

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

Apologies for Absence: None.

62. Confirmation of Minutes - 9 December 2024

RESOLVED that the minutes of the meeting held on 09 December 2024 be confirmed and signed by the Chair as a true record.

63. A Minutes Silence in Memory of Councillor Sue Burke

Executive observed a minute's silence in memory of the recent passing of a much loved Councillor colleague, Councillor Sue Burke. Tributes were made to her work as Portfolio Holder for Reducing Equality in her role as an Executive Member, as former Mayoress of Lincoln, and her tireless dedicated work as a Ward Councillor and a strong advocate for the City and its residents. Her warmth and empathy touched many lives. She would be greatly missed.

64. Declarations of Interest

No declarations of interest were received.

65. Collection Fund Surplus/Deficit - Council Tax

Purpose of Report

To inform Members of the estimated balance for the Council Tax 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 Council Tax deficit of £400,924 for 2024/25, to be distributed in 2025/26 be confirmed.

Alternative Options Considered and Rejected

None. Prior to setting the Council Tax for 2025/26 the City Council was required to estimate whether there was to be a surplus or deficit on Council Tax element of the Collection Fund for the current financial year (2024/25).

Reasons for the Decision

The Council would declare a deficit on Council Tax £400,924 for the financial year 2024/25, with the City Council's share being £56,359, to be distributed in 2025/26.

As a Council Tax Billing Authority, the City Council was required to estimate whether there was to be a surplus or deficit on the Collection Fund for the current financial year, prior to setting its Council Tax for the next year. The calculation

was based on an estimate of tax collected in-year compared to the estimate made the previous year, taking into account any previously declared surplus or deficit and the expected year-end arrears position.

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 (Lincolnshire County Council and the Police and Crime Commissioner for Lincolnshire) of their share of the estimated surplus or deficit.

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 £400,924 on the Council Tax element of the Collection Fund in 2024/25, distributed as follows in 2025/26:

	£
City of Lincoln Council	56,359
Lincolnshire County Council	288,897
Police & Crime Commissioner	55,668
Total	400,924

66. Council Tax Base 2025/26

Purpose of Report

To seek the Executive's recommendation to the City Council of the Council Tax Base for the financial year 2025/26.

Decision

That it be recommended to the Council that:

- a) It be noted that there were no special items as defined in Section 35 of the Local Government Finance Act 1992 (as amended) applicable to any part or parts of the City of Lincoln local authority area;
- b) The Chief Finance Officer's calculation of the Council Tax Base for the financial year commencing 1 April 2025 and ending 31 March 2026, as set out in Appendix B of the officer's report be approved;
- c) In accordance with the Chief Finance Officer's calculation, and pursuant to the Local Authorities (Calculation of Council Tax Base) Regulations 1992 (as amended), that the Council Tax Base for the 2025/26 financial year be 25,764.25.

Alternative Options Considered and Rejected

None. The Local Government Finance Act 1992 and Local Authorities (Calculation of Council Tax Base) Regulations 1992 (as amended) required the Council to formally set its Tax Base as the first stage of the Council Tax setting process.

Reasons for the Decision

Before setting the Council Tax Base, the issue of any special items relating to a part of the Council's area must be considered. If there were any items of expenditure that related to one part of the local authority area, then that expenditure could be levied on those residents in that area and not on others. There were no items of special expenditure for the 2025/26 financial year.

The calculation of the Council Tax Base, was based upon the number of dwellings on the Valuation List, provided by the Government's Valuation Office. The figures were adjusted for exempt dwellings and for dwellings subject to disabled reduction. The number of chargeable dwellings in each band was further adjusted for discounts, exemptions, premiums, and Council Tax Support. The resultant figure was the total equivalent number of dwellings which were then converted using ratios into the number of Band D equivalents. For 2025/26, the equivalent number of Band D properties was calculated at 26,161.52.

The Council Tax Base was finally determined by multiplying the sum of the Band D equivalents by the Authority's estimated collection rate, which had been assumed at 98.25% for 2025/26. This was the estimate of the percentage of the 2025/26 Council Tax set which would be collected in total, and not the expected in-year collection rate in 2025/26. In addition, a final adjustment in respect of Crown properties was made. This resulted in a proposed Council Tax base for 2025/26 of 25,764.25.

Section 77 of The Levelling-Up and Regeneration Act 2023 provided a discretionary provision to the Local Authority to raise a Council Tax premium of no more than 100% on second homes. 'Second homes' were not defined with the Council Tax legislation and the properties that were the subject of a premium were dwellings where:

- a. There was no resident of the dwelling, and
- b. The dwelling was substantially furnished.

A list of exceptions had also now been provided by Central Government.

A resident in relation to the dwelling meant an individual who had their sole or main residence in the dwelling.

Full Council approved (in February 2024) to introduce this premium for City of Lincoln Council from 1 April 2025 (as 12 months' notice to existing owners of second homes was required).

An estimate of the impact of this premium had been included in the calculation of the proposed 2025/26 Council Tax Base.

67. Statement of Accounts 2023/24

Purpose of Report

To present for information the final Statement of Accounts for the financial year ended 31 March 2024, following substantial completion of the audit opinion.

Decision

That following scrutiny of the statement of accounts for the financial year ended on 31 March 2024, the Statement of Accounts be recommended to Council on 21 January 2025 for approval.

Alternative Options Considered and Rejected

None.

Reasons for the Decision

The Statement of Accounts for 2023/24 provided a comprehensive picture of the Council's financial circumstances and had been compiled to demonstrate probity and stewardship of public funds.

The Council was statutorily required to publish its draft Statement of Accounts for 2023/24 by 31 May 2024 with an audit opinion and certificate by no later than 28 February 2025.

The Statement of Accounts for 2023/24 were still subject to verification by External Audit. The audit of the accounts was being finalised by KPMG, who commenced the audit in July 2024. The majority of the audit work had now been completed, however, should any changes be necessary as a result of this final external work, these would be reported to the Chair of the Audit Committee with any material changes notified to the Audit Committee.

The Council made the statement of accounts available for public inspection for the 30 working days, between 3 June until 12 July 2024, during which time, the external auditor was available to answer questions, although none were received.

During the completion of the external audit there were four misstatements above the threshold level of £100k, of these two misstatements had been amended in the final version of the Statement of Accounts. The unadjusted misstatements related to a valuation of a Council property that was deemed "optimistic" and the treatment of a historic transaction agreed by the Council's previous auditors. If there were any further misstatements identified as part of the completion of the external audit work, these would be reported to this Committee.

The Audit Completion Report also provided a number of recommendations around internal controls that management had made comment on.

The Council was also required to provide a documental annual review of the effectiveness of its governance arrangements (Annual Governance Statement (AGS)), which sat alongside the Statement of Accounts; the overall level of assurance provided in 2023/24 was substantial (green) and was in line with the Council's Code of Corporate Governance. There were no significant governance issues that were identified for inclusion in the 2023/24 AGS.

68. Localised Council Tax Support Scheme 2025/26

Purpose of Report

1. To provide information regarding the outcome of consultation regarding 2025/26 Council Tax Support Scheme (CTS) options.

2. To propose a recommended option for a Council Tax Support Scheme for the 2025/26 financial year, which must be approved by Council before 31st January 2025.

Decision

- (1) That the content of the report, taking into consideration the responses received as part of the consultation be noted.
- (2) That a 'no change' to the core Council Tax Support scheme for 2025/26, as set out in Section 4 of the officer's report, subject to the technical amendments described in paragraph 5.3 be approved.
- (3) An Exceptional Hardship Fund of £25,000 to be available, for the financial year 2025/26, be approved.

Alternative Options Considered and Rejected

While the Policy Scrutiny Committee and major preceptors supported the implementation of a banded scheme, a key factor (that was unconfirmed at the time the options were proposed) was whether the Council's software supplier, could accommodate the changes being proposed within the timescales required. While the software supplier had developed a banded scheme module for the Council, due to the later than anticipated timescale at which this module was first made available for testing – and the considerable work identified as still being required to deliver a robust banded scheme option for 2025/26, - the Council was not in a position to be sufficiently satisfied to recommend a banded scheme for implementation in 2025/26. However, work would continue in coming months so this may become a potential option for consultation in respect of a 2026/27 Council Tax Support scheme.

Reasons for the Decision

The council tax benefits system had been abolished by the government on 31 March 2013 and replaced by the Council Tax Support Scheme, which could be determined locally by the City of Lincoln Council, as the billing authority, after consultation with precepting authorities, key stakeholders and residents.

As at 31 October 2024, there were 8,119 residents claiming Council Tax Support in Lincoln, with 2,515 of these as pensioners protected under the legislation and receiving Council Tax Support, as prescribed by the Government, broadly similar to the level of Council Tax Benefit.

It was the 5,604 working age (including those classified as 'vulnerable' for CTS purposes) claimants, where a local scheme could be determined which could change the level of support provided. The split of the 5,604 working age CTS recipients was 3,399 working age (vulnerable) and 2,205 working age (not vulnerable)

The initial City of Lincoln CTS Scheme from 2013/14 effectively 'protected' working age Council Tax Payers seeking support, retaining eligible entitlement of up to 100% and not restricting other areas of entitlement calculation. However, in recent years the scheme had changed in light of increasing scheme costs and budget pressures.

Unless a decision was made by Council to apply scheme changes to vulnerable working-age claimants, the localised CTS scheme would historically only be applied to non-vulnerable working age claimants.

69. 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.

70. Housing Repair Service Back Office Restructure

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.

71. New Payment Infrastructure at Central Car Park

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.