Lincolnshire Business Rates Pool in 2022/23;
- the General Fund Revenue Forecast 2022/23-2026/27, as shown in Appendix 1 and the main basis on which this budget had been calculated (as set out in paragraph 4);
- the General Investment Programme 2022/23-2026/27, as shown in Appendix 2, and the main basis on which the programme had been calculated (as set out in paragraph 6).
- the Housing Revenue Account Forecast 2022/23-2026/27, as shown in Appendix 3 and the main basis on which this budget had been calculated (as set out in paragraph 5); and
- the Housing Investment Programme 2022/23-2026/27, as shown in Appendix 4, and the main basis on which the programme has been calculated (as set out in paragraph 7).

Alternative Options Considered and Rejected

None.

Reasons for the Decision

The financial landscape for local government had continued to pose an unprecedented challenge to the Council and was set in the context of significant, inherent, uncertainty with the ongoing impact of the Covid-19 pandemic on income and expenditure assumptions, and a lack of any form of clarity on future funding settlements from Government. It was a long time since the Council had any medium-term certainty during budget setting, which had made financial planning in this climate extremely challenging.

The Covid-19 pandemic continued to provide budget pressures arising from demand for services, the availability of goods and services, escalating costs and ongoing and permanent reductions in income. With rising inflation; labour shortages; and supply chains issues the level of uncertainty had never been so high.

There was no certainty whether and when each of the planned local government finance reforms would be implemented, which could alter the course of the Medium Term Financial Strategy. Certainty would make a significant difference to the Council's financial planning and the services it delivered. The Council's overriding financial strategy was, and would continue to be, to drive down its net cost base through the Towards Financial Sustainability Programme.

There still remained a current savings target of £1.5 million on the General Fund, which was significant, particularly in light of the revenue reductions of nearly £10 million over the last decade. Considerable progress had already been made with over 50% of the savings target achieved. In the longer term the Council was seeking to use its influence to create the conditions for the City's economy to recover and grow, thus increasing tax bases and ensuring its financial sustainability.

However, due to the short term need to close the budget gap the Council would have to revert to more traditional cost cutting measures to deliver the reductions required, which would continue through 2022/23.

The Council would continue to protect the core services, whilst at the same time allowing for significant investment in the City, and its economy, and driving forward Vision 2025. Adopting this approach would ensure that it carefully balances the allocation of resources to its vision and strategic priorities, whilst ensuring it maintained a sustainable financial position.

Prior to compilation of the Medium Term Financial Strategy for 2022-2027, there had been public consultation and scrutiny.

84. Council Tax 2022/23

Purpose of Report

In light of the report on the Medium-Term Financial Strategy, as detailed at Minute 83, to consider the City Council's council tax requirement and, together with the requirements of the County Council and the Police and Crime Commissioner for Lincolnshire and to allow the Executive to make a formal recommendation to Council for the overall levels of council tax for 2022/23.

Decision

That the following recommendations be made to the Council:

- (1) That the recommendation of the Executive on 4 January 2022 be accepted that the Council Tax Base for 2022/23, as calculated in accordance with The Local Authorities (Calculation of Council tax Base) (England) Regulations 2012, to be £25,310.01.

(2) That the following amounts be calculated for the year 2022/23 in accordance with Sections 31 to 36 of the Local Government Finance Act 1992:

(a) £114,288,370 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) £106,928,470 being the aggregate of the amounts which the Council estimates for the items set out in Section 31A(3) of the Act.

(c) £7,359,900 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) £290.79 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) £290.79 being the amount at 2(c) above less the amount at 2(e) 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
£193.86	£226.17	£258.48	£290.79
E	F	G	H
£355.41	£420.03	£484.65	£581.58

being the amounts given by multiplying the amount at 2(f) 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 2022/23 Lincolnshire County Council has 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
£954.78	£1,113.91	£1,273.04	£1,432.17
E	F	G	H
£1,750.43	£2,068.69	£2,386.95	£2,864.34

- (4) That it be noted that for the year 2022/23 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
£184.20	£214.90	£245.60	£276.30
E	F	G	H
£337.70	£399.10	£460.50	£552.60

- (5) That having calculated the aggregate in each case of the amounts at 2(g), 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 2022/23 in accordance with the dwelling bandings shown below:

Total Council Tax Charge 2022/23

A	B	C	D
£1,332.84	£1,554.98	£1,777.12	£1,999.26
E	F	G	H
£2,443.54	£2,887.82	£3,332.10	£3,998.52

Alternative Options Considered and Rejected

None.

Reasons for the Decision

The net General Fund Budget requirement as set out in the Medium Term Financial Strategy report totalled £8,907,490, which included a contribution to balances of £60,700. For 2022/23 a council tax increase of 1.89% had been applied. The council tax requirement for 2022/23 was £7,359,900. By reference to the Band D level, the 2022/23 council tax would rise by £5.40 to £290.79 per annum.

The requirements of Lincolnshire County Council and the Lincolnshire Police and Crime Commissioner were detailed in the report.

85. Prudential Indicators 2021-2022 - 2024/25 and Treasury Management Strategy 2022/23

Purpose of Report

To review and to recommend to the Council the adoption of the 15 statutory prudential indicators and 8 local indicators for the period 2021/22 to 2024/25 together with the 2022/23 Treasury Management Strategy.

Decision

- (1) That the Council be recommended:

- (a) to adopt the prudential indicators, as detailed in section 4.1 and appendix 1 of the report.
 - (b) to approve the Treasury Management Strategy (including the treasury management prudential indicators and the Investment Strategy), as set out section 4 and appendix 3 of the report.
 - (c) to approve the Minimum Revenue Provision policy in Appendix 2 of the report.
 - (d) to adopt the Treasury Management Practices in Appendix 4 of the report.
- (2) That the extract of the minutes of the meeting of the Audit Committee held on 1 February 2022, as set in Appendix 5 of the report, be noted.

Alternative Options Considered and Rejected

None.

Reasons for the Decision

The report set out the operation of the Council's prudential indicators, its treasury function and its likely activities for the forthcoming year which incorporated the following elements:

- Prudential Indicators – There would be reporting against 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 Statement – There would be reporting in accordance with the Minimum Revenue Provision Policy, which set out how the Council would pay for capital assets through revenue each year (as required by regulation under the Local Government Act 2003).
- Treasury Management Strategy – This set out how the Council's treasury activity would support capital decisions, the day-to-day treasury management and the limitations on activity through treasury prudential indicators. The key indicator was 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 was the Authorised Borrowing Limit required by Section 3 of the Local Government Act 2003 and was in accordance with the CIPFA Code of Practice on Treasury Management and the CIPFA Prudential Code.
- Investment Strategy – This was included in the Treasury Management Strategy and set out the criteria for choosing investments and limiting exposure to the risk of loss, which was reported annually in accordance with government investment guidance.

86. Pay Policy Statement 2022/23

Purpose of Report

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

Decision

That the Council be recommended to approve the Pay Policy Statement for 2022/23.

Alternative Options Considered and Rejected

None. 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 the Council by 31 March of each year, for it to be effective in the following financial year.

Reasons for the Decision

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

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

87. Accredited Living Wage Increase November 2021

Purpose of Report

To recommend the proposed increase to the living wage, as announced by the Living Wage Foundation in November 2021.

Decision

That the increase to the latest accredited living wage be implemented during April 2022.

Alternative Options Considered and Rejected

None. The Council was committed to maintaining its living wage accreditation.

Reasons for the Decision

The aim of implementing the accredited living wage was to ensure that no employees were paid below the accredited living wage hourly rate. Since achieving accreditation, the Council had taken an active role externally to encourage Lincoln businesses to also pay the accredited living wage.

Currently there were 61 employees who were paid less than the proposed accredited living wage rate of £9.90. However, this was set to significantly reduce.

88. HR Policies

Purpose of Report

To consider the approval of a proposed of a Miscarriage and Stillbirth Policy.

To consider an update to the Maternity/Paternity/Adoption Leave Policy to become a Foster Friendly Employer.

Decision

- (1) That the introduction of the Miscarriage and Stillbirth Policy be approved.
- (2) That the proposed changes to the Maternity/ Paternity/ Adoption Leave policy in terms of becoming a foster friendly employer be approved.

Alternative Options Considered and Rejected

None.

Reasons for the Decision

The Miscarriage and Stillbirth Policy set out the rights of employees affected by a miscarriage or stillbirth and would explain the emotional and practical support that the Council could provide as an employer. This policy recognised that the effects of a miscarriage or stillbirth could be extremely distressing and that many employees would regard a miscarriage as the loss of a baby, regardless of how early in pregnancy it had occurred. Furthermore, a miscarriage or stillbirth could have significant physical and emotional consequences, which may affect an employee's attendance or performance at work.

In order to become a Foster Friendly Employer, it was agreed to insert a new section into the Council's Maternity/Paternity/Adoption Leave Policy, which would entitle all employees who were foster carers to an additional five days of paid annual leave to support foster carers with settling in a new child, training courses, support groups, meetings and emergencies. In addition the Council would promote Foster Care Fortnight as part of the annual campaign.

89. Operational Performance Report Quarter Three 2021/22

Purpose of Report

To present a summary of the Council's operational performance in quarter three of 2021/22.

Decision

That the achievements described and the issues identified in the quarter 3 Operational Performance Report for 2021/22 be noted.

Alternative Options Considered and Rejected

As detailed in the report.

Reasons for the Decision

The quarterly report detailed performance against a total of 64 measures, of which 14 were below target; 19 were on target; and 14 had exceeded a higher target. A further 18 measures were volumetric, and provided context to overall service delivery. Commentaries on each measure were detailed in the report.

90. Strategic Risk Register - Quarterly Review

Purpose of Report

To provide a status report on the revised Strategic Risk Register as at the end of the third quarter 2021/22.

Decision

That the Council's strategic risks, as at the end of quarter 3 2021/22, be noted.

Alternative Options Considered and Rejected

As detailed in the report.

Reasons for the Decision

The previous update of the Strategic Risk Register had previously been reported in November 2021. There remained thirteen strategic risks and the mitigations and control actions for each risk were detailed in the report.

91. Council House and Garage Rents 2022/23

Purpose of Report

To propose that the Council be requested to increase the council house rents within the terms of the Government's Rent Policy for social housing (April 2020 updated 15 November 2021) and approve the introduction of revised rents from Monday 4 April 2022.

To propose that the Council be requested to approve an increase of 3% on Council garage rents for 2022/23.

Decision

- (1) That the Council be recommended to approve the basis of rent calculation for changes to individual Council house rents, as set out in paragraph 6 of the report, which represented an increase in the average calculated 52-week council house net rent in 2022/23 of 3.6% for social housing rents (an average increase of £2.57 per week) and for affordable rents (an average increase £4.06 per week), which was in accordance with Government policy.
- (2) That the Council be recommended to increase garage rents for 2022/23, as set out in paragraph 6.1 of the report, by 3%.

Alternative Options Considered and Rejected

As detailed in the report.

Reasons for the Decision

In October 2017, the government had announced its long-term rent policy, whereby annual rent increases on both social and affordable rent properties of up to the level of Consumer Price Index, plus 1% from 1 April 2020. Based on the Consumer Price Index of 3.1% in September 2021, an increase up to 4.1% was available. Between 2016/17 – 2019/20, the Council had been required by government policy to reduce rents by 1% year on year.

After consideration of the impact on the Council's tenants and other pressures of the wider economic circumstances, it was agreed to apply a lower level of rental increase of 3.6% with effect from Monday 4 April 2022. As a result, the budgeted rental income for 2022/23 would be £29,996,080.

An increase in garage rents of 3% was proposed, which align with the Council's fees and charges increase for 2022/23. This would result in an average increase in the rent charged to £8.24 per week for 2022/23 (based on a calculated 52-week charge period), an average increase of £0.24 per week.

The proposed changes had been considered and supported by the Lincoln Tenants Panel.

92. Housing Revenue Account Business Plan 2022-23

Purpose of Report

To consider the Housing Revenue Account (HRA) Business Plan for 2022/23.

To endorse an approach whereby a thorough review of the HRA would be undertaken during 2022 with the goal of developing an updated thirty-year business plan to cover the period 2023 to 2053.

Decision

That the Housing Revenue Account Business Plan for 2022/23 be approved and the development of an updated 30-year business plan during 2022 be endorsed.

Alternative Options Considered and Rejected

As detailed in the report.

Reasons for the Decision

With approximately 7,800 council properties, the Council was required to maintain a ring-fenced HRA, covering the income and expenditure relating to the Council's own housing stock. The Local Government and Housing Act 1989 specified the items that could be charged and credited to the HRA. Furthermore, the Council had a legal duty to ensure the HRA remained solvent.

The HRA Business Plan set out the income and expenditure plans for the delivery of council housing in Lincoln 2022/23, with the Business Plan and its associated budgets being regularly reviewed and monitored. Owing to the Covid-19 pandemic the planned comprehensive review of the thirty-year plan did not take place in 2020 and in advance of a fundamental review during the latter part of 2022/23, the Executive had approved a refreshed business plan for the 2022/23 financial year.

The HRA Business Plan included sections on the changing business environment; coherence with the golden thread performance framework; involvement of residents; service delivery; and financial planning.

93. 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.

These items were considered in private as they were was likely to disclose exempt information, as defined in Schedule 12A of the Local Government Act 1972. No representations had been received in relation to the proposal to consider these items in private.

94. Strategic Risk Register - Quarterly Review

Purpose of Report

As detailed in the exempt report to the Executive.

Decision

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

Alternative Options Considered and Rejected

As detailed in the exempt report to the Executive.

Reasons for the Decision

As detailed in the exempt report to the Executive.

95. ICT Security Policies

Purpose of Report

As detailed in the exempt report to the Executive.

Decision

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

Alternative Options Considered and Rejected

As detailed in the exempt report to the Executive.

Reasons for the Decision

As detailed in the exempt report to the Executive.