

**Present:** Councillor Pat Vaughan (*in the Chair*),  
Councillor David Clarkson, Councillor Thomas Dyer,  
Councillor Rebecca Longbottom, Councillor  
Christopher Reid, Councillor Loraine Woolley and  
Councillor Ric Metcalfe

**Apologies for Absence:** Councillor Jane Loffhagen, Councillor Helena Mair and  
Councillor Lucinda Preston

### 3. Declarations of Interest

Councillor Pat Vaughan wished it recording that his granddaughter worked in the Council's finance department.

### 4. Draft Medium Term Financial Strategy 2022-2027

The Budget Review Group considered the draft Medium Term Financial Strategy 2022-2023 and provisional 2022/23 budget and Council Tax proposals. A copy of the Medium-Term Financial Strategy was appended to the report.

Jaclyn Gibson, Chief Finance Officer, presented the 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 2021/23 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 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 in advance of the meeting which, together with responses provided, were noted as follows:

**Question:** What were the expected cost pressures as a result of the Environment Act?

**Response:** At this stage it was difficult to predict the costs for the Council until we knew exactly which statutory duties would be included in secondary legislation.

These new duties could include a number of areas e.g.

- The introduction of the Biodiversity Net Gain and impacts on the planning service
- The requirement to undertake community consultation prior to any tree felling
- The requirement for weekly separate food waste collection
- New legally binding long-term targets to improve air quality
- New enforcement powers for some control areas
- Requirement to provide free green waste collections.

It was also difficult to assess the full financial implications without knowing whether new burdens funding would be provided e.g., the sector was lobbying for authorities to be compensated if free green waste was introduced.

Officers were continuing to assess both the services and the financials of the potential new statutory duties and were developing options to mitigate impacts where possible e.g., work with partners across Central Lincolnshire on a joint approach to resourcing new systems for LPA's.

In summary the implications of the Environment Act would be considerable but as yet unquantified until further secondary legislation and funding support was known.

**Question:** In respect of Drainage Rates, did we now receive any money from Central Government in a different format.

Could it be explained to the Group how much the Council paid and could the rate payers in the city be informed somehow.

**Response:** The Drainage Levies for 2022/23 had been set at £922,696. This was a 5.9% increase, £51,447, from 2021/22.

In context, the total levy equated to 13% of our Council Tax requirement and the £51,447 increase equated to a 0.75% increase in Council Tax.

Historically the cost of drainage levies was included within the Revenue Support Grant formula, however our grant was now only £24,000 p.a

There was no other direct compensation for the drainage levies.

Three of the District Council's in the south of the county were currently lobbying Government for central funding for IBD's or for separate tax raising.

In terms of informing the Council Taxpayers, we were unable to include anything other than what was prescribed in legislation on the Council Tax bill.

We could though include reference in our MTFS and budget reports to the Council.

**Question:** Members asked how much it would cost if the council had to collect paper/food waste.

**Response:** This information wasn't currently available. However, Members should also note that in future the Council's contract for waste collection was due for renewal and the cost of the overall service was likely to change.

**Question:** Members asked if it could be recommended that information on the Environment Act budget be taken to Performance Scrutiny Committee.

**Response:** The specific budget implications of the Environment Act were likely to feature in either future financial performance reports or in future budget setting reports.

**Recommendation that once the full financial implications of the Environment Act were known that Performance Scrutiny Committee were updated.**

**Question:** Members asked whether there was a quarterly newsletter issued to residents regarding what services were included in their council tax payments.

**Response:** The Council's newsletter, Our Lincoln, was not in hardcopy anymore but was published online. A leaflet was included with the council tax bills which explained what was included in the council tax charge.

**Comment:** Members commented that it would be worth looking at other channels of communication to tell the public what was levied out of Council Tax.

**Recommendation that the Internal Drainage Boards be invited to attend an all-member briefing on the work of the drainage boards and use of council tax payers resources**

**Response:** A Member briefing would be ideal to explain to members what the Drainage Board did.

**Recommendation that the relevant Portfolio Holder included reference to the work of the Internal Drainage Board's in their annual report to Council**

Costs for the drainage boards across all Lincolnshire districts was in excess of £3m. Each districts costs would be sent to the group.

**Question:** Members asked whether the bond to Active Nation was paid yearly and whether we received any revenue from them.

**Response:** The bond was not given on a yearly basis but was kept in case any issues may arise. Profit sharing was in place regarding the contract and this element was budgeted for within the MTFs. Active Nation set their own charges; however, we did have strong partnership arrangements with Active Nation.

**Question:** Members asked how risks to budgets could be seen as a positive risk.

**Response:** An example of a positive risk would be interest rates changing, we could increase above the assumptions we had made and increase investment income.

**Question:** Members asked when the strategic car parking review would be released.

**Response:** An overachievement in car parking income was forecast for this year. It was not at pre-Covid levels, but monthly targets had been met. The predicted profit for car parking was £320K. The car parking strategy was an action in Vision 2025.

**Question:** Members asked what the priorities were when trying to avoid cutting back services.

**Response:** This was too early to say. There were so many uncertainties, and a number of reviews were still taking place. If we could limit the amount of cost cutting needed, this would help.

**Question:** Members asked if the financial situation changed whether we would consider not looking at some reviews.

**Response:** Savings had to be made in areas where there was long term revenue support needed for them. If ongoing revenue was repaired then yes, reviews would not take place, but this was unlikely as revenue from central government was unlikely to improve. Services were only cut as a last resort.

**Question:** Members asked how much financial risk we had put ourselves in with regard to the Western Growth Corridor Development and whether a company would be established.

**Response:** There were a number of decisions that still needed to be made on how the project would be delivered. A range of work now needed to take place. All options needed to be assessed.

**Question:** Members asked what oversight would be given to members on the Western Growth Corridor Project and whether Performance Scrutiny Committee would monitor the performance of the project.

**Response:** It was needed to be determined how it would be reported, as part of normal financial monitoring the capital scheme would be reported to Performance Scrutiny on a quarterly basis.

**Recommendation that the Director of Major Developments gave consideration to the oversight of performance monitoring for the Western Growth Corridor.**

**Question:** Members asked how much it would cost to correct the issues at Yarborough Leisure Centre and how it would be funded.

**Response:** Contractors were currently producing designs and specifications for the required works— these had not yet been costed by the contractor. The intention was to fund by capital receipts, but we may need to borrow for it. The building was built in 1970s and was not built to modern day standards.

**Question:** Members asked if the Vision 2025 reserve, which had levels predicted past 2025, would be reduced to zero after this time.

**Response:** The amount would go to zero and the reserve would be allocated to new priority areas.

**Question:** Members asked what happened to the £1m Business Rate retention.

**Response:** The savings target had been reduced as our income was greater than our expenditure. There were pressures in the short-term and the £1m reserve had been used to reduce the savings target.

**Question:** Members asked what thought had gone into deciding the increase in the amount charged to Christmas Market stallholders.

**Response:** There was a big increase in the rent to stallholders after the year the market was cancelled due to the weather and was increasing year on year. The

team that dealt with the market like to assess how the previous year had gone before the fees and charges were set for the following years.

## RESOLVED

That the Budget Review Group:

- (1) Agreed that at each stage the budget was clear, focused, achievable, realistic, and based on sound financial practices and had clear linkages with corporate and other plans that formed the Policy Framework to establish that they were identifiable and designed to improve services in the Council's strategic priority areas.
- (2) Agreed to provide its comments to the Performance Scrutiny Committee and Executive on the draft Medium Term Financial Strategy 2022-27 and 2022/23 budget and Council Tax proposals prior to formal consideration by Council at its meeting on 1 March 2022.

Councillors Thomas Dyer, David Clarkson and Christopher Reid requested that their abstentions from voting be noted.