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

Apologies for Absence: None.

82. Confirmation of Minutes - 20 January 2025

RESOLVED that the minutes of the meeting held on 20 January 2025 be confirmed and signed by the Chair as a true record.

83. Declarations of Interest

No declarations of interest were received.

84. Vision 2030 Strategic Plan

Purpose of Report

1. To present to members the final draft Vision 2030 content (Appendix A) which set the Council's strategic plan for the next five years.

2. To present to members the final draft Vision 2030 Delivery Plan for the first 12-18 months (Appendix B) which set initial priority actions and focus for resources.

Decision

1. That the final draft contents of Vision 2030 Strategic Plan (Appendix A) be agreed.

2. That the final draft Vision 2030 Delivery Plan for the first 12-18 months (Appendix B) be agreed.

3. That the Vision 2030 Strategic Plan and the Vision 2030 Delivery Plan be recommended to Council for approval.

Alternative Options Considered and Rejected

Reasons for the Decision

Vision 2030 set out the Council's priorities and ambitious aspirations for the city over the next 5 years. It built on progress made through Vision 2020 and Vision 2025 and formed phase three of the Council's vision for the city. The priorities and aspirations for the city had been effective in progressing the Council's long-term vision and further progress would be made through working in partnership and collaboration with others as well as through Council services and projects.

Vision 2030 had 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 focused on priorities for the first 12-18 months. This would allow for adaptability to any legislative policy and economic changes.

Vision 2030 was built on the successes of Vision 2025 and had 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 had 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 needed them most.

To set the context of the future plans, a review had been conducted of progress so far as detailed within the officer's report, along with an assessment of evidence from the Lincoln City Profile outlining opportunities and challenges for the city.

The proposals for Vision 2030 and the action plan had been consulted on through a combination of face-to-face sessions and online surveys which had 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.

The feedback received through consultation helped shape the document, particularly in terms of being clearer on the meaning of each priority. It had also given further confidence that the areas of focus within Vision 2030 were the ones that mattered 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 met 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 continued to support the day to day lives of communities as well as delivering greater plans for the city.

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

85. Accredited Real Living Wage Increase October 2024

Purpose of Report

To recommend the proposed increase to the living wage, as announced by the Living Wage Foundation in September 2024.

Decision

That the increase to the latest accredited living wage uplift be implemented during April 2025.

Alternative Options Considered and Rejected

None. The Council was committed to maintaining its Living Wage accreditation and to do so the Council had six months to implement the accredited living wage following an increase.

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.

In October 2024 it was announced that the real living wage would increase from £12.00 an hour to £12.60 an hour.

As of 31.December 2024, there were 33 employees who were paid less than the proposed living wage rate of £12.60. 17 were on SP02 and 16 were on SP03.

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

86. Pay Policy Statement 2025/2026

Purpose of Report

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

Decision

That Council be recommended to approve the Pay Policy Statement for 2025/26.

Alternative Options Considered and Rejected

None. Section 38 (1) of the Localism Act 2011 required 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 Government also considered that decisions on pay policies should be taken by elected members, as those directly accountable to local communities. The Act therefore required the pay policy statement and any amendments to be considered by a meeting of full Council and not be delegated to any committee.

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. Pets, Medical Assistance Dogs and Emotional Support Animals' Policy (Housing Tenants)

Purpose of Report

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

Decision

That the policy be approved as attached at Appendix A.

Alternative Options Considered and Rejected

None.

Reasons for the Decision

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.

This review had been completed in partnership with Lincoln Tenants Panel, who were satisfied that the attached Policy met legislation and the needs of our tenants. All references to legislation and guidance had been updated.

The Policy now made clear reference to current, and future, banned breeds with exemptions and how the Council would respond to them.

It contained information about supporting the health and wellbeing of tenants by clarifying our approach to Medical Assistance Dogs and Emotional Support animals, to ensure an emphasis on responsible animal care and a commitment to protect their welfare in our properties.

88. Renewal of Public Spaces Protection Order Allowing for the Gating of St Peter's Passage

Purpose of Report

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.

2. To seek approval from the Executive on proposals regarding the review of the existing Public Space Protection Order (PSPO), which prevented access to this passageway.

Decision

1. That the comments from Policy Scrutiny Committee (Appendix C) be noted.

2. That the Public Spaces Protection Order allowing for the gating of St Peter's Passage in the City Centre area of Lincoln be renewed for a further period of 3 years.

Alternative Options Considered and Rejected

To remove the gates and reopen St Peter's Passage; from the consultation. Officer's believed this would lead to Anti-Social Behaviour (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.

Reasons for the Decision

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.

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 accessed the Passage.

The Anti-Social Behaviour, Crime and Policing Act came into force on 20 October 2014. This Act contained the provisions for the Public Space Protection Order, which was enacted by order of the Secretary of State on the 20 October 2014.

Local authorities had the power to make Public Spaces Protection Orders (PSPO) if satisfied on reasonable grounds, subject to conditions.

A PSPO had a maximum duration of 3 years. It was 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, the views were sought of both the public and relevant partner agencies by way of a public and partner consultation, this consultation had also been published on social media for greater reach. The consultation period opened on Friday 13 September 2024 and closed on Friday 11 October 2024.

In response to the consultation, a total of 180 maximum responses were received. 87.8% of the responses supported the continuation of the gating of St Peter's Passage. 12.2% opposed.

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

89. Procurement Act 2023 & Contract Procedure Rules

Purpose of Report

1. To seek Executive approval of 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 Committee and Policy Scrutiny Committee.

2. To recommend the changes to the contract procedure rules to Council.

Decision

That the new Procurement Act and revision to the Contract Procedure Rules be noted, and the Contract Procedure Rules be referred to Council for approval.

Alternative Options Considered and Rejected

None. If the Council did not implement the Act properly or did not update the Contract Procedure Rules as necessary, there would be a risk of challenge to the procurement process.

<u>Reasons for the Decision</u>

The Procurement Act 2023 received Royal Assent in October 2023 and was due to come into force in February 2025. The Act would supersede existing legislation governing public procurement, including the Public Contract Regulations 2015.

The Procurement Act 2023 had been designed to create a simpler, more flexible commercial system which met the UK's needs. The aim of the Act was to provide a number of benefits to suppliers and buyers.

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

In order to comply with the Procurement Act 2023, the Procurement Manager had updated and refreshed the Council's Contract Procedure Rules. These Council's Contract Procedure Rules, as required by the Local Government Act 1972, set out the rules by which the Council spent money on the goods, services and works needed to deliver services to the residents of Lincoln.

The revised Council's Contract Procedure Rules adopted the whole procurement lifecycle approach, with the intention that they were easier to read, made clear the requirements linked to contract values and gave clarification to the limited circumstances where an exception to the normal route would be applied. The Council's Contract Procedure Rules set out the Council's own rules for contracts and procurement, and were the layer below procurement legislation.

Members thanked officers for all their hard work in relation to the new Procurement Act 2023, and making the changes to Council Procedure Rules as accessible as possible for all to understand.

90. <u>Quarter 3 2024/2025 Operational Performance Report</u>

<u>Purpose of the Report</u>

To present an outturn summary of the Council's operational performance in quarter three of 2024/25.

<u>Decision</u>

1. That the achievements and challenges identified in the Quarter 3 2024/25 operational performance report found at Appendices A and B be noted.

2. It be confirmed that the format of the performance report continued to meet requirements.

<u>Alternative Options Considered and Rejected</u>

None were considered.

<u>Reasons for the Decision</u>

Regular monitoring of the Council's performance was a key component of the Local Performance Management Framework. This report covered the key strategic performance measures identified by members and Corporate Management Team (CMT) as of strategic importance.

The outturn summary at the end of quarter 3 2024/25 detailed performance against a total of 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:

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.

Of the 91 performance measures monitored against targets, 12 were below target; 16 were within target boundaries; 38 had met or exceeded a higher target; 25 measures were recorded as volumetric and there were no measures recorded as data not available for this quarter.

It was important to note that the performance statuses of measures DMD 1–5 were 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 were taken into consideration such as milestone performance, financial performance and associated risks, amongst other factors.

Appendix A now contained a wider range of performance information, including qualitative data in the form of case studies and service highlights. These were grouped into seven themes, namely the five Vision Priorities and the two inward looking portfolios 'Our People and Resources' and 'Customer Experience and Review.'

The more detailed performance data tables were now grouped together in Appendix B, including the suite of corporate measures that were previously in Appendix A. Performance data remained grouped by directorate, and a colour coding system had been introduced to make it simpler to identify which portfolio each measure related to. Appendix B also included a quarterly Communications update.

When read together, Appendices A and B aimed 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.

91. Treasury Management and Prudential Code - Quarterly Update

Purpose of Report

To summarise and review the Council's treasury management activity and the actual prudential indicators at 31 December 2024, in accordance with the requirements of the Chartered Institute of Public Finance and Accountancy (CIPFA) Code of Practice. The report, therefore, ensured this Council was embracing best practice for the scrutiny of capital and investment activity in accordance with the Code of Practice (CIPFA).

Decision

That the Prudential and Treasury Indicators and the actual performance against the Treasury Management Strategy 2024/25 for the quarter ended 31 December 2024 be noted.

Alternative Options Considered and Rejected

None.

Reason for Decision

The Treasury Management position and performance results for the 9 months ended 31st December 2024 were set out in the body of the report and Appendix A (prudential Indicators).

Officers confirmed that the approved limits within the Annual Treasury Management Strategy were not breached during the quarter ended 31st December 2024.

The prudential system for capital expenditure was well established. One of the requirements of the Prudential Code was to ensure adequate monitoring of the capital expenditure plans, prudential indicators (PIs) and the treasury management response to these plans. This report fulfilled that requirement and included a review of compliance with Treasury and Prudential Limits and the Prudential Indicators at 31 December 2024. The Treasury Management Strategy and Prudential Indicators were previously reported to and approved by Council on 27 February 2024.

It was noted that the Council held £17.505 million of investments at 31 December 2024, achieving an average interest rate of 5.13% for the financial year to date (5.11% 2023/24). Actual interest earned in the 9 months period to 31st December 2024 totalled £978k.

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.

Where possible the Council sought sustainable investments and was working with our advisors on the best way to score banks and funds ESG ratings, whilst balancing this against generating returns that were in the best interest of the tax payer.

It was noted that as at 31st December 2024 the Council held £107.067 million of external borrowing, of which 100% was fixed rate loans

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%.

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 were intrinsically linked, as detailed at Appendix A of the report.

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

The Council's treasury management activity and the actual prudential indicators at 31 December 2024 conformed with The Local Government Act 2003, the Prudential Code and the Treasury Management Code of Practice which included a key principal that an organisations appetite for risk was included in their annual Treasury Management Strategy and included any use of financial instruments for the prudent management of those risks, to ensure that priority was given to security and liquidity when investing.

92. Financial Performance - Quarterly Monitoring

Purpose of Report

To present the third quarter's performance (up to 31 December 2024) on the Council's General Fund, Housing Revenue Account, Housing Repairs Service and Capital Programmes, and to seek approval for changes to the capital programmes.

Decision

1. That the financial performance for the period 1 April 2024 to 31 December 2024 be noted.

2. That 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) of the officer's report be noted.

3. That the proposed carry forward requests and transfers to earmarked reserves detailed in paragraph 3.11, 3.12, 4.9 and 4.10 of the officer's report be approved;

4. That the changes to the General Investment Programme and Housing Investment Programme as approved by the Chief Finance Officer detailed in paragraphs 7.5 and 7.12 of the officer's report be noted.

5. That the changes to the General Investment Programme and Housing Investment Programme approved, or to be approved, by the Executive, as detailed in paragraphs 7.3, 7.10 and 7.11 of the officer's report, be approved.

Alternative Options Considered and Rejected

None.

Reason for Decision

Financial Procedure Rules required members to receive a report prepared jointly by the Chief Finance Officer and Corporate Management Team on a quarterly basis commenting on financial performance to date. This report was designed to meet this requirement.

Whilst there were still a number of variables which were subject to a level of uncertainty, based on the latest set of assumptions as at the end of the third quarter (up to 31 December 2024), the forecast financial position of the Council for 2024/25 was detailed at paragraph 2.2 of the officer's report, together with the detailed financial position shown in sections 3-7 and the accompanying appendices.

Updates were reported as follows:

General Fund Revenue Account

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).

The General Fund Summary was currently projecting a forecast underspend of £138,429 (Appendix A provided a forecast General Fund Summary), resulting in a general balance at the year-end of £2,530,408. This position maintained balances above the prudent minimum of c.£1.5-£2m.

There were a number of forecast year-end variations in income and expenditure against the approved budget, as detailed at paragraphs 3.3-3.5 of the report, with the main variances provided in Appendix B to the report.

Alongside these variances, a significant variance against the Council's crematorium budget was 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 was being carefully monitored and an action plan developed. In addition, the service was currently being supported by external industry professionals, increasing the management and administration costs, this was being carefully monitored and would only remain in place for as long as required.

In addition, a significant in-year variance was 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 was operational, a full review of the business plan based on the actual operating costs and income levels was underway, and would 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 would reflect the expected position. The in-year variance being reported at the end of Quarter 3 therefore reflected a number of one-off opening costs in three main areas.

Whilst the forecast outturn for the General Fund was a small budget underspend, there still remained uncertainty in terms of service demands and income forecasts. As such the final outturn position for the year was still subject to further change and would continue to be carefully monitored. While mitigating actions were underway as detailed within the officer's report, strong budgetary control should continue to be a focus to ensure expenditure and income remained balanced within the budget, resulting in a positive contribution to reserves at outturn.

Earmarked Reserves

Details of carry forward requests and transfers to reserves were detailed at paragraphs 3.10 - 3.12 of the officer's report.

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, showed secured savings of £88,840 resulting in a forecast under-achievement of £36,160 in-year for the General Fund. While this was an under-achievement against the target, the overall forecast position for the General Fund was positive, with additional contributions to General Balances.

Housing Revenue Account

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.

The HRA was currently projecting a forecast underspend of £714,390 (Appendix C provided a forecast HRA Summary), which would result in HRA balances of £1,744,414 as at the end of 2024/25. This position maintained balances above the prudent minimum of c.£1-1.5m.

Although the forecast position was an underspend there were a number of significant variations in income and expenditure. against the approved budget as outlined at paragraph 4.3-4.5 of the report, with full details of the main variances provided in Appendix D of the report.

The potential impact beyond 2024/25 of these changes in key variables had been assessed and in some cases had 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 were unavoidable and had required an ongoing increase in future pay budgets. In relation to housing repairs, the Housing Directorate Management Team continued work on the individual repairs service areas, i.e. Aids & Adaptations, Voids, Responsive Repairs etc, in order for management of demand and cost drivers to be reviewed. Work also continued within the HRA and HRS to address the recruitment and retention challenges, (this also formed part of a wider scope of work developing the Council's Workforce Development Strategy), which was already seeing some success with a reduction in level of vacancies.

As outlined throughout this report, there still remained a number of variables in the forecast assumptions, and as such the final outturn position for the year was 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 were recommended. Strong budgetary control should continue to be a focus to ensure expenditure and income remained balanced within budget, resulting in a positive contribution to reserves at outturn.

Housing Repairs Service

For 2024/25 the Council's Housing Repairs Service net revenue budget was set at zero, reflecting its full cost recovery nature.

At quarter 3 the HRS was forecasting a surplus of £32,882 in 2024/25, an improvement of £50,136 since quarter two, which had subsequently been repatriated to the HRA, as detailed at the forecast HRS summary at Appendix E. Full details of the main variances were provided in Appendix F, together with a summary of the key variances at paragraphs 5.2 – 5.3 of the officer's report.

While the forecast outturn for the HRS was a small budget overspend, there still remained uncertainty in terms of service demands and income forecasts. As such it was essential that the tight controls implemented to monitor premium sub-contractor spend were maintained to minimise the projected surplus and mitigate against the potential for the current net underspend in the HRA, to deteriorate.

Earmarked Reserves

The Council held a number of earmarked revenue reserves over both the General Fund and HRA. These reserves were sums set aside for specific purposes and to mitigate against potential future known or predicted liabilities. Key reserves included income volatility, business rates volatility, IT investment fund, asset sinking funds for future refurbishment etc. A number of these reserves were budgeted for use over the period of the MTFS.

The details of all the earmarked reserves and their forecast balance as at 31 March 2025 were attached at Appendix G, and summarised at paragraph 6.2 of the officer's report, with further details in the MTFS 2024-2029.

General Fund Investment Programme

The revised General Investment Programme (GIP) for 2024/25 amounted to £27.9m following the quarter 2 report. At quarter 3 the programme had decreased by £5.9m to £22.0m, as detailed at paragraph 7.2 of the officer's report.

Changes over the approved limit which had already been approved by the Executive were detailed at paragraph 7.3 of the officer's report.

New schemes or changes to current schemes over an approved limit which required Executive approval in quarter 3 were detailed at paragraph 7.4 of the officer's report.

In addition to the changes to schemes that required the approval of the Executive, the General Investment Programme also included schemes as part of the Lincoln Town Deal, for which the Council was the Accountable Body. Changes to a number of schemes during quarter 3 had been approved by the Town Deal Board, under a separate governance framework, as detailed at paragraph 7.5 of the officer's report

Delegated authority to approve financial changes up to an approved limit or to reprofile the budget during quarter 3 given to the Chief Finance Officer, as set out under Financial Procedure Rules were detailed at paragraph 7.6 of the officer's report

The overall spending on the General Investment Programme active schemes (excluding externally delivered schemes), at the end of quarter 3 was £10.1m, which was 53.1% of the budget as detailed further at Appendix I of the report.

The low capital spend at this stage of the year was 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.

Housing Investment Programme

The revised Housing Investment Programme for 2024/25 amounted to £17.432m following the quarter 2 position. At quarter 3 the programme had been decreased by £0.020m to £17.411m, as detailed within paragraph 7.11 of the officer's report.

All changes over the approved limit already approved by the Executive for quarter 3 were detailed at paragraph 7.12 of the officer's report.

New schemes, or changes to current schemes, over an approved limit, in quarter 3 requiring Executive approval were detailed at paragraph 7.13 of the officer's report.

New projects added to the Housing Investment Programme under delegated authority given up to an approved limit to the Chief Finance Officer during quarter 3 were detailed at paragraph 7.14 of the officers report.

The financial changes delegated to the Chief Finance Officer for approval as set out under Financial Procedure Rules for the third quarter 2024/2025 were detailed at paragraph 7.15 and a summary of the projected outturn position for the Housing Investment Programme at paragraph 7.16 of the officer's report.

The overall expenditure on the Housing Investment Programme at the end of quarter 3 was £8.861m, which was 50.89% of the 2024/25 revised programme. This excluded expenditure relating to Western Growth Corridor, which was currently shown on the GIP, to be apportioned at year end (current forecast outturn £1.3m), as detailed further at Appendix J.

A further £0.680m had been spent as at the end of January 2025, although this was still a low percentage of expenditure at this stage of the financial year, works had been constrained by the availability of contractors and billing of capital works.

Members praised officers for accomplished governance of the Council's finances despite there having been significant cuts in resources over recent years, which was testament to their excellent management skills.

93. Medium Term Financial Strategy 2025-2030

Purpose of Report

1. To recommend to Executive the Medium-Term Financial Strategy for the period 2025-2030 and the budget for 2025/26, for referral to Full Council.

2. To recommend to the Executive the Capital Strategy 2025-2030 for referral to Full Council

Decision

That the Council be recommended to approve the Medium Term Financial Strategy 2025-2030, and the Capital Strategy 2025-2030, which included the following specific elements:

- a proposed council tax Increase of 2.9% for 2025/26;
- the Council being a 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 had 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 had 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 had 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 had been calculated (as set out in paragraph 7).

Alternative Options Considered and Rejected

None.

Reasons for the Decision

The refresh of the Medium-Term Financial Strategy (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 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.

Alongside the financial pressures and funding uncertainty that it was facing, the Council still needed to ensure that its financial resources were directed towards delivery of its vision and priorities. Following the natural conclusion of the Council's strategic plan, Vision 2025, the new Vision 2030 built upon its progress and presented 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 prioritised its first 12 to 18 months, ensuring adaptability to legislative, policy and economic changes.

The development of Vision 2030 also acknowledged that the Council still had a significant financial savings target to realise over the period of the MTFS, so there did have to be a careful balance between delivering a range of new projects that would make a real difference for the City and the need to keep tight control of the Council's financial position.

Prior to submission of the MTFS 2025-2030 and budget to the Executive and Full Council, public consultation and member scrutiny had been undertaken.

The MTFS set out the overall framework on which the Council planned and managed its financial resources to ensure that they fitted with, and supported, the direction of the Council's vision and strategic priorities.

The MTFS integrated revenue allocations, savings targets and capital investment, provided the budget for the next financial year and provided indicative budgets and future council tax and housing rent levels for the period covered by the strategy.

In light of the uncertainty the Council faced in its financial planning assumptions and the forthcoming reforms to local authority funding mechanisms, which were likely to result in reduced resources for the Council, the existing objectives of the MTFS had been reviewed to ensure they remained relevant. As a result, the key overriding objective continued to be;

- To drive down the Council's net cost base, in line with available resources, to ensure it maintained a sound and sustainable financial base, delivering a balanced budget over the life of the MTFS;

The further objectives that the MTFS sought to achieve were detailed within the officer's report.

Over the last decade and a half, the Council, alongside the majority of other local authorities, had experienced unprecedented financial challenges in various forms. Councils had to adapt to; the impact of severe, unprecedented, central government funding reductions; radical reform of the methodology for funding local government - where Councils were 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 had 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.

Despite the significant reduction in income and increasing expenditure, the Council had, 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 had required the Council to take some difficult decisions in terms of which services it continued to provide. This was an approach that had served the Council well and allowed savings of nearly £10.5m to be delivered over the last decade and half.

Looking ahead, the financial and operational landscape for local government continued 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 maintained a robust and sustainable financial position and was able to respond to the impact of external events and increased financial risks that it faced, the MTFS needed to remain flexible, the Council's reserves resilient and the sound track record of delivering savings needed to be sustained, whilst ensuring that resources were directed towards its vision and strategic priorities.

94. Council Tax 2025/2026

Purpose of Report

In light of the report on the Medium-Term Financial Strategy 2025-2030, which appeared elsewhere on this agenda, this report would set out the City Council's council tax requirement and, together with the requirements of the County Council and the Police & Crime Commissioner Lincolnshire, would allow Members to make a formal recommendation to Council for the overall levels of council tax for 2025/26.

Decision

That the following recommendations be made to the Council:

1. That the recommendation of the Executive on 6 January 2025 be accepted that the Council Tax Base for 2025/26, as calculated in accordance with The Local Authorities (Calculation of Council tax Base) (England) Regulations 2012, 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 estimated for the items set out in Section 31A(2) of the Act taking into account all precepts issued to it by Parish Councils.

(b) £115,733,830 being the aggregate of the amounts which the Council estimated 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 exceeded the aggregate at 2(b) above, calculated by the Council in accordance with Section 31A(4) of the Act as its Council Tax requirement for the year. (Item R in the formula in Section 31A (4) of the Act).

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

3. That it be noted that for the year 2025/26 Lincolnshire County Council had provisionally stated the following amounts in precepts issued to the Council, in accordance with the dwelling bandings shown below:

Lincolnshire County Council

A	**B**	**C**	**D**
£1,083.90	£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 had provisionally stated the following amounts in precepts issued to the Council, in accordance with the dwelling bandings shown below:

Police & Crime Commissioner Lincolnshire

A	**B**	**C**	**D**
£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 2(g), 3 and 4 above, the Council, in accordance with Section 30(2) of the Local Government Finance Act 1992, hereby set 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

Alternative Options Considered and Rejected

None.

Reasons for the Decision

The net General Fund Budget requirement for 2025/26, as set out in the Medium Term Financial Strategy 2025-2030, totalled £14,832,290 which included a contribution to balances of £129,440. For 2025/26 a council tax increase of 2.9% had been applied The council tax requirement for 2024/25 was £8,166,750. By reference to the Band D level, the 2024/25 council tax would rise by £9.00 to £316.98 per annum.

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

95. Prudential Indicators 2024/2025 to 2027/2028 and Treasury Management Strategy 2025/2026

Purpose of Report

To review and to recommend to the Council the adoption of the:

- Treasury Management Strategy 2025/26;
- Prudential Indicators;
- Minimum Revenue Provision (MRP) Policy;
- Treasury Management Practices (TMP's)

Decision

That the Council be recommended:

(a) To approve the Treasury Management Strategy 2025/26, including the Prudential Indicators;

(b) To approve the Minimum Revenue Position Policy 2024/25;

(c) To approve the Treasury Management Practices

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 four key elements:

- 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 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 – which 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 s3 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 within the Treasury Management Strategy and set out the criteria for choosing investment counterparties and limiting exposure to the risk of loss. It was reported annually (in accordance with Department for Levelling Up, Housing and Communities (DLUHC) Investment Guidance).

This report had been considered by Audit Committee on 4 February 2025.

96. 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 2024/25.

Decision

That the Council's strategic risks as at the end of quarter three 2024/25, be noted.

Alternative Options Considered and Rejected

None were considered. The Strategic Risk Register contained the key strategic risks to the delivery of the Council's medium and longer term priorities. A failure to monitor the action that was being taken to manage those risks would undermine the Council's governance arrangements.

Reasons for the Decision

An update of the Strategic Risk Register, developed under the risk management approach of 'risk appetite', was last presented to Members in November 2024 and contained fifteen strategic risks.

Since reporting to Members in November, the Strategic Risk Register had been refreshed and updated by the Risk Owners and Corporate Management Team. This update had reviewed each risk in terms of the level of assessed risk, control measures in place and mitigating actions required, and had identified that there had been some positive movement in the Risk Register. It had also considered whether there were new risks that needed to be assessed.

The updated register was contained with Part B of this agenda, it contained fifteen strategic risks along with details of relevant mitigations.

Each risk included a number of control measures in order to avoid, seek, modify, transfer or retain the risks, these included actions already in place and further actions required with the relevant timescales for implementation. These control actions continued to be implemented, and the risks managed accordingly.

Each risk was 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 operated. While there had been some positive movements in terms of the implementation of control measures, there had also been external factors which had resulted in a change to the assessed levels of likelihood and/or impact of two of the risks, as follows:

- Risk 1 had increased from Amber: Possible/Major to Amber: Probable/Major.

- Risk 5 had increased from Amber: Probable/Major to Red: Almost Certain/Critical

Both of these risks had been escalated in light of the publication, in December 2024, of the Government's "English Devolution White Paper".

The assessed level of each of the fifteen risks was outlined at paragraph 3.4 of the officer's report.

97. 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.

98. Strategic Risk Register - Quarterly Review

Purpose of Report

To receive the revised Strategic Risk Register as at the end of quarter three 2024/25.

Decision

That the Council's strategic risks, as at the end of quarter three 2024/25, be noted.

Alternative Options Considered and Rejected

None were considered. The Strategic Risk Register contained the key strategic risks to the delivery of the Council's medium and longer term priorities. A failure to monitor the action that was being taken to manage those risks would undermine the Council's governance arrangements.

Reasons for the Decision

The reasons for the decision were set out at Minute 96 above.