

**Guildhall Gainsborough  
Lincolnshire DN21 2NA**

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**AGENDA**

**This meeting will be recorded and the video archive published on our website**

**Corporate Policy and Resources Committee**

**Thursday, 10th May, 2018 at 6.30 pm**

**Council Chamber - The Guildhall, Marshall's Yard, Gainsborough, DN21 2NA**

**Members:**

- Councillor Jeff Summers (Chairman)
- Councillor Owen Bierley (Vice-Chairman)
- Councillor Mrs Sheila Bibb
- Councillor Matthew Boles
- Councillor David Cotton
- Councillor Michael Devine
- Councillor Steve England
- Councillor Ian Fleetwood
- Councillor Stuart Kinch
- Councillor John McNeill
- Councillor Tom Regis
- Councillor Trevor Young

**1. Apologies for Absence**

**2. Public Participation Period**

Up to 15 minutes are allowed for public participation. Participants are restricted to 3 minutes each.

**3. Minutes of Previous Meeting/s for Approval**

(PAGES 3 - 13)

Minutes from the Corporate Policy and Resources Committee held on 12 April 2018, and the minutes from the Concurrent Meeting of Prosperous Communities and Corporate Policy and Resources Committees held on 25 April 2018.

**4. Declarations of Interest**

Members may make declarations of Interest at this point or may make them at any point in the meeting.

5. **Matters Arising Schedule** (PAGES 14 - 15)  
Setting out current position of previously agreed actions as at 1 May 2018.
6. **Public Reports for Approval:**
- i) Discretionary Housing Payments (DHP) Policy Review (PAGES 16 - 25)
  - ii) Housing Assistance Policy 2018 - 2022 (PAGES 26 - 54)
  - iii) West Lindsey Commercial Loan Policy and Framework (PAGES 55 - 70)
  - iv) Budget Consultation Proposal 2018 (PAGES 71 - 77)
  - v) Budget and Treasury Management Monitoring - Period 4 2017/18 including Treasury Mid-Year Report (PAGES 78 - 112)
  - vi) Business Rate Growth Policy (PAGES 113 - 137)
  - vii) Progress and Delivery Report - Quarter 4 (2017/18) (PAGES 138 - 169)
7. **Committee Work Plan** (PAGES 170 - 173)
8. **Exclusion of Public and Press**  
To resolve that under Section 100 (A)(4) of the Local Government Act 1972, the public and press be excluded from the meeting for the following items of business on the grounds that it involves the likely disclosure of exempt information as defined in paragraph 3 of Part 1 of Schedule 12A of the Act.
9. **Purchase of Site for Leisure in Market Rasen** (PAGES 174 - 181)
10. **Investment Property Portfolio - Initial Progress Report** (PAGES 182 - 205)
11. **Exempt Record from April's Concurrent Meeting** (PAGES 206 - 210)

Mark Sturgess  
Head of Paid Service  
The Guildhall  
Gainsborough

Tuesday, 1 May 2018

Corporate Policy and Resources Committee- 12 April 2018  
Subject to Call-in. Call-in will expire at 5pm on 2<sup>nd</sup> May 2018.

## WEST LINDSEY DISTRICT COUNCIL

MINUTES of the Meeting of the Corporate Policy and Resources Committee held in the Council Chamber - The Guildhall, Marshall's Yard, Gainsborough, DN21 2NA on 12 April 2018 commencing at 6.30 pm.

**Present:** Councillor Jeff Summers (Chairman)  
Councillor Owen Bierley (Vice-Chairman)

Councillor Mrs Sheila Bibb  
Councillor Matthew Boles  
Councillor Michael Devine  
Councillor Steve England  
Councillor Ian Fleetwood  
Councillor Stuart Kinch  
Councillor John McNeill  
Councillor Tom Regis  
Councillor Mrs Lesley Rollings (In place of Councillor Trevor Young)

**In Attendance:**  
Ian Knowles Executive Director of Resources and S151 Officer  
Steve Anderson Data Protection Officer  
Amanda Bouttell Senior Project and Growth Officer  
Saul Farrell Senior Project Officer  
Ele Durrant Democratic and Civic Officer

**Apologies:** Councillor David Cotton  
Councillor Trevor Young

**Membership:** Councillor Lesley Rollings substituted for Councillor Trevor Young.

### 109 PUBLIC PARTICIPATION PERIOD

There was no public participation.

### 110 MINUTES OF PREVIOUS MEETING: FOR APPROVAL

The minutes of the Corporate Policy and Resources meeting held on 6 February 2018 were approved as a correct record.

### 111 MINUTES OF PREVIOUS MEETING: FOR NOTING

The minutes of the Joint Staff Consultative Committee meeting held on 29 March 2018 were noted.

## **112 DECLARATIONS OF INTEREST**

There were no declarations of interests.

## **113 MATTERS ARISING SCHEDULE**

The matters arising were agreed. The one outstanding item in green on Japan Road would come forward at the earliest available opportunity.

## **114 CORPORATE ENVIRONMENTAL SUSTAINABILITY POLICY**

The Senior Project Officer for Visitor Economy and Places presented a proposed policy for corporate environmental sustainability.

There was no existing formalised commitment to protecting the environment, although there was an agreed five yearly carbon management plan. It was deemed appropriate to formulate a policy committing West Lindsey District Council (WLDC) to protecting the environment.

Submitting a corporate environmental sustainability policy was one of the requirements of a European Regional Development Fund (ERDF) bid; the Growth team was working on two such bids.

Expressing a strong commitment towards sustainability was key to WLDC meeting its corporate carbon reduction target of 35% of the baseline of 2008/9. Good progress was being made against this target.

11 high level aims for this project included:

1. Reducing greenhouse gas emissions;
2. Promoting sound waste management practices;
3. Where possible, purchasing products and services which do the least damage to the environment;
4. Work in partnership to protect and enhance both the natural and built environment;
5. Minimising water consumption;
6. A strong commitment to celebrating, protecting and preserving historic buildings, conservation areas and ancient monuments;
7. A public transport system with less emphasis on polluting vehicles;
8. Encouraging good environmental practice;
9. Remaining compliant with all relevant environmental legislation;
10. The sustainable use of local materials and expertise;
11. Work with and encourage Council partners, contractors and suppliers to set and maintain environmental standards similar to WLDCs own standards in environmental protection.

Following questions from Members, further information was provided:

- Early engagement on the sustainability policy had been sought with Procurement Lincolnshire; the response was that this accorded well with the social value and the

localism aspect of procurement;

- The five yearly procurement plan was passed by WLDC previously. A yearly carbon audit for the Council was produced. Regular reporting was a feature of the sustainability policy at WLDC;
- The policy was not prescriptive so did not have the aim of hindering Council business;
- The policy will be reviewed on an annual basis;
- The Planning department would not be bound by the policy of promoting public transport, as they were bound by the National Planning Policy Framework (NPPF).

**RESOLVED** to endorse and authorise the adoption of the proposed Corporate Environmental Sustainability Policy as Council policy.

## 115 DATA PROTECTION POLICY - GDPR REVISION

Members considered a report by the Data Protection Officer on the General Data Protection Regulation (GDPR) that would come into force on 25 May 2018.

The report brought two existing policies on data protection, with revisions into line with GDPR. The following points were raised in relation to GDPR's data protection policy:

- Accountability would be put onto 'data controllers' such as WLDC around personal data, and would tighten restrictions on what documents could be kept;
- The existing data protection policy would be updated to include the new rights and revisions provided under GDPR;
- A privacy compliance framework would be introduced for operation in the near future.

Following questions from members, further information was provided:

- The costs of implementing GDPR included the purchasing of training and officer time. However, it had not been necessary to buy new systems for GDPR; there was one concern about suppliers charging for GDPR compliant modules, but the Crown Prosecution Service had put a stop to this;
- Personal data breaches cannot be authorised retrospectively;
- Training for officers would be made mandatory on an annual basis. Non-compliance would be a breach of officers' terms and conditions;
- Councillor training was being offered on 25 April and 15 May, in addition to the session that had been held on 10 April. An online course for Members would be looked into;

- Parish councils should wait for official guidance from Lincolnshire Association of Local Councils (LALC);
- Inadvertent breaches of GDPR would more than likely be looked at more favourably than deliberate offences. WLDC would not look to take action against an employee that had accidentally breached GDPR;
- For officers, there had been drop in sessions and workshops to raise awareness of GDPR. Audits had been completed to make sure that all Team Managers were aware of the new policy. A facility for online courses was available, and this was how WLDC manage and control what courses have been taken. This was done for safeguarding, for example;
- An audit of the preparation for GDPR had been undertaken by WLDC's internal auditors and it had been passed as 'substantial';
- It was hoped that two further training packages could be rolled out in the near future to officers; the subjects would be cyber security and compliance;
- There would be no charge if an individual requested a copy of the information held on them under GDPR.

**RESOLVED to:**

- (1) Approve the revised Data Protection Policy and its supporting Data Breach Reporting Policy and Procedure for formal adoption;
- (2) Grant delegated authority to the Executive Director of Resources to make minor housekeeping amendments to the policies in future, in consultation with the Chairman of the Corporate Policy and Resources Committee and the Chairman of the Joint Staff Consultative Committee (JSCC).

## **116 DATA PROTECTION POLICY - PRIVACY NOTICE REVISION**

Members considered a report by the Data Protection Officer on the General Data Protection Regulation (GDPR) that would come into force on 25 May 2018.

One of the enhanced rights with GDPR was the need to keep individuals (data subjects) informed as to how their data had been collected.

If Members were approached in the street by residents, they would not be allowed to collect information without referring these residents to the privacy notices available on the WLDC website.

For telephone callers into WLDC, people held in the queue would be given the privacy notice whilst they are on hold. Callers that get through to a Customer Services Advisor would be asked whether they want any further information on how their personal information would be handled.

**RESOLVED to:**

- (1) approve the revised Privacy Notice for formal adoption;
- (2) grant delegated authority to the Executive Director of Resources to make minor housekeeping amendments to the Notice in future, in consultation with the chairman of the Corporate Policy & Resources committee and Chairman of Joint Staff Consultative Committee (JSCC).

**117 MADE IN GAINSBOROUGH - ENGINEERING PROJECT**

Members considered a report from the Senior Growth Officer for the delivery of a Level 3 Engineering Apprenticeship Programme in Gainsborough in partnership with Lincoln College Group and the Made in Gainsborough Engineering Consortium.

The Senior Growth Officer highlighted what would be part of the programme:

- Additional support for the programme had come from Bishop Grosseteste University (BG) and the Local Enterprise Partnership (LEP);
- The project aimed to primarily attract up to 75 16-18 year olds onto a two year engineering apprenticeship programme over the next three years. Learners would be expected to complete a generic Level 2 qualification, delivered at Gainsborough College as a full-time course. Students would earn a salary of £160 per week;
- Travel costs would be mitigated due to the course being delivered at Gainsborough College;
- The main benefit would be the creation of jobs for young people. Spin off benefits included upskilling and multiskilling existing employees. There would also be job opportunities for unemployed adult learners;
- Siemens had asked to be involved with the group; they had just developed an apprenticeship under the 'Trailblazer' project. In addition, Grantham would like to set up a Kesteven project;
- Gainsborough had received 60 applications for apprenticeships. Most of these applicants were young people from Gainsborough and the surrounding areas;
- The funding gap had arisen because WLDC needed to equip Gainsborough College with £155k worth of engineering equipment that they don't currently have. Gainsborough College had input £80k as a capital contribution, and they would also meet 100% of the revenue costs.

Gainsborough Development Fund had made an offer of £75k for the gap in the funding, which was to go ahead. Terms and conditions were being drawn up. The college would have to apply for this funding through the Gainsborough Growth Fund process;

- The LEP had come forward and were prepared to input up to £29k;

- The employer contribution would meet £8,500 of the salary costs.

Following questions from Members, further information was provided:

- The course would be at Level 2 for the first year, moving onto Level 3 in the second year;
- If WLDC's input of £75k was not required to be spent then it wouldn't;
- The £75k would be funded from the business rates retention pilot;
- This was an employer led initiative, and the course was requested by these employers in Gainsborough. The employers were also leading on what qualifications they wanted to see from the course;

**Note:** Councillor John McNeill declared an interest as he knew socially the current and former Chancellor and Vice-Chancellor at Bishop Grosseteste University.

- WLDC were not expecting to have significant recovery rights on the equipment provided to the College;

**RESOLVED to:**

- (1) support the proposal for officers to seek external funding for the project as a priority;
- (2) ring-fence up to £75k of the Investment for Growth Earmarked Reserve and thereby utilise some of the gain from Business Rates to gap fund the project. This will only be utilised should the project be unsuccessful in securing external funds as outlined in 1 above and subject to the project meeting required due diligence outlined within the Gainsborough Growth Fund (GGF) process;
- (3) agree to delegate the signing of any funding agreement to the Executive Director of Resources in consultation with the Chair of Corporate Policy and Resources Committee, subject to alignment with the terms in this report.

## **118 COMMITTEE WORK PLAN**

The Executive Director of Resources drew Members attention to the withdrawal of a paper on Gainsborough Cemetery extension. This would come back at a later date.

The work plan was noted.

The meeting concluded at 7.37 pm.



Chairman

**WEST LINDSEY DISTRICT COUNCIL**

MINUTES of the Meeting of the Concurrent Meeting of the Prosperous Communities and Corporate Policy and Resources Committees held in the Council Chamber - The Guildhall, Marshall's Yard, Gainsborough, DN21 2NA on 25 April 2018 commencing at 6.32 pm.

**Present:** Councillor Jeff Summers (Chairman)  
Councillor Mrs Sheila Bibb (Vice-Chairman)

Councillor Mrs Gillian Bardsley  
Councillor Owen Bierley  
Councillor Matthew Boles  
Councillor Michael Devine  
Councillor Steve England  
Councillor Ian Fleetwood  
Councillor Paul Howitt-Cowan  
Councillor Stuart Kinch  
Councillor John McNeill  
Councillor Mrs Pat Mewis  
Councillor Mrs Lesley Rollings  
Councillor Trevor Young

**In Attendance:**  
Eve Fawcett-Moralee Executive Director of Economic and Commercial Growth  
Ian Knowles Executive Director of Resources and S151 Officer  
Alan Robinson Strategic Lead Governance and People/Monitoring Officer  
Jo Walker Growth & Regeneration Manager  
Katie Coughlan Senior Democratic & Civic Officer  
James Welbourn Democratic and Civic Officer

**Apologies:** Councillor David Cotton  
Councillor Mrs Maureen Palmer

**Membership:** There were no substitutes appointed for the meeting.

**6 CHAIRMAN'S WELCOME**

The Chairman welcomed all those present to the second concurrent meeting of the Prosperous Communities Committee and Corporate Policy and Resources Committee.

**7 MEMBERS' DECLARATIONS OF INTERESTS**

There were no declarations of interest made at this stage.

## **8 PROCEDURE**

In light that the Committees were running in a concurrent format for the evening, the Chairman briefly summarised the procedure which had been adopted and which was attached to the agenda, making particular reference to the way in which votes would be cast.

**RESOLVED** that the Procedure be noted.

## **9 MINUTES OF THE PREVIOUS MEETING**

- (a) Concurrent Meeting of the Prosperous Communities Committee and Corporate Policy and Resources Committee– 6 February 2018

**RESOLVED** that the Minutes of the Concurrent Meeting of the Prosperous Communities Committee and Corporate Policy and Resources Committee held on 6 February 2018 be confirmed and signed as a correct record.

## **10 EXCLUSION OF THE PUBLIC AND PRESS**

**RESOLVED** that under Section 100 (A)(4) of the Local Government Act 1972, the public and press be excluded from the meeting for the following item of business on the grounds that it involves the likely disclosure of exempt information as defined in paragraph 3 of Part 1 of Schedule 12A of the Act.

## **11 PROCUREMENT OF A DEVELOPMENT PARTNER FOR WEST LINDSEY DISTRICT COUNCIL: FINAL TENDER**

Members gave consideration to a report which provided details of the bids received at the “Invite to Submit Final Tender” (ISFT) stage of the process, and of the evaluation process.

The report further sought authorisation from Members, for Officers to notify bidders of the outcome of the procurement process, and following the required 10 day standstill period, to enter into a binding agreement with the successful bidder for the delivery of the project.

The Executive Director of Commercial and Economic Growth addressed Committee and in doing so advised the following: -

- The Council had received compliant bids from both Participants at ISFT.
- Members had at their previous meeting on 6 February 2018 received full presentations on the contents of both bids together with an explanation of how both bids complied with the Council’s brief, when considering the ISDS stage of the process.
- Participants had been required to not depart from their ISDS responses at Final Tender stage, but had been requested to review, optimise and re-submit their financial solution.
- The ISFT submissions had now been evaluated and a high level comparison was set

Concurrent Meeting of the Prosperous Communities and Corporate Policy and Resources Committees- 25 April 2018

Subject to Call-in. Call-in will expire at 5pm on Thursday 3 May 2018

out in Table 1 of the report, together with the respective final scores for each submission

- For the avoidance of the doubt the sites and proposals which would be included at Phase 1 of the Project were outlined clearly to Members. Full information in respect of this was contained at Section 3 of the report and in table 5. It was indicated that the Executive Director of Resources would address the Committee later to advise on the funding which would be required.
- Confirmation of the sites / projects previously considered for potential inclusion in Phase 1, but not now going forward was also provided to Members and the reasons for this explained.
- Recommendation 5 related to the working up of detailed proposals for sites to be taken forward as part of Phase 2. The proposed governance arrangements, for achieving such were set out in figure 1 of the report. There was a commitment to appraise, via “agreed viability test” by October a number of further sites and these were again outlined clearly to Members.

In concluding her presentation the Executive Director of Commercial and Economic Growth, outlined to Members the next stages of the process and an indicative timeline should Members be minded to approve the proposals put forward for consideration.

The Executive Director of Resources then addressed Committee and firstly thanked all Officers involved for their work on the Project. For the avoidance of doubt, he provided Members with further clarification on: -

- the funding from the Council which would need to be released for Phase 1 schemes and how this would be used if Members agreed the proposals
- the potential financing options which would be considered within the delegation afforded (if agreed)
- the level of capped returns being offered; and
- the proposed terms of any financing arrangements

Debate ensued and Members asked a number of pertinent questions and sought assurance on a number of matters. In response Officers advised the leasing arrangements being proposed included no break clauses and as such the potential risks identified by Members had been mitigated or transferred as far as practicable.

The Council would be the custodian of the development and there would be no day to day involvement at a management level, from the successful bidder. However they would be answerable to the Authority for the duration of the Partnership

In response to Members comments, the various initiatives underway to support the town centre were outlined to the Committee, together with details of ongoing negotiations relevant to the town centre but outside of the proposals presented for consideration.

It was confirmed key green spaces would be enhanced not developed and the agreed proposal would need to enhance and enrich the heritage element of Gainsborough.

Members were again reassured that if as a result of the negotiations the agreement materially changed from the proposal in table 5 a further report would be presented to the

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Committee for a decision.

It was proposed and seconded that a minor amendment be made to recommendation 1 for the Prosperous Communities Committee.

Having being moved and seconded the Prosperous Communities Committee's recommendation as amended was put to the vote.

Following an alphabetical roll call, with a total of 8 votes cast in favour and 2 abstentions it was: -

**RESOLVED** that recommendation 1, relevant to the Prosperous Communities Committee, as detailed within the report, and amended through the course of the debate be approved.

In light of the information provided by Officers, a revision to recommendation 4, relevant to the Corporate Policy and Resources Committee and as detailed within the report, was proposed by Chairman, which included the addition of consultation with relevant Policy Committee Chairmen and further clarification regarding the level of funds being committed, including the establishment of a capital budget and a drawn down from the Investment for Growth Earmarked reserve”

The proposed amendment was duly seconded and on having been put to the vote was accepted.

The recommendations for the Corporate Policy and Resources Committee, as amended above were then moved, seconded and put to the vote en-bloc.

Again following an alphabetical roll call, with a total of 9 votes cast in favour and 1 abstention it was

**RESOLVED** that recommendations 2 – 5, relevant to the Corporate Policy and Resources Committee, as detailed within the report, and amended through the course of the debate be approved.

Members thanked Officers for the work to date in delivering the Project.

The meeting concluded at 7.09 pm.

Chairman

**Corporate Policy & Resources Committee Matters Arising Schedule**

**Purpose:**

To consider progress on the matters arising from previous Corporate Policy & Resources Committee meetings.

**Recommendation:** That members note progress on the matters arising and request corrective action if necessary.

| Status       | Title                      | Action Required  | Comments   | Due Date | Allocated To      |
|--------------|----------------------------|--|--|----------|-------------------|
| <b>Black</b> |                            |  |  |          |                   |
|              | <b>Ombudsman Costs</b>     | <p>The Executive Director of Resources was asked to provide the level of costs that the ombudsman has been paid from WLDC.</p> <p><b>*UPDATE - there are no contributions to the Ombudman's costs from WLDC.</b></p>   | Executive Director of Resources can feed this back into the April committee.           | 12/04/18 | Ian Knowles       |
|              | <b>Counterparty breach</b> | <p>Cllr J McNeill asked for an update to the next available CPR committee on the counterparty breach.</p> <p><b>*UPDATE - Funds have now been returned, and the Council is not at risk. There are however still staffing procedures being followed which will conclude in April.</b></p> | To either be emailed to all Members, or more likely, an update during Matters Arising. | 12/04/18 | Tracey Bircumshaw |

|  |  |  |  |                        |                                   |
|--|--|--|--|------------------------|-----------------------------------|
|  | <p><b>Joint Venture - Japan Road</b></p> | <p><b>At the 6 Feb meeting of CPR, reco 3 of the paper on Japan Road stated that a further report would follow in April on the Joint Venture agreement. This has been delayed, and a paper will follow later in 2018</b></p> | <p><b>CPR committee in April to be updated of this change.</b></p> <p><b>UPDATE - this is now on the Forward Plan.</b></p> | <p><b>10/05/18</b></p> | <p><b>Eve Fawcett-Moralee</b></p> |
|--|--|--|--|------------------------|-----------------------------------|

# Agenda Item 6a



**Corporate Policy and  
Resources Committee**

**Date 10 May 2018**

**Subject:** Discretionary Housing Payments (DHP) Policy Review

Report by:

Head of Paid Service  
Mark Sturgess

Contact Officer:

Angela Matthews  
Benefits Manager

Purpose / Summary:

The West Lindsey DHP policy has been updated to take account of Full Service Universal Credit and a copy of the proposed policy is shown at Appendix A.

**RECOMMENDATION(S):** That members;

Adopt the new Discretionary Housing Payment Policy – Option 2

## IMPLICATIONS

**Legal:**

None – there is no requirement to have a policy but given the budget and the likelihood of challenge it is recommended we do have a policy.



**Financial : FIN/161/18/CC**

The cost of the scheme is borne by the Department for Works and Pensions who 100% subsidise the scheme payments to customers (up to the Local Authority grant threshold) and fund the administration of the scheme on an annual basis.

**Staffing :**

This policy will have no additional impact on staffing

**Equality and Diversity including Human Rights :**

Positive effects

**Risk Assessment :**

Having a DHP Policy makes the process of claiming and awarding a DHP transparent. The Policy supports the Council's aims and objectives and is aimed at reducing the risk of homelessness

**Climate Related Risks and Opportunities :**

None arising from this report.

**Title and Location of any Background Papers used in the preparation of this report:**

Department for Works and Pensions Discretionary Housing Payments Guidance Manual December 2016

<https://www.gov.uk/government/publications/discretionary-housing-payments-guidance-manual>

**Call in and Urgency:**

**Is the decision one which Rule 14.7 of the Scrutiny Procedure Rules apply?**

Yes

No

**Key Decision:**

Yes

No

## **Executive Summary**

West Lindsey District Council receives an annual grant from the Department for Work and Pensions (DWP) to provide additional financial help in the form of a Discretionary Housing Payment (DHP) to households in receipt of Housing Benefit (HB) or the Universal Credit housing costs element and suffering financial difficulty.

The grant received from the DWP has risen over recent years following the Welfare Reform cuts to standard Housing Benefit in 2013 and beyond and whilst the current policy is still valid and flexible to allow DHP awards in the situations that DWP suggest, it makes no reference to Welfare Reform or Universal Credit and contains very little detail regarding scenarios where a DHP cannot be paid.

The DWP publish 'guidance' for the use of the DHP fund which is used by the West Lindsey Benefits Team when assessing eligibility for a DHP and the payments made under the scheme are closely monitored by the DWP.

The West Lindsey DHP policy has been updated to take account of Full Service Universal Credit and a copy of the proposed policy is shown at Appendix A.

### **1 Background and Statistics**

- 1.1** The Council is provided with an annual Discretionary Housing Payment (DHP) grant by the Department for Work and Pensions (DWP) in order to provide additional financial support to that awarded through the housing benefit scheme and now Universal Credit.
- 1.2** DHPs operate outside the main benefit system but for ease of administration are normally paid alongside housing benefit where relevant. The payments are limited to providing support with housing related costs for residents in receipt of housing benefit or the housing element of universal credit. Support is restricted to those within the rental sector and cannot support home owners or to clear Council Tax liability.
- 1.3** The budget available to West Lindsey District Council in 2018/19 is £181,749. This represents a significant budget for the number of HB/ UC Housing Costs claimants we have and demand for DHP is high for the district but in the past five years the full budget has not been spent and any underspend each year remains with the DWP.
- 1.4** The following table shows the increase in the DHP allocation to West Lindsey and the amount spent over the last six years.

| Year    | DHP Funding | Amount Paid to Claimants |
|---------|-------------|--------------------------|
| 2012/13 | £53,823     | £44,012                  |
| 2013/14 | £114,798    | £80,752                  |
| 2014/15 | £131,512    | £71,168                  |
| 2015/16 | £115,593    | £51,685                  |
| 2016/17 | £142,371    | £86,422                  |
| 2017/18 | £182,508    | £122,972                 |

|         |          |  |
|---------|----------|--|
| 2018/19 | £181,749 |  |
|---------|----------|--|

**1.5** DHP support is targeted to help those households affected by welfare reform or who are homeless or at risk of homelessness and in 2018/19 it is expected that we will receive more referrals from the Home Choices team who have extended Homelessness responsibilities from April 2018.

**1.6** Referrals for DHP assessments are encouraged from the WL Home Choices Team, DWP Jobcentres in Gainsborough, Lincoln, Grimsby and Scunthorpe, ACIS Group Ltd and all welfare organisations, landlords and housing associations who have concerns about tenants receiving Housing Benefit or UC housing element and not being able to meet their full housing rent. The following table shows the number of applications received and paid, refused or withdrawn over the last six years:

| Year    | Number of Applications Received | Number Paid | Number Refused | Number Withdrawn |
|---------|---------------------------------|-------------|----------------|------------------|
| 2012/13 | 165                             | 101         | 52             | 7                |
| 2013/14 | 385                             | 262         | 82             | 36               |
| 2014/15 | 323                             | 214         | 91             | 18               |
| 2015/16 | 231                             | 149         | 67             | 17               |
| 2016/17 | 333                             | 232         | 80             | 21               |
| 2017/18 | 389                             | 276         | 76             | 37               |

The main reasons that awards are refused is if a customer has sufficient income to pay the shortfall in their rent and only needs referral for budgeting advice, they have made multiple applications for DHP funds, they have no shortfall in rent (their Housing Benefit award or UC housing element is paying their full rent) or they are not in receipt of HB or UC housing element. The main reason that applications are treated as 'withdrawn' is that the customer refuses to 'engage' with the DHP Officer after making the initial application or after an organisation has made the application on their behalf.

**1.7** The Welfare Reform initiatives implemented since April 2013 have been well managed by the claimants affected and where DHPs have been awarded to help claimants acclimatise to the partial withdrawal of standard HB the DHP awards have been of a temporary nature in most cases. The table overleaf shows the 'reason' for DHPs awarded in 2017/18.

| DHP Reason (2017/18)   | Number of awards |
|--|------------------|
| Social Sector Size Restriction (Bedroom Tax)                                 | 80               |
| Benefit Cap  | 29               |
| Local Housing Allowance Reforms – Private Rents                              | 87               |
| Claimants not affected by Welfare Reform (eg Relationship breakdown, loss of | 80               |

|                                  |  |
|----------------------------------|--|
| employment, reduction in income) |  |
|----------------------------------|--|

**1.8** The DWP guidance to Local Authorities for paying DHPs recommends that every application is considered on its own merits and payment is at the discretion of the Local Authority BUT there are circumstances where an award of DHP cannot be made as follows:

- A DHP cannot be paid where HB or UC housing costs have been removed or reduced due to a DWP benefit sanction (penalty)
- A DHP cannot be paid in excess of the eligible weekly rent
- A DHP cannot be paid to cover a deduction from HB or UC housing costs that is being made to clear a previous overpayment of HB or UC housing costs.
- A DHP cannot be paid where rent liability has been increased to include past rent arrears
- A DHP cannot be paid to cover ineligible service charges

## **2 Options**

**2.1** Option 1 - No change, West Lindsey continues to award DHPs based on the current policy that makes no reference to Universal Credit or Welfare Reform

**2.2** Option 2 - Members adopt the new policy updated to include details on Welfare Reform and Universal Credit

## **3. Recommendations**

Given the benefit changes brought about by Welfare Reform and Universal Credit -Option 2 is recommended - the new West Lindsey DHP Policy is adopted.



# **Discretionary Housing Payments Policy**

## Introduction

Discretionary Housing Payments (DHPs) were introduced in July 2001. The general provisions for DHPs are contained within the Discretionary Financial Assistance Regulations 2001

Discretionary Housing Payments (DHP) provides additional financial assistance to people who are already in receipt of Housing Benefit (HB) or the Housing Element of Universal Credit (UC).

DHP's are not classed as payments of benefits. They are stand-alone payments and the awards are made entirely at the discretion of the Council, subject to a cash limited budget set by the Government.

A DHP can be claimed by every claimant who has entitlement to HB, or entitlement to the Housing Element of UC and there is a shortfall between their rent liability and the amount of HB or Housing Element of UC and they require additional financial help to pay this shortfall.

A DHP may be awarded to meet a shortfall in rent for any of the following:

- Reduction in HB/UC where the benefit cap has been applied
- Reduction for under-occupation in the social rented sector
- Reduction due to Local Housing Allowance (LHA) restrictions
- Any shortfall to prevent a household becoming homeless whilst the Home Options team explores alternative options
- Reduction due to Rent Officer restrictions
- Reduction due to the application of income tapers

Housing costs are not defined in the regulations and this gives LA's a broad discretion to interpret the term as they wish. In general, housing costs means rental liability. However, housing costs can be interpreted more widely to include;

- Rent in advance
- Deposits
- Other lump sum costs associated with a housing need/move such as removal costs.
- A reasonable payment to clear qualifying rent arrears if they are preventing a customer from moving to affordable accommodation, subject to no DHP award being made at the new address, unless affected by a relevant change of circumstances.

Payments are purely discretionary and nobody has the statutory right to receive a DHP. A DHP cannot be used for:

- Ineligible service charges included in the rent
- A reduction in benefit award following a sanction being imposed as a result of fraud
- An increase in rent liability due to rent arrears
- Rent because of the suspension of benefit payments

- A period for which there is no entitlement to HB or UC

The main features of the DHP scheme are:

- It is discretionary
- A claimant does not have a statutory right to a payment
- The amount the Council pay out in a financial year is cash limited by the Government
- The administration of the scheme is for the Local Authority to determine

Each DHP claim will be considered on its own merits and there will be no blanket policy or exemptions.

### **Scheme Objectives**

The scheme objectives are to reduce inequalities by protecting the most vulnerable in our district and to:

- Safeguard people's housing/tenancies
- Sustain vulnerable households
- Prevent homelessness
- Alleviate poverty
- Help those trying to help themselves
- Keep families together
- Support the vulnerable in the local community
- Help people through personal crises and difficult events
- Support young people in the transition to adult life

### **Considering the application**

The following list indicates elements which will be considered in the assessment of a DHP application (this list is not exhaustive)

- Any steps taken to reduce the liability
- The financial circumstances of the claimant and the family, including the ability to pay the shortfall themselves
- Any savings or capital held
- Any steps being taken to improve the claimant's financial situation
- The medical circumstances of the claimant and their family including adaptations to the property
- Length of time the circumstances are expected to last
- The prevention of homelessness and the Council's homelessness strategy
- The amount available in the DHP budget

### **Period of award**

In all cases, the Council will decide the length of time for which a DHP will be awarded (usually a maximum 26 weeks) – this will be based on the facts known and the evidence supplied.

The start date of the award will normally be from the Monday following the date the DHP claim was made.

An award cannot be granted for a period for which there is no entitlement to HB or the Housing Element of UC .

### **Awarding a DHP**

The Council will assess how much DHP to award based on all of the claimant's circumstances. A home visit or a telephone interview may be arranged to gather details of the claimant's circumstances. The award of DHP may be an amount lower than the difference between the liability and the rate of HB/UC being paid.

One award of DHP for a certain period of time does not guarantee that a further award will be made at a later date.

### **Changes in Circumstances**

All customers receiving a Discretionary Housing Payment must report any change in their circumstances immediately. The Benefits Team may revise or withdraw the award following a change in circumstances, or at any other time it is practical to do so.

### **Method of payment**

The Council will decide the most appropriate person to pay. This will include:

- Claimant
- Appointee
- Landlord or Agent

Payment will be made by BACS

### **Notification**

The Council will inform the claimant of its decision and the letter will include the weekly award, the period of the award, how often it will be paid and to whom.

Where payments are to be made to a landlord or agent they will also be informed of the same.



Where the claim is unsuccessful the Council will provide an explanation of its reasons for refusing the claim.

### **Review of the Decision**

As DHPs are not payments of benefit there is no right of appeal to be heard by an Appeals Tribunal. However in support of fairness to the customer the Benefits Team will carry out an independent internal review on the following decisions: -

- Not to award a Discretionary Housing Payment
- The level of a Discretionary Housing Payment
- Refusal to backdate a Discretionary Housing Payment
- Recovering an overpayment of a Discretionary Housing Payment

Customers or their appointees must make a request for a review in writing within one month of the original DHP notification giving their reasons for requesting a review.

The original decision will then be reviewed by a Senior Officer who has not been involved in the initial decision making process. The Senior Benefits Officer's decision will be notified in writing to the customer. No further requests for review will be accepted.

### **Overpayments of DHP**

The Benefits Team will seek to recover any overpayment of DHP where the customer or their action has contributed to the overpayment. Recovery will involve the issuing of a Debtors Invoice.

### **Fraud**

The Benefits Team is committed to the detection and prevention of fraud. Customers who deliberately make a false claim for a DHP will be investigated which may lead to criminal proceedings

# Agenda Item 6b



**Corporate Policy and Resources**

**Date 10th May 2018**

**Subject: Housing Assistance Policy 2018 - 2022**

Report by:

Head of Paid Service  
Mark Sturgess

Contact Officer:

Andy Gray  
Housing and Environmental Enforcement  
Manager

Purpose / Summary:

To provide elected members with an updated Housing Assistance Policy and to seek approval for financial programme within it to be delivered *(this paper is due to go to Prosperous Communities first on 1 May, so the below is subject to any changes made by that Committee).*

**RECOMMENDATION(S):**

**Elected Members are asked to:**

- a) To approve that the earmarked reserve allocated for private sector renewal is released to fund the housing assistance policy as recommended by Prosperous Communities Committee on the 1<sup>st</sup> of May 2018.

## IMPLICATIONS

**Legal:**

The Regulatory Reform (Housing Assistance) (England & Wales) Order 2002 provides the framework for the Council to provide a wider range of discretionary assistance. The Council has a statutory duty to provide mandatory DFGs and there is no intention to amend this duty.

The aspects of the policy that relate to private sector renewal are entirely discretionary. Additional procurement advice will be sought in regards to the specific aspects of this policy to ensure that the legal risk is minimal. Given that the offers being made are positive it is not expected that any legal issues will be identified.

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**Financial : FIN/28/19 CC CP&R****DISABLED FACILITIES GRANT**

The Council currently delivers Disabled Facilities Grant (DFGs) and receives a grant allocation from Lincolnshire County Council as part of the Better Care Fund on an annual basis. The existing allocation in 17/18 was £602,000 and this is scheduled to increase to £648,000 in 18/19. A capital budget is approved as Business As Usual (BAU), with some element of the grant funding supporting the revenue cost of administration of the scheme.

In terms of the DFG scheme the discretionary elements will be funded from the capital budget already approved in the capital programme. No additional funds are requested within this report and will therefore be managed within the existing budget.

There is the proposal to create a relocation grant from the DFG allocation, this would not constitute capital expenditure and therefore would be a charge to Revenue. Therefore an element of the DFG funding will need to move to Revenue to cover any expenses incurred and the Capital budget reduced.

This policy does meet the extended powers under The Regulatory Reform (Housing Assistance) Order 2002.

**PRIVATE SECTOR RENEWAL**

The Private Sector Renewal capital budget sits within the Capital Programme as a Pre-Stage 1 scheme as there has not been a policy or business case developed to enable the allocation of this budget to date. The overall budget for this capital programme is £1,539,900 (as detailed at paragraph 6 below). This will be financed initially by £825,000 from the Investment for Growth Earmarked Reserve and £714,900 from Capital Receipts.

The proposals highlighted for Private Sector Renewal are in the main compliant with the CIPFA Code for Capital expenditure. However, one element poses potential challenges, the Landlord incentive grant (£2,500), which will be classified as Revenue Expenditure and therefore would utilise the Investment for Growth Earmarked Reserve, and thereby reducing the capital budget.

**Staffing :**

There are no staffing implications within this report.

**Equality and Diversity including Human Rights :**

**Risk Assessment :**

**Private Sector Renewal**

**Lack of Capital Receipts** – capital receipts are required in order for the scheme to be able to continue beyond the three year funded period. A lack of these receipts will mean that no further funding can be offered.

**Climate Related Risks and Opportunities :**

None noted

**Title and Location of any Background Papers used in the preparation of this report:**

**Call in and Urgency:**

**Is the decision one which Rule 14.7 of the Scrutiny Procedure Rules apply?**

*i.e. is the report exempt from being called in due to urgency (in consultation with C&I chairman)*

**Yes**

**No**

**Key Decision:**

*A matter which affects two or more wards, or has significant financial implications*

**Yes**

**No**

## **1. Summary**

- 1.1. Corporate Policy and Resources Committee are asked to approve the release of the earmarked reserves to fund the financial aspect of the Private Sector Renewal scheme (PSR).
- 1.2. This report provides an overview of the revised Housing Assistance Policy (Appendix 3). This policy details how the Council will provide financial assistance in a statutory and discretionary manner in relation to Disabled Facilities Grants (DFGs) and Private Sector Renewal.
- 1.3. The policy revisions seek to amend the existing approach to DFGs and enhance their scope and impact. Alongside this the policy introduces a completely new offer of assistance for PSR.

## **2. Disabled Facilities Grants**

- 2.1. DFGs have been successfully delivered by the Council for a number of years. The funding for DFGs is now drawn down from the wider budget labelled “The Better Care Fund”, which is managed by the County Council and provides the funding for a wide range of health related services.
- 2.2. The Regulatory Reform (Housing Assistance) (England & Wales) Order 2002 removed most of the prescriptive housing renewal grant legislation in the Housing Grants, Construction and Regeneration Act 1996, and introduced new wide ranging discretionary power to local housing authorities to develop different forms of financial assistance to meet local needs.
- 2.3. The Council has not previously utilised its extended powers under the 2002 RRO due to its focus on providing solely the DFG obligation. This revised policy brings into use these powers and enhances our ability to make discretionary offers based on local needs.

## **3. DFG Financial Information**

- 3.1. The Council currently seeks to allocate all of its DFG budget within each year to ensure that adaptations are installed into homes and that the health of individuals who receive the grants is improved and their risk factors are reduced.
- 3.2. In 17/18 the Council received £602,000 in Better Care Fund allocation. This is expected to increase to £648,000 in 18/19.

3.3. The Council currently recovers an element of its staffing budget from the Better Care Fund. This arrangement will continue and has previously been agreed by Management Team.

#### **4. Policy Amendments Relating to DFG**

4.1. The housing assistance policy will now contain the following types of assistance: (further detailed in appendix 1)

- Mandatory Disabled Facilities Grant
- Discretionary DFG
- Discretionary Top-up Grant
- Discretionary Contribution Grant
- Relocation Grant (Revenue)
- Healthy Homes Grant
- Hospital Discharge Grant

4.2. Where assistance provided is land charged and then recovered, it is intended any funds received would be directed back into the capital programme to deliver DFGs.

#### **5. Private Sector Renewal**

5.1. The West Lindsey Housing Strategy 2018 – 2022 sets out West Lindsey's vision for housing. Within this there are three key aims, one of which is improving homes and transforming places. Alongside this it is specifically noted that a key project is to deliver financial assistance in the private rented sector to improve property standards, energy efficiency and fuel poverty.

5.2. The profile of and issues facing the private rented sector within the district have been elevated since the introduction of the Council's Selective Licensing scheme in 2016. This scheme has enabled poor standards to be addressed and has created a wealth of knowledge and information about the sector and what can be done to improve it locally.

5.3. In line with the Council's wider approach to growth in Gainsborough, this policy seeks to address issues within the existing housing stock to ensure that it is maintained and improved.

5.4. It should be noted that the approach to this aspect of the policy is an enabling one. The PSR initiatives within this policy do not seek to ensure that a commercial gain is sought. The reasons for this are as follows:

- The policy seeks to, in its purest form, provide assistance and improve property standards and bring empty properties back into use;

- The ability to gain commercially, in regards to the housing market, within the areas in which this applies is limited;
- A range of statutory punitive measures are in place and effective (i.e. selective licensing), this policy provides a positive offer;
- The policy (with the exception of empty homes) seeks to assist those that are compliant with statutory obligations (i.e. non fit and proper or unlicensed landlords)
- Provision is made for purchasing long term empty properties to enable those owners who wish to leave the market an opportunity to do so;
- Empty property owners (when surveyed) and landlords are reluctant to enter into commercial type arrangements with the Council.
- The overall benefit to the Council in long term in regards to social and economic regeneration believed to be positive.

5.5. The Council has continued to be proactive in dealing with long term empty properties and the proposals made within the policy seek to enhance this work and provide a positive solution for property owners.

## 6. Private Sector Renewal Financial Information

6.1. A capital budget has already been allocated for PSR. This budget was allocated in 16/17 and due to resource issues and competing priorities officers were unable to develop the policy prior to now. As a result, the current allocated spend is shown below. There is a total of £1,539,900 over three years, which includes £100,000 carry forward pending from 2017/18.

| XG14                   | 18/19    | 19/20    | 20/21    | Total      |
|------------------------|----------|----------|----------|------------|
| Private Sector Renewal | £600,000 | £500,000 | £439,900 | £1,539,900 |

6.2. In light of the proposed policy it will be necessary to re-phase the capital scheme to ensure that it can be spent in line with the policy and in accordance with the resources available. As a result the proposed budget is shown below:

| XG14                   | 18/19     | 19/20     | 20/21     | 21/22    | Total      |
|------------------------|-----------|-----------|-----------|----------|------------|
| Private Sector Renewal | £325,000  | £300,000  | £300,000  | £614,900 | £1,539,000 |
| Financed by            |           |           |           |          |            |
| EMR (investment)       | -£225,000 | -£300,000 | -£300,000 | £0       | -£825,000  |



|                  |           |    |    |           |           |
|------------------|-----------|----|----|-----------|-----------|
| for Growth)      |           |    |    |           |           |
| Capital Receipts | -£100,000 | £0 | £0 | -£614,900 | -£614,900 |

6.3. It is not proposed to allocate any of this resource to cover the officers costs incurred in delivering the scheme. Existing resources will be used to enable these aspects of the policy and this will be reviewed accordingly within the work area.

6.4. Where assistance provided is land charged and then recovered, it is intended any funds received, via property changes of ownership will finance future PSR initiatives.

## 7. Policy approach relating to PSR

7.1. For each financial offer specific conditions have been set and these have been put in place to ensure that the specific offer available is either restricted to the specific group it is aimed at or to ensure that there is a sufficient level of uptake. Not all offers will be means tested and in most cases the assistance provided will be land charged for a time period relevant to the particular assistance provided.

7.2. It is proposed to include the following types of assistance within the policy (further detailed in appendix 2)

- Empty Property Grant
- Empty Property Purchase
- First time buyer initiative
- Owner Occupier Grant
- Landlord Incentive Grant

7.3. The initiatives for Private Sector Renewal will only be available within Gainsborough or within the specific selective licensing area.

## 8. Contractors and Schedules

8.1. Specific schedules will be drawn up for each of the offers of assistance. This will outline the conditions attached to any of the specific offers and ensure that any applicant is fully aware of matters relating to eligibility and repayment of the assistance.

8.2. The current procurement arrangements for DFGs will continue, whereby works are completed via list of competent contractors held by the Council. Further advice will be sought in regards to the procurement of PSR works, however the applicant, in most cases will be responsible for

ensuring that an appropriate contractor is sought. For example, if a homeowner wishes to improve dangerous electrics in their property, the Council will check that the contractor is competent and then its sole role to be to check the relevant works and then make payment to the contractor.

8.3. Contracts will be procured for specific aspects of the PSR work which are the completion of electrical and gas certification and energy performance certificates.

## **9. Budget Management**

9.1. The Council is obliged to meet its statutory duties in relation to the mandatory DFG provision and this aspect of the policy will always be given priority from a financial perspective.

9.2. For PSR there is no mandatory or statutory provision therefore the approach to the provision of assistance will focus on the applications that have the highest social and economic impact.

9.3. Officers will reserve the right to cease the assistance offered (where it is not mandatory) should there be a financial requirement to do so. No applications would be accepted during times when assistance was not available.

## **10. Review and Monitoring**

10.1. The Policy would be reviewed on an annual basis and the assistance within them reviewed for effectiveness. There is also scope to include wider areas within the policy (e.g. Hemswell Cliff), subject to there being specific evidence in regards to any improvements required.

10.2. A set of performance measures will also be developed alongside the policy in order to demonstrate the impact that it has had and to enable to be reviewed effectively.

## Appendix 1 – Overview of DFG Related Grant

| Assistance                          | Funding Max. | Financial eligibility                            | Objective   | Land Charge                                  | Other Information  |
|-------------------------------------|--------------|--|---|--|--|
| Mandatory Disabled Facilities Grant | £30,000      | Means tested – contributions may be required     | To assist disabled people to remain independent in their own home.  | Max £10,000 for grants over £5,000, 10 years |  |
| Discretionary DFG                   | £10,000      | Means tested – including children's cases        | To adapt homes of disabled people who fall outside of the mandatory DFG but require adaptations to remain safe and independent at home. | 10 years                                     | Requires OT referral. To be used to address specific issues that cannot be addressed via mandatory provision |
| Discretionary Top-up Grant          | £10,000      | Means tested – including children cases          | To provide additional funding when the mandatory grant does not cover the full extent of the adaptation required.                       | 10 years                                     |  |
| Discretionary Contribution Grant    | £5,000       | Not means tested – depends on WLDC assessment    | To assist with paying a contribution when a contribution would be the reason a mandatory DFG would not progress.                        | 10 years                                     | Available within existing policy.  |
| Relocation Grant (Revenue)          | £2,000       | No means test –                                  | To assist a disabled person to move to a more suitable property.  | Perpetuity                                   | Available to anyone who has an OT referral for re-location   |
| Healthy Homes Grant                 | £5,000       | Available to anyone eligible for a mandatory DFG | To improve the property standards of vulnerable people who own their own home.  | 10 years                                     | To address damp and mould, excess cold and falls on stairs and levels  |
| Hospital Discharge Grant            | £5,000       | Non means tested                                 | To assist anyone unable to be discharged from hospital due to their home conditions.  | None   | For minor adaptations  |

## Appendix 2 – Overview of Private Sector Renewal Grants

| Assistance                  | Funding Max.                     | Eligibility  | Objective  | Land Charge | Other Information   |
|-----------------------------|----------------------------------|--|--|-------------|---|
| Empty Property Grant        | £10,000                          | Not Means tested   | Bring long term empty properties back into use through home ownership and owner occupying  | 5 years     | No existing debts permitted.<br>Must be brought back into use within 6 months.  |
| Empty Property Purchase     | Market value at point of sale    | Property must have been empty for over 6 months.                                   | Bring problematic empty properties back into use   | N/A         | To address market failure and the worst empty properties.<br>Market value to be offered. Cost of any refurb to be considered. |
| First time buyer initiative | £5,000<br>Deposit match up to 5% | Property must have been empty for over 6 months.<br>First time buyers only.        | Assist first time buyers to get onto the property ladder.<br>Bring long term empty properties back into use.<br>Encourage home ownership | 5 years     | Can be used in conjunction with empty property grant.<br>Occupancy to be monitored.   |
| Owner Occupier grant        | £5000                            | Home owner for 12 months or more.<br>Means tested.                                 | To improve health, improve energy efficiency and reduce fuel poverty   | 10 years    | To remove category 1 hazards from owner occupied property   |
| Landlord Incentive Grant    | £2,500                           | Property must be licensed and tenanted. No previous enforcement action undertaken. | Improve the standards of the properties in the Selective Licencing area.   | 10 years    | Focussed on: improved extraction, interlinked fire alarms and burglar alarms  |

# Housing Assistance Policy 2018 - 2022

## 1. Introduction

West Lindsey Housing assistance Policy sets out the financial assistance available for residents of West Lindsey in order for people to remain living independently in safe and healthy homes

There are 2 main elements to this policy: Disabled Facilities Grants funding through the Better Care Fund and how West Lindsey intend to implement their powers under the Regulatory Reform Order; and a capital program of funding that aims to return long term empty properties to use, improve property standards and incentivise home ownership focusing on the Gainsborough area.

## 2. Strategic context

### 2.1. *West Lindsey Housing Strategy 2018 – 2022*

This strategy sets out West Lindsey's vision for Housing. The strategy aims to deliver these 3 key themes:

1. Driving housing growth to meet housing need
2. Improving homes and transforming places
3. A partnership approach to support choice, wellbeing and independence

Within those themes, a clear project plan has been set out, in which this policy can contribute. These are as follows:

2.1 to deliver financial assistance in the private rented sector to improve property standards, energy efficiency and fuel poverty

2.4 to actively tackle poor quality housing standards and rogue landlords across the district

3.3 To develop a policy in line with the Better Care Fund objectives which enables independent living and improves health and wellbeing

### 2.2. *West Lindsey Independent Living Policy 2016-2018*

This existing policy goes into detail on how West Lindsey were interpreting the Housing, Construction and Regeneration Act 2006 in relation to mandatory DFG's.

The independent living policy allowed West Lindsey to improve the way in which DFG's are administered in West Lindsey and has been an important building block to ensure West Lindsey is now in a position to offer additional assistance under the Regulatory Reform Order 2002.

### 2.3. *West Lindsey Housing Enforcement Policy*

The enforcement policy aims to ensure that all citizens of West Lindsey have a home that is safe, secure, dry and not overcrowded. This policy, alongside the Corporate Enforcement Policy, outlines how the council will use appropriate enforcement powers to ensure that all owners comply with their statutory obligations. This housing

assistance policy compliments the enforcement policy with the objectives of improving housing standards, focusing on the Gainsborough area.

#### **2.4. West Lindsey Corporate plan 2016-2020**

The West Lindsey Corporate Plan sets out West Lindsey priorities for the district to ensure that services being provided will meet the varied needs of the residents of the district. This policy relates to the following themes of the corporate plan:

- Theme 1 – People First  
This policy aims to outline what is available to the residents of West Lindsey in a manner that is accessible to all.

### **3. Independent living**

#### **3.1. Legal context**

- 3.1.1.** The Regulatory Reform (Housing Assistance) (England & Wales) Order 2002 removed most of the prescriptive housing renewal grant legislation in the Housing Grants, Construction and Regeneration Act 1996, and introduced new wide ranging discretionary power to local housing authorities to develop different forms of financial assistance to meet local needs.
- 3.1.2.** To be able to give financial assistance under the Act, the local housing authority must adopt and publish a policy setting out how it intends to use this general power to give assistance.
- 3.1.3.** Funding for Disabled Facilities Grants is now received from Lincolnshire County Council through the Better care Fund. The Better Care Fund (BCF) is a program spanning both the NHS and local government. It has been created to improve the lives of some of the most vulnerable people in our society, placing them at the centre of their care and support, and providing them with ‘wraparound’ fully integrated health and social care, resulting in an improved experience and better quality of life.
- 3.1.4.** West Lindsey District Council’s grant allocation received for DFG’s has increased over the past year, with the projection that this budget will remain for at least the next 3 years and potentially further.
- 3.1.5.** Until now, West Lindsey have not extended the grant using powers under the RRO as the funding allocations would not have been enough to cover the additional demand.

#### **3.2. Objectives**

- 3.2.1.** This policy aims to assist disabled people to live safely and independently in their own home. This Policy sets out how this will be

done in line with the legislation, good practise guidance, the Better Care fund plan and through offering good value for money.

**3.2.2.** West Lindsey District Council will work with the following key partners in order to deliver this policy:

- Housing Associations
- Occupational Therapist and Customer Care officers
- Private Landlords
- Home Owner
- Local contractors and specialist equipment providers
- Better Care fund leads
- Other districts within Lincolnshire

## 4. Disabled Facilities Grant Funding

**4.1.** Below is a summary of all grant assistance that is available through DFG funding. Further details on the grants can be found in the Grant Schedules document which sets out the terms and conditions of the individual grants. West Lindsey District Council have a statutory duty under the Housing Grants, Construction and Regeneration Act 1996 to provide Mandatory Disabled Facilities Grants. All other grants will be subject to available funding.

| Assistance                          | Funding Max. | Financial eligibility  | Objective   |
|-------------------------------------|--------------|--|---|
| Mandatory Disabled Facilities Grant | £30,000      | Means tested   | To assist disabled people to remain independent in their own home.  |
| Discretionary DFG                   | £10,000      | Means tested – including children’s cases                          | To adapt homes of disabled people who fall outside of the mandatory DFG but require adaptations to remain safe and independent at home. |
| Discretionary Top-up Grant          | £10,000      | Means tested – including children cases                            | To provide additional funding when the mandatory grant does not cover the full extent of the adaptation required.                       |
| Discretionary Contribution Grant    | £5,000       | Not means tested – depends on WLDC assessment                      | To assist with paying a contribution when a contribution would be the reason a mandatory DFG would not progress.                        |
| Relocation Grant                    | £2,000       | No means test – available to anyone who has an OT referral for re- | To assist a disabled person to move to a more suitable property.  |



|                          |        | location   |  |
|--------------------------|--------|--|--|
| Healthy Homes Grant      | £5,000 | Available to anyone eligible for a mandatory DFG | To improve the property standards of vulnerable people who own their own home.       |
| Hospital Discharge Grant | £5,000 | Non means tested                                 | To assist anyone unable to be discharged from hospital due to their home conditions. |

**4.2.**  
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### **y Disabled Facilities Grant**

4.2.1. Disabled Facilities Grant (DFG) is a mandatory entitlement to help fund the provision of adaptations to enable people with disabilities to achieve independent living in their own home. The primary legislation covering Disabled Facilities Grants is the Housing Grants, Construction and Regeneration Act 1996 and applies to all Mandatory Disabled Facilities Grants.

DFG is a means tested grant which is determined by a national formula, the amount of grant that can be is determined by:

- Household income through earnings and benefits
- Household savings over £6,000
- Disabilities
- Household composition
- Tenure

4.2.2. The maximum grant amount that can be awarded will be worked out using a means test, but is subject to a maximum of £30,000. Depending on the outcome of the means test an applicant may be required to pay a specified contribution towards the adaptation.

4.2.3. Under the current legislation, applications for disabled children are not subject to a means test. All other aspects of the DFG application process remain the same for both child and adult applications.

### **4.3. Discretionary Disabled Facilities Grant**

4.3.1. Discretionary DFG is available when the works that are recommended by the OT are not eligible to be funded through a mandatory DFG – this grant does not cover financial ineligibility. This aim of this grant is to assist people to remain living at home outside of the remit of a mandatory DFG.

4.3.2. The request from an OT will go to a pre-determined panel to decide whether or not the request is necessary & appropriate.

4.3.3. An example of when this grant could be applied for is as follows:  
A disabled child can only have the property that is their 'main residence' adapted, this does not then allow for a parent with shared custody to have any adaptations and could result in them not being able to offer respite care.

4.3.4. The grant will be fully land charged for owner occupiers for a 10 year period and means tested in all cases – including children's applications. All referrals from OT will be considered by The Council.

#### **4.4. Discretionary top-up grant**

4.4.1. Discretionary top-up grants are available to applicants who are eligible for a mandatory DFG and the suitable scheme cannot be achieved within the £30,000 grant maximum.

4.4.2. It will be fully means tested for all cases including parents/guardians of disabled children.

4.4.3. Grant maximum of £10,000 which will be fully land charged on owner occupier applications for a 10 year period.

#### **4.5. Discretionary contribution grant**

4.5.1. Discretionary Contribution Grants are available when an applicant has a contribution to make towards a mandatory DFG based on a financial means test.

4.5.2. The current means test for mandatory DFG's looks at many factors affecting an applicant's financial situation including, income, capital, disability, dependents and tenure. The means test then calculates the amount that, based on these factors, the household could either afford to pay or afford to borrow towards their adaptations works. It doesn't however, take into account that the family may not be able to borrow or could not afford to borrow based on their circumstances. This could lead to an essential adaptation not being undertaken and ultimately, leave a disabled person very vulnerable in their own home.

4.5.3. The grant maximum is £5,000 and will be based on evidence of not having the capital available to cover the contribution. The grant will be fully land charged on owner occupier applications for a 10 year period.

#### **4.6. Relocation grant**

4.6.1. Relocation grants will be available for anyone who is currently living in a property that is unsuitable due to their disability, whereby a move to a suitable property would be more beneficial to the applicant than having their current property adapted.

4.6.2. This will be available for both home owners and tenants and will not be means tested. The OT must be involved in the move to assess the new property for suitability. Referral for this grant will come from the OT.

4.6.3. Maximum of £2,000 available as a grant, land charged for home owners at the new property.

#### **4.7. Healthy Home grant**

4.7.1. This grant is for minor repairs to properties based on health needs. Available to anyone who is eligible for a mandatory Disabled Facilities Grant (financial eligibility) and own their own home whereby their home situation is contributing to their health issues. Referral from health care professional or doctor required. Can help with the following Housing Health and Safety Rating system (HHSRS) hazard:

- a) Damp and mould - spores of many moulds and fungi (including timber attacking fungi) can be allergenic. The spores can also be carcinogenic, toxic and cause infections; the potential health effect varying with species.
- b) Excess cold – There are approximately 40,000 more deaths between December and March than in other months of the year due to the cold.
- c) Falls on the stairs and falls on the level – Fall's on stairs account for around 25% of all home falls (fatal and non-fatal). Although fewer falls occur on stairs than on the level, stair falls are much more likely to lead to a class I outcome)

4.7.2. The Grant maximum is £5,000 and the grant is only available to home owners. Fully land charged for a 10 year period.

#### **4.8. Hospital discharge grant**

4.8.1. This assistance will allow the discharge from hospital or move on from care to happen much quicker by having a fast-track process for undertaking adaptations - if the reason they are not able to return home is down to their home environment.

4.8.2. Available for minor adaptations to the home to allow for further community OT involvement once the applicant is home. The grant maximum is £5,000 and the grant will not be subject to a financial means test and not land charged in any cases.

## **5. Eligibility Criteria and Key Facts about Mandatory Disabled Facilities Grants**

### **5.1. Applications**

- 5.1.1. All applications for both mandatory and discretionary Disabled Facilities Grants are determined by West Lindsey District Council. Mandatory DFG's can only be provided to cover the cost of adaptations that are deemed to be *essential* for meeting the disabled person's needs. These are typically any adaptations that the disabled person is wholly dependent upon in order to remain living independently within the property. The council will determine how best to carry out any adaptations, considering both Occupational Therapist recommendations and an assessment of the applicant's home. All alternative means of providing assistance within the home must be trialled before a DFG application will be considered. As a minimum this will include asking for evidence that equipment has been trialled (and is no longer a suitable long term solution) and that the suitability of the property for the disabled person has been assessed.
- 5.1.2. The council will always seek the most cost effective solution to meeting the disabled person's essential needs. Adaptations will be designed, and grants offered, on this basis. If an applicant makes a specific request for additional work that is not considered to be essential by the council, or makes a request for adaptations to be carried out in a different way to that proposed by the council, the council will limit the amount of grant offered to cover only the essential elements of the request.
- 5.1.3. Grant applications will only be considered to be 'valid applications' when all of the requested information has been supplied to the council. Failure to provide the necessary financial information, or any other supporting evidence as requested by the council, will result in the closure of a DFG application and applicants will be referred back to their Occupational Therapist to discuss alternative means of support.

## **5.2. Eligible Applicants:**

- 5.2.1. **An applicant is only eligible for a mandatory DFG if a recommendation is received from an Occupational Therapist which will state what is required for the disabled person to remain living independently in the property. Eligibility for all other assistance will be detailed in appendix 1**
- Homeowners – an application can be made by the homeowner if the disabled person is living in their house, for example, partner, child, sibling etc.
  - Private and socially rented – an application can only be made by the person who holds the tenancy, this can be on behalf of the disabled person. The landlord or owner of the property must give consent for the adaptation.
  - Landlords can make applications for a Disabled Facilities Grant on behalf of the disabled tenant.

- Means tests are undertaken on the “relevant person” and their partner for mandatory DFG’s. Where the discretionary means test are undertaken, these will be on either the relevant person and their partner, or, the parent/guardian of the disabled child and their partner

### **5.3. Eligible properties:**

- Dwellings, houseboats and park homes on authorised permanent sites are eligible for assistance. Mandatory grants will only be awarded to adapt the only or main residence of the disabled person.
- The council must be satisfied that the work is necessary and appropriate for the disabled person’s needs. It must also be deemed reasonable and can be carried out given the age and condition of the property.
- The council must be satisfied that the disabled person is living suitably within the home (i.e. has permanent use of a suitable bedroom and washing facilities) before allowing any grant work to commence. Grants will not be provided if the council considers that the disabled person would remain at risk, even with adaptations being provided. In such cases the reasons will be provided by the council in writing on the reasons the property has been deemed unsuitable.
- Where the cost of the adaptations is less than £1,000 (usually minor adaptations, such as installing hand rails) the work will be completed by Social Services and the grant application closed.
- Where the cost of the adaptations requested is extensive and beyond what can reasonably be provided within the scope of DFG then the application will be assessed to see if a discretionary grant could be offered.
- A condition of the grant is that the disabled person must intend to occupy the property for at least the full grant period, which is 5 years from the date works are completed. This applies to **all** properties. For landlords, this means that they must accept this 5 year term as a condition of permitting the adaptations.
- Grants for tenants in rented properties (including social rented properties) cannot be awarded if the relevant landlord does not consent to the property being adapted.
- **No grant funding will be awarded if work has started at a property before the council has approved an application.**

## **6. Approval of grant**

**6.1.** For the application to be approved by West Lindsey District Council, the following must be complete:

- Application
- Determination of financial eligibility

- Quote and plan (if appropriate)
- OT confirmation the adaptation will meet the need of the disabled person
- Consent from landlord or joint home owner
- Any planning permission required

Only at the point all of the above is complete will the application be deemed valid. From the date the application becomes valid, West Lindsey District Council have 6 months to approve the grant

## **7. Local Land charge**

**7.1.** Where the value of a mandatory grant awarded to a home owner exceeds £5,000 a local land charge will be applied to the property. The land charge will be up to a maximum charge of £10,000 and will remain in place for a 10 year period. If the house is sold during this 10 period, the land charge will be required be repaid in full at the point of sale. Anyone wishing to purchase the property in this time would be made aware of the charge when they, or their solicitor, undertake a Local Land Charge property search.

**7.2.** Any land charge to be placed onto a property for discretionary grants are detailed in the grant schedules document.

## **8. Contractors**

### **8.1. Disabled Facilities Grants**

8.1.1. All applicants have the choice of which contractor to use to undertake their adaptation. This option will be given to the applicant once the application process is complete.

8.1.2. If the applicant would prefer West Lindsey to select the contractor, adaptations arranged by West Lindsey will be carried out by the council's approved contractor list. This list is updated annually and requires the contractors to provide the following information:

- Insurance Policies
- DBS Checks for all employees
- Certificates for membership of any professional bodies
- Signed application forms which details company information
- References
- Signed form agreeing to timescales for providing quotes and undertaking work.

8.1.3. West Lindsey reserves the right to withdraw any contractor from this list at any point throughout the year if there is just reason to do so. Under the

terms of the grant there are limitations on the amount of grant that can be awarded if the applicant wishes to use a family member to complete the work for them. Applicants must discuss this with the council before any work commences and obtain consent in writing if they wish to appoint a family member, to complete the work for them. Failure to do this may result in a grant offer being refused or withdrawn.

8.1.4. Where an applicant asks a contractor to carry out any additional work on-site, the applicant will become fully responsible for both the cost and quality of that work. Contractors are aware that any additional work or agreements to alter an approved scheme must be cleared by the council.

8.1.5. Professional technical fees, up to a maximum of 10% of the total value of the adaptation/building work requested, can be included in the grant application. This amount can cover items such as the production of technical drawings, completing applications for any additional permissions that are needed (such as Planning or Building Control applications) and other professional fees for surveys etc. that are agreed in advance with the council.

## **9. Completion and Payment**

9.1. Adaptations will be considered to have been completed when the necessary work has been completed to an acceptable standard, appropriate for the user. The customer must sign to confirm they are happy with the works that have been undertaken.

9.2. The council will pay the grant once all work has been completed to the satisfaction of both the council and the grant applicant and the following documentation has been received, grants cannot be paid until all documents are returned:

- Invoice (addressed to the customer)
- Signed customer completion form
- Any relevant certificates including electrical
- Building regulation certificate (if required)
- Any warranty documents

## **10. Maintenance, repairs and warranties**

10.1. Applicants should consider purchasing or negotiating extended warranties for any work carried out in their properties or for any specialist equipment installed. This is a matter for the applicant to discuss directly with the contractor and will not affect the council's decision on whether or not to offer grant assistance.

10.2. All stair lifts and through floor lifts come with an extended 5 year warranty

**10.3.** All works are guaranteed for 12 months, should any problems arise within 12 months of the works being completed, the cost of repair can be covered by West Lindsey. Outside of 12 months, no repairs can be undertaken by West Lindsey and the responsibility will lay with the home owner.

**10.4.** In addition, the council is not responsible for returning a property to its original condition in the event that any adaptations are removed or no longer required. Applicants and landlords are advised to consider how they will meet any future maintenance and repair costs when applying for and accepting a DFG.

## **11. Adaptations different to what is recommended**

**11.1.** If an applicant would like a different adaptation to what is recommended by an OT, there is a procedure for undertaking this.

**11.2.** West Lindsey will have the scheme recommended by the OT drawn. The OT will then have to agree that this plan will meet the needs of the disabled person. At this point, West Lindsey will request 3 quotes for this work from 3 different contractors. West Lindsey will make a financial grant offer based on the quotations received within the limitations of DFG. This grant offer will last for 1 year. Within that year, it is up to the applicant to provide West Lindsey with the following information in order for the grant to be approved:

- Drawings for the adaptation they wish to undertake along with OT approval of these drawings
- All relevant building regulation and planning approval
- Quotation for the work
- Details of the contractor undertaking the works to include company name, address, and registration number (it is down to the applicant to do all relevant checks on the contractor as West Lindsey will accept no responsibility for their work)
- Consent from the landlord if applicable
- CDM action plan

**11.3.** Once all the above has been received, West Lindsey will formally approve the grant. This grant will be directly paid to the contractor once the works are complete and the above information is provided as detailed in completion and payment.

## **12. Further DFG information**



- 12.1.** On accepting a DFG, the applicant will not be eligible for inclusion on the Housing Register in West Lindsey for at least the full grant period (5 years). Any applicant already on the register will have their application for housing suspended once their DFG application is complete. If the grant application is refused, an applicant's housing register status is not affected.
- 12.2.** The council will always seek to recover in full any grants that are obtained with false or incorrect information. Applicants are responsible for ensuring that the council is made aware as early as possible if they believe that any information they have submitted contains errors or omissions. If the council becomes aware that any false or incorrect information has been supplied before work commences the grant offer may be withdrawn, or put on hold pending additional investigation.
- 12.3.** Applicants that experience a change in their financial circumstances during the application process or after a grant amount has been approved must notify the council immediately. This is to ensure that a reassessment of resources (a revised means test) can be carried out to ensure that the applicant remains eligible for the grant.
- 12.4.** For all grants, except mandatory DFGS any persons who have other debt with Council and/or have been subject to previous property related enforcement action will not be eligible

### **13. Capital Program for Private Sector Renewal**

- 13.1.** Improving the quality of the housing stock and bringing empty properties back into use are major priorities for West Lindsey District Council. With the implementation of the Selective Licensing Scheme in the Gainsborough South West Ward in 2016, the Council recognises that work needs to be undertaken alongside this to assist with problems that arise outside of the private rented sector and assist with recurring problems in the private rented sector.
- 13.2.** Poor housing standards and long term empty properties can have a detrimental impact on the neighbourhood, problems that can occur include:
- Reduction in the value of the property and the neighbouring properties.
  - Environmental health risks from vermin and waste.
  - Hazards to the public through unsafe structures.
  - Focal points for illegal and anti-social behaviour such as fly tipping, vandalism and arson.
  - A strain on other agencies such as Fire and Rescue and Police.
  - A wasted resource when so many people are in need of housing.
  - Increased risk of squatters.

## **14. Empty Homes**

**14.1.** In West Lindsey, there are currently 971 empty properties. 521 of these are classed as long term empty properties which means they have been empty for 6 months or more. 168 of these long term empty properties are in the Gainsborough area and 83 within the SL area. DCLG classify these as 'problematic empty properties' and these are the properties that this policy aims to tackle.

**14.2.** There are many reasons that properties are left empty for a long period and West Lindsey recognise this is not always the fault of the home owner. Currently, work is undertaken with empty property owners to assist with bringing empty properties back into use. This policy sets out how West Lindsey aim to develop on from existing work to have a greater impact in the Gainsborough area.

### **14.3. Private Sector Renewal Policy Objectives**

**14.3.1.** Through the financial assistance outlined in this policy and alongside the on-going statutory and regulatory duties that the Council undertakes this policy aims to:

- Bring long term empty properties back into use
- Improve housing standards in the Gainsborough area
- Increase the supply of good quality private rented properties
- Encourage home ownership
- Prevent properties from falling into a state of disrepair
- Assist land lords to maintain their priorities and offer financial assistance when needed.
- Assist homeowners to maintain their properties to a safe and healthy standard.

**14.3.2.** These objectives will be monitored through the number of properties brought back into use and the number of housing disrepair and anti-social behaviour complaints that are reported to West Lindsey.

## **15. Housing Standards**

**15.1.** West Lindsey received 220 housing disrepair complaints in the last 12 months. 76 of these were found to have a category 1 hazard. Many of the complaints received related to damp and mould.

**15.2.** Through incentives in this policy, West Lindsey aims to reduce the number of housing disrepair cases that are reported by working with landlords to prevent damp and mould occurring through improved ventilation systems.

**15.3.** Ensuring that properties have the right smoke detection in rented properties is the responsibility of the landlord. However, due to the

design/layout of the properties in the Gainsborough area, assisting with installing systems that can detect earlier and be interlinked throughout the household will reduce the likelihood of death or injury by fire. In some cases these systems would be above and beyond what the usual requirements would be, however they will ensure an increased level of safety to occupants.

## 16. Summary of assistance

**16.1.** This table summarises what financial assistance is available to home owners, landlords and potential home owners of current empty properties. The grants are subject to availability of funding and all terms and conditions are set out in the attached grant schedules.

| Assistance                  | Funding Max.                     | Eligibility   | Objective  |
|-----------------------------|----------------------------------|---|--|
| Empty Property Grant        | £10,000                          | Not Means tested.<br>Property must have been empty for over 6 months.   | Bring long term empty properties back into use through encouraging home ownership and owner occupying                                    |
| Empty Property Purchase     | Market value at point of sale    | Property must have been empty for over 6 months.  | Bring problematic empty properties back into use   |
| First time buyer initiative | £5,000<br>Deposit match up to 5% | Property must have been empty for over 6 months.<br>First time buyers only.   | Assist first time buyers to get onto the property ladder.<br>Bring long term empty properties back into use.<br>Encourage home ownership |
| Owner Occupier grant        | £5000                            | Home owner for 12 months or more.<br>Means tested   | Remove category 1 hazards from owner occupied property to improve health, improve energy efficiency and reduce fuel poverty              |
| Landlord incentive Grant    | £2,500                           | Property must be licenced under Selective licencing, rented out and have no previous enforcement action undertaken. | Improve the standards of the properties in the Selective Licencing area.   |

## **16.2. Empty Property grants**

- 16.2.1. Assistance available to home owners when the property has been empty for 6 months or more to bring the empty property back into use. The property must be brought back in to use within six months of the grant allocation or the grant has to start to be repaid. This grant will not be subject to a financial means test.
- 16.2.2. A standard specification will be provided to builders to ensure the property can be let, free from hazards, upon completion and ensure the property will be compliant under a selective licensing inspection.
- 16.2.3. No empty property owner will be eligible for a grant if they have any outstanding debts to be owed to the council. The grant maximum is £10,000 and it will be fully land charged for a 5 year period.

## **16.3. Empty property purchase**

- 16.3.1. This assistance is available for West Lindsey District Council to purchase properties that have been empty for 6 months or more. Applications should be submitted by landlords where alternative empty property incentives are not feasible.
- 16.3.2. Properties may also be selected by West Lindsey and will be led by number of complaints received, debts attached to the property or if the council is considering a Compulsory Purchase Order.

## **16.4. First time Buyer initiative**

- 16.4.1. Available to first time buyers purchasing a long term empty property. A grant of up to 5% deposit match can be obtained and the grant maximum is £5,000. It will be fully land charged for a 5 year period.
- 16.4.2. Additionally, this grant can be used in conjunction with the Empty Property Grant, terms and conditions to this apply and are detailed in the grant schedules.

## **16.5. Owner occupier grant**

- 16.5.1. This grant is available to homeowners who have lived in their properties for 12 months or more to assist with rectifying problems in their homes associated with identified category 1 hazards, energy efficiency or improving the visual appearance of the property where they can't afford to resolve these problems themselves.
- 16.5.2. All eligible applications will be subject to a property inspection to identify category 1 hazards based on the current HHSRS assessments (Housing Health and Safety Rating System)

16.5.3. The grant maximum is £5000 and the works must lead to the identified category 1 hazards being removed. This grant is subject to a financial means test and will be fully land charged for a 10 year period.

## **16.6. Landlord incentive grant**

16.6.1. This grant is available to current landlords to assist them in improving the property standards of their rented properties. The intention of this grant is not to take the responsibility away from landlords but to further improve the housing standard. For example, an improved ventilation systems to prevent the house incurring any further damp and mould, interlinked fire alarms or burglar alarms to improve safety and security

16.6.2. The property must be licensed under Selective Licensing and the landlord can have had no previous enforcement action taken against them by West Lindsey District Council.

16.6.3. The grant maximum is £2,500 and this grant will not be subject to a financial means test. The grant will be fully land charged for a 10 year period.

## **17. Private Sector Renewal**

17.1.1. Within the PSR elements of this policy, choice will be available (where appropriate) to the applicant. Where an applicant selects a contractor to carry out scheduled works eligible under the policy the Council will seek to ensure that the chosen contractor has the relevant certification and competency.

17.1.2. Where the Council is providing the works via the grant, contracts will be procured with specific suppliers who will then undertake the relevant works.

17.1.3. Applicants will not be able to use contractors who do not meet the Councils requirements.

## **18. Decision**

18.1. The Council reserves the right to refuse any applications where the assistance provided is discretionary. There will be no right of appeal in regards to decisions that are made and each decision will be explained clearly to the applicant.

18.2. The budget available to support this financial assistance policy will be reviewed on an on-going basis. Where the remaining budget is not sufficient

to support individual applications the offer of assistance will not be available until sufficient budget is available again. Applicants will be made aware of this position should it impact upon their ability to receive assistance.

- 18.3.** All applications must be submitted by the home or land owner and any applicant that has current debt with the Council and/or has faced previous property related enforcement action will not be eligible.

## **19. Complaints**

- 19.1.** Applicants wishing to submit a complaint about the service, challenge a decision issued or to raise a dispute about any work completed, will be referred to the adopted corporate complaints procedure.

## **20. Policy Review**

- 20.1.** This policy will be reviewed annually or as required based on the availability of finance to provide the necessary assistance.



**Corporate Policy and Resources**

**10 May 2018**

**Subject: West Lindsey Commercial Loan Policy and Framework**

Report by:

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Purpose / Summary:

To consider the viability and implications of a Commercial Loan Policy and Framework that would allow the Council to lend money to third party organisations. This report is subject to approval of the Prosperous Communities Committee to be held on 1 May 2018.

**RECOMMENDATION(S):**

**That members approve the Commercial Loan Policy for West Lindsey that would allow the Council to award discretionary commercial loans to third party organisations in support of local growth and economic development.**

## IMPLICATIONS:

### Legal:

Loans to third party organisations and businesses may be provided under the Council's general power of competence. The General Power of Competence, Localism Act 2011 Sec 1 (1) gives local authorities, including eligible local councils, "*the power to do anything that individuals generally may do*".

This power is not to be relied upon as a specific power to lend or invest but rather to supplement Section 12 of the Local Government Act 2003 or Section 24 of the Local Government Act 1988 when investing or lending.

### Loan Funding

There are a number of approaches and potential exemptions which they can rely upon when lending. The potential exemptions include the General Block Exemption Regulation (the "GBER") and De Minimis. If a council provides a loan on market terms, it should not be State aid because the council is acting in line with the Market Economy Investor Principle (the "MEIP"). When making such loans, councils will need, amongst other things, to carry out prior due diligence to demonstrate that the loan is a prudent use of the council's resources and such that any other lender (i.e. banks) would have provided a loan on those terms

A loan can be non-aid altogether provided it is given on commercial terms and at a market rate. In such a case the fact it is given by a state entity such as WLDC does not matter as it is considered not to confer the *advantage from state resources* necessary to be state aid (i.e. it is deemed to be in effect the same as if obtained from a commercial bank). In order to do verify this, there is a formula for judging market rates as set out by the European Commission involving consideration of prevailing interest rates plus the beneficiary risk rating and level of collateralisation.

It is intended that all loans will be given on commercial terms.



**Financial : FIN/24/19TJB**

The Council is currently exposed to £1.060m of loans equating to 10% of forecast uncommitted useable reserves of £10.566m per the MTFP at 2022/23).

The following risk considerations are to be embedded to mitigate financial risk;

**A maximum exposure level** - should be set at 35% of uncommitted useable reserves which reflects the Council's risk appetite to this type of debt. All loan agreements include clauses to protect WLDC against loss of principle through default on payment i.e. security in the form of a charge on the land/property/asset and through personal or parent company guarantees.

**Commercial Interest Rate** - As most loans are funded from Prudential Borrowing the Councils cost of borrowing needs to be met from the rate of interest applied to the loan. Rates will be set at a level commensurate with a commercial loan for a similar loan agreement.

Rates must be evidenced as commercial to comply with State Aid Rules.

**Costs to administer** - A fixed 1.5% or £5,000 whichever is the higher as an administration charge. Additional penalties for late payments should also be applicable.

**The maximum amount of loan** – the Council's willingness to advance should be proportionate to the scheme and financial standing.

**The maximum period of loan advance** - The preferable loan period is 5 years however for larger projects this could be extended up to 10 years.

**Repayment Terms:** The ability to repay early should not come with penalties, this will encourage early repayment.

**Approval:** All loan advances will require approval of the Corporate Policy and Resources Committee.

**Staffing:** This project will be led by the Commercial and Economic Growth Director (with the support of the Finance Team) and is part of the work plan of the Growth team.

**Equality and Diversity including Human Rights :**

If approved for delivery, the Commercial Loan Policy will be adopted on a discretionary basis. This is to ensure prudent risk management on the part of the Council (as described in the Financial Implications above). Each application will be assessed consistently in accordance with the Council's assessment criteria and due diligence requirements. The assessment criteria will be disclosed to prospective applicants at Expression of Interest stage.

**Risk Assessment:**

**State Aid compliance**

**Mitigating Action:** Loans will only be issued at a commercial rate therefore no distortion of competition

**Default on the loan**

**Mitigating Action:** Appropriate due diligence to be undertaken, security on the asset through a Charge on the Land, release of the loan based on specific conditions in addition to a parent company or personal guarantee if appropriate

**Climate Related Risks and Opportunities :**

This scheme is designed to support economic growth and stimulate development. In this respect applications will have to demonstrate that any proposed activity funded through the loan will support projects that will improve sustainability and will not be at the detriment of both the business and the environment.

**Title and Location of any Background Papers used in the preparation of this report:**

“Review of the Gainsborough Growth Fund, its performance over the last 3 years and any recommendations going forward” (Prosperous Communities Committee, 30 January 2018)

**Call in and Urgency:**

**Is the decision one which Rule 14.7 of the Scrutiny Procedure Rules apply?**

i.e. is the report exempt from being called in due to urgency (in consultation with C&I chairman)      **Yes**       **No**

**Key Decision:**

A matter which affects two or more wards, or has significant financial implications      **Yes**       **No**

# 1 Introduction

## 1.1 Previous decisions

The recommendations outlined in the Gainsborough Growth Fund (GGF) Review Report presented at Prosperous Communities Committee on 30<sup>th</sup> January 2018 summarised three areas of opportunity for the Council in terms of its role as future provider of business finance and fiscal incentives.

- a revised GGF Scheme that would look at relaunching a wider district Feasibility Fund to be aligned with the Greater Lincolnshire Enterprise Partnership (GLLEP) and regional Midlands Engine Investment Fund Programme<sup>1</sup> (see *Appendix A for full details of financial products*);
- the potential to provide a local business Discretionary Rate Relief Scheme (for consideration via a separate report);
- **the implications to develop a Commercial Loan Policy that would regulate disbursement of loans to third party organisations (to be evaluated in this paper)**

The performance review carried out in relation to the existing GGF Scheme, and the increased funding/financial opportunities available at district and regional level through ESIF (EU), the GLLEP and the Midlands Engine Investment Fund Programme (MEIF), concluded there is little rationale at this stage to explore a continuation of the Scheme in its current format, once resources are depleted from the allocated budget. Also considerations were made whether a grant regime is the most effective commercial and financial mechanism for the Council to continue to support business growth and investment, particularly for high risk capital projects.

## 1.2 Rationale for investment: why should we consider lending?

Government changes in the way councils are funded has prompted local authorities, over the last few years, to look at more commercial and innovative ways of growing income streams from other sources other than Government grants and council tax in order to support their services.

The Council can available through the use of their reserves and/or borrowing from the Public Works Loan Board (PWLB) to support outputs to the growth agenda and to support future revenue income streams by providing loan funding.

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<sup>1</sup> MEIF is a collaboration between the government-owned British Business Bank and ten Local Enterprise Partnerships (LEPs) in the West Midlands and East & South East Midlands and provides commercially-focused finance to help SMEs start up and grow. It is a key part of the government's vision aimed at boosting the region's economy and supporting the growth of smaller businesses between 2017 and 2022.

A commercial loan approach, as opposed to a grant regime, would ensure more measurable outputs in terms of financial returns (revenues generated from interest payments and potentially increase in business rates) will benefit Council resources with the greater economic impact for the District.

Loans to third party organisations and businesses may be provided under the Council's general power of competence. The General Power of Competence, Localism Act 2011 Sec 1 (1) gives local authorities, including eligible local councils, "the power to do anything that individuals generally may do". This power is not to be relied upon as a specific power to lend or invest but rather to supplement Section 12 of the Local Government Act 2003 or Section 24 of the Local Government Act 1988 when investing or lending.

This option would support the Council's Medium Term Financial Plan & Capital Investment Strategy and would allow revenue from loan repayments and arrangement fees to cover the cost.

## 2 Socio-economic analysis

- 2.1 When evaluating the implications of a Loan Scheme the Council should outweigh the cumulative socio-economic benefits that are generated as a result of a particular investment into the local economy and the risk levels associated to the very nature of disbursement of loans (payment defaults, borrower's creditworthiness, collaterals and securities).

Some of the wider socio-economic benefits for the Council to consider whether entering the lending environment may include:

- **Delivering economic growth.** By lending to commercial entities the Council can support programmes and activities which can generate significant economic impact and job creation;
- **Economic renewal and regeneration.** Loans can support the delivery of regeneration programmes in areas that suffer from lack of investment and can unlock stalled development projects which are struggling to get off the ground;
- **To share good policy on improving access to finance for investors and Small and medium-sized enterprises (SMEs).** By working with institutions like the MEIF and other funding organisations, the Council may stimulate investment locally and encourage local economic growth.

### **3 Commercial Loans: Guidance Notes**

#### **3.1 Principles and Eligibility**

It is proposed that commercial loans be considered to support development projects which have a significant economic impact and support sustainable job creation. Project proposals will need to clearly demonstrate the potential for job creation and alignment to the Council priorities for growth as well as the GLLEP Strategic Economic Plan (SEP).

The Loan will support capital activities, including investment in sites and premises and/or purchase of new machinery and equipment.

Revenue projects are not eligible for the Loan applications. Only capital projects may be considered (usual fees/project management costs which are part of a larger capital project may be eligible).

In addition to financial and credit status, Project deliverability and strength and experience of the management team will be a key factor in the appraisal process.

The maximum amount of the loan will be based on a combination of different factors involving the proportionality of the loan amount to the overall scheme/project proposal and the financial standing of the company.

Any Commercial Loans will be funded by prudential borrowing and projects will be expected to repay their funding so this debt can also be repaid. Early repayment will be prioritised and taken into account alongside value for money and economic impact. A repayment period of no more than 5 years is preferred although loan terms of up to a maximum of 10 years may also be considered.

Any other material factor having a potential impact on project deliverability will be considered in the evaluation process as deemed appropriate.

We will not accept loan requests from individuals.

#### **3.2 Application Process**

This will involve a five stage process:

- An Expression of Interest (EOI) will be sent for completion and once submitted, assessed by the Screening Team (Senior Growth & Project Officer and Commercial Accountant). This process may take up to two weeks.
- If the EOI is accepted by the Screening Team as meeting the Council's strategic growth priorities and delivering economic

outputs, the project applicant will be invited to submit a full application.

- Applications to appear viable will be subject to a thorough due diligence process in order to carry out a detailed examination of the applicant's proposal. Applications that do not appear to be viable will be rejected at this stage and the applicant notified of the decision in writing.
- Progressed applications will be reviewed alongside the associated due diligence and third party review.
- A report will be submitted to Corporate Policy and Resources to recommend approval of the loan application;

### **3.3 Due Diligence Requirements**

Projects must satisfy this process before Senior Officers and Executive Director Team can recommend to Committee to fund any project.

It is anticipated that the average due diligence check should take up to four weeks to complete.

Applicants will be required to demonstrate the need for investment from the Council's lending resources and loans must not be used to replace other available sources of finance or funding. Only projects that cannot proceed without the Loan funding will be considered.

The evaluation of the company's business plan including its growth plans and reasons for seeking WLDC investment, will be carried out internally by the Strategic Growth Team or externally if required.

The financial assessment will be undertaken by the WLDC Finance and Growth Teams (and any appointed professional advisers).

**Please note that it is not intention of this Policy to be used to replace other conventional sources of funding and financing—only projects that demonstrate a genuine financial gap will be considered.**

Where possible the Council's Team will work together with businesses and other funding partners in identifying flexible solutions that will aim to deliver a tailored funding package that will suit the growth requirements of the business.

Any external costs will be recovered from the applicant.

### **3.4 Assessment**

All applications will be assessed against the following criteria:

- Projects must be capital schemes that are 'ready to go' and are able to generate tangible economic benefits within a reasonable delivery period;
- Projects must be located in, and significantly contribute to the economy of West Lindsey;
- Projects should have outline planning consent and/or a reasonable expectation that full planning consent will be granted within six months.
- Projects must be demonstrably capital, meaning that an investment:
  - Must be used for the acquisition or enhancement of an identifiable asset with a life of more than one year
  - Can include the costs (excluding interest) of assets acquired under a finance lease -
  - Cannot be used to fund moveable assets where there is an expectation of immediate re-sale.

Applications will be assessed in terms of the following:

- Deliverability and risks associated with the project
- Job creation benefits and/or other benefits to West Lindsey
- Sustainability and prospects for growth
- Financial standing
- Financial implications
- Value for Money (VFM), based on cost per job; amount of private sector £ leverage
- Any other material factors appropriate at the time

### **3.5 Successful Applications**

Successful loan applicants will enter into a legal contract with West Lindsey District Council and will drawdown/repay their loans according to the contract agreement.

It is a requirement of the programme that successful applicants provide regular updates for monitoring purposes. Applicants will periodically be asked to report against project progress and achievement of outputs such as job creation. The Council may request supporting evidence for auditing purposes and reserves the right to invoke clawback of funding for contractual non-compliance, including failure to cooperate with monitoring requirements.

All drawdowns of loan advances will be paid against evidenced expenditure in the creation of the asset.

The schedule of loan disbursement and loan repayments will be bespoke to the type of scheme and project that will be supported. In order to minimise risks the Council may consider disbursement of loan in tranches to ensure successful achievement of project's milestones.

## **4 Financial Analysis: Options appraisal**

### **4.1 Promoted Commercial Loans**

If WLDC chose to offer commercial loans to SMEs within the locality and openly promote this opportunity, in order to facilitate the process WLDC would be expected to:

- Publicise the rates at which they would offer
- Quantify the levels of loans offered
- Quantify the loan pot available

*(See appendix B for how loan rates are calculated in this scenario)*

As indicated by the stretch analysis carried out, there are scenarios whereby WLDC could lose out financially as a result of loan. As the rates would be published, it would not be possible to deviate from the rates prescribed.

This risk could be offset by the mix of loans approved, for example if WLDC provided five loans of which four were to customers with high collateral and high creditworthiness (worst case scenario – Low rate of interest) and one loan to a low collateral and low creditworthiness (high rate of interest). Due to the additional returns gleaned from the low collateral/credit customer, the Council could offset any losses on the high collateral/credit customer.

If the Commercial Loan Scheme were to be openly promoted using a range of marketing means, there could also be a high risk in terms of available resources and internal capacity as certainly in the initial period following the marketing campaign, there would be an expectation of high demand in submissions.

This could inevitably lead to some speculative applications, which in turn could have an impact on resources both within the Finance and Growth Team as all applications received would have to be assessed. If they didn't progress to a loan in full then there would be little opportunity for WLDC to recover the cost and time of the resources utilised.

Finally and perhaps the greatest risk is the customer defaults on loan repayments; whilst there would be procedures in place to prevent this from happening at the assessment stage, there would be still a very real risk this could occur. It is expected that the majority of the



SMEs that would show an interest in the loan fund would be limited companies, once the resources/liquidity of the limited company were exhausted, the loan would have to be written off resulting in a potentially substantial financial loss to WLDC.

## **4.2 Bespoke/discretionary loans**

If in alternative to the above WLDC decided to offer discretionary loans to third parties and SMEs the following approach would be adopted:

- Rates would be dictated on an individual basis dependent on financial analysis of the borrower, value and length of loan.
- For bespoke discretionary loans there would be no need to openly and actively publicise the authority's applicable rates as they would be determined on a case by case basis.

A template has been developed internally that can be used to determine the appropriate rate for a loan. The template ensures that the rate applied will always recover costs. (*see appendix C*). There is also a function to build in desired level of returns. If WLDC required/requested a fixed level of return the template would calculate the rate to be applied accordingly. The returns could be placed in reserves, these could be held over for any abortive costs the Council may experience in scenarios whereby the loan offer would not be taken up.

Due to the fact that the loans would be one offs by their nature this approach would limit the resources that would be required to facilitate an open door policy.

In this context, whilst the risk of loan default could still exist, it could however be prevented through the implementation of a more selective process and in the way priority was given to certain types of projects.

## **5 Conclusions**

- 5.1 The recommended approach to provide discretionary loans on an 'individual basis only' would remove the Council from the pressure of having to manage a potentially high risk Finance Scheme with unpredictable and irregular commercial returns.

Whilst the Council is not likely to promote this funding opportunity widely, this policy will provide Senior Officers and Members with an internal financial toolkit and framework that would facilitate a proactive approach in supporting economic development whilst identifying commercially viable opportunities.

In order to add value to the current government led regional programme Midlands Engine Investment Fund (MEIF) and avoid duplication with the existing provision, the Growth and Finance Team feel that would be more appropriate for the Council to promote the MEIF and other suitable schemes available through the GLLEP Growth Hub<sup>2</sup> as mainstream platform of financing/funding products. In this way the Council will ensure that regional finance is diverted into our local economy and is not diluted into recognisably more competitive and high growth parts of the Midlands. In support to the above the Council will introduce the delivery of West Lindsey Feasibility Fund (this scheme will be launched later in the year subject to available funds).

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<sup>2</sup>Business Lincolnshire Growth Hub provides local business information to help new start up and existing businesses. It provides information to help with starting and growing businesses, finances, employment and skills information, contact details for local suppliers, support schemes and services, news from around the region, as well as a list of the training, seminars, and networking events available locally.

Growth hubs work across the country with local and national, public and private sector partners – such as Chambers of Commerce, FSB, universities, Enterprise Zones and banks, co-ordinating local business support and connecting businesses to the right help for their needs.



**MIDLANDS  
ENGINE**  
Investment Fund






Delivered by British Business Bank

Financing growth for Midlands businesses

# FUNDING TO SCALE UP YOUR BUSINESS

If you are an entrepreneur, own a start up or SME located in the Midlands, the Midlands Engine Investment Fund (MEIF) could provide the funding you need to help your business realise its potential.

|   |  |   |  |
|---|--|---|--|
|  <p><b>Proof-of-Concept</b><br/>Up to £750k</p>  |  <p><b>Small Business Loans</b><br/>£25k - £150k</p>  |  <p><b>Debt finance</b><br/>£100k - £1.5m</p>   |  <p><b>Equity finance</b><br/>Up to £2m</p>   |
|    |   |   |   |
| <p><b>PROOF-OF-CONCEPT</b></p> <ul style="list-style-type: none"> <li>• Early stage equity funding</li> <li>• Up to £750,000</li> <li>• For businesses looking to get their product off the ground</li> </ul> | <p><b>SMALL BUSINESS LOANS</b></p> <ul style="list-style-type: none"> <li>• Small business loans</li> <li>• £25,000 - £150,000</li> <li>• For new or growing businesses</li> </ul> | <p><b>DEBT FINANCE</b></p> <ul style="list-style-type: none"> <li>• Business loans</li> <li>• £100,000 - £1.5million</li> <li>• For businesses that can demonstrate growth potential</li> </ul> | <p><b>EQUITY FINANCE</b></p> <ul style="list-style-type: none"> <li>• Later stage equity funding</li> <li>• Up to £2million</li> <li>• For businesses with ambitious plans for growth</li> </ul> |

**MEIF is a collaboration between the government-owned British Business Bank and ten Local Enterprise Partnerships (LEPs) in the West and East and South-East Midlands.**

We combine £250million of UK Government, European Regional Development Fund and European Investment Bank funding to help businesses in the region start up, scale up and become a successful part of the government's Midlands Engine vision.

We offer four different funding options designed to plug gaps in the provision of commercially available finance, ranging from £25,000 loans to £2million equity investments.

Our investment packages are open to businesses in all sectors, from IT/Technology to manufacturing. If you can demonstrate growth potential, it's possible your business will be eligible.



[www.meif.co.uk](http://www.meif.co.uk)



**MIDLANDS  
ENGINE**  
Investment Fund

 Delivered by British Business Bank  
Financing growth for Midlands businesses



## WHO CAN APPLY

We invite applications from businesses that are based in or have significant activity in the Midlands. Eligible businesses may include:

- New start-ups
- Fast growing small businesses
- Established SMEs\*
- Small businesses looking to relocate in to the Midlands
- Businesses unable to source funding from banks or investors

## WHY APPLY

Our funding options can act as the boost your business needs, for example by:

- funding expansion projects
- leasing new commercial premises
- making asset acquisitions
- hiring a new team
- purchasing new machinery or equipment
- exporting abroad
- filling gaps in working capital

## HOW TO APPLY

- 1** Find a fund manager at [www.meif.co.uk](http://www.meif.co.uk) and send an enquiry
- 2** They will let you know if your business qualifies
- 3** You make a formal application
- 4** Your fund manager evaluates your application and transfers the funds if successful

\* A small or medium-sized enterprise (SME) is a business employing fewer than 250 employees, with an annual turnover of less than 50m Euros or balance sheet net assets of less than 43m Euros. The business cannot be part of a larger group employing more than 249 employees and where the group owns at least a 25% share of the business.



[www.meif.co.uk](http://www.meif.co.uk)

British Business Bank plc (BBB) is a development bank wholly owned by HM Government. British Business Financial Services Limited (BBFSL) is a wholly owned subsidiary of BBB. Neither BBB nor BBFSL is authorised or regulated by the PRA or FCA. BBB and its subsidiaries are not banking institutions and do not operate as such. A complete legal structure chart for the BBB group can be found at [www.british-business-bank.co.uk](http://www.british-business-bank.co.uk).

## **Appendix B - Rate calculations (promoted commercial loans)**

Commercial loan rates will be determined using a combination of:

- 'EC market rates' which take into account the risk of the loan based on the customers creditworthiness and how much collateral they can provide as security.
- The rate at which WLDC can borrow.

The table below illustrates the EC Market rates that will be used.

**Table 1 - EC Market rates**

| <b>*Creditworthiness</b>                | <b>**Collateralisation</b> |                         |                     |
|---|----------------------------|-------------------------|---------------------|
|   | <b>High 60%+</b>           | <b>Normal 31% - 59%</b> | <b>Low 0% - 30%</b> |
| <b>Strong</b>                           | 0.60%                      | 0.75%                   | 1.00%               |
| <b>Good</b>                             | 0.75%                      | 1.00%                   | 2.20%               |
| <b>Satisfactory</b>                     | 1.00%                      | 2.20%                   | 4.00%               |
| <b>Weak</b>                             | 2.20%                      | 4.00%                   | 6.50%               |
| <b>Potential Financial Difficulties</b> | 4.00%                      | 6.50%                   | 10.00%              |

\* Creditworthiness assessed externally - WLDC will make prior assessment to see if worth moving forward as the external assessment will come at a cost

\*\* Collateralisation assessed externally - WLDC will review, external will verify for the value of the proposed collateral

The rates in table one are purely base rates that quantify risk, WLDC would then apply the relevant PWLB rate based on length of loan to the above for the rate we would provide.

The PWLB rate is the rate at which WLDC can borrow at (to be updated to rate applicable at the time of loan).

### **For example**

|          |       |
|----------|-------|
| Years 1  | 0.94% |
| Years 2  | 0.99% |
| Years 3  | 1.06% |
| Years 4  | 1.16% |
| Years 5  | 1.28% |
| Years 10 | 1.90% |
| Years 15 | 2.33% |

A combination of the two rates will determine the rate which will be applied to the loan. For Example: Company request a loan over 4 years. Their creditworthiness is Strong and they have offered 50% collateral against the loan. The loan rate applicable will be 2.16% (EC market rate 1.00% + PWLB 4 years 1.16%).

Costs associated with each loan include not only the rate that WLDC can borrow at but also the costs associated with the due diligence of each application. WLDC need to ensure that the rate used recover all these costs.

The costs will include (but are not limited to) Finance and Economic development officer time assessing the application and also the cost of external resources for assessment/value of collateral and also creditworthiness (if WLDC assessment is positive and proceed to this stage).

### **Appendix C - Rate calculations (Bespoke one off loans)**

In order to ensure that all costs are recovered in full we have created the template below to assess. If the rate that is prescribed by EC Market rate + PWLB rate does not recover the costs in full the table will determine the actually rate that should be used.

The template below can also be used to build in any returns that WLDC would like to make on the loan. Merely enter the figure in "Desired surplus on loan" cell - The rate calculated will then take this into consideration and deliver a minimum of the desired return identified. "Actual return on loan" illustrates the actual return on the loan.

From a Financial perspective I would always recommend ensuring we make a return on the loan, returns to be then held in reserves. This can then be held over for any abortive costs we may experience in scenarios whereby the loan offer is not taken up and we have suffered costs for due diligence works.

#### **Rate Calculator table**

|                       |                  |                                     |
|-----------------------|------------------|-------------------------------------|
| Creditworthiness      | Strong           | Select entry from list              |
| Collateralisation     | Normal 31% - 59% | Select entry from list              |
| <b>EC Market Rate</b> | <b>0.75%</b>     | <b>Self Calculating</b>             |
| PWLB Rate             | 1.16%            | Manual entry - PWLB on date of loan |
| <b>Estimated Rate</b> | <b>1.91%</b>     | <b>Self Calculating</b>             |
| Loan period - Years   | 5                | Manual entry                        |
| Loan amount           | £100,000.00      | Manual entry                        |

#### **Assessment of costs**

|   |                          |                         |
|---|--------------------------|-------------------------|
| Interest on Loan received                 | <b>£9,550.00</b>         | <b>Self Calculating</b> |
| <b>Cost of Loan</b>                       |                          |                         |
| Interest on Loan PWLB                     | £5,800.00                | <b>Self Calculating</b> |
| Cost of Diligence                         | £4,000.00                | Manual entry            |
| <b>Desired surplus on loan</b>            | <b>£5,000.00</b>         | Manual entry            |
| <b>Total cost of Loan</b>                 | <b>£14,800.00</b>        | <b>Self Calculating</b> |
| <b>Is the rate prescribed sufficient?</b> | <b>No use rate below</b> | Self Populating         |

|                                   |              |                 |
|-----------------------------------|--------------|-----------------|
| <b>If No the rate needs to be</b> | <b>2.96%</b> | Self Populating |
|-----------------------------------|--------------|-----------------|

|                              |                  |
|------------------------------|------------------|
| <b>Actual return on Loan</b> | <b>£5,000.00</b> |
|------------------------------|------------------|

#### **Key**

Cell requires manual entry (All other cells self calculating)

In the example illustrated above:

We can see that the prescribed rate to be used determined by EC Market rate and our PWLB rate is 1.91%.

This would achieve interest on the loan to be received by WLDC of £9,550.

In this scenario the costs of the loan, due diligence and a desired return of £5,000 mean that WLDC need a return of £14,800.

In order to achieve this return the template calculates that we would require a rate of 2.96% to be applied to the loan.



**Corporate Policy and  
Resources Committee**

**10 May 2018**

**Subject: Budget Consultation Proposal 2018**

Report by:

Director of Resources

Contact Officer:

Ian Knowles  
Director of Resources  
01427 675183  
[ian.knowles@west-lindsey.gov.uk](mailto:ian.knowles@west-lindsey.gov.uk)

Purpose / Summary:

To provide Members with the proposal to run the budget consultation for 2018 including an online budget simulator.

**RECOMMENDATION(S):**

That Members agree the proposal for consulting on the 2019/20 budget

**IMPLICATIONS**

Legal: None.

**Financial : FIN/27/19 TJB**  
Cost of the Budget Simulator is £1,000 and will be met from within existing budgets. The cost of the events and survey will be met from the consultation budget

**Staffing : None**

**Equality and Diversity including Human Rights :**  
Consultation designed with different routes to ensure as many residents and businesses as possible are able to take part.

**Risk Assessment :**  
Risk that no residents or businesses take part. Work undertaken to ensure that as many respondents as possible are received through different consultation routes.

**Climate Related Risks and Opportunities :**

**Title and Location of any Background Papers used in the preparation of this report:**  
None.

**Call in and Urgency:**

**Is the decision one which Rule 14.7 of the Scrutiny Procedure Rules apply?**

i.e. is the report exempt from being called in due to urgency (in consultation with C&I chairman)

Yes

No

**Key Decision:**

A matter which affects two or more wards, or has significant financial implications

Yes

No



## 1. Background

- 1.1 Each year a consultation is undertaken on the following year's budget prior to it being set. Although there is no legal requirement to undertake this we have a legal requirement under the Local Government Act 1992 section 65 to consult ratepayers who are persons or bodies appearing to be representative of persons subject to non-domestic rates within the district and must be about the authority's proposals for expenditure.
- 1.2 During 2016 officers at WLDC have joined the Consultation Institute to ensure that all consultations are legal and to lower the risk of a judicial review. Consultation according to the Consultation Institute is the dynamic process of dialogue between individuals or groups, based upon a genuine exchange of views, with the objective of influencing decisions, policies or programmes of action.
- 1.3 Before 1985 there was little consideration given to consultations until a case (R v London Borough of Brent ex parte Gunning). This case sparked the need for change in the process of consultations when Stephen Sedley QC proposed a set of principles that were then adopted by the presiding judge. These principles, known as Gunning, were later confirmed by the Court of Appeal in 2001 (Coughlan case) and are now applicable to all public consultations that take place in the UK. These outline the principles which all consultations must abide and are:

### **1. When proposals are still at a formative stage**

Public bodies need to have an open mind during a consultation and not already made the decision, but have some ideas about the proposals.

### **2. Sufficient reasons for proposals to permit 'intelligent consideration'**

People involved in the consultation need to have enough information to make an intelligent choice and input in the process.

### **3. Adequate time for consideration and response**

Timing is crucial – is it an appropriate time and environment, was enough time given for people to make an informed decision and then provide that feedback, and is there enough time to analyse those results and make the final decision?

### **4. Must be conscientiously taken into account**

Think about how to prove decision-makers have taken consultation responses into account.

The risk of not following these principles could result in a Judicial Review.

## 2. Proposal

- 2.1. To undertake this work it is proposed that multiple routes are taken to consult with our stakeholders and following on last year's consultation. These would include 3 events, an online tool and a survey to businesses. The responsible officer for this work is Ian Knowles, Director of Resources with the accountable officer being Katy Allen, Corporate Governance Officer.

2.2. The objectives of the engagement are to:

- Raise awareness of the financial challenges
- Raise awareness of the diversity of services the Council provides
- Seek views on ideas for efficiencies and areas for further income
- Identify services the public would feel could be reduced or have low local priority

### 3. **Who and how to involve**

3.1. The stakeholders which we would consult with on this subject would be:

- NNDR payers
- Residents
- Citizen Panel members

And the data from this consultation would go to inform the Councillors of WLDC when setting the next budget.

3.2. To ensure we are as inclusive as possible and allow as many residents as possible to take part we run a number of different routes to take part. These routes include events, online tool, social media question and answer session, written submissions and a paper survey.

- Online – To be inclusive of the consultation we are looking at using the same online tool which was used during 2017. This tool will be used online and also for the events. For the information which is going to be included in the tool please see section 6.
- Events – we will hold 3 events which would be in Nettleham, Caistor/Market Rasen and Gainsborough. These venues have been chosen due to the amount of attendance at previous events. It has been found that these locations are the ones which receive the highest level of attendance. These events would match the content of the online tool as happened last year. Informal feedback at the previous events showed that residents found this format informative and less intimidating than expecting them to use the system directly themselves. For details on the dates of these events please see section 4.
- Social Media – we would advertise the consultation on both Twitter and Facebook to try to spread the chance for residents to attend as wide as possible.
- Written Submissions – Although written submissions are not advertised as being accepted we would accept them. They are not advertised due to the amount of time analysis of these submissions take compared to other routes.
- Paper Survey – To ensure that we get as many views on the consultation as possible we would have a paper survey which would be available to those on the citizen panel without online

access and to any other resident or business who could not complete the online tool.

#### 4. Timescales

4.1. A draft timescale of the proposal is below:

| Action  | Start date        | Finish Date       | Responsible Officer |
|---|-------------------|-------------------|---------------------|
| Details of consultation to Policy and Resources Committee |                   | 10 May 2018       | Ian Knowles         |
| Budget software demonstration to P&R committee            |                   | 26 July 2018      | Ian Knowles         |
| Open consultation   | 3 September 2018  |                   | Katy Allen          |
| Advertise consultation                                    | 3 September 2018  | 10 October 2018   | Julie Heath         |
| Full Council demonstration                                |                   | 3 September 2018  | Ian Knowles         |
| Event – Nettleham   |                   | 25 September 2018 | Katy Allen          |
| Event – Gainsborough                                      |                   | 1 October 2018    | Katy Allen          |
| Event – Caistor/Market Rasen                              |                   | 2 October 2018    | Katy Allen          |
| Close consultation  |                   | 14 October 2018   | Katy Allen          |
| Inputting of data   | 10 September 2018 | 19 October 2018   | Katy Allen          |
| Analysis  | 19 October 2018   | 22 October 2018   | Katy Allen          |
| Draft report  |                   | 24 October 2018   | Katy Allen          |
| Report to Policy and Resources Committee                  |                   | 13 December 2018  | Ian Knowles         |

#### 5. Previous response rates

5.1. 2018 will be the second year of using the budget software to collect people's views. 2017 did see a drop in the number of residents who undertook the consultation, however this is due to a range of factors including the use of the new system. For 2018 the number of residents on the Citizen Panel has been increased and the amount of advertising on Facebook and Twitter will be increased for 2018.

5.2. Response rates over the last 2 years have been:

|                         | <b>2016</b> | <b>2017</b> |
|-------------------------|-------------|-------------|
| Events                  | 64          | 44          |
| Surveys                 | 402         | 207         |
| Online                  | -           | 117         |
| Total                   | 461         | 368         |
| Number on Citizen Panel | 1,300       | 1,290       |

5.3 During the start of 2018 the Citizen Panel underwent a refreshment which involves retiring members of the panel who have not responded to any surveys in the past 2 years and to give other residents a chance to take part. At any time residents can join but every 2 years we write to a random selection of households to refresh the panel membership. At the time of writing this report this process was still underway but the panel has grown to have more than 1,350 members which should give the budget consultation a greater response rate as members are more likely to take part.

## **6. Consultation data**

6.1 The first question they respondents would get asked on the online tool would be around the level of Council Tax they would be willing to pay. The options will be 1%, 2% or 3% for an increase or decrease. If the Council Tax was to be increased by £4.95 (2.5%) per property then the increase in budget would be by £143,000.

6.2 The second section would be about the service budgets. The tool will allow respondents to increase or decrease the figures but they will need to ensure at the end that they still have a balanced budget. Following on from feedback last year the system is being developed to include what impact each option would have, to give the respondents the ability to give a more informed decision? This will show the budgets down to a team leader level and outline not only a description of what that includes but also whether it is statutory or discretionary.

The Total Budget 2018/19 is £13,821,200 however the online tool would have the service related budgets which total £9.684m.

These services and budgets are:

|                        |          |
|------------------------|----------|
| Economic Development   | £425,700 |
| Environmental Services | £692,400 |
| Housing Services       | £557,700 |

|   |                   |
|---|-------------------|
| IT Services                                   | £719,200          |
| Land and Property (inc Markets and Car Parks) | -£41,600          |
| Leisure, Arts and Tourism                     | £292,100          |
| Planning and Building Control                 | £221,200          |
| Revenues and Benefits                         | £311,700          |
| Support Services                              | £2,644,100        |
| Waste Services                                | £2,205,200        |
| Corporate and Democracy                       | £1,657,001        |
| <b>Total</b>                                  | <b>£9,684,701</b> |

- 6.3 The third section of the online tool would be around how the New Homes Bonus could be spent. This money is made up from the number of affordable homes delivered which is £350 per property, of which £280 comes to West Lindsey and from an increase in the Council Tax base of which £1,224 per property comes to West Lindsey.
- 6.4 The fourth section would be asking about the Fees and Charges...
- 6.5 The fifth section would be around grant funding and whether the respondents agree with the use of Council Tax money to pay for grant funding.
- 6.6 The final section would be about joint working with 3<sup>rd</sup> party organisations and whether the respondents agree to different structures for delivery.
- 6.7 Sections 3 onwards in the system would not affect the amount of budget spent but more to give Councillors an idea of how the public feel to this being undertaken.

# Agenda Item 6e



**Corporate Policy and Resources  
Committee**

**10<sup>th</sup> May 2018**

**Subject: Budget and Treasury Management Monitoring – Period 4 2017/18  
including Treasury Mid-Year Report.**

|                    |  |
|--------------------|--|
| Report by:         | Director of Resources (S151)<br>Ian Knowles  |
| Contact Officer:   | Tracey Bircumshaw<br>Finance and Business Support Manager (Deputy S151)<br>01427 676560<br>tracey.bircumshaw@west-lindsey.gov.uk |
| Purpose / Summary: | This report sets out the revenue, capital and treasury management activity from 1 April 2017 to 31 March 2018                    |

## RECOMMENDATION(S):

- a) That Members accept the draft out-turn position of a £150k net contribution to reserves as at 31 March 2018. (1.1).
- b) That Members note the Revenue budget carry forwards of £806k approved in year (Appendix A).
- c) Members agree that any further surplus variances be transferred to the Business Rates Volatility Reserve or General Fund Balance.
- d) Members approve the 2017/18 use of Earmarked Reserves of £118.9k. (1.5.1).
- e) Members note the 2017/18 use of Earmarked Reserves during the quarter approved by the Director of Resources using Delegated powers. (1.5.2).
- f) Members note the 2018/19 use of Earmarked Reserves approved by the Director of Resources using Delegated powers. (1.5.3).
- g) Members approve the Capital budget carry forwards of £6,010k (12.3) and they accept the Capital out-turn position of £6,534k.

- h) Members accept the Commercial Income position.
- i) Members approve the amendments to fees and charges detailed within Appendix C.
- j) That Members accept the Treasury Management and Prudential Indicators to 31 March 2018.

## IMPLICATIONS

**Legal:** None arising as a result of this report.

### Financial FIN/7/19

The draft revenue out-turn position for 2017/18 is currently reflecting a net contribution to reserves of £150k as at 31 March 2018, this is after approved carry forwards of £806k, and carry forward requests, approved by Management Team, of £70k detailed at Appendix A. The surplus balance to be returned to the General Fund balance.

We have yet to finalise the accounting for Business Rates and it is proposed any variance to budget will be transferred to the Business Rate Volatility Reserve.

The items with significant variances are contained within this report at 1.1.

The revised Capital budget 2017/18 totalled £12,719k and the final out-turn position is £6,534k of which carry forward requests total £5,977k with the remaining balance of £208k being underspends against the schemes.

The Treasury Management activities during the reporting period are disclosed in the body of this report. Average investments for the Year were £20.915k (Quarter 4 £18.137m) which achieved an average rate of interest of 1.215% (1.16% April-December) and actual income of £262.645k

There has been no external borrowing undertaken.

There has been one breach of Treasury and Prudential Indicators.

As reported at the January meeting of this committee a breach in the maximum amount invested in Certificates of Deposit was made on the 23 January 2018. In error an investment of £1m for a period of 1 month has taken the total amount invested to £2.5m, £0.5m above the approved limit of £2m. This investment has now matured and returned with interest to the Council. An investigation has been undertaken, procedures were found to be robust, therefore appropriate actions have been taken.

**Staffing:** None arising as a result of this report.

**Equality and Diversity including Human Rights:** None arising as a result of this report.

**Risk Assessment:** This is a monitoring report only.

**Climate Related Risks and Opportunities:** This is a monitoring report only.

**Title and Location of any Background Papers used in the preparation of this report:**

**Call in and Urgency:**

**Is the decision one which Rule 14.7 of the Scrutiny Procedure Rules apply?**

i.e. is the report exempt from being called in due to urgency (in consultation with C&I chairman)      **Yes**       **No**

**Key Decision:**

A matter which affects two or more wards, or has significant financial implications      **Yes**       **No**



## REVENUE BUDGET MONITORING PERIOD 4 (Forecast out turn for 2017/18)

- 1 The Revenue Budget forecast out-turn currently stands at a net contribution to reserves of £150k as detailed in the table below;

### Draft Outturn Data by Cluster

|   | 2017/18 up to<br>31st March 2018<br>Budget<br>£ | 2017/18 up to<br>31st March 2018<br>Actual<br>£ | 2017/18 up to<br>31st March 2018<br>Variance<br>£ |
|---|---|---|---|
| <b>SERVICE CLUSTER</b>  |   |   |   |
| People  | 4,891,400                                       | 4,608,089                                       | (283,311)   |
| Places  | 995,700   | 1,149,071                                       | 153,371   |
| Policy and Resources  | 5,125,799                                       | 4,548,087                                       | (577,712)   |
| <b>Controllable Total</b>   | <b>11,012,899</b>                               | <b>10,305,247</b>                               | <b>(707,652)</b>                                  |
| <b>Corporate Accounting:</b>                                      |   |   |   |
| Interest and Investment Income                                    | (220,200)                                       | (271,568)                                       | (51,368)  |
| Interest Payable  | 398,300   | 6,711   | (391,589)   |
| Precepts and Levies   | 2,210,787                                       | 2,210,774                                       | (13)  |
| <b>Statutory Accounting:</b>                                      |   |   |   |
| Capital Expenditure Charged to General Fund                       | 5,438,000                                       | 1,786,355                                       | (3,651,645)                                       |
| <b>Movement in Reserves:</b>                                      |   |   |   |
| To / (From) General Fund  | (1,734,400)                                     | (773,040)                                       | 961,360   |
| Use of Specific Reserves  | (8,104,000)                                     | (4,462,455)                                     | 3,641,545   |
| Contribution to Specific Reserves                                 | 4,269,700                                       | 4,499,248                                       | 229,548   |
| Repayment of Borrowing  | 195,900   | 95,872  | (100,028)   |
| <b>Net Revenue Expenditure</b>                                    | <b>13,466,986</b>                               | <b>13,397,145</b>                               | <b>(69,841)</b>                                   |
| <b>Funding Total</b>  | <b>(13,466,986)</b>                             | <b>(13,546,931)</b>                             | <b>(79,945)</b>                                   |
| <b>NET SUBSIDY FROM / (CONTRIBUTION) TO RESERVES FOR THE YEAR</b> | <b>0</b>  | <b>(149,786)</b>                                | <b>(149,786)</b>                                  |

1.1 The significant movements being;

| EXPENDITURE   | £000         | Direction of Travel |
|---|--------------|---------------------|
| <b>BUDGET UNDERSPENDS</b>   |              |                     |
| Salary savings.   | -£119        | ↓                   |
| Health Insurance premium reduced due to reducing payroll.   | -£14         | ↔                   |
| Fuel - forecast saving based on current fuel prices and previous year usage. Approved by Management Team as a contribution towards Depot Health & Safety works. | -£21         | ↓                   |
| Planning project budget - contract costs less than expected.  | -£45         | ↑                   |
| LCC Audit fees - reduced charge due to less days delivered.   | -£14         | new                 |
| Leisure Procurement project drawing to a close-budget not required.   | -£20         | ↔                   |
| Board budget savings - return to General Fund balances.   | -£88         | new                 |
| Base budget review after actual outturn savings.  | -£49         | ↔                   |
| Insurance renewal contract saving.  | -£32         | ↔                   |
| <b>PRESSURES</b>  |              |                     |
| Market Rasen Depot construction work - Health, Safety & Welfare issues - to be funded from savings on fuel.   | £50          | ↔                   |
| Various forecast outturn variances <£10k  | £104         | ↓                   |
|   | <b>-£248</b> |                     |

| INCOME   | £000 | Direction of Travel |
|--|------|---------------------|
| <b>BUDGETED INCOME EXCEEDED</b>  |      |                     |
| Business Improvements - provision of services to other Authorities.  | -£21 | ↔                   |
| Housing Benefits - DWP grants for extra work carried out in year.  | -£79 | ↑                   |
| Elections - Grants from Cabinet Office to support elections work which has been carried out within existing budget provision.                | -£15 | ↔                   |
| Estimated share of Legal Services surplus - payable by LCC at year end.  | -£16 | ↔                   |
| Interest and Investment Income/Interest Paid - impact of capital programme slippage.   | -£67 | ↑                   |
| Sale of new/replacement bins income exceeded.  | -£16 | ↔                   |
| Section 106 contributions to offset legal costs - income from LCC.   | -£30 | ↔                   |
| Planning Fee income - large application and 20% statutory increase from mid Jan  | -£36 | ↓                   |
| Trade Waste income - increased demand for service .  | -£37 | ↓                   |
| <b>BUDGETED INCOME NOT ACHIEVED</b>  |      |                     |
| Net impact of investment properties acquisitions not yet realised. (Borrowing cost savings, Lease Income pressure)                           | £193 | ↑                   |
| Market stallage income not expected to meet budgeted target based on current take up - review of market service in progress.                 | £12  | ↓                   |
| Car Park Income target not realised.   | £19  | ↓                   |
| Housing Benefits - forecast net outturn position.  | £101 | ↑                   |
| Impact of later acquisition date and potential lease unlikely until new year. Car parking income expected to be generated from February 2018 | £60  | ↓                   |
| Corporate Fraud - commercial income not achievable.  | £30  | ↔                   |
|  | £98  |                     |
| <b>TOTAL VARIANCE</b>  |      | <b>-£150</b>        |

## **1.2 Significant items of note;**

- 1.2.1 Approval to spend up to £20m on investment property (with £13m budgeted this financial year) was estimated to provide a net contribution of £270k in 2017/18 raising to £600k by 2020/21. Our first acquisition of £2.4m was made early in October and this will achieve a £80k contribution to the savings target. Whilst we continue to identify suitable properties which meet our Policy criteria our bids have been unsuccessful. The final out-turn impact is a £193k net pressure (includes a saving on borrowing costs and pressure on rental income).
- 1.2.2 The acquisition of the former Lidl building was anticipated to generate a full years lease income and additional car parking income. Due to lengthy negotiations on sale and agreement of vacant possession dates, the property was in our ownership from December. The property is currently being marketed for lease which is unlikely to be formalised this financial year. The Car Park is due to be operational from February 2017, therefore this has resulted in an overall revenue budget pressure of £60k.
- 1.2.3 Current vacancy levels after costs of interim staffing resources has resulted in a £119k budget underspend.
- 1.2.4 The utilisation of fuel savings will be utilised to contribute to the £50k costs of the required health, safety and welfare works at Market Rasen Depot site.

## **1.3 Commercial Projects and Income Target**

- 1.3.1 The Commercial Plan 2015/16 – 2019/20 was intended to be a proactive response in contributing to future financial sustainability. This was to be achieved through charging, trading and investment in order to reduce the net subsidy on services. A target of contribution of £1m was set.
- 1.3.2 Progress against this target has delivered £348k of ongoing savings thus far as detailed below;
- £100k Investment in Commercial Property £77k (2017/18) (Target £600k by 2020/21)
  - £78k Trade Waste Income
  - £ 12k Building Control Complimentary Services
  - £ 29k Pre-Application Planning Advice
  - £ 11k Surestaff Lincs Ltd (Recruitment Agency)
  - £ 29k Commercial Loan income
- 1.3.3 Green Waste Charging will commence in 2018/19 and was forecast to generate a net contribution of £502k. As at 31<sup>st</sup> March 2018 £709k had been received from subscriptions for the service, however, this income will be treated as receipts in advance and will be reflected in the 2018/19 accounts.

In addition a tendering exercise has been undertaken for the provision of Leisure Management which will save the authority £268k whilst also

contributing to the borrowing costs of funding improved facilities at Gainsborough and a new dry leisure facility at Market Rasen.

## **1.4 Fees and Charges**

1.4.1 £2.144m has been received in Fees and Charges up to the end of the period against a budget of £2.392m. The significant variances are detailed at 1.1 above.

### **1.4.2 Amendment to Fees and Charges for 2018/19**

Amendments are required for the following service areas to those approved by Council in March.

- Operational services – garden waste wheeled bin charges £35 (agreed by CP&R added for completeness)
- Building Control – regularisation charge and building notice/reversion charge (no rounding on pence - various)
- Pre-application advice (vat applicable)
- Car parks – Market Rasen only (no increase on permits previously agreed by CP&R)
- Licensing – Taxi licences (No change from 2017/18 level)

The amended fees and charges are included at Appendix B.

## **1.5 Use and Contribution to Reserves**

£195.8k of Community Grants have been awarded during 2017/18 and a further £154.9k has been transferred from the Community Grant Scheme reserve. £121.6k will be carried forward into 2018/19 and issued as grants are awarded through the final round. This clears the balance of the reserve under the existing scheme. Community Grants are built into the base budget from 2018/19 onwards at £100k pa for 5 years.

### **1.5.1. 2017/18 Use of Reserves**

- £54.9k from Local Development Framework reserve towards our contribution to the Joint Planning Unit (JPU) for 2017/18.
- £64.0k from Maintenance of Facilities reserve. To cover the cost of revenue works carried out in response to condition surveys.

### **1.5.2 2017/18 Use of Reserves – Delegated Decisions**

The Director of Resources has used delegated powers to approve the use of earmarked reserves up to £50k, new delegated decisions totalled £77.8k;

- £6.7k – from Members Initiative Fund reserve (RE22). £108k spend over 3 years from 2016/17 to 2018/19 was approved by CP&R 12.05.16 (FIN/12/17).

- £11.7k – from Business Improvement & Transformation reserve (RE78). To write off ARCUS from Capital to Revenue, and alignment of reserves.
- £7.1k – from Unapplied Grants reserve (RE13). Draw down from High Street Innovation Fund returned grant for events during 2017/18.
- £4.8k – from Investment for Growth reserve (RE83). Hemswell Cliff stabilisation plan provided by the Pioneer Group.
- £47.5k – from Investment for Growth reserve (RE83). To create budget for Gainsborough Marina costs (including feasibility study) which are revenue in nature (CP&R 21.09.17 FIN/60/18/TJB)

### 1.5.3 2018/19 Use of Reserves – Delegated Decisions

The Director of Resources has used delegated powers to approve the use of earmarked reserves up to £50k, new delegated decisions totalled £33.9k;

- £33.9k – from Members Initiative Fund reserve (RE22). £108k spend over 3 years from 2016/17 to 2018/19 was approved by CP&R 12.05.16 (FIN/12/17). This is the remaining balance to be utilised during 2018/19.

## 1.6 Grants

As at 1st April 2017 we had an amount of £435k relating to grants received which had yet to be expended. Budget provision will be created throughout the financial year as required to deliver projects in accordance with grant terms.

### 1.6.1 Successful Grant Bids and New Grant determinations

The following grants have been awarded during this period:

| Grant Issued By | Name of Grant   | Revenue/<br>Capital | £      |
|-----------------|---|---------------------|--------|
| DCLG            | New Burdens Funding-Brownfield Register (BLR) & Permission in Principal (PIP) | Revenue             | 5,485  |
| DCLG            | Custom Build  | Revenue             | 30,000 |
| DCLG            | Neighbourhood Planning Grant  | Revenue             | 40,000 |
| DCLG            | Transparency Code New Burdens   | Revenue             | 8,103  |
| DCLG            | Council Tax Discount Family Annexes   | Revenue             | 8,314  |
|                 |   | TOTAL:              | 91,902 |

### Other Items for information

### 1.7 Planning Appeals

In period 4 2017/18 there were 12 appeals determined, as follows;

January 2018 – 1 appeals – 1 dismissed.

February 2018 – 5 appeals – 2 part allowed part dismissed, 3 dismissed.

March 2018 – 6 appeals – 2 allowed, 4 dismissed.

### 1.8 Aged Debt Summary – Sundry Debtors

## Aged Debt Summary Period 3 Monitoring Report

At the end of March 2018 there was a total of £213k outstanding debt in the system over 90 days. The majority of this debt was over 150 days old and mainly comprised of:

Property and Assets £131k  
Housing Benefits £76k  
Housing £70k  
Environmental Protection & Licensing £20k  
Trade Waste £18k

| Month     | 90 – 119 days | 120 – 149 days | 150+ days | Total   |
|-----------|---------------|----------------|-----------|---------|
| April     | 23,860        | 1,933          | 217,685   | 243,477 |
| May       | 8,164         | 918            | 312,972   | 322,054 |
| June      | 19,899        | 18,498         | 238,043   | 276,440 |
| July      | 3,757         | 12,416         | 185,453   | 201,627 |
| August    | 7,844         | 3,746          | 195,946   | 207,536 |
| September | 9,307         | 7,664          | 181,812   | 198,784 |
| October   | 5,217         | 9,125          | 182,904   | 197,246 |
| November  | 40,685        | 3,638          | 185,425   | 229,747 |
| December  | 8,100         | 4,573          | 182,889   | 195,562 |
| January   | 9,523         | 7,958          | 177,617   | 195,097 |
| February  | 21,636        | 8,647          | 172,987   | 203,270 |
| March     | 9,273         | 24,772         | 179,398   | 213,443 |

### 1.9 CHANGES TO THE ORGANISATION STRUCTURE

Changes to the Employee Structure include;

- Building Control restructure – saving of £44.6k.
- Chief Executive/Director restructure – saving of £91.9k. Delete Chief Executive post and create 3 Executive Directors.
- Environmental Protection, Food Safety and Community Safety Restructure – saving of £18k. Delete 1 post and increase SCP on 4 posts.
- Tourism post deleted and a 2 year fixed term post created – saving £16.5k.

## REVENUE CARRY FORWARDS – BASE BUDGET ALREADY APPROVED

Budget underspends to be carried forward into 2018/19 which have been approved during the year are provided below for information only.

| BASE BUDGET C/FWDS APPROVED IN YEAR |                      |                                     | 17/18 Outturn |   |
|-------------------------------------|----------------------|-------------------------------------|---------------|---|
| Committee                           | Cluster              | Business Unit                       | £ 000         | Purpose of Carry Forward  |
| PC                                  | People               | Town Centre Markets                 | 18            | Markets - promotional and marketing spend in 18/19 to be met from 17/18 surplus (PC 20.03.18 FIN/158/18). |
| PC                                  | People               | Housing Strategy                    | 42            | Selective Licensing - to fund post in 17/18 and up to 31.08.18 in 18/19. Approved by GCLT 07.02.17.       |
| PC                                  | People               | Community Action & Community Safety | 3             | Body Worn Cameras - £10k budget approved 17/18 £7,500 spent to date (CP&R 26.10.17 FIN/97/18).            |
| CP&R                                | Places               | Admin Buildings                     | 54            | £60k budget approved 17/18 for depot works, and works outstanding to be c/fwd.                            |
| PC                                  | Places               | Economic Development                | 9             | Economic Regeneration - Delay in project spend - Employment & Skills.                                     |
| PC                                  | Places               | Economic Development                | 11            | Economic Regeneration - Delay in project spend - Place Board.   |
| PC                                  | Places               | Economic Development                | 7             | Economic Regeneration - Delay in project spend - Gainsborough Marina.                                     |
| PC                                  | Places               | Economic Development                | 12            | Economic Regeneration - Delay in project spend - Town Centre Remedial Work.                               |
| CP&R                                | Policy and Resources | Corporate Management-Finance        | 298           | Any Board Budget savings will be carried forward. Original funding from Earmarked Reserves.               |
| CP&R                                | Policy and Resources | Democratic Representation           | 7             | Members training budget - any balance c/fwd. at each year end.  |
|                                     |                      | <b>TOTAL</b>                        | <b>461</b>    |   |



**REVENUE CARRY FORWARDS – USE OF EARMARKED RESERVES ALREADY APPROVED**

Budget underspends to be carried forward into 2018/19 which have been approved during the year are provided below for information only.

| USE OF EARMARKED RESERVES |         |                                      | 17/18 Outturn |   |   |
|---------------------------|---------|--------------------------------------|---------------|---|---|
| Committee                 | Cluster | Business Unit                        | £ 000         | Purpose of Carry Forward  | Name of Reserve                               |
| PC                        | People  | Community Action & Community Safety  | 7             | Community Payback Scheme. Approved £10k pa 16/17 & 17/18.   | Supporting Vulnerable Communities             |
| PC                        | Places  | Culture, Heritage & Leisure          | 31            | Delay in start of MAYFLOWER 400 project (CP&R 13.04.17 fin/137/17).   | General Fund Balance                          |
| PC                        | Places  | General Grants etc.                  | 45            | Defibrillator equipment treated as a stock item in balance sheet - budget c/fwd. until all equipment issued.                      | Community Grant Scheme                        |
| PC                        | Places  | General Grants etc.                  | 122           | Balance on Community Grants scheme at year end 17/18 to be issued through final round of bids under current regime early 2018/19. | Community Grant Scheme                        |
| PC                        | Places  | Car Parks                            | 6             | Delay in spending car park strategy funding for repairs and maintenance-slipped planned maintenance work.                         | General Fund Balance                          |
| PC                        | Places  | General Grants etc.                  | 21            | Community Transport scheme - final outturn underspend 17/18 (CP&R 04.05.17 FIN/13/18).  | Connectivity Fund                             |
| PC                        | Places  | Economic Development                 | 45            | Economic Regeneration - Delay in project spend - Development Partner.   | Investment for Growth Fund                    |
| PC                        | Places  | Economic Development                 | 2             | Economic Regeneration - Delay in project spend - Economic Impact Assessment (EIA).  | Outcomes & Outputs of Gainsborough Masterplan |
| PC                        | Places  | Economic Development                 | 40            | Delay in project spend - capacity funding - HCA funding.  | Unapplied Grants (Local Development Order)    |
| PC                        | Places  | Neighbourhood Planning & Local Plans | 25            | Neighbourhood Planning 'Top Up' funding (£25k allocated per annum) - not used in 17/18 so needs rolling in to 18/19.              | Neighbourhood Planning Grant                  |
| TOTAL                     |         |                                      | 344           |   |   |

## REVENUE CARRY FORWARDS – APPROVED BY MANAGEMENT TEAM

Bids for budget underspends to be carried forward into 2018/19 which required Management Team approval are as follows;

| BASE BUDGET C/FWDS PENDING APPROVAL BY MT |                      |   | 17/18 Outturn |  |
|---|----------------------|---|---------------|--|
| Committee                                 | Cluster              | Business Unit                                 | £ 000         | Purpose of Carry Forward   |
| PC  | People               | Building Control                              | 5             | Promotional and marketing budget. Awaiting Trading Company to be set up.   |
| CP&R                                      | Policy and Resources | Business Improvement & Commercial Development | 7             | Request to roll forward to 18-19 for project works performance management and project software.  |
| PC  | People               | Environmental Initiatives                     | 7             | Replace telephone box near Market Rasen £3k (order placed). Remaining budget for Ashcroft Road pocket park refurbishment work (slipped due to procurement exercise Autumn 17).                     |
| PC  | People               | Cemeteries & Churchyards                      | 10            | Dry stone walling project. Project delayed until 2018/19.  |
| PC  | Places               | Economic Development                          | 13            | Economic Regeneration - Delay in project spend - Consultancy Support   |
| PC  | Places               | Economic Development                          | 3             | delay in project spend - Foxby Lane - income originally received 16/17 and cfwd yr end 16/17.  |
| PC  | People               | Homelessness/ Housing Advice                  | 6             | Software support underspend - new system has been procured to commence April 18.   |
| PC  | People               | Private Sector Housing Renewal                | 2             | Approved training budget - course now due to commence 2018/19.   |
| PC  | People               | Parish Lighting                               | 17            | Several work requests have been put to LCC but not yet completed. Additional parish lighting repairs work anticipated in 18/19 as lights are upgraded to LED. (£10k was cfwd from 161/7 to 17/18). |
| TOTAL                                     |                      |   | 70            |  |

Amended Fees and Charges Schedules 2018/2019

| Prosperous Communities Committee         |                                       | Operational Services |        |                   |        |         |            |                         |          |
|--|---------------------------------------|----------------------|--------|-------------------|--------|---------|------------|-------------------------|----------|
|  |                                       | 2017/18              |        | Proposed Increase |        | 2018/19 | VAT Amount | 2018/19 Charge Inc. VAT | VAT Rate |
|  |                                       | £                    | % Type | or £              | £      | £       | £          |                         |          |
| Garden Waste Wheeled Bin (Annual charge) | Collection of 1st bin                 | £0.00                |        | £35.00            | £35.00 | £0.00   | £35.00     | OS                      |          |
| Garden Waste Wheeled Bin (Annual charge) | Collection of 2nd and subsequent bins | £30.00               |        | £5.00             | £35.00 | £0.00   | £35.00     | OS                      |          |

| Prosperous Communities Committee |                                 | Car Parks & Bus Station |        |                   |        |         |            |                         |          |
|----------------------------------|---------------------------------|-------------------------|--------|-------------------|--------|---------|------------|-------------------------|----------|
|                                  |                                 | 2017/18                 |        | Proposed Increase |        | 2018/19 | VAT Amount | 2018/19 Charge Inc. VAT | VAT Rate |
|                                  |                                 | £                       | % Type | or £              | £      | £       | £          |                         |          |
| <b>Car Parks</b>                 |                                 |                         |        |                   |        |         |            |                         |          |
| <b>Annual Season Tickets</b>     |                                 |                         |        |                   |        |         |            |                         |          |
| Market Rasen Only                | Mon-Sat                         | £88.68                  |        |                   | £88.68 | £17.74  | £106.42    | S                       |          |
|                                  | Mon-Sat (If paid by monthly DD) | £76.68                  |        |                   | £76.68 | £15.34  | £92.02     | S                       |          |
|                                  | Mon-Fri                         | £75.43                  |        |                   | £75.43 | £15.09  | £90.52     | S                       |          |
|                                  | Mon-Fri (If paid by monthly DD) | £62.18                  |        |                   | £62.18 | £12.44  | £74.62     | S                       |          |

Amended Fees and Charges Schedules 2018/2019

| Prosperous Communities Committee                      |         | Licensing |   |                   |      |         |       |            |                         |          |
|---|---------|-----------|---|-------------------|------|---------|-------|------------|-------------------------|----------|
|   |         | 2017/18   |   | Proposed Increase |      | 2018/19 |       | VAT Amount | 2018/19 Charge Inc. VAT | VAT Rate |
|   |         | £         | % | Type              | or £ | £       | £     |            |                         |          |
| <b>Taxi Licensing (Including Horse Drawn Omnibus)</b> |         |           |   |                   |      |         |       |            |                         |          |
| Vehicle License                                       | New     | £249.00   |   |                   |      | £249.00 | £0.00 | £249.00    |                         | OS       |
| Vehicle License                                       | Renewal | £249.00   |   |                   |      | £249.00 | £0.00 | £249.00    |                         | OS       |

| Prosperous Communities Committee   |  | Pre Application Advice |       |                   |      |         |        |            |                         |          |
|--|--|------------------------|-------|-------------------|------|---------|--------|------------|-------------------------|----------|
|  |  | 2017/18                |       | Proposed Increase |      | 2018/19 |        | VAT Amount | 2018/19 Charge Inc. VAT | VAT Rate |
|  |  | £                      | %     | Type              | or £ | £       | £      |            |                         |          |
| <b>Development</b>   |  |                        |       |                   |      |         |        |            |                         |          |
| Householder development including alterations, extensions and outbuildings (this fee would also include establishing whether an application is required and any listed building consent enquiry if applicable) |  | £72.00                 | 3.50% |                   |      | £75.00  | £15.00 | £90.00     |                         | S        |

Amended Fees and Charges Schedules 2018/2019

| Prosperous Communities Committee  |                                    | Building Control - Table B |        |                   |         |         |        |            |                         |          |
|---|------------------------------------|----------------------------|--------|-------------------|---------|---------|--------|------------|-------------------------|----------|
|   |                                    | 2017/18                    |        | Proposed Increase |         | 2018/19 |        | VAT Amount | 2018/19 Charge Inc. VAT | VAT Rate |
|   |                                    | £                          | % Type | or £              | £       | £       | £      | £          |                         |          |
| <b>Domestic Small Buildings, Extensions and Alterations Etc.</b>  |                                    |                            |        |                   |         |         |        |            |                         |          |
| Erection or extension of a non exempt detached domestic garage or carport or both having an internal floor area not exceeding 100m².*                             | Plan Charge                        | £223.00                    |        |                   | £223.00 |         | £44.60 | £267.60    | S                       |          |
|   | Building Notice / Reversion Charge | £223.00                    |        |                   | £223.00 |         | £44.60 | £267.60    | S                       |          |
|   | Regularisation Charge              | £268.00                    |        | -£0.40            | £267.60 |         | £0.00  | £267.60    | OS                      |          |
| Conversion of a garage to a dwelling to a habitable room(s).*   | Plan Charge                        | £223.00                    |        |                   | £223.00 |         | £44.60 | £267.60    | S                       |          |
|   | Building Notice / Reversion Charge | £223.00                    |        |                   | £223.00 |         | £44.60 | £267.60    | S                       |          |
|   | Regularisation Charge              | £268.00                    |        | -£0.40            | £267.60 |         | £0.00  | £267.60    | OS                      |          |
| Installation of 1 - 5 domestic replacement window/s and door/s.   | Plan Charge                        | £96.00                     |        |                   | £96.00  |         | £19.20 | £115.20    | S                       |          |
|   | Building Notice / Reversion Charge | £96.00                     |        |                   | £96.00  |         | £19.20 | £115.20    | S                       |          |
|   | Regularisation Charge              | £115.00                    |        | £0.20             | £115.20 |         | £0.00  | £115.20    | OS                      |          |
| Installation of 6 -10 domestic replacement window/s and door/s  | Plan Charge                        | £149.00                    |        |                   | £149.00 |         | £29.80 | £178.80    | S                       |          |
|   | Building Notice / Reversion Charge | £149.00                    |        |                   | £149.00 |         | £29.80 | £178.80    | S                       |          |
|   | Regularisation Charge              | £179.00                    |        | -£0.20            | £178.80 |         | £0.00  | £178.80    | OS                      |          |
| Controlled domestic electrical work.  | Plan Charge                        | £398.00                    |        |                   | £398.00 |         | £79.60 | £477.60    | S                       |          |
|   | Building Notice / Reversion Charge | £398.00                    |        |                   | £398.00 |         | £79.60 | £477.60    | S                       |          |
|   | Regularisation Charge              | £477.00                    |        | £0.60             | £477.60 |         | £0.00  | £477.60    | OS                      |          |
| Any other domestic alterations, installation of fitting or work not covered in the above categories where the estimated cost of the work does not exceed £2,000.* | Plan Charge                        | £149.00                    |        |                   | £149.00 |         | £29.80 | £178.80    | S                       |          |
|   | Building Notice / Reversion Charge | £149.00                    |        |                   | £149.00 |         | £29.80 | £178.80    | S                       |          |
|   | Regularisation Charge              | £179.00                    |        | -£0.20            | £178.80 |         | £0.00  | £178.80    | OS                      |          |

Amended Fees and Charges Schedules 2018/2019

Prosperous Communities Committee

Building Control - Table C

| 2017/18 | Proposed Increase |      | 2018/19 | VAT Amount | 2018/19 Charge Inc. VAT | VAT Rate |
|---------|-------------------|------|---------|------------|-------------------------|----------|
| £       | %                 | Type | or £    | £          | £                       |          |

| Fees for Non-Domestic New Buildings, Extensions, Alterations Etc.   |                                    |         |  |        |         |         |         |    |
|---|------------------------------------|---------|--|--------|---------|---------|---------|----|
| Extension of a non domestic building both having an internal floor area not exceeding 10m <sup>2</sup> .                                | Plan Charge                        | £131.00 |  |        | £131.00 | £26.20  | £157.20 | S  |
|   | Inspection Charge                  | £305.00 |  |        | £305.00 | £61.00  | £366.00 | S  |
|   | Building Notice / Reversion Charge | £435.00 |  | £1.00  | £436.00 | £87.20  | £523.20 | S  |
|   | Regularisation Charge              | £522.00 |  | £1.20  | £523.20 | £0.00   | £523.20 | OS |
| Extension of a non domestic building both having an internal floor area exceeding 10m <sup>2</sup> but not exceeding 40m <sup>2</sup> . | Plan Charge                        | £169.00 |  |        | £169.00 | £33.80  | £202.80 | S  |
|   | Inspection Charge                  | £394.00 |  |        | £394.00 | £78.80  | £472.80 | S  |
|   | Building Notice / Reversion Charge | £562.00 |  | £1.00  | £563.00 | £112.60 | £675.60 | S  |
|   | Regularisation Charge              | £675.00 |  | £0.60  | £675.60 | £0.00   | £675.60 | OS |
| Installation of 1 - 5 non domestic replacement window(s) and door(s).   | Plan Charge                        | £117.00 |  |        | £117.00 | £23.40  | £140.40 | S  |
|   | Building Notice / Reversion Charge | £117.00 |  |        | £117.00 | £23.40  | £140.40 | S  |
|   | Regularisation Charge              | £140.00 |  | £0.40  | £140.40 | £0.00   | £140.40 | OS |
| Installation of 6 - 20 non domestic replacement window(s) and door(s).  | Plan Charge                        | £223.00 |  |        | £223.00 | £44.60  | £267.60 | S  |
|   | Building Notice / Reversion Charge | £223.00 |  |        | £223.00 | £44.60  | £267.60 | S  |
|   | Regularisation Charge              | £268.00 |  | -£0.40 | £267.60 | £0.00   | £267.60 | OS |

## 2. CAPITAL BUDGET MONITORING – Quarter 4

- 2.1 The Capital Budget 2017/18 was revised at September 2017 and reduced to £12.719m with approved carry forwards of £4.756m which related to schemes where profiling of budget needed to be realigned over projected spending over the medium term.
- 2.2 The actual position for 2017/18 has resulted in total capital expenditure of £6.534m and therefore there is a further a requirement to approve additional carry forwards totalling £5.979m, a significant element of this request relates to Commercial Investment Portfolio £3.059m.
- 2.3 A detailed out-turn position and carry forwards requested are detailed below;
- 2.4 The Capital Programme is categorised as follows;

### APPROVED TO INVEST

- Business As Usual – replacement and renewal programmes (e.g. IT and Vehicles)
- Stage 3 – Approved to spend and funding secured

### PIPELINE PROJECTS

- Stage 2 – Business case approved in principle or awaiting funding
- Stage 1 – Budget approved requires full business case
- Pre Stage 1 – Business Case in preparation

- 2.5 Whilst every effort is made to encourage reasonable profiling of Capital Budgets over the period of the project life, this remains difficult to profile especially on significant programmes of work.
- 2.6 If we consider those schemes which are classified as approved to invest (Stage 3/Business as Usual) the variances are provided below
- 2.7 Bids submitted are only be for schemes where there is a change in the timing of the spending over the life of the project, but there is no change in the total cost or funding.

| Approval to Invest - Stage                       | Stage | Actuals          | Original Budget   | Revised Budget 2017/18 | Over / (Underspend) | Carry Forward Requests |
|--|-------|------------------|-------------------|------------------------|---------------------|------------------------|
| Stage 3 Projects                                 |       | 5,131,631        | 12,548,000        | 9,456,250              | 53,758              | (4,378,377)            |
| Business As Usual Projects                       |       | 1,385,928        | 1,311,400         | 1,992,624              | (261,789)           | (344,907)              |
| <b>Approved to Invest</b>                        |       | <b>6,517,559</b> | <b>13,859,400</b> | <b>11,448,874</b>      | <b>(208,031)</b>    | <b>(4,723,284)</b>     |
| Pre-Stage 1                                      |       | -                | 1,559,000         | 223,700                | 0                   | (223,700)              |
| Stage 1  |       | -                | 2,435,000         | 406,300                | 0                   | (406,300)              |
| Stage 2  |       | 16,487           | 2,276,800         | 640,200                | 0                   | (623,713)              |
| <b>Total Pipeline Investment</b>                 |       | <b>16,487</b>    | <b>6,270,800</b>  | <b>1,270,200</b>       | <b>0</b>            | <b>(1,253,713)</b>     |
| <b>Total Capital Programme Gross Expenditure</b> |       | <b>6,534,046</b> | <b>20,130,200</b> | <b>12,719,074</b>      | <b>(208,031)</b>    | <b>(5,976,997)</b>     |

Detailed analysis is provided below;



**Capital Investment Programme 2017/18**

| Corporate Priority / Scheme                     | Stage       | Actuals | Original Budget | Revised Budget 2017/18 | Over/ (Underspend) | Carry Forward Requests | Comments  |
|---|-------------|---------|-----------------|------------------------|--------------------|------------------------|---|
|   |             |         | £               | £                      | £                  | £                      |   |
| <b>Open for Business</b>                        |             |         |                 |                        |                    |                        |   |
| Telephony                                       | Stage 2     | 0       | 150,000         | 40,200                 | 0                  | (40,200)               | Project carried forward into 2018/17  |
| Broadband                                       | BAU         | 344,313 | 0               | 555,000                | (210,687)          | 0                      | Project completed and saving achieved.  |
| <b>People First</b>                             |             |         |                 |                        |                    |                        |   |
| Disabled Facilities Grants                      | BAU         | 553,766 | 601,400         | 577,574                | 0                  | (23,808)               | remaining balance to be carried forward to 18/19  |
| Independent Living                              | BAU         | 43,336  | 0               | 50,000                 | 0                  | (6,664)                | remaining balance to be carried forward to 18/19  |
| Customer Management                             | Stage 1     | 0       | 180,000         | 1,300                  | 0                  | (1,300)                | Project carried forward into 2018/19  |
| <b>Asset Management</b>                         |             |         |                 |                        |                    |                        |   |
| Capital Enhancements to Council Owned Assets    | BAU         | 175,598 | 270,000         | 306,700                | (51,102)           | (80,000)               | Heapham road (30k) and other low capital value works - request carry forward £80k           |
| Carbon Efficiency Project                       | Stage 3     | 0       | 27,000          | 45,000                 | 0                  | (45,000)               | Carry forward to 2018/19  |
| 5-7 Market Place                                | Stage 1     | 0       | 100,000         | 0                      | 0                  | 0                      | Project did not progress  |
| Development Loan                                | Stage 3     | 375,974 | 0               | 400,000                | 0                  | (24,026)               | Carry forward to 2018/19  |
| Riverside Gateway - Lea Road School             | Pre-Stage 1 | 0       | 300,000         | 0                      | 0                  | 0                      | Project closed  |
| Hemswell Masterplan - Public Realm Improvements | Stage 2     | 0       | 70,000          | 0                      | 0                  | 0                      | Project carried forward into 2018/19  |
| Commercial Investment                           | Stage 3     | 285,643 | 1,270,000       | 250,000                | 35,643             | 0                      | Design progressed to RIBA stage 4 which is due for completion end May 2018 - clawback 35643 |
| Caistor - South Dale Redevelopment              | Stage 2     | 0       | 100,000         | 0                      | 0                  | 0                      | Project carried forward into 2018/19  |
| Bridge Street Extension                         | Stage 3     | 61,313  | 0               | 61,300                 | 13                 | 0                      | Project completed   |
| Car Park Strategy Investment                    | Stage 3     | 0       | 130,000         | 0                      | 0                  | 0                      | Project carried forward into 2018/19  |

|  |             |           |           |           |        |             |  |
|--|-------------|-----------|-----------|-----------|--------|-------------|--|
| Leisure Facilities                                 | Stage 2     | 0         | 800,000   | 500,000   | 0      | (500,000)   | Delay in site acquisition - carry forward to 2018/19   |
| Commercial Investment - Property Portfolio         | Stage 3     | 2,490,355 | 8,000,000 | 6,000,000 | 0      | (3,509,645) | Carry forward to 2018/19   |
| <b>Central Lincolnshire Local Plan</b>             |             |           |           |           |        |             |  |
| Gainsborough Growth Fund                           | Stage 3     | 21,446    | 175,000   | 78,200    | 0      | (56,754)    | Residual budget to be carried forward in to 18/19  |
| Gainsborough Shop Front Improvement Scheme         | Stage 3     | 15,000    | 0         | 80,000    | 0      | (65,000)    | The front shop in 27 Market Street is now complete and grant will be paid out in this FY. Residual budget to be carried forward in new FY  |
| WLDC Wider Heritage Scheme                         | Stage 2     | 0         | 60,000    | 0         | 0      | 0           | Project carried forward into 2018/19   |
| Gainsborough Heritage Regeneration - THI           | Stage 2     | 0         | 91,500    | 0         | 0      | 0           | Project carried forward into 2018/19   |
| Unlocking Housing - Albion Works                   | Stage 2     | 0         | 0         | 0         | 0      | 0           | Project carried forward into 2018/19, no expected spend until 14-16 months   |
| Unlocking Housing - Living over the Shop           | Stage 3     | 65,000    | 0         | 130,000   | 0      | (65,000)    | A pilot grant scheme for supporting the development of the upper floors of commercial premises into residential dwellings, the remaining balance needs to be carried forward and will be drawn down upon successful completion of 4 residential dwellings. |
| Riverside Gateway - Marina/Transformational Change | Stage 1     | 0         | 100,000   | 100,000   | 0      | (100,000)   | Project carried forward into 2018/19   |
| Riverside North - Housing Zone                     | Pre-Stage 1 | 0         | 600,000   | 0         | 0      | 0           | Project removed per the Unlocking Housing Programme  |
| Gainsborough Regeneration - Dev Partnership        | Stage 1     | 0         | 2,000,000 | 250,000   | 0      | (250,000)   | Project carried forward into 2018/20   |
| Market Street - Joint Venture                      | Stage 3     | 375,000   | 0         | 375,000   | 0      | 0           | A joint venture company with Dransfiled Properties Ltd to regenerate empty properties in the town centre   |
| Acquisitions                                       | Stage 3     | 837,770   | 995,000   | 800,000   | 37,770 | 0           | Project completed  |
| Viability Funding - Capital Grant                  | Stage 3     | 294,048   | 1,400,000 | 700,000   | 0      | (405,952)   | Carry forward to 2018/19   |
| Market Rasen 3 year vision                         | Pre-Stage 1 | 0         | 150,000   | 0         | 0      | 0           |  |
| Wilson Street/Japan Road                           | Stage 3     | 159,857   | 0         | 158,000   | 1,857  | 0           | Project completed  |
| Rural Transport                                    | Stage 3     | 23,250    | 0         | 63,250    | 0      | (40,000)    | £23,250 paid to LCC for new Call Connect vehicle in Jan 18. Remaining capital forms part of Access to Transport Fund available to support local transport projects above £10k in capital.  |
| Private Sector Renewal                             | Pre-Stage 1 | 0         | 339,000   | 100,000   | 0      | (100,000)   | Request carry forward of remaining £100k to 18/19. to be spent in line with policy which is due for approval in May 18.  |

|   |             |                  |                   |                   |                  |                    |   |
|---|-------------|------------------|-------------------|-------------------|------------------|--------------------|---|
| Food Enterprise Zone infrastructure                       | Stage 2     | 16,487           | 1,005,300         | 100,000           | 0                | (83,513)           | Carry forward to 2018/19  |
| <b>Excellent, VFM Services</b>                            |             |                  |                   |                   |                  |                    |   |
| Vehicle Replacement Programme                             | BAU         | 258,165          | 255,000           | 307,600           | 0                | (49,435)           | Balance to be carried forward - analysis to be done on demand of new green waste charges, 2 vehicles to be resprayed and 2 x bin lifts still to be fitted |
| Replacement Planning/Building Control/Land Charges System | Pre-Stage 1 | 0                | 20,000            | 123,700           | 0                | (123,700)          | Carry forward to 2018/19  |
| Desktop Refresh   | BAU         | 0                | 185,000           | 185,000           | 0                | (185,000)          | Project to commence May 18 therefore full carry forward requested   |
| Commercial Loans  | Stage 3     | 33,000           | 500,000           | 200,000           | 0                | (167,000)          | remaining balance to be carried forward to 18/19  |
| Replace IDOX Scanner                                      | Stage 1     | 0                | 10,000            | 10,000            | 0                | (10,000)           | Planned for May 2018, full carry forward required   |
| Civic Enhancements  | Stage 3     | 34,474           | 51,000            | 40,500            | (6,026)          | 0                  | Project completed   |
| Website Replacement                                       | BAU         | 10,750           | 0                 | 10,750            | 0                | 0                  | Project completed   |
| Email Upgrade   | Stage 1     | 0                | 30,000            | 30,000            | 0                | (30,000)           | Planned for May 2018, full carry forward required   |
| Financial Management System                               | Pre-Stage 1 | 0                | 150,000           | 0                 | 0                | 0                  | Project carried forward into 2018/19  |
| Replacement Housing Register & Homelessness IT System     | Stage 3     | 59,500           | 0                 | 75,000            | (15,500)         | 0                  | Saving  |
| Public Sector Hub   | Stage 1     | 0                | 15,000            | 15,000            | 0                | (15,000)           | Full carry forward requested  |
| <b>Total Capital Programme Gross Expenditure</b>          |             | <b>6,534,046</b> | <b>20,130,200</b> | <b>12,719,074</b> | <b>(208,031)</b> | <b>(5,976,997)</b> |   |

## **2.2 Capital Programme Update 2017/18**

- 2.2.1 The Better Care Grant Funding of £602k has now been confirmed. This grant is used to support Disable Facilities Grants, however for 2017/18 up to 18.5% can be utilised to support strategy and policy development. Monies have now been moved to revenue to cover these salaries.
- 2.2.2 Investment in commercial property has resulted in one acquisition within the year, as previously reported, a number of opportunities have been evaluated and we have had some unsuccessful bids, work is ongoing. There is a full report on the investment portfolio elsewhere on this agenda.
- 2.2.3 In December the old Lidl building in Gainsborough was acquired at a cost of £800k + costs as part of the Gainsborough Growth Programme. .

## **2.3 Acquisitions, Disposals and Capital Receipts**

- 2.3.1 There have been no asset disposals during quarter 4.
- 2.3.3 The total value of capital receipts received during the year totalled £484k mainly due to the settlement of the Quickline Loan (£271k), Disabled Facility Grant Repayments (13k) and income of £155k from the Housing Stock Transfer Agreement share of Right to Buy receipts. The balance of the Capital Receipts Reserve is £3.015m

## **3. TREASURY MONITORING – QUARTER 4 (April-March)**

The CIPFA (Chartered Institute of Public Finance and Accountancy) Code of Practice for Treasury Management recommends that members be updated on treasury management activities regularly (TMSS, annual and midyear reports). This report, therefore, ensures this Council is implementing best practice in accordance with the Code.

- 4.1 There has been 1 breach of Prudential Indicators as detailed at 4.5 below.
- 4.2 Interest received has been in excess of the 7 day average libid benchmark (0.17%) with an average yield of 1.215% (including CCLA) and 0.526% (excluding CCLA).

### **4.3 Investment in Local Authority Property Fund (CCLA)**

The total the Council has invested now stands at £3m. Interest received for the year totals £165k.

### **4.4 New External Borrowing**

No borrowing was undertaken during this period.

### **4.5 Borrowing in advance of need**

This Council has not borrowed in advance of need during the period ended 31 December 2017.

### **4.6 Compliance with Treasury and Prudential Limits**

It is a statutory duty for the Council to determine and keep under review the affordable borrowing limits. The Council's approved Treasury and Prudential Indicators (affordability limits) are included in the approved TMSS.

During the financial year to date the Council has operated within the treasury and prudential indicators set out in the Council's Treasury Management Strategy Statement and in compliance with the Council's Treasury Management Practices.

However, as previously reported a breach in the maximum amount invested in Certificates of Deposit was made on the 23 January 2018. In error an investment of £1m for a period of 1 month has taken the total amount invested to £2.5m, £0.5m above the approved limit of £2m. An investigation including a review of procedures has been undertaken and these were found to be robust. Appropriate actions have therefore been taken.

The prudential and treasury Indicators are shown below.

| <b>Treasury Indicator Forecasts</b>                           | <b>Original<br/>£'000</b> | <b>P1<br/>£'000</b> | <b>Q2<br/>£'000</b> | <b>Q3<br/>£'000</b> | <b>Q4<br/>£'000</b> |
|---|---------------------------|---------------------|---------------------|---------------------|---------------------|
| <b>Treasury Indicators</b>                                    |                           |                     |                     |                     |                     |
| Authorised limit for external debt                            | 31,680                    | 31,680              | 31,680              | 31,680              | 31,680              |
| Operational boundary for external debt                        | 17,667                    | 17,667              | 9,000               | 9,000               | 9,000               |
| External Debt   | 14,527                    | 14,527              | 6,250               | 6,250               | 0                   |
| Long term Leases  | 122                       | 122                 | 122                 | 122                 | 32                  |
| Investments   | (9,533)                   | (18,250)            | (22,800)            | (19,100)            | (15,200)            |
| <b>Net Borrowing</b>  | <b>5,116</b>              | <b>(3,601)</b>      | <b>(16,428)</b>     | <b>(12,728)</b>     | <b>(15,168)</b>     |
|   |                           |                     |                     |                     |                     |
| <b>Prudential Indicators</b>                                  |                           |                     |                     |                     |                     |
| Capital Expenditure   | 20,130                    | 26,017              | 13,253              | 10,851              | 6,534               |
| Capital Financing Requirement (CFR)*                          | 18,632                    | 18,632              | 8,978               | 8,961               | 4,716               |
| Annual change in CFR*   | 11,870                    | 11,870              | 7,760               | 7,742               | 3,497               |
| In year borrowing requirement                                 | 17,540                    | 17,735              | 7,793               | 7,775               | 3,610               |
| Under/(over)borrowing   | 4,105                     | 4,105               | 2,729               | 2,711               |                     |
| Ratio of financing costs to net revenue stream*               | 5.99%                     | 2.93%               | 0.31%               | 0.21%               | 0.06%               |
| <b>Incremental impact of capital investment decisions:</b>    |                           |                     |                     |                     |                     |
| Increase/Reduction (-) in Council Tax (band change per annum) | (£10.62)                  | (£1.80)             | (£0.61)             | (£1.07)             | £1.96               |

**4.7** The Monthly Investment Review report for March is attached below;



# West Lindsey District Council

## Monthly Investment Analysis Review

March 2018

## Monthly Economic Summary

**General Economy**

The first key economic release of the month was the February Manufacturing Purchasing Managers' Index (PMI) survey. This dropped to an eight-month low of 55.2 from 55.3 in January, despite a marked upturn in new orders. The headline figure did, however, beat the average forecast of 55.0. Furthermore, underlying data within the survey showed that factory order growth is the strongest it has been since November and that 56% of manufacturers expect to raise production over the coming year. Meanwhile, construction PMI picked up slightly in February – but uncertainty continues to weigh on order books. The figure rose to 51.4 from 50.2 in January, ahead of even the most optimistic of forecasts. Services PMI also perked up, jumping to a four-month high of 54.5 from 53.0; with new orders rising at their fastest rate since May last year. The combination of the three surveys reinforced market expectations that the Bank of England (BoE) will raise interest rates again in their May meeting.

Elsewhere, trade balance data led to the suggestion that Britain's economy remains on a slow trajectory ahead of Brexit. Britain went from being the fastest-growing G7 economy in 2016 to the weakest last year as the Brexit vote weighed on household spending and corporate investment. Manufacturing output inched up 0.1% in January after a 0.3% rise in December – weaker than a poll forecasting 0.2%. This latest reading left the three month rate at 0.9%, the weakest pace since mid-2017.

Painting a slightly more cheerful picture, British inflation was weaker than expected in February as the impact of the Brexit vote finally faded from the figures, easing some of the squeeze on consumers who have seen their rising pay flag behind rising prices. The annual Consumer Price Index (CPI) rate rose by 2.7% in February, down from 3.0% previously and the weakest increase since July of last year. This provided further evidence that Britain's inflation peaked after hitting its highest level in five years of 3.1% in November 2017. Many of the early 2017 price increases due to the previous depreciation of the pound have started to work through the system, with petrol prices falling on the month and food prices rising more slowly than in February 2017 – all contributing to a lower inflation figure.

Unemployment edged back down to its four-decade low of 4.3% in February having briefly risen to 4.4% in January. The number of people in work grew by 168,000 in the three months to January – double the rise predicted in a poll of economists. Paired with that, British workers overall pay rose at the fastest pace in nearly two-and-a-half years over the three months to January – also increasing chances that the BoE will raise the cost of borrowing in May. Total earnings, including bonuses, rose annually by 2.8% in the three months to January compared with an upwardly revised 2.7% rise in the three months to December. Excluding bonuses, wages rose by 2.6%, a slight pick-up from the 2.5% seen in the three months to December. An expected steady increase in pay growth was a major reason why the BoE said in February that it expected interest rates to rise faster than they thought a few months previously.

Switching to public finance data, Public Sector Net Borrowing (PSNB) excluding public sector banks increased by £2.5bn to £1.3bn in February 2018, compared to February 2017. Public Sector Net Debt (PSND) excluding public sector banks was £1,762.6bn at the end of February 2018, equivalent to 85.1% of gross domestic product (GDP) – an increase of £68.1bn (+0.9%) on February 2017. In summary, PSNB excluding public sector banks is currently tracking below that of the last financial year with the Office for Budget Responsibility's (OBR) revising their official forecast for the current financial year down to £45.2bn from £49.9bn at the spring statement.

The Monetary Policy Committee (MPC) voted to keep interest rates unchanged, however two of its policy makers (Ian McCafferty and Michael Saunders) voted for an immediate rate rise. Minutes from the meeting said that “ongoing tightening” was likely to be needed to return inflation back to target; adding strength to Mark Carney’s comments last month that “rates might need to go up faster than expected”.

Rounding off the month, the final estimate for Q4 GDP was left unrevised at 0.4% on a quarterly basis and 1.4% on an annual basis, matching consensus expectations. Additionally, growth in business investment was revised up to 0.3% from 0%; as a whole, net trade made its first positive contribution to growth since 2012.

In the Eurozone, the final reading of Q4 GDP was left unrevised at 0.6%, slightly lower than Q3’s 0.7%. The expansion was driven mainly by net exports. Annual growth was also confirmed at 2.7% for Q4, with growth for the Eurozone economy for 2017 as a whole increasing by 2.5%. Following their March meeting, the European Central Bank’s (ECB) only change was the removal of their previous pledge to “increase the Asset Purchase Programme (AAP) in terms of size and/or duration” if needed. Eurozone inflation fell to 1.1% in February, down from the 1.3% seen in January with the highest contribution to inflation coming from services, followed by food. Lastly, Eurozone unemployment held steady in January at 8.6%, the lowest rate recorded in the Eurozone since December 2008.

The US saw a significant 313,000 increase in non-farm payrolls in February (the biggest in 18 months) together with a 54,000 positive revision to gains in the preceding two months. Unemployment, however, remained unchanged at 4.1% as an increase in people actually looking for work (the “participation rate”) offset the actual increase in jobs. Boosted by a surge in clothing prices, inflation posted a 0.2% monthly gain for February and a 2.2% annual rise, from 0.5% and 2.1% respectively the month prior. These strong figures paved the way for the Fed’s unanimous decision to raise interest rates by another 25 basis points to 1.50%-1.75%, with comments reiterating the need for “further gradual” hikes. The final estimate for Q4 GDP was revised upwards to a 2.9% annualised rate, from the previously reported 2.5%. The upward revision reflected a lower level of inventory reduction through the quarter.

Sterling opened the month at \$1.377 against the US Dollar and closed the month at \$1.402. Against the Euro, Sterling opened at €1.122 and closed at €1.138.



## Housing

Nationwide revealed house prices unexpectedly fell during March, down 0.2% on the month. Annually, house prices rose 2.1% - weaker than forecasts of 2.6% and slowing from February's 2.2% increase. Elsewhere, Halifax reported that at 1.8%, house prices rose at their slowest pace in nearly five years in the three months to February. This was a drop from the 2.2% recorded the month prior, while in monthly terms, prices rose by 0.4%.

## Forecast

Neither Link Asset Services (LAS) nor Capital Economics (CE) changed their bank rate forecasts during March. LAS suggest that the next interest rate rise will be to 0.75% in Q2 2018, with further rises of 25 basis points in Q4 2018 and again in Q4 2019. Capital Economics' forecasts continue to suggest further rises of 25 basis points in Q2 2018, Q3 2018, Q4 2018, Q2 2019 and Q4 2019.

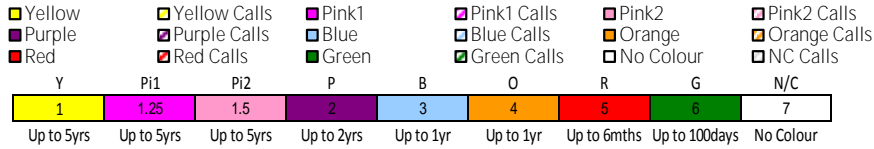
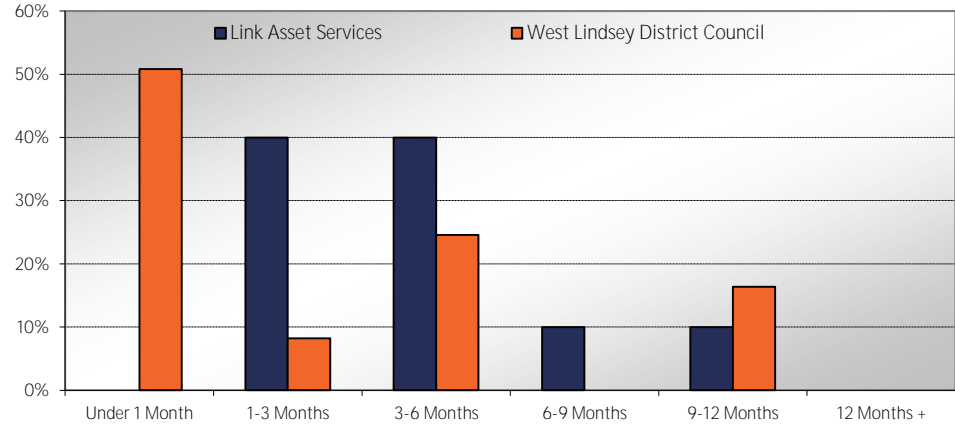
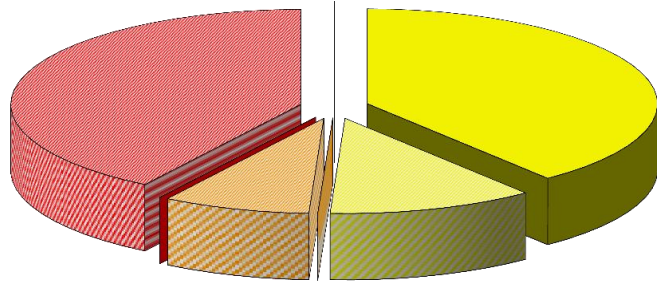
| Bank Rate           | Jun-18 | Sep-18 | Dec-18 | Mar-19 | Jun-19 |
|---------------------|--------|--------|--------|--------|--------|
| Link Asset Services | 0.75%  | 0.75%  | 1.00%  | 1.00%  | 1.00%  |
| Capital Economics   | 0.75%  | 1.00%  | 1.25%  | 1.25%  | 1.50%  |

## West Lindsey District Council

### Current Investment List

| Borrower                                   | Principal (£)        | Interest Rate        | Start Date        | Maturity Date        | Lowest Long Term Rating | Historic Risk of Default |
|--|----------------------|----------------------|-------------------|----------------------|-------------------------|--------------------------|
| MMF Insight                                | 1,400,000            | 0.44%                |                   | MMF                  | AAA                     | 0.000%                   |
| Cheltenham Borough Council                 | 2,800,000            | 0.55%                | 15/03/2018        | 03/04/2018           | AA                      | 0.000%                   |
| Bournemouth Borough Council                | 1,000,000            | 0.73%                | 20/03/2018        | 06/04/2018           | AA                      | 0.000%                   |
| Wirral Metropolitan Borough Council        | 1,000,000            | 0.52%                | 12/03/2018        | 20/04/2018           | AA                      | 0.001%                   |
| Lloyds Bank Plc                            | 1,000,000            | 0.57%                |                   | Call32               | A                       | 0.005%                   |
| Santander UK Plc                           | 2,000,000            | 0.45%                |                   | Call120              | A                       | 0.019%                   |
| Santander UK Plc                           | 1,000,000            | 0.70%                |                   | Call180              | A                       | 0.028%                   |
| Santander UK Plc                           | 2,000,000            | 0.85%                |                   | Call365              | A                       | 0.056%                   |
| <b>Borrower - Funds</b>                    | <b>Principal (£)</b> | <b>Interest Rate</b> | <b>Start Date</b> | <b>Maturity Date</b> |                         |                          |
| CCLA - Property Fund                       | 3,000,000            |                      |                   |                      |                         |                          |
| <b>Total Investments</b>                   | <b>£15,200,000</b>   |                      |                   |                      |                         |                          |
| <b>Total Investments - excluding Funds</b> | <b>£12,200,000</b>   | <b>0.60%</b>         |                   |                      |                         | <b>0.015%</b>            |
| <b>Total Investments - Funds Only</b>      | <b>£3,000,000</b>    |                      |                   |                      |                         |                          |

Portfolio Composition by Link Asset Services' Suggested Lending Criteria



Portfolios weighted average risk number = **2.89**

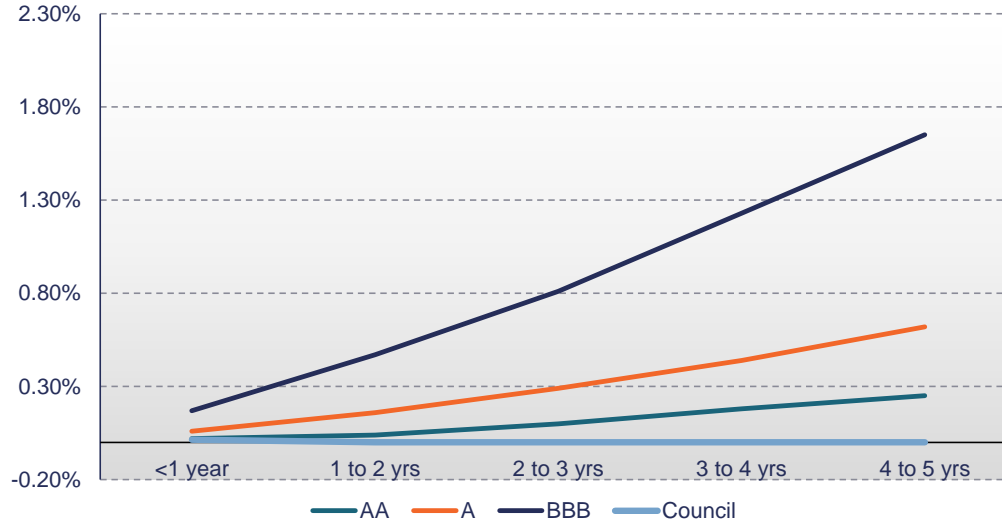
WARoR = Weighted Average Rate of Return  
WAM = Weighted Average Time to Maturity

|              | % of Portfolio | Amount             | % of Colour in Calls | Amount of Colour in Calls | % of Call in Portfolio | WARoR        | WAM        | WAM at Execution | Excluding Calls/MMFs/USDBFs |                  |
|--------------|----------------|--------------------|----------------------|---------------------------|------------------------|--------------|------------|------------------|-----------------------------|------------------|
|              |                |                    |                      |                           |                        |              |            |                  | WAM                         | WAM at Execution |
| Yellow       | 50.82%         | £6,200,000         | 22.58%               | £1,400,000                | 11.48%                 | 0.55%        | 6          | 18               | 7                           | 23               |
| Pink1        | 0.00%          | £0                 | 0.00%                | £0                        | 0.00%                  | 0.00%        | 0          | 0                | 0                           | 0                |
| Pink2        | 0.00%          | £0                 | 0.00%                | £0                        | 0.00%                  | 0.00%        | 0          | 0                | 0                           | 0                |
| Purple       | 0.00%          | £0                 | 0.00%                | £0                        | 0.00%                  | 0.00%        | 0          | 0                | 0                           | 0                |
| Blue         | 0.00%          | £0                 | 0.00%                | £0                        | 0.00%                  | 0.00%        | 0          | 0                | 0                           | 0                |
| Orange       | 8.20%          | £1,000,000         | 100.00%              | £1,000,000                | 8.20%                  | 0.57%        | 32         | 32               | 0                           | 0                |
| Red          | 40.98%         | £5,000,000         | 100.00%              | £5,000,000                | 40.98%                 | 0.66%        | 230        | 230              | 0                           | 0                |
| Green        | 0.00%          | £0                 | 0.00%                | £0                        | 0.00%                  | 0.00%        | 0          | 0                | 0                           | 0                |
| No Colour    | 0.00%          | £0                 | 0.00%                | £0                        | 0.00%                  | 0.00%        | 0          | 0                | 0                           | 0                |
| <b>TOTAL</b> | <b>100.00%</b> | <b>£12,200,000</b> | <b>60.66%</b>        | <b>£7,400,000</b>         | <b>60.66%</b>          | <b>0.60%</b> | <b>100</b> | <b>106</b>       | <b>7</b>                    | <b>23</b>        |

# West Lindsey District Council

## Investment Risk and Rating Exposure

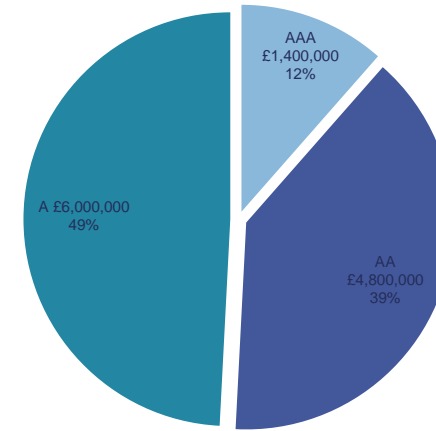
Investment Risk Vs. Rating Categories



Historic Risk of Default

| Rating/Years | <1 year | 1 to 2 yrs | 2 to 3 yrs | 3 to 4 yrs | 4 to 5 yrs |
|--------------|---------|------------|------------|------------|------------|
| AA           | 0.02%   | 0.04%      | 0.10%      | 0.18%      | 0.25%      |
| A            | 0.06%   | 0.16%      | 0.29%      | 0.44%      | 0.62%      |
| BBB          | 0.17%   | 0.47%      | 0.81%      | 1.23%      | 1.65%      |
| Council      | 0.015%  | 0.000%     | 0.000%     | 0.000%     | 0.000%     |

Rating Exposure



**Historic Risk of Default**

This is a proxy for the average % risk for each investment based on over 30 years of data provided by Fitch, Moody's and S&P. It simply provides a calculation of the possibility of average default against the historical default rates, adjusted for the time period within each year according to the maturity of the investment.

**Chart Relative Risk**

This is the authority's risk weightings compared to the average % risk of default for "AA", "A" and "BBB" rated investments.

**Rating Exposures**

This pie chart provides a clear view of your investment exposures to particular ratings.

## West Lindsey District Council

### Monthly Credit Rating Changes FITCH

| Date       | Update Number | Institution                          | Country        | Rating Action   |
|------------|---------------|--------------------------------------|----------------|---|
| 01/03/2018 | 1589          | Nationwide Building Society          | United Kingdom | Long Term Rating downgraded to 'A' from 'A+', Outlook changed to Stable from Negative. Short Term Rating affirmed.    |
| 21/03/2018 | 1592          | Abbey National Treasury Services Plc | United Kingdom | Long Term and Short Term Ratings affirmed, Long Term Rating removed from Positive Watch and placed on Stable Outlook. |

## West Lindsey District Council

### Monthly Credit Rating Changes MOODY'S

| Date       | Update Number | Institution                      | Country        | Rating Action   |
|------------|---------------|----------------------------------|----------------|---|
| 08/03/2018 | 1590          | Goldman Sachs International Bank | United Kingdom | Long Term and Short Term Ratings affirmed, Outlook on Long Term Rating changed to Negative from Stable.               |
| 28/03/2018 | 1593          | Cooperatieve Rabobank U.A.       | Netherlands    | Long Term Rating downgraded to 'Aa3' from 'Aa2', Outlook changed to Stable from Negative. Short Term Rating affirmed. |

## West Lindsey District Council

### Monthly Credit Rating Changes S&P

| Date       | Update Number | Institution                 | Country        | Rating Action   |
|------------|---------------|-----------------------------|----------------|---|
| 01/03/2018 | 1588          | Nationwide Building Society | United Kingdom | Long Term Rating affirmed at 'A', Outlook changed to Positive from Stable. Short Term Rating affirmed at 'A-1'. |
| 19/03/2018 | 1591          | NRW.BANK                    | Germany        | Long Term and Short Term Ratings affirmed, Outlook on Long Term Rating changed to Positive from Stable.         |

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**Committee: Corporate Policy  
& Resources Committee**

**Date: 10th May 2018**

**Subject: Business Rate Growth Policy**

Report by:

Eve Fawcett-Moralee  
Director of Economic Growth and Commercial  
01427 676535

Contact Officer:

Amanda Bouttell  
Senior Officer - Projects & Growth  
01427 676562  
[Amanda.Bouttell@west-lindsey.gov.uk](mailto:Amanda.Bouttell@west-lindsey.gov.uk)

Purpose / Summary:

To seek approval for a Business Rate Relief Policy to attract new and expanding businesses to locate in West Lindsey and specifically, to locate on our Strategic Employment Sites (as defined within the Central Lincolnshire Local Plan); the Central Lincolnshire Food Enterprise Zone (Hemswell Cliff) and Somerby Park (Gainsborough).

**RECOMMENDATIONS, subject to any amendments and final recommendation from Prosperous Communities Committee on 1<sup>st</sup> May 2018:**

**(1) That Members approve the Business Rate Growth Policy for West**

**Lindsey's Strategic Employment Areas as detailed in this report.**

**(2) To approve that the scheme enables a maximum of £300,000 in reliefs to be awarded with a maximum award of 100% over a 3 year period.**

## IMPLICATIONS

### **Legal:**

All applications for National Non-Domestic Rates (NNDR) relief will be subject to state aid verification.

Businesses may be supported under the De Minimis State Aid Exemption, which can provide up to €200,000 of funding over a 3 year fiscal period, or an alternative State Aid Exemption.

Subject to democratic approval for this scheme, the Council will seek legal guidance on alternative State Aid exemptions which may be applicable.

Applicants will be expected to provide independent professional advice to verify how their proposal will meet the State Aid eligibility criteria and under which exemption as part of the assessment process.

### **Financial: FIN/30/19/TJB**

In the context of the Financial Strategy maximisation of revenue generated from Business Rates is becoming increasingly important to support future sustainability of the Council.

The introduction of a Business Rate Relief scheme will incentivise economic growth and result in increased income from business rates as new business come into or expand their premises within the District. The awards of reliefs will reduce the financial burden of Business Rates upon these companies over a defined period

It is proposed that the scheme enables a maximum of £300,000 in reliefs to be awarded with a maximum award of 100% over a 3 year period.

From a financial perspective the scheme results in a reduction in business rates receivable (effectively deferring growth income) and will be contained within the Collection Fund, the financial benefit being realised in future years when full business rates are payable at the end of the defined relief period.

Consideration of State Aid implications will be undertaken as part of the process, to ensure compliance.

**Staffing:** None as a result of this report. The management, administration and monitoring of the funding scheme will be undertaken by existing staff in the Growth & Projects Team and Finance Team. Additional, professional support will be available to the Teams to assist with the assessment process where independent advice is required (e.g. to verify financial standing or state aid implications).

---

**Equality and Diversity including Human Rights:** Section 69 of the Localism Act 2011 provides a discretionary power for billing authorities in England and Wales to reduce the business rates of any local ratepayer. This scheme will be open to all businesses – new and existing – that can demonstrate growth through the creation of new commercial floor space or expansion into new premises within our Strategic Employment Areas.

**Risk Assessment:** Key risks and mitigation measures are outlined below.

Insufficient staffing resources to deliver scheme internally - Agreement on management structure and process from outset. Additional professional expertise co-opted to assist as required.

Insufficient skills to deliver the scheme in house – Council has previous experience of delivering financial support to businesses via the Gainsborough Growth Fund and existing discretionary rate relief schemes; capacity to operate the scheme as it is targeted to strategic sites/ the Food Enterprise Zone (FEZ) and therefore supported by the greater Lincolnshire Local Enterprise Partnership (GLLEP).

Insufficient interest in rate relief – ensure the scheme is not bureaucratic and time consuming. Scheme details will be clarified at the outset, together with Communications and Marketing Plan.

Growth outputs not realised - Funding subject to delivery of outputs so WLDC has ability to withdraw support. Consider on case by case basis by Panel.

**Climate Related Risks and Opportunities:** This scheme is designed to support economic growth. Businesses in the ‘green’ sector can be supported through this scheme. Economic outputs will be balanced against the impact of any proposal on the environment with ‘sustainability’ being one of the key assessment criteria.

**Title and Location of any Background Papers used in the preparation of this report:**

NNDR Discount Rationale – NKDC – see attached Appendix 1

**Call in and Urgency:**

**Is the decision one which Rule 14.7 of the Scrutiny Procedure Rules apply?**

Yes  No

**Key Decision:**

Yes  No

**Executive Summary**

Section 69 of the Localism Act 2011 provides a discretionary power for billing authorities in England and Wales to reduce the business rates of any local ratepayer.

Rate relief or discounting can be used by the Council to un-lock private sector investment in West Lindsey. The Council recognises that business rates are a significant cost to business and discounting is therefore a tool the Council can employ pro-actively in order to stimulate investment in land and premises.

Competition for investment across the UK is fierce. West Lindsey needs to position itself to compete effectively with other areas in order to secure business investment and support economic growth and job creation in the District to meet its targets.

It is therefore proposed to launch a time-limited rate relief scheme to incentivise new and expanding firms to locate within two of West Lindsey's Strategic Employment Sites:

- Food Enterprise Zone (Hemswell Cliff) – this site is new to the market with no previous support from government. In order to attract viable investment the site requires a fiscal incentive alongside simplified planning via the LDO. This has proved successful in traditional enterprise zones such as Sheffield and Hull.
- Somerby Park (Gainsborough) – this site has been on the market for some time. The limited enquiries suggests that only larger businesses are likely to build new premises and that cost appears to be a prohibitive factor for smaller businesses. A rate relief scheme in tandem with the housing growth programme in Gainsborough could accelerate development and be an attractive proposition for new businesses to choose Gainsborough over other areas.

The net result of this intervention will be a positive impact in terms of creating floor space and jobs as well as securing medium term revenue increases in Business Rates

for the council (once the discount period comes to an end) by developing additional employment floor space that might never come to market.

## **1 Policy Context:**

- 1.1 Sustainable economic growth is a major priority for WLDC, alongside the delivery of new housing. As a partner in the Central Lincolnshire Local Plan, the Council is now committed to delivering a minimum of 628 FTE jobs per year across the Central Lincolnshire area – 11,894 FTE jobs (15,071 gross jobs) by 2036 (Central Lincolnshire Economic Growth Delivery Plan, 2016).
- 1.2 The Economic Needs Assessment (June 2015) - commissioned to provide robust evidence for the level of economic growth to be delivered through the Local Plan - indicates a need for between 3,300-3,800 new jobs by 2030 in West Lindsey.
- 1.3 The Greater Lincolnshire Local Enterprise Partnership (GLLEP) identifies key growth sectors, which will play a significant role in the growth of the Central Lincolnshire economy as follows:
  - Manufacturing
  - Agri-food
  - Visitor Economy – being addressed through other initiatives
- 1.4 Translating this into policy, the Local Plan identifies the following key objectives to delivering sustainable economic growth:
  - Make it easier for our key growth sectors and fastest growing companies to achieve their potential
  - Encourage new inward investment and expansion
  - Support the growth of small and micro businesses
  - Encourage business start-ups – support the growth of entrepreneurial culture
- 1.5 The Local Plan further identifies a number of Strategic Employment Sites (SES) to meet the needs for large-scale investment requiring significant land take. Two of these sites are strategically located in West Lindsey with proximity to the A15 Lincoln to Humber south bank corridor the subject of current “Growth Deal” discussions:
  - Hemswell Cliff Food Enterprise Zone – this site is new to the market with no previous support from government. In order to attract viable investment the site requires a fiscal incentive alongside simplified planning via the LDO. This has proved successful in traditional enterprise zones such as Sheffield and Hull.
  - Somerby Park, Gainsborough - this site has been on the market for some time. The limited enquiries suggests that only larger businesses are likely to

build new premises and that cost appears to be a prohibitive factor for smaller businesses. A rate relief scheme in tandem with the housing growth programme in Gainsborough could accelerate development and be an attractive proposition for new businesses to choose Gainsborough over other areas.

- 1.6 It is proposed to launch a rate relief scheme to incentivise new and expanding firms to locate within West Lindsey's Strategic Employment Sites. Priority will be given to those firms offering the greatest potential for growth and job creation in our District.

## **2 Rationale for Investment:**

- 2.1 Section 69 of the Localism Act 2011 provides a discretionary power for billing authorities in England and Wales to reduce the business rates of any local ratepayer. The Government has not issued guidance in respect of how this power might be used, though councils must ensure that the reliefs they allow do not transgress state aid rules. Many Councils have already used these powers to grant relief, including most recently, North Kesteven District Council.
- 2.2 According to the Bank of England and the British Chambers of Commerce, access to bank finance for growth projects is still limited as a result of the economic downturn and recession (2008-12) and banks are requiring much greater levels of security in order to underwrite risk. New finance products are now available via Midlands Engine Investment Fund (MEIF) but rates are generally higher, adding to the cost for the business and rendering some projects unviable. A lack of affordable finance means that where possible, businesses are funding growth through cash flow.
- 2.3 Furthermore, the Social Mobility Commission suggests that whilst West Lindsey has strong social mobility for those born in the district, this tends to fade with age. Grant Thornton's Vibrant Economy Index ranks West Lindsey low overall, and sitting within an area of low vibrancy. At this moment it's unclear how Brexit will affect the district so the development of this policy is further driven by the need to address future uncertainty.
- 2.4 Rate relief or discounting can be used by the Council to un-lock private sector investment in West Lindsey. The Council recognises that business rates are a significant cost to business and discounting is therefore a tool the Council can employ pro-actively and where appropriate in order to stimulate sustainable investment in land and premises. The net result of these interventions will be a positive impact in terms of creating floor space and jobs as well as securing medium term revenue increases in Business Rates for the council (once the discount period comes to an end) by developing additional employment floor space that might never come to market.

### **3 Proposed Scheme:**

- 3.1 The Council may use its discretion to offer discounted rate relief to a business, where that business has identified to the satisfaction of the Council, a growth project that requires capital investment and/or the release of cash flow in order to accelerate investment that would otherwise be delayed or not occur. Such projects are likely to maximise competitive advantage, create or safeguard significant jobs and result in the development or occupation of additional employment floor space that will deliver the Council revenue in the medium to long term.
- 3.2 To be considered for rate relief under this scheme any applicant must either be:
- A new business starting up
  - A business relocating to the area from outside of West Lindsey District
  - An existing business seeking to expand/develop new premises
- 3.3 It is proposed that the scheme is used explicitly to attract and incentivise growth businesses to the Strategic Employment Sites of:
- Hemswell Cliff Food Enterprise Zone
  - Gainsborough Somerby Park
- 3.4 On an exceptions basis, proposals for business investment outside of these areas may also be considered, where floor space and job outputs are substantial and the investment is considered to be of strategic importance within West Lindsey. This will include projects identified within the key growth sectors outlined above. All proposals for development will be subject to planning consent.

### **4 Promotion and Assessment of Applications:**

- 4.1 This scheme will be actively promoted to businesses who may be considering new investment in land and premises, with the potential to locate in West Lindsey. It will form part of the marketing strategy for the Food Enterprise Zone and Invest Gainsborough. Officers will work with agents, developers and intermediary networks to promote the scheme and identify prospective businesses.
- 4.2 Businesses will be invited to apply following a satisfactory eligibility check. A business plan/cash flow forecast will be required together with company accounts for 3 years and bank statements. This will enable a full financial appraisal to be completed.



- 4.3 The project will utilise the assessment process (**Appendix 1**) which has been established for the Gainsborough Growth Fund. This includes a 2-stage application process, with guidance and support from the Growth Team and independent advisors.
- 4.4 The panel will assess the application against the pre-determined criteria shown below and highlighted in the attached Assessment Criteria document (**Appendix 2**). The total maximum score is 25 and any project scoring below 15 will not be considered eligible for the scheme. Projects scoring below 3/5 in any of the categories below will also be rejected.

| Criteria                            | Y/N | Score = 1  | Score = 5   | Points Awarded |
|-------------------------------------|-----|--|---|----------------|
| Priority Employment Area            |     | The project will not be delivered in a priority Employment Area (as defined in the CLLP and outlined within the Policy)  | The project will be delivered in a priority Employment Area (as defined in the CLLP and outlined within the Policy)   |                |
| Priority Sector                     |     | The project will not deliver growth potential within a significant growth sector as outlined within the Economic Needs Assessment (June 2015)  | The project will deliver growth potential within a significant growth sector as outlined within the Economic Needs Assessment (June 2015)   |                |
| Job Creation & Increased Floorspace |     | The project will lead to a low number of jobs created and/or jobs will be of low quality; will not hit priority sector identified within ES; jobs will be temporary and may not be sustained beyond 12 months. Project results in little/no development or occupation of additional floor space. | The project will lead to a large number of jobs created and/or jobs will be of high quality; will hit priority sector identified within ES; jobs will be sustained for at least 3 years.<br><br>Project results in the development or occupation of significant additional employment floor space |                |

|                |  |  |  |  |
|----------------|--|--|--|--|
| Deliverability |  | The business owner/s have limited experience of this type of project; project is highly complex and/or lengthy delivery timescales and no clear project plan for implementation of results of feasibility. | The business has extensive experience of delivery/progress of this type of project; evidence of a well-planned project with clear timescales for delivery and strong likelihood of successful outcome. |  |
| Sustainability |  | The business has a poor credit score; issues are highlighted through the review of finances/company history; serious doubts as to the business' ability to remain trading in 12+ months.                   | The business has a good credit score and no issues with company finances/history; confidence that the business will remain trading – with the new jobs sustained – over a 3+ year horizon.             |  |

4.5 Decisions to award rate relief will be authorised by the Director of Resources under delegated powers, following consultation with Officers and Members via a Funding Consultative Panel.

4.6 The Council will have the discretion to award up to 100% rate relief per year over a 3 year period which will be capped. The Growth Team will notify the business rate team of the total amount awarded and the period of the award to enable them to post the relief to the business rate account. A copy of the notification to the customer will be sent to the Business Rate Admin team to be held on the customers file and actioned. The technical assessment and award criteria will be finalised to meet the requirements of the Council's internal Revenues and Finance systems or similar.

4.7 WLDC will review the outcomes from the business each year to ensure that the business case is being met and to ensure good value for money for the taxpayer. The Policy will include clawback provision that will allow the Council to amend or withdraw funds if the outcomes are not being met.

**5 Funding the Scheme:**

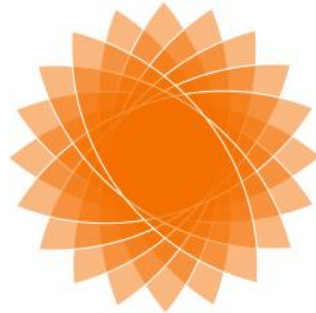
5.1 The total funding 'pot' for this scheme will be £300,000. The scheme will be funded from the £0.5m of additional income generated by the Council being

part of the Greater Lincolnshire Business Rates 100% Retention Pilot, held in the Investment for Growth Earmarked Reserve.

## **6 Conclusions:**

- 6.1 Following a review of the scheme it has been determined that the capital element of the Gainsborough Growth Fund will be discontinued from January 2018. However it is proposed that the feasibility fund (up to £10k funding to support professional fees, technical work and feasibility for major growth projects) will be rolled out to the wider District, subject to funding. A Commercial Loan Policy has also been developed to support growth/development proposals across West Lindsey (this is the subject of a separate Committee Report).
- 6.2 It is proposed that the Business Rate Growth Policy will complement the Commercial Loan and Feasibility Fund, creating a stronger 'offer' for new businesses looking to locate in our area and for existing businesses considering their growth options. Discounting business rates for growth businesses (for a time-limited period) will create a low risk alternative to grant funding and in the long term will generate an uplift in NNDR once the discounting period comes to an end. The scheme will also support the delivery of economic growth and job creation within the District in parallel with its housing offer.
- 6.3 It is further proposed that this policy will complement wider feasibility funds such as the Midlands Engine Investment Fund. This funding is aimed at higher-value start-ups and rapidly growing businesses and seeks to address a number of barriers including a grant dependency culture, lack of awareness or understanding of different types of finance and low or cautious ambitions for some businesses.
- 6.4 In order to quantify the potential impact and outcomes of the scheme such as jobs created and increased floor space the Council will undertake an Economic Impact Assessment at the outset.

Appendix 1 – NNDR Discount Rationale NKDC



**districtnk**  
100 flourishing communities  
**North Kesteven District Council**

# **North Kesteven District Council**

## **Discretionary Rate Relief Policy**

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# Introduction & Background

This policy sets out the Council's intentions for dealing with discretionary rate relief applications (including hardship relief requests) from Charities, Community Amateur Sports Clubs (CASCs), Non-Profit Making Organisations (NPMOs), Rural Businesses (village shops, post offices, food stores, petrol filling stations, public houses and other small businesses), and other businesses situated within North Kesteven.

***Section 69 of the Localism Act 2011 amended Section 47 of the Local Government Finance Act 1988. These provisions all authorities to grant discretionary relief in any circumstances where it feels fit having regards to the effect on the Council Tax payers of its area.***

***The provisions are designed to give authorities flexibility in granting relief where it is felt that to do so would be of benefit generally to the area and be reasonable given the financial effect to Council Tax payers.***

The policy has regard to the use to which business premises are put and, in particular, the contributions that businesses seeking rate relief make to their local communities. It also has regard to the financial cost to the council taxpayers of the district. The policy will be applied consistently and in accordance with the Council's ***vision and priority to promote the economic and employment growth of North Kesteven.***

***In order to promote economic growth and create jobs in line with government policy, the Council also now has the flexibility to develop "Local Discounts" to encourage and stimulate economic growth. Rate relief or discounting can be used by the council to un-lock private sector investment in North Kesteven. The Council recognises that business rates are a significant cost to business and discounting is therefore a tool the Council can employ pro-actively and where appropriate in order to stimulate sustainable investment in land, capital equipment or premises. The net result of these interventions will be a positive impact in terms of creating and safeguarding jobs as well as securing medium term revenue increases in Business Rates for the council by developing additional employment floor space that might never come to market.***

The principles of this policy are supported in law by the Local Government Finance Act 1988 (as amended) and regulations made under that Act.

## Policy Statement

### Scope

The policy applies to any business ratepayer within the discretionary rate relief qualifying groups and criteria set out in legislation, guidance issued by the Department for Communities and Local Government (DCLG) and this document. Some of them will also receive mandatory rate relief.

***Discretionary relief for Local Discounts may also be offered to a 'growth business' that can demonstrate to the satisfaction of the Council that the sum of the discount granted will facilitate or enable a reciprocal investment by that business in a sustainable growth project that will create or safeguard jobs or result in the development or occupation of additional employment floor space.***

### **Application requirements and decision making process**

Business rate payments remain legally due and payable in accordance with the most recent bill until such time as any rate relief is awarded.

***Applications for a Local Discount to the Council will be judged on individual merit and on a case-by-case basis. Applicants will need to clearly demonstrate how the relief granted will facilitate business growth. As relief will be time limited, the applicant will also need to demonstrate how at the end of the awarded period of relief the business will fund the additional rates then due. A detailed financial and business plan must be provided in all cases. The council reserves the right to refuse relief to any applicant.***

***Each application will be considered on its individual merits against the overall aim set out above. The scheme is discretionary and the applicant does not have a statutory right to payment.***

***To be considered for an award under this policy the applicant must be either:***

- A new business starting up in the area***
- A business relocating to the area***
- An existing business expansion within the area***

Discretionary rate relief will usually be awarded by means of a reduction shown on the business rate bill issued to the ratepayer. Where this puts the account in credit for the year, a refund will be made. Written applications will be required for each case and these will need to be renewed bi-annually if relief is to continue into the financial year following the review. The Council will ensure that application forms for discretionary rate relief (except hardship relief) are made available to ratepayers on request.

Hardship relief applications should be made in writing by the ratepayer and should include all relevant information and evidence to support the case for relief to be given on the grounds of hardship. Hardship is not defined in rating law. Therefore, ratepayers will be expected to clearly explain why they believe they would suffer hardship if the Council failed to use its discretionary power to reduce their rate bills. They will also need to show why it would be reasonable for the Council to do so having regard to the

interests of the people who pay council tax in North Kesteven and that the business can demonstrate its future viability.

With the exception of hardship relief, businesses receiving rate relief will be sent a renewal application form before the start of each financial year in which their relief expires. Advice and guidance notes will be included with these renewal forms. When completed forms are returned, they will be checked to ensure that an entitlement still exists and, if so, the relief will be awarded for a further two years. Where an application is not returned, relief will not be awarded and the organisation will be sent a rate bill for the full charge.

New ratepayers occupying a property part way through a financial year should apply at the time they move in. Wherever possible, applications for discretionary rate relief should be made within the financial year for which the relief is being sought. Accepting applications made after this time will be at the discretion of the Council and in any event applications have to be determined by law within six months of the end of the financial year for which relief is being sought.

Application forms will set out the evidence requirements that need to be met for a decision to be made. Failure to provide evidence will delay the decision making process. Where evidence is not forthcoming within a reasonable timescale, rate relief is likely to be refused. If the applicant is a Non-Profit Making Organisation (NPMO), the two most recent sets of annual accounts will need to be provided. Accounts will need to have been either audited, approved by a general meeting of the organisation (minutes of the meeting will be required) or independently verified and signed by two officers of the organisation (one of whom will be the person who has prepared them).

### ***Charitable Bodies (Charities)***

*A mandatory rate relief of 80% is granted to charities in the following circumstances. Where the:*

- ratepayer of a property is a charity or the trustees of a charity; and*
- property is wholly or mainly used for charitable purposes (including charity shops, where the goods sold are mainly donated and the proceeds are used for the purpose of the charity).*

*Registration under the Charities Act 1993 is conclusive evidence of charitable status. Bodies which, under the 1993 Act, are excepted from registration or are exempt charities are also eligible for mandatory relief. Providing the above criteria are met, 80% mandatory rate relief is granted.*

*In cases where a charity is in receipt of mandatory rate relief of 80%, the Council has discretion to grant up to 20% additional rate relief – DRR top up. The Council will consider applications for a discretionary rate relief top up from charities based on their own merits, on a case by case basis.*

*However the principal consideration is that the relief is in the best interests of the residents and taxpayers of Oldham and produces a local benefit as the Council must contribute to the cost of each award. As such, top up will be awarded to only the following type of registered charities:*



- *Scouts, guides, cadets and other clubs/associations for young people;*
- *Community schemes encompassing organisations providing support for those over the age of retirement, community transport, those based on volunteering and residents associations;*
- *Organisations providing support in the form of advice, training for employment, counselling;*
- *Organisations that provide services that address the consequences of ill health and disability;*
- *Charitable sporting clubs (also see CASCs);*
- *Locally based leisure and cultural organisations;*
- *Armed forces veterans associations*
- *Locally based charities;*
- *Charity shops (operated by either locally based or national charities).*

### **Registered Community Amateur Sports Clubs**

*A mandatory rate relief of 80% is granted to registered community amateur sports Clubs (CASC). To qualify as a CASC, a sports club must fulfil all of the following criteria. It must be*

- *Open to the whole community;*
- *Run as an amateur club;*
- *A non-profit making organisation; and*
- *Aiming to provide facilities for, and encourage people to take part in, eligible sport.*

*In cases where a CASC is in receipt of mandatory rate relief of 80%, the Council has discretion to grant up to 20% additional rate relief as a discretionary top up.*

*4.3 The Council will consider applications for a discretionary rate relief top up from CASCs based on their own merits on a case by case basis. The principal consideration is that any relief is in best interests of the residents and taxpayers of Oldham and produces a local benefit as the Council must bear a percentage of the cost of any relief granted. However in determining the application the following matters will be taken in to consideration:*

- *How the CASC supports and links into the Council's corporate vision and priorities;*

- *A club should have an open access policy. If a club effectively discriminates by only accepting members who have reached a particular standard, rather than seeking to promote the attainment of excellence by enhancing access and the development of sporting aptitude, then it does not fulfil the requirements;*
- *Although clubs should be open to all without discrimination, single sex clubs may be permitted where such restrictions are not discriminatory in intent but a genuine result of physical restraints (such as changing room facilities) or the requirements of the sport. In such cases, the organisation will be required to provide proof of such limiting factors.*

*It should be noted that sports clubs and other organisations which run a bar are unlikely to be awarded relief if their main purpose is the sale of food or drink. However, if the sale of food or drink by the organisation aids the overall operation and development of the organisation in achieving its objectives, this would be permissible as long as the principal objectives of the organisation meet the eligibility criteria detailed above. If the bar makes a profit, this profit must be reinvested to support the organisation in achieving its principal objectives. Financial information will be required to evidence any profit and its use.*

### **Non Profit Making Organisations**

*The Council has the power to grant discretionary rate relief of up to 100% for the rates due to other non-profit making organisations. The main objectives of the organisation must be related to:*

- *Relief of poverty;*
- *Advancement of religion;*
- *Advancement of education;*
- *Social Welfare;*
- *Science;*
- *Literature;*
- *Fine arts; or*
- *Recreation*

*Or be otherwise beneficial to the community*

*An organisation must be able to demonstrate how it:*

- *meets local needs and benefit local people; and*
- *provides a valuable service to the community; and*
- *is open to all sections of the community*
- *operates in such a way that it does not discriminate against any section of the community; and*
- *is not conducted or established for the primary purpose of accruing profit.*

*The Council will consider applications for a DRR top up from non-profit making organisations based on their own merits, on a case by case basis. However the principal consideration is that the relief is in the best interests of the residents and taxpayers of Oldham and produces a local benefit as the Council must contribute to the cost of each award. As such, top up will only be awarded to only the following type of non-profit making organisations:*

- Scouts, guides, cadets and other clubs/associations for young people;*
- Community schemes encompassing organisations providing support for those over the age of retirement, community transport, those based on volunteering and residents associations;*
- Organisations providing support in the form of advice, training for employment or counselling;*
- Organisations that provide services that address the consequences of ill health and disability;*
- Locally based leisure and cultural organisations*
- Armed forces veterans associations*

### ***Membership and Entry Fees***

*If the organisation applying for DRR requires membership or an entry fee, the Council will consider whether:*

- membership must be open to everyone, regardless of race, ethnic origin, sex, marital or parental status, sexual orientation, creed, disability, age, religious affiliation or political belief,*
- The subscription or fee is set at a level which is not prohibitively high and considered to be affordable by most sections of the community;*
- Fee reductions are offered for certain groups such as, for example, under 18s or over 60s;*
- Membership is encouraged from groups who face social barriers, such as, for example, young people not in employment, education or training; people above working age; or people with disabilities;*
- Facilities are made available to people other than members.*

*Where the applicant organisation requires membership, at least 50% of the members should reside within the boundaries of the Borough of Oldham (proof of this will be required).*

### ***Discretionary Rural Rate Relief***

*Discretionary Rural Rate Relief is open to any type of business within a classified rural settlement that satisfies the following criteria:*

- It is within the boundaries of a qualifying rural settlement;*
- It has a rateable value of less than £16,500;*
- It is a qualifying food shop, general store, Post Office, sole public house or sole petrol station already in receipt of mandatory relief of 50%*
- The property is used for purposes which are of benefit to the local community;*
- It is reasonable for the Council to grant relief, with regard to the interests of residents and Council Tax payers*

*As a guide, to be eligible for Discretionary Rural Rate Relief, an organisation must not have enough financial resources available in unrestricted funds (i.e. resources which are not being held for specific purposes) to continue to operate for more than 12 months, nor should it have sufficient financial resources in unrestricted reserves to continue to operate for more than 12 months, unless a business plan exists detailing how these additional reserves are to be used to benefit the local community.*

#### ***Discretionary Rate Relief – Localism Act – Local Discount***

*Any ratepayer applying for a Local Discount who does not meet the criteria for existing relief (charities, non profit making organisations or rural premises) must meet all of the following criteria and the amount of relief granted will be dependant on the following key factors:*

- a. The ratepayer must not be entitled to mandatory rate relief (Charity or Rural Rate Relief) or relief as a non profit making organisation or as a sports club or similar;*
- b. The ratepayer must occupy the premises (no discretionary rate relief will be granted for unoccupied premises);*
- c. The premises and organisation must be of significant benefit to residents of the District;*
- d. The ratepayer must either;*
  - Create or safeguard jobs in the district; or*
  - Provide new employment floorspace; or*
  - Represent investment in a growth market (key market sectors for the District are set out in the Council's Economic Prospectus);*
- e. The ratepayer must demonstrate that assistance (provided by the discretionary rate relief) will be for a short time only and that any business / operation is financially viable in the medium and long term; and*

*Where a ratepayer can demonstrate that all of the above criteria are met, relief will be considered for a period of up to three years.*

*The Council will undertake an assessment of overall risk and is unlikely to make an award to a business with a poor payment history.*

*A formal application from the ratepayer will be required in each case and any relief will be granted in line with State Aid requirements.*

*A Local Discount will not be awarded until the business has all the required permissions, licences, and other provisions in place and has begun lawfully trading with a minimum lease period of 3 years and a statement of intention to operate the business in the District for five years or more.*

### ***Right to Appeal***

*There is no statutory right to appeal against a decision under Section 47, other than Judicial Review. An applicant may make a request for the decision maker to review a decision but only where either;*

- 1. Additional information that is relevant to the application and that was not available at the time the decision was made becomes available, or*
- 2. There are good grounds to believe the application or supporting information was not interpreted correctly at the time the decision was taken*

*A request for a review must be made within four weeks of notification of the decision and must set out the reasons for the request and any supporting information.*

### ***Clawback Provision***

*The Council shall be under no obligation to pay the Local Discount if any of the Clawback Events and Termination Events listed in Appendix A occurs.*

*The Council may at the Council's absolute discretion if (in the Council's opinion) any of the Clawback Events or Termination Events listed in Appendix A occurs:*

- a. Suspend the payment of the Local Discount under this Policy for such period as the Council shall determine;*
- b. Vary the Local Discount payable under this Policy, in which case the payment of funding shall thereafter be made in accordance with the written variation notified to the Applicant;*
- c. terminate any agreement to pay the Local Discount under this Policy whereupon the Council shall cease to be under any obligation to provide any further Local Discount to the Applicant and (in addition) the Council may require the Applicant to repay the whole or any part of the Local Discount previously paid to the Applicant and the Applicant agrees that upon receipt of written notice requiring repayment the Applicant shall repay the sums required within 30 days of receipt of such notice.*

*Notwithstanding the provisions of Clauses a. and b above, in the event that an applicant relocates the business for which the Local Discount is payable to a location outside of the Borough, within a period of five years from the date of the decision to award the Local Discount, the Council shall be entitled to recover some or all of the Local Discount on the following basis:*

- a. *The relocation occurs before 3 calendar years have expired beginning with the date of the decision, 100% of the Local Discount shall be recoverable, at the Council's discretion;*
- b. *The relocation occurs after 3 years and before 4 calendar years have expired beginning with the date of the decision, a maximum of 50% of the Local Discount shall be recoverable, at the Council's discretion;*
- c. *The relocation occurs after 4 years and before 5 calendar years have expired beginning with the date of the decision, a maximum of 25% of the Local Discount shall be recoverable, at the Council's discretion.*

## **Promoting and communicating the policy**

Advice and information will be issued to all business ratepayers with their bills. It will also be available on the Council's website and from staff who may be dealing with enquiries from ratepayers. Renewal application forms will be sent bi-annually to every business ratepayer receiving relief at the time. In addition, wherever possible, we will identify any new ratepayer who may qualify under the policy and provide them with information and guidance at the earliest opportunity.

***In order for a growth business to qualify for a Local Discount they must be invited to apply by an economic development officer. The economic development officer is responsible for carrying out an initial audit of suitability before any formal invitation to apply for relief is issued to the business.***

**Detailed provisions** the policy provides for relief to be awarded at different levels for different categories of qualifying business ratepayer. These are shown in Appendix A.

## **Who is affected by the Policy?**

- Business ratepayers
- Members, customers and staff of organisations and businesses eligible for rate relief
- The Council Tax payers of the district who meet part of the cost

## **Implementation**

**Who is responsible?**

The Revenues Unit within **Revenues & Benefits Shared Service** will administer the policy. **A Growth Board consisting of representatives from Revenues and Benefits, Finance and Economic Development, will make** recommendations and decisions on rate relief applications

## **Complaints**

Any ratepayers who believe their cases have not been correctly dealt with can use the Council's Customer Complaints procedure to further their complaints.

## **APPENDIX A – the range of rate relief awards for different categories of ratepayer.**

| <b>Category of Ratepayer</b> | <b>Mandatory Rate Relief</b>                                | <b>Discretionary Rate Relief</b> | <b>Cost met by Council Tax</b> |
|------------------------------|---|----------------------------------|--------------------------------|
|                              | <small>(All columns indicate % of full rate charge)</small> |                                  |                                |

|   |            |   |       |
|---|------------|---|-------|
| Charity shops selling donated and <b>new</b> goods  | 80%        | Nil   | Nil   |
| Certain voluntary and foundation schools  | 80%        | Nil   | Nil   |
| Charities where members have regular access to licensed bar facilities or other major income (see policy)   | 80%        | Nil   | Nil   |
| Any charities not covered in the categories above   | 80%        | 20%   | 15%   |
| Registered Community Amateur Sports Clubs (CASCs) where members have regular access to licensed bar facilities (see policy)   | 80%        | Nil   | Nil   |
| Registered CASCs with no bar on site  | 80%        | 20%   | 15%   |
| Non-profit making organisations (NPMOs) where members have regular access to licensed bar facilities (see policy)   | Nil        | 20%   | 5.0%  |
| Any other NPMOs   | Nil        | 100%  | 25.0  |
| The only village store and the only village post office in the rural settlement where the RV is £7,000 or less  | 50%        | 50%   | 12.5% |
| The only village public house and the only village petrol filling station in the rural settlement where the RV is £12,000 or less   | 50%        | Nil   | Nil   |
| The only village pubic house and the only village petrol station in the rural settlement where the RV is £12,000 or less and is providing other facilities not already provides in the settlement (e.g.food stores or post offices) | 50%        | Relief amount not specified in policy cases considered individually on merit  |       |
| The only food stores with RV's of £7,000 or less in rural settlement  | 50%        | 50%   | 12.5% |
| Any businesses with RVs of £14,000 or less in rural settlements which are of benefit to the local community   | Nil        | Relief amount not specified in policy cases considered individually on merit  |       |
| Any ratepayers that would like to make a case for hardship.   | Nil        | Relief amount not specified in policy cases considered individually on merit  |       |
| <b>Growth Businesses</b>  | <b>Nil</b> | <b>Relief amount not specified in policy cases considered individually on merit via application to NKDC Growth Board.</b> |       |





# Agenda Item 6g



**Corporate Policy and  
Resources Committee**

**Date: 10 May 2018**

**Subject:** Progress and Delivery Report – Quarter 4 (2017/18)

|                 |  |
|-----------------|--|
| Report by       | Executive Director Operations  |
| Contact Officer | Mark Sturgess<br>Chief Operating Officer<br><a href="mailto:mark.sturgess@west-lindsey.gov.uk">mark.sturgess@west-lindsey.gov.uk</a><br>01427 676687 |
| Purpose/Summary | To consider the Progress and Delivery Report for Quarter 4 of 2017/18  |

**RECOMMENDATION(S):**

1. To assess the performance of the Council's services and key projects through agreed performance measures and indicate areas where improvements should be made, having regard to the remedial measures set out in the report.

## IMPLICATIONS

Legal: None

Financial: FIN/22/19/CC

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

Staffing: None

Equality and Diversity including Human Rights: None

Risk Assessment: None

Climate Related Risks and Opportunities: None

Title and Location of any Background Papers used in the preparation of this report:

None.

### Call in and Urgency:

Is the decision one which Rule 14.7 of the Scrutiny Procedure Rules apply?

i.e. is the report exempt from being called in due to urgency (in consultation with C&I chairman) **Yes**

**No**

### Key Decision:

A matter which affects two or more wards, or has significant financial implications **Yes**

**No**

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## Introduction

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Councillors have received progress and delivery reports since 2012. The reports have sought to give councillors information on how the council is performing through its services, project delivery and finances. This has given councillors the opportunities to question officers on performance and ensure that any rectification measures proposed to remedy poor performance are sufficient to tackle the issues identified.

This report is about the services the council is delivering in order to meet the objectives it has set itself in the Corporate Plan.




For clarity, this report will provide information on those services that are either performing below their target level or those that have exceeded the performance expected of them. This will be done within certain tolerance levels, therefore services which are just below their target performance will not be reported at this stage, but will be monitored through the council's services leadership team. Generally, explanations and rectifications are given where an aspect of a service is performing below the required standard.

In addition the report will contain information on services which were included in the last period's exceptions report, but have subsequently improved. This is to demonstrate to members that the remedial measures which have been put in place are working.

### How to use this report

#### RAG Performance Indicators

---

|   |  |
|---|--|
|  | Performance against this indicator is better than the set target |
|  | Performance is in line with its target                           |
|  | Performance is lower than predicted                              |

---

#### Direction of Travel

---

|   |                                 |
|---|---------------------------------|
| ↑ | Performance is improving        |
| → | Performance is remaining static |
| ↓ | Performance is declining        |

---

# Executive Summary

---

## 1.0 Introduction

1.1 This report is the Quarter 4 performance report for 2017/18. The report also highlights performance across service areas by exception where performance is either above or below target.

1.2 The executive summary is intended to highlight those areas that are performing above expectation; those areas where there is a risk to either performance or delivery and those areas where further work is required for next year's report.

## 2.0 Overall Summary of Performance

2.1 A summary of service based performance for Q4 is presented in the table below. It should be noted that information is not currently available for 13% of the measures. The Performance and Programmes Team will continue to work with Team Managers to ensure that all performance information is provided in a timely manner with explanatory comments where necessary.

|                              | Number | Percentage |
|------------------------------|--------|------------|
| Red performance measures     | 28     | 25%        |
| Amber Performance measures   | 24     | 22%        |
| Green performance measures   | 45     | 41%        |
| Missing performance measures | 14     | 13%        |

2.2 The table below provides a summary of direction of travel for those performance measures where comparable information is available for Q4.

|   | Number | Percentage |
|---|--------|------------|
| Indicators where performance has improved from below target to on target or exceeding | 10     | 11%        |
| Indicators where performance has remained static                                      | 72     | 78%        |
| Indicators where performance has fallen below target                                  | 10     | 11%        |

## 3.0 Performing Well

3.1 Areas described as performing well are as follows:

- Benefits – Customer satisfaction levels are high, despite the changes to the service from the introduction of Universal Credit and a continued staffing vacancy. All performance measures for the service are performing either on or above target.
- Revenues – Although the target for Council Tax in year collection rate has not been met, the total amount collected for 2017/18 is actually £2 million more than for 2016/17. Collection rates for NNDR have exceeded the target set.

- Local Land Charges – the service continues to perform well overall with all but one of the measures performing above target. Turnaround time for completing searches continues to perform well above target, despite a reduction in staff numbers.
- Licensing – Customer satisfaction is high at 100%. The number of applications received remains on target and 100% of applications are being processed within the target time. Income received continues to remain on target for the quarter.

### **3.0 Risk Areas**

3.1 Areas described as at risk are as follows:

- Overall complaints – the number of overall complaints have risen meaning that performance is below the target set for this corporate health measure. This is due to the introduction of a dedicated Customer Experience Officer meaning that complaints are now logged in a more consistent manner. A learning log has been implemented and relevant officers will be working with the Quality Assurance Board to identify how improvements can be made.
- Enforcement – The number of open planning enforcement requests and the time taken to resolve planning enforcement requests continue to perform below target. This is due to a continued high level of demand for the service.
- Street Cleansing – the total income received continues to fall below the target and income has fallen further still from Q3. This is due to a continued decline in income generating work. Work is ongoing to continue to promote the service and overall performance for the year is expected to fall within target.
- Markets – overall performance continues to fall below target due to a downturn in trader numbers which has also led to a fall in the amount of income received. A market review and options appraisal are currently underway.
- Home Choices – the number of nights spent in B&B accommodation and the average time taken to rehouse a person in the highest category of need continues to fall below target. Whilst this can be attributed to the Christmas period which meant a lack of move on into social rented accommodation, further joined up working with the ASB Team is underway to ensure performance in this area improves.

### **4.0 Further Work**







4.1 In line with the recommendation made in the Progress and Delivery Internal Follow up Report (March 2018), the Performance and Programmes Team have held 1-2-1 meetings with Team Managers to review and agree a new set of SMART performance measures for 2018/19. The new measure set have been designed to align to Corporate Plan priorities and the 'Customer First' agenda. As a number of the measures are brand new, Q1 will be used to gather baseline data and to identify targets; with reporting against performance to take place from Q2.

4.2 In addition to this, a piece of work is underway to refresh the current Corporate Plan performance measures. At present, the majority of these measures do not have set targets, are not 'SMART' and, in some cases, it is not possible to gather the data necessary

to report on progress. As a result, the current Corporate Plan measures have not been included for the purposes of this report.



## Section 1: Corporate Health Measures

| Measure         | Freq | Current |      |   |     | Previous |   | Year End Per.  | What is affecting performance?  | What do we need to do to improve and by when?  |
|-----------------|------|---------|------|---|-----|----------|---|--|---|--|
|                 |      | Act.    | Tar. | Per.  | DoT | Act.     | Per.  |  |   |  |
| <b>Customer</b> |      |         |      |   |     |          |   |  |   |  |
| Compliments     | M    | 55      | 51   |    | ↓   | 58       |    | 233<br>   | Increase is due to more awareness of compliment recording and also recording compliments received via surveys. This is an excellent increase in compliment performance. We have redesigned the process so it is easier for customers to make a compliment.  | Will work with the communications team to promote and make officer generally aware of compliment. These will also feature within the report to G & A committee   |
| Complaints      | M    | 55      | 36   |  | ↓   | 36       |  | 168<br> | It should be noted that a new reporting system has been in place since 1st January 2018. Planning and Development 11 complaints, Waste Services received 10 complaints, Green Garden Waste received 8 complaints (relating to problems signing up the green garden waste service), Planning Enforcement received 5 complaints, Housing Benefits received 4 complaints, Customer Services received 3 | A learning log is being created and the Customer Services Manager and the Customer Experience officer will work with the Quality Assurance Board to identify how improvements will be made. The learning log will be a feature of the annual feedback report |

|  |  |  |  |  |  |  |  |  |  |  |
|--|--|--|--|--|--|--|--|--|--|--|
|  |  |  |  |  |  |  |  |  | <p>complaints, Arts and Leisure received 2 complaints, Property Services received 2 complaints, , Home Choices each received 2 complaints. Street Cleansing 2 complaints and Management Team, Council Tax, Housing Enforcement, Growth and Regeneration and Food Health and Safety and Environmental Protection all received 1 complaint. It has been identified that WLDC were at fault in 24 of these complaints. 27 complaints were about the quality of service received, 8 about the GGW process on line, 7 regarding decision made, 6 regarding staff behaviour, 2 were regarding lack of communication, 2 regarding staff communication, 2 regarding missed bins, 1 regarding the process, 1 regarding potential breach of customer information, 1 in relation to quality of information, 1 regarding market operations and 1 was relating to incorrect information being</p> |  |
|--|--|--|--|--|--|--|--|--|--|--|

|  |     |         |                  |     |     |                 |     |      |  |  |  |
|--|-----|---------|------------------|-----|-----|-----------------|-----|------|--|--|--|
|  |     |         |                  |     |     |                 |     |      | provided.  |  |  |
| Percentage of complaints where the Council is at fault | Qtr | 43%     | NTS <sup>1</sup> | NTS | NTS | 50%             | NTS |      | Total complaints for this period is 55 and we are at fault in 24 of those complaints | The Customer Services Manager and the Customer Experience officer will undertake a detailed analysis of complaints to understand in more details why 33% of complaints were upheld and will produce and learning action log to be taken to the quality assurance board for discussion and improvement to be made |  |
| Effectiveness of Council Communications                | Ann | Not due |                  |     |     | 68%             | ★   |      |  |  |  |
| Employee satisfaction                                  | Ann | Not due |                  |     |     | 90%             | ★   |      |  |  |  |
| Digital demand   | Qtr | 45%     | 35%              | ★   | ↑   | 37%             | ●   | 39%  |  |  |  |
| Calls answered   | Mth | 87%     | 80%              | ★   | ↑   | 76%             | ●   | 78%  |  |  |  |
| Staff absenteeism                                      | Mth | 0.65    | 0.7              | ●   | ↓   | 0.64            | ★   | 0.49 | ★  | Year end performance has exceeded the target set   |  |
| <b>Financial</b>                                       |     |         |                  |     |     |                 |     |      |  |  |  |
| Audit opinion  | Ann | Not due |                  |     |     | Un <sup>2</sup> | ●   |      |  |  |  |

<sup>1</sup> NTS: No target set

<sup>2</sup> Unqualified

|  |     |         |      |     |   |        |     |    |  |   |
|--|-----|---------|------|-----|---|--------|-----|----|--|---|
| Increase in Net Rates Payable (NNDR)       | Ann | Not due |      |     |   | 3.68 % | ★   |    |  |   |
| Increase in rateable value in the District | Ann | Not due |      |     |   | 0.75 % | ★   |    |  |   |
| Overall Council budget 'forecast outturn   | Qtr |         | 5%   |     |   | MD     |     |    |  |   |
| Tax base growth                            | Qtr |         | 0.5% |     |   | 0.9%   | ★   |    |  |   |
| <b>Process</b>                             |     |         |      |     |   |        |     |    |  |   |
| Number of health and safety incidents      | Mth | 12      | NTS  | NTS | → | 12     | NTS | 69 |  |   |
| <b>Quality</b>                             |     |         |      |     |   |        |     |    |  |   |
| Service and system availability            | Mth | 100 %   | 98%  | ★   | → | MD     |     |    |  | Proactive and continuous monitoring being carried out |

Table 1: Corporate Health measures

## Section 2: Project and Programme Delivery

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| Programme           | RAG   | What is affecting delivery?    |
|---------------------|-------|--------------------------------|
| Crematorium         | Amber | Programme delivery is on track |
| Customer First      | Amber | Programme delivery is on track |
| Housing             | Amber | Programme delivery is on track |
| Land and Property   | Amber | Programme delivery is on track |
| Leisure             | Amber | Programme delivery is on track |
| West Lindsey Growth | Amber | Programme delivery is on track |

Table 2: Programme Delivery

## Section 3: Service Exceptions

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### Customer First

#### Customer Services

In the final period of 2017/18, the Council received 182 Freedom of Information requests. All were responded to within the statutory deadline of 20 working days. The total number received over the whole year was 569, with the response time for all bar one request meeting the statutory deadline.

In the final quarter for 2017/18, the Council received a total of 55 complaints and 202 compliments. The average time to respond to complaints was 8 days despite now having 21 actual days in which to respond following the launch of the new complaints process in January 2018.

The Customer Services Team has experienced a peak in demand during this quarter due to the implementation of the Green Garden Waste initiative; and whilst additional resources have been employed to cope with demand for this service, the demand has exceed our expectations and we have received an additional 12,000 telephone calls during this period.

Demand for Customer Services continues to grow as a small incremental change rather than larger changes which are harder to plan for or understand. Work will commence during 2018/19 to understand why demand continues in an upward direction.

| Measure   | Freq | Current |       |      |     | Previous |      | Year End Per. | What is affecting performance?   | What do we need to do to improve and by when?               |
|---|------|---------|-------|------|-----|----------|------|---------------|--|---|
|   |      | Act.    | Tar.  | Per. | DoT | Act.     | Per. |               |  |   |
| Average number of days taken to resolve a complaint | Quar | 8       | 10    | ★    | ↓   | 7        | ●    | 8<br>★        | Overall the average response time is 8 days for the year. The new complaint process which began in January 2018 allows for the Council to respond to customers within 21 actual day. This is due to the fact that we now have 1 officer investigating complaints on behalf of the council. | Continue to monitor to ensure meet target of 21 actual days |
| Cost of service delivery per customer contact       | Quar | £1.21   | £2.00 | ★    | ↑   | £2.17    | ●    | £1.76<br>●    |  |   |

Table 3: Customer Satisfaction measure exceptions

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### Benefits

During Quarter 4 processing of New Claims and Changes to claims has reverted to acceptable performance levels, despite the DWP transfer of information to West Lindsey being erratic (a national problem). The Benefits team has been carrying one full time processing vacancy throughout Q4 and it has been decided that this post will be re-advertised as a Benefits Assistant post rather than a full time processing officer. Universal Credit full service is now live in Lincoln Job Centre which covers up to 40% of the West Lindsey area but the majority of Housing Benefit claimants are clustered around Gainsborough which is due to go live on full service Universal Credit on 12 September. All measures have resulted in an end of year performance very close to target which is remarkable given the upheaval that Universal Credit has caused, especially when calculating Council Tax Support claims.

| Measure                     | Freq | Current |      |      |     | Previous |      | Year End Per. | What is affecting performance? | What do we need to do to improve and by when? |
|-----------------------------|------|---------|------|------|-----|----------|------|---------------|--------------------------------|---|
|                             |      | Act.    | Tar. | Per. | DoT | Act.     | Per. |               |                                |   |
| End to end processing times | Mth  | 3.6     | 5    | ★    | ↑   | 7.4      | ●    | 5.6<br>●      |                                |   |
| Claims older than 30 days   | Mth  | 16.7    | 25   | ★    | ↓   | 15       | ★    | 19.0<br>★     |                                |   |

|  |  |  |  |  |  |  |  |  |  |  |  |  |
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|--|--|--|--|--|--|--|--|--|--|--|--|--|

Table 4: Benefits measure exceptions

### Council Tax and NNDR

Whilst the in-year Council tax collection rates have not met last year’s target, the amount of council tax collected is over £2 million more than was collected in 2016/17 because the net collectable debit has increased. There are now almost 7,500 customers paying by 12 monthly instalments and 79% of council taxpayers paying by direct debit.

Business rate collection has slightly improved this quarter culminating in a collection rate above that of last year. Although this shows an increase in % collected due to the net collectable debit being less than last year, the actual total amount collected is also slightly lower than last year. Public house relief, small business rate capping and the additional discretionary relief awarded by central government has been awarded to all businesses who have applied and additional relief has been applied to those businesses already in receipt of the government discretionary relief.

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| Measure                                  | Freq | Current |        |      |     | Previous |      | Year End Per. | What is affecting performance?  | What do we need to do to improve and by when?   |
|--|------|---------|--------|------|-----|----------|------|---------------|---|---|
|  |      | Act.    | Tar.   | Per. | DoT | Act.     | Per. |               |   |   |
| Cost of service per property tax base    | Mth  | £5.80   | £9.10  | ★    | ↑   | £6.72    | ★    | £5.05<br>★    | March cost posting required - 2 vacancies filled but new staff undergoing training  | Staff now recruited   |
| No of properties on tax base / FTE ratio | Mth  | 5,830   | 5,000  | ★    | ↑   | 6,921    | ★    | 6,121<br>★    | 2 vacancies recruited to  | New starters now in post but training plans ongoing   |
| Council Tax in year collection rate      | Mth  | 98.15%  | 98.48% | ●    | N/A | 84.29%   | ●    | 98.15%<br>●   | Increase in number of customers paying by 12 instalments however amount of council tax collected has increased this month by £590,983 | The amount of resources needed to collect the outstanding amounts would not justify the amount of money still to be |



|                             |     |             |             |   |     |        |   |             |                            |  |
|-----------------------------|-----|-------------|-------------|---|-----|--------|---|-------------|----------------------------|--|
|                             |     |             |             |   |     |        |   |             |                            | collected.   |
| NDR in year collection rate | Mth | 98.53%      | 97.34%      | ★ | N/A | 81.87% | ★ | 98.53%      | Collection exceeded target | Regular monthly meetings with CoL/NKDC partnership |
| NDR £ Collected             | Mth | £16,137,962 | £16,438,475 | ● | N/A | N/A    |   | £43,860,754 |                            |  |

Table 5: Council Tax measure exceptions

## Building Control

The building control team has continued to face significant challenges over the last few months and indeed for this financial year in terms of staffing levels and fee earning application work. Market share has fluctuated between 63% at its lowest and 91% at its highest over the year, with the overall market share for the year finishing at 77%. This is a great achievement for the service. LAs in England and Wales have a 69% share of the overall market, meaning West Lindsey is still performing above average in terms of application numbers. Income has also been sporadic, but the target for the year has been exceeded, thanks to a large application for retrospective window and door applications. The team reduced in size following the reduction of the senior building control officer position but morale has stayed strong with performance at a good level whilst operating with a smaller team. The additional services have taken a back seat and the service is concentrating first and foremost of maintaining market share for core business with any additional service requests that fall out of the core business being seen as a bonus and contributing to the councils bottom line. The additional services has seen an income of £11,500 for the year, mainly through the air testing and SAP service which has been a great effort from the team members concerned in the circumstances.

| Measure   | Freq | Current |         |      |     | Previous |      | Year End Per.   | What is affecting performance?   | What do we need to do to improve and by when?  |
|---|------|---------|---------|------|-----|----------|------|-----------------|--|--|
|   |      | Act.    | Tar.    | Per. | DoT | Act.     | Per. |                 |  |  |
| Customer satisfaction with the received service     | Ann  | 100%    | 95%     | ★    | ↑   | 93%      | NTS  | 100%<br>★       | High customer satisfaction levels which is important as Building Control operates in a competitive environment | Customer satisfaction levels will continue to be monitored as the service relies on high levels of repeat business |
| Cost of the Building Control service to the Council | Mth  | £12,189 | £28,331 | ★    | ↑   | £32,329  | ●    | £96,708.93<br>★ | Vacant Senior Building Control Officer post  | Report now approved to resolve vacancy and move to a permanent structure   |
| Total income received                               | Mth  | £51,680 | £54,703 | ●    | ↓   | £52,158  | ●    | £227,534<br>★   | Target for the year exceeded   |  |

|   |     |     |     |   |   |     |   |          |   |  |
|---|-----|-----|-----|---|---|-----|---|----------|---|--|
| Number of building regulation applications received | Mth | 167 | 153 | ★ | ↓ | 281 | ↓ | 976<br>★ | Applications are above number target for the time of year, a general increase in work often occurs at year end, so this trend is usual. |  |
|---|-----|-----|-----|---|---|-----|---|----------|---|--|

Table 6: Building Control measure exceptions

## Local Land Charges

This service has seen a major transformation in terms of the turnaround times of the searches received, which have over the last year massively exceeded the 8 day target resulting in an average for the year of 5.1 days. This has been achieved whilst reducing staff by approximately 50%, which in turn has been reflected in a huge underspend on the service staff and further reflected in the reduced overall cost per capita. The turnaround times for searches is now approaching the performance of Council which operate an automated service. However the service is still vulnerable to loss of key members of staff.

| Measure   | Freq | Current |         |      |     | Previous |      | Year End Per. | What is affecting performance?   | What do we need to do to improve and by when? |
|---|------|---------|---------|------|-----|----------|------|---------------|--|---|
|   |      | Act.    | Tar.    | Per. | DoT | Act.     | Per. |               |  |   |
| Cost of delivering the service per head of population | Ann  | £0.11   | £0.84   | ★    | n/a | n/a      | n/a  | £0.11<br>★    |  |   |
| Cost of the Land Charges service to the Council       | Mth  | £7,097  | £19,050 | ★    | ↓   | £1,826   | ★    | £10,110<br>★  | Savings on salaries due to vacant posts  |   |
| Income received                                       | Mth  | £25,196 | £29,349 | ●    | ↓   | £29,429  | ●    | £115,905<br>● | Timing of receipts causes over achievement some months and underachievement in other months. Overall income target for the year has been met.                                      |   |
| Local Land Charge searches received                   | Mth  | 630     | 579     | ★    | ↑   | 569      | ●    | 2,568<br>★    | This is determined by the property market. The current figure is above the target overall for the first nine months. Target over exceeded in three out of four quarters this year. |   |

|                                       |     |     |     |   |   |     |   |     |   |               |
|---------------------------------------|-----|-----|-----|---|---|-----|---|-----|---|---------------|
| Market Share                          | Mth | 70% | 65% | ★ | ↑ | 68% | ● | 68% | ★ |               |
| Time taken to process a search (days) | Mth | 4.0 | 8   | ★ | ↓ | 3.7 | ★ | 5.1 | ★ | Good outturn. |

Table 7: Local Land Charges measure exceptions

### Development Management

During period 4 Development Management have continued to significantly exceed targets for all planning application types. Appeals are also within target. Despite the 20% increase in fees and the introduction of the Community Infrastructure Levy in mid-January the number of application received still remains well above target with high volume received over all three months. Overall the income for 2017/18 has exceeded targets as is the case in all areas of Development Management. The risk of the service being designated as underperforming by the Government has now significantly receded.

| Measure                        | Freq | Current |      |      |     | Previous |      | Year End Per. | What is affecting performance? | What do we need to do to improve and by when? |
|--------------------------------|------|---------|------|------|-----|----------|------|---------------|--------------------------------|---|
|                                |      | Act.    | Tar. | Per. | DoT | Act.     | Per. |               |                                |   |
| Received planning applications | Mth  | 394     | 345  | ★    | ↑   | 338      | ●    | 1,477         | ●                              |   |
| % of planning applications     | Mth  | 99%     | 70%  | ★    | ↓   | 100%     | ★    | 99%           | ★                              | Maintain 100%                                 |

|   |     |     |     |   |   |     |   |     |   |  |
|---|-----|-----|-----|---|---|-----|---|-----|---|--|
| defined as 'majors' determined within national targets                    |     |     |     |   |   |     |   |     |   |  |
| % of non-major planning applications determined within government targets | Mth | 98% | 80% | ★ | ↓ | 99% | ★ | 98% | ★ |  |
| Number of appeals allowed as a % of all decisions issued by the Council   | Mth | 2%  | 5%  | ★ | → | 2%  | ★ | 2%  | ★ | During Q4, there were a total of 12 appeals. Of these, 8 were dismissed, 2 were allowed and 2 were part allowed/part dismissed |

Table 8: Development Management measure exceptions

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### Enforcement

The Council continues to receive a high demand for service across its enforcement work areas. A new staffing structure is in place across the work areas and this is now being embedded alongside the revised corporate enforcement policy. The challenge moving forward is to ensure that resources are focussed on the areas that pose the highest risk to the public. The work areas continue to have positive results in terms of formal action taken within the courts and are utilising the legislative powers that are available. The impact of the new resources on the performance of the Enforcement Service will be tracked and regularly monitored through the Challenge and Improvement Committee.

| Measure  | Freq | Current |      |      |     | Previous |      | Year End Per. | What is affecting performance? | What do we need to do to improve and by when? |
|--|------|---------|------|------|-----|----------|------|---------------|--------------------------------|---|
|  |      | Act.    | Tar. | Per. | DoT | Act.     | Per. |               |                                |   |
| Time taken to resolve a planning enforcement request | Mth  | 180     | 150  | ●    | ↑   | 191      | ●    | 185           | Demand remains at a high level |   |
| Open planning enforcement cases                      | Mth  | 152     | 120  | ●    | ↓   | 138      | ●    | 129           | Level of demand remains high   |   |

Table 9: Enforcement measure exceptions

## Regulatory Services

A review of the measures within regulatory services will occur during 2018/19. Currently, cases are being dealt with efficiently and effectively and targets are being met locally. Compliments have increased across the work areas and despite a period of absence for one officer the service has continued to perform. This area of work will be fully integrated into the Council's overall enforcement activities during the course of the year.

| Measure                                  | Freq | Current    |          |      |     | Previous |      | Year End Per. | What is affecting performance?  | What do we need to do to improve and by when? |
|--|------|------------|----------|------|-----|----------|------|---------------|---|---|
|  |      | Act.       | Tar.     | Per. | DoT | Act.     | Per. |               |   |   |
| External community funds levered by WLDC | Quar | £70,125.54 | £177,598 | ●    | ↑   | £24,264  | ●    | £366,386.43   | Total external funds levered are still very high based on total amounts awarded. Lower total than in 16/17 but we did have a number of significantly larger projects taking place in the previous year. |   |
| Successful grant applications            | Quar | 0%         | 60%      | ●    | →   | 0%       | ●    | ●             |   |   |

## Licensing

Overall this year the licensing service has performed really well. Customer satisfaction and the turnaround times of applications is reported at 100% and 99% respectively and despite the fact that we have no taxi driver renewal applications this year, due to changes in legislation, the service exceeded the budget by over £14,000. There has been a much higher interaction with our Members because of increased demand for Hearings, due to either contested applications or from the review of licenses. Members continue to make difficult decisions on behalf of the authority and have recently completed another round of in depth training courses.

## Street Cleansing

The excellent performance throughout the year within the Street Cleansing Service has continued throughout period four with all measures within challenging parameters. Street cleansing costs per household for this year is just £12.27 this represents a small increase on last year, this is the second lowest of all authorities benchmarked through APSE and currently this trend is in-line to continue. Income generation is below target for period four however overall income generation is ahead of target, business and marketing plans continue to be developed and reviewed to strengthen this area further for 2018/19. The service continues to have strong links with communities, the Great British Spring Clean initiative helped increase the number of voluntary litter picks in April/May and has helped in keeping communities engaged in further community tidy ups throughout the year. Once again compliments for period four for the

service far exceed complaints. The Street Cleansing Service continues to be valued by residents with a satisfaction rating of 73.6% measured through the Citizens Panel.

| Measure   | Freq | Current |        |      |     | Previous |      | Year End Per. | What is affecting performance?   | What do we need to do to improve and by when?     |
|---|------|---------|--------|------|-----|----------|------|---------------|--|---|
|   |      | Act.    | Tar.   | Per. | DoT | Act.     | Per. |               |  |   |
| Cost of delivering the service per head of population | Ann  | £12.27  | £10.77 |      | ↓   | £10.77   | NTS  |               | Increased costs due to cost of Waste Management Team being allocated to all cost centres |   |
| Income generation                                     | Mth  | £5,271  | 9,000  |      | ↓   | £7,316   |      |               | Slow down of income generation work  | Continue to promote the service to those in need. |
| Volunteer litter picks                                | Mth  | 20      | 15     |      | ↑   | 12       |      |               | Increase due to promotion of the Great British Spring Clean                              | Continue to promote                               |

Table 10: Street Cleansing measure exceptions

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### Waste Collection

Performance throughout the Waste Collection service is within the parameters set at the beginning of the year despite some challenges. The recycling rate has dropped in the last quarter due to the garden waste collection service ceasing over the winter months overall for the year just falling under target (47%), we are working closely with the Lincolnshire waste partnership to be able to offer a more comprehensive recycling collection service and work with LCC to reduce the amount of contamination within the recycling stream. Residual waste collected remains consistent, many authorities are seeing a rise in this measure as residents have more disposable income, however West Lindsey's smaller than average residual bins probably encourages recycling. Missed collections are well within target with a 10% decrease on last year's figures which shows that the supervisors and crews are working well together to resolve issues that occur. The cost of service is £43.16 per household which is still under target but with rising wages (especially the with the rising agency prices to fall in-line with the AWR) and fuel costs still an excellent rate when benchmarked with others. Commercial Waste continues to outperform predictions in the Business Case and has brought in considerable income and now has over 300 customers. Over the year complaints have dropped and compliments are now well out weighing complaints. (Which is a sign of an appreciation of the service and the excellent work being done in the department). Results from last year's citizen's panel are in and 92.8% of those who responded are satisfied with the service and 2.3% dissatisfied with the service.

| Measure | Freq | Current |      |      |     | Previous |      | Year End Per. | What is affecting performance? | What do we need to do to improve and by when? |
|---------|------|---------|------|------|-----|----------|------|---------------|--------------------------------|---|
|         |      | Act.    | Tar. | Per. | DoT | Act.     | Per. |               |                                |   |

|  |      |         |         |   |   |         |   |   |          |  |  |
|--|------|---------|---------|---|---|---------|---|---|----------|--|--|
| Cost of delivering the service per household | Quar | £42.58  | £46     | ★ | ↓ | £41.65  | ★ | ★ | £43.16   |  |  |
| Trade waste income                           | Mth  | £61,763 | £54,396 | ★ | ↓ | £62,088 | ★ | ★ | £241,361 |  |  |
| Recycling rates                              | Mth  | 28%     | 50%     | ● | ↓ | 45%     | ● | ● | 47%      |  |  |

Table 11: Waste Collection measure exceptions

### Trinity Arts Centre

Expansion in the number of events has attracted a generally positive response from customers. Overall, an improved financial performance from the events programme has been achieved despite cancelling/postponing six events due to inclement weather. Focus remains to continue improvements to programming and marketing to drive additional events and increased footfall.

| Measure                              | Freq | Current |         |      |     | Previous |      | Year End Per. | What is affecting performance?  | What do we need to do to improve and by when?  |
|--------------------------------------|------|---------|---------|------|-----|----------|------|---------------|---|--|
|                                      |      | Act.    | Tar.    | Per. | DoT | Act.     | Per. |               |   |  |
| Cost of Trinity Arts Centre per user | Mth  | £8.98   | £5.50   | ●    | ↓   | £4.88    | ●    | ●             | Issue with ISS resulted in £4.8k of costs being received in March. In addition we have two weekends of shows cancelled due to the snow and additional payroll costs as a member of staff left | Some of the cancelled shows are rescheduled for April and income will be accounted for accordingly. Effectiveness of the programme to be monitored |
| Received surplus                     | Mth  | £17,310 | £10,500 | ★    | ↓   | £18,694  | ★    | ★             | Good result despite the two weekends of shows that have been cancelled/rearranged due to the snow   | Continue to offer attractive programme of events and ensure growth in audience and profitability   |
| Audience figures                     | Mth  | 4,460   | 2,400   | ★    | ↓   | 4,467    | ★    | ★             | Good result despite the cancelled   | Continue to market TAC effectively and introduce new   |

|  |  |  |  |  |  |  |  |  |                    |                       |
|--|--|--|--|--|--|--|--|--|--------------------|-----------------------|
|  |  |  |  |  |  |  |  |  | events due to snow | events where possible |
|--|--|--|--|--|--|--|--|--|--------------------|-----------------------|

Table 12: Trinity Arts Centre measure exceptions

### CCTV

During Q4 we have continued to experience high levels of shoplifting and anti-social behaviour. Most of the ASB being monitored is low level in Gainsborough Town Centre but the frequency is high with a number of different groups. Income for CCTV Monitoring is below target as a result of some planned installations no longer taking place. New installations are in the pipeline and being explored further during the 2018-2019 financial year. Full annual reporting for CCTV Monitoring shall be published towards the end of April 2018. Member visits have been advertised to allow Members to visit the Control Centre during 2018.

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| Measure                | Freq | Current    |        |      |     | Previous |      | Year End Per. | What is affecting performance?   | What do we need to do to improve and by when?  |
|------------------------|------|------------|--------|------|-----|----------|------|---------------|--|--|
|                        |      | Act.       | Tar.   | Per. | DoT | Act.     | Per. |               |  |  |
| CCTV income generation | Ann  | £12,916.67 | £5,000 | ★    | NA  | NA       | NA   | £15,250.00    | Shortfall of £4,750 from £20k first full year target. Some intended CCTV installations did not take place during 17/18 which would have realised new income of £3k annually. | Target for 18/19 to be reviewed based on the first full year of CCTV income generation. New target will be based on current market experiences but still represent challenge to achieve growth. A number of new CCTV installations are currently in the pipeline for further consideration and deployment during 18/19 which will achieve new sources of income. |

Table 13: CCTV measure exception

### Enterprise and Community Services

Our community grant schemes have continued to secure good levels of match funding into the District whilst also supporting a wide range of community projects. The Community Grants Programme will continue in 2018-2019 with the Councillor Initiative Fund, Match Funding Grant and



Community Defibrillator Scheme still being delivered. In addition this service is also currently managing and providing the Neighbourhood Planning Top-up Fund and the Access to Transport Fund.

The Council is moving towards providing land management services at Hemswell Cliff as part of our wider Hemswell Cliff Strategic working. This will see us provide a range of managed services in efforts to normalise how things are managed in this community and improve quality of service received by residents.

Our Rural Transport Programme continues to support a range of initiatives including Call Connect. The Access to Transport Fund has now funded 2 projects with more in the pipeline. With partners the Council is working to identify remaining funding required to employ a Community Rail Partnership officer.

| Measure                                  | Freq | Current    |          |      |     | Previous   |      | Year End Per.   | What is affecting performance?  | What do we need to do to improve and by when?   |
|--|------|------------|----------|------|-----|------------|------|-----------------|---|---|
|  |      | Act.       | Tar.     | Per. | DoT | Act.       | Per. |                 |   |   |
| External community funds levered by WLDC | Quar | £70,125.54 | £177,598 |      | ↑   | £24,264.00 |      | £366,386.43<br> | Total external funds levered are still very high based on total amounts awarded. Lower total than in 16/17 but we did have a number of significantly larger projects taking place in the previous year.                   | Continue to deliver the Councillor Initiative Fund and Match Funding Grants to support projects and achieve external match funding into the District. |
| Total value of community grants awarded  | Quar | £70,125.54 | £55,000  |      | ↑   | £9,599.00  |      | £166,627.84<br> | Value of grants is lower than previous year (16/17) but we have 1 more round of the Large Community Grant which doesn't have the panel meeting until later in April 2018. These figures will be recorded in P&D Q1 18/19. |   |
| Successful grant applications            | Quar | 0%         | 60%      |      | →   | 0%         |      | 0%<br>          |   |   |

Table 14: Enterprise and Community Services measure exceptions

## Democratic and Business Support

### Democratic Services

A number of training events were held for Members during the last period of 2017/18. These included Treasury Management; Effective Scrutiny; Licensing (Taxi & Liquor); Commercial Awareness; Member/Officer Protocols and Corporate Planning. The purchase of a replacement civic vehicle was completed and the Council held an event for couples celebrating 60 years of marriage. Planning has progressed for the Council's Community Awards event and the Lincolnshire Show.

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| Measure   | Freq | Current |      |      |     | Previous |      | Year End Per. | What is affecting performance?  | What do we need to do to improve and by when? |
|---|------|---------|------|------|-----|----------|------|---------------|---|---|
|   |      | Act.    | Tar. | Per. | DoT | Act.     | Per. |               |   |   |
| Satisfaction with development and training events | Quar | 97%     | 90%  | ★    | ↓   | 98%      | ★    | 95%<br>★      | Training held on Treasury Management; Member/Officer Protocols; Licensing (taxi & liquor); Commercial Awareness; Corporate Planning; Effective Scrutiny |   |

Table 15: Democratic Services measure exceptions

### Financial Services

| Measure   | Freq | Current |       |      |     | Previous |      | Year End Per. | What is affecting performance?   | What do we need to do to improve and by when?  |
|---|------|---------|-------|------|-----|----------|------|---------------|--|--|
|   |      | Act.    | Tar.  | Per. | DoT | Act.     | Per. |               |  |  |
| Cost of delivering the service per head of population | Ann  | £7.54   | £7.00 | ●    | ↓   | £6.85    |      |               | Costs increased due to addition cost of interim Commercial Accountant (agency) - funded however from | Skilled resource required for this key role in supporting financial analysis of business cases and |

|  |  |  |  |  |  |  |   |       |   |                            |   |
|--|--|--|--|--|--|--|---|-------|---|----------------------------|---|
|  |  |  |  |  |  |  | ★ | £7.54 | ● | commercial project budgets | financial feasibility of project. Training and development of internal staff or additional capacity required to support those with skills to undertake role |
|--|--|--|--|--|--|--|---|-------|---|----------------------------|---|

Table 16: Financial Services measure exceptions

## Contracts Management

During the period, the Council has received the draft audit report which focused on Procurement procedures. It has provided a substantial assurance finding and has made a number of recommendations to further strengthen procurement arrangements. We have also updated our Contract Procedure Rules as part of the annual review of the Council's Constitution. Refresher training on Procurement has also been delivered for a large number of staff. Contracts supported include: car parking enforcement; mobile voice and data connectivity; Digital Transformation Strategy; contact centre support and maintenance; pest control service and leisure services provision.

## Economic Development and Neighbourhoods

### Markets

Gainsborough Market continues to underperform against targets, stall take up by traders has decreased throughout period 4, this has mainly been down to adverse weather conditions and traders taking holidays, however overall stall take up for 2017/18 would still have been below target. A report recommending in-house led efficiency savings which would also allow the market to potentially grow was heard by Members in Dec 2017, no final decision was made, further clarity around options is required and further options are to be viewed.

| Measure                               | Freq | Current   |         |      |     | Previous   |      | Year End Per. | What is affecting performance?  | What do we need to do to improve and by when?                          |
|---------------------------------------|------|-----------|---------|------|-----|------------|------|---------------|---|--|
|                                       |      | Act.      | Tar.    | Per. | DoT | Act.       | Per. |               |   |  |
| Income received                       | Quar | £7,766.00 | £11,250 | ●    | ↓   | £11,095.00 | ●    | £36,052.00    | A downturn in trader numbers  | Review of market operations  |
| Average number of stalls on a Tuesday | Mth  | 36        | 60      | ●    | ↓   | 53         | ●    | 46            | Low turn out of traders due to adverse weather conditions during the quarter and market traders | Market appraisal currently underway to be completed by September 2018. |

|  |     |    |    |   |   |    |   |    |   |   |  |
|--|-----|----|----|---|---|----|---|----|---|---|--|
|  |     |    |    |   |   |    |   |    | taking holiday. Market review and options appraisal currently being undertaken. |   |  |
| Average number of stalls on a Saturday | Mth | 17 | 20 | ● | ↓ | 24 | ★ | 21 | ●   | Low turn out of traders due to adverse weather. Market review and options appraisal currently underway. | Market review and options appraisal currently underway |

Table 17: Markets measure exceptions

## Housing and Regeneration

### Assets and Facilities Management

Planned and responsive maintenance continues to perform above target with planned maintenance bolstered by large capital roof works on Gainsborough Leisure Centre combined with backlog maintenance works being undertaken.

| Measure                            | Freq | Current |         |      |     | Previous |      | Year End Per. | What is affecting performance? | What do we need to do to improve and by when? |
|------------------------------------|------|---------|---------|------|-----|----------|------|---------------|--------------------------------|---|
|                                    |      | Act.    | Tar.    | Per. | DoT | Act.     | Per. |               |                                |   |
| Planned and responsive maintenance | Qtr  | 86%     | 70/30%  | ★    | ↑   | 73%      | ★    | 77%           | ★                              |   |
| Rental income- Car Parks           | Mth  | £57,881 | £50,000 | ★    | ↑   | £53,646  | ●    | £246,033.77   | ★                              |   |
| Voids management                   | Mth  | 7%      | 12%     | ★    | →   | 2%       | ★    | 6%            | ★                              |   |

Table 18: Assets measure exceptions

## Housing

Disabled facilities grants continue to be delivered effectively and the timescales from end to end have improved during the year. Empty properties remain at a consistent level and this enables the officer to address the higher risk properties as a priority.

| Measure                              | Freq | Current |      |      |     | Previous |      | Year End Per. | What is affecting performance? | What do we need to do to improve and by when? |
|--------------------------------------|------|---------|------|------|-----|----------|------|---------------|--------------------------------|---|
|                                      |      | Act.    | Tar. | Per. | DoT | Act.     | Per. |               |                                |   |
| Customer satisfaction with DFGs      | Mth  | 93%     | 100% |      | ↓   | 93%      |      | 98%<br>       | Issue not related to WLDC role | No action required                            |
| Number of affordable homes delivered | Quar | 4       | 20   |      | ↓   | 9        |      | 31<br>        |                                |   |

Table 19: Housing measure exceptions

## Home Choices

A combination of complex cases, the Christmas period and issues outside the Council's control led to performance falling below target in some areas. This is being remedied through improved joined up working with the ASB Team.

| Measure                                | Freq | Current |      |      |     | Previous |      | Year End Per. | What is affecting performance?  | What do we need to do to improve and by when?   |
|--|------|---------|------|------|-----|----------|------|---------------|---|---|
|  |      | Act.    | Tar. | Per. | DoT | Act.     | Per. |               |   |   |
| Bed and breakfast nights               | Mth  | 63      | 0    |      | ↑   | 74       |      | 279<br>       | 1 complex case lasted for 92 days. 9 nights were as a result of two households fleeing domestic abuse where there was no other accommodation available. Three nights were as a result of a house fire over a weekend. One case from Lincoln approached late in the day and wasn't able to move into temporary accommodation at that time. | More linked up work with the ASB Team. The Christmas break also lengthened stays due to a lack of move on into social rented accommodation. |
| Average length of time for a person in | Mth  | 76      | 28   |      | ↓   | 73       |      | 64            | Three households all needing  |   |


|  |  |  |  |  |  |  |  |  |   |                          |  |
|--|--|--|--|--|--|--|--|--|---|--------------------------|--|
| the highest category of housing need to be re-housed |  |  |  |  |  |  |  |  |  | specific property types. |  |
|--|--|--|--|--|--|--|--|--|---|--------------------------|--|

Table 20: Home Choices measure exceptions

### Healthy District

Customer satisfaction remains high across the contract and has been consistently above target. It will be important to monitor that this continues as the new contract is implemented and the scheme of refurbishments commence.

Good throughput numbers have provided value for money and the cost per user is below target for the quarter. The levels of new participants attracted through effective programming of activities and marketing campaigns are above target for the quarter.

Quest accreditation has taken place and has resulted in an improved score for West Lindsey Leisure Centre. The rating has gone from Good to Very Good.

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| Measure  | Freq | Current |       |   |     | Previous |   | Year End Per.  | What is affecting performance?  | What do we need to do to improve and by when?                                     |
|--|------|---------|-------|---|-----|----------|---|--|---|---|
|  |      | Act.    | Tar.  | Per.  | DoT | Act.     | Per.  |  |   |   |
| Customer satisfaction with leisure facilities and activities | Mon  | 95%     | 80%   |    | →   | 95%      |    | 96%<br>     | Good levels of customer satisfaction across the contract with no poor scores being recorded | Ongoing monitoring to ensure current performance continues                        |
| Cost of leisure management fee per service user              | Mon  | £0.82   | £1.10 |  | ↑   | £1.08    |  | £0.88<br> | Good throughput numbers demonstrating value for money                                       | Continue to monitor performance on an ongoing basis and address any issues raised |
| New participants at West Lindsey Leisure Centre              | Mon  | 698     | 600   |  | ↑   | 345      |  | 2,347<br> | New users attracted through proactive marketing and a range of activities                   | Continue to monitor   |

Table 21: Healthy District measure exceptions

## Organisational Transformation

### ICT

Performance continues to remain one or above target in this area.

| Measure   | Freq | Current |      |      |     | Previous |      | Year End Per. | What is affecting performance? | What do we need to do to improve and by when?          |
|---|------|---------|------|------|-----|----------|------|---------------|--------------------------------|--|
|   |      | Act.    | Tar. | Per. | DoT | Act.     | Per. |               |                                |  |
| Incident & Problem Management                   | Mth  | 240%    | 90%  | ★    | ↑   | 103%     | ★    | 135%<br>★     |                                | Pro-active and continuous monitoring being carried out |
| Change Management                               | Mth  | 105%    | 75%  | ★    | ↑   | 94%      | ★    | 100%<br>★     |                                | Pro-active and continuous monitoring being carried out |
| Service and System availability: Secure Network | Mth  | 100%    | 98%  | ★    | →   | 100%     | ★    | 100%<br>★     |                                | Pro-active and continuous monitoring being carried out |

Table 22: ICT measure exceptions

### Systems Development

Performance continues to remain one or above target in this area.

| Measure  | Freq | Current |                   |      |     | Previous |      | Year End Per. | What is affecting performance?   | What do we need to do to improve and by when?          |
|--|------|---------|-------------------|------|-----|----------|------|---------------|--|--|
|  |      | Act.    | Tar.              | Per. | DoT | Act.     | Per. |               |  |  |
| LLPG Standard                                      | Qtr  | Gold    | National Standard | ★    | ↑   | Silver   | ★    | Gold<br>★     | Dedicated officers to fulfil this duty, management now brought back in-house | Maintain current arrangement                           |
| Website availability                               | Mth  | 99%     | 98%               | ★    | →   | 99%      | ★    | 99%<br>★      |  | Pro-active and continuous monitoring being carried out |
| Number of online customers signing up to the self- | Mth  | 11,321  | 600               | ★    | ↑   | 526      | 🟡    | 13,511<br>★   | New responsive website and dedicated team to manage all digital development  | Continual drive for digital enablement                 |

|  |     |        |       |   |   |       |   |             |   |  |
|--|-----|--------|-------|---|---|-------|---|-------------|---|--|
| service accounts   |     |        |       |   |   |       |   |             |   |  |
| Number of electronic forms developed and integrated into the website | Mth | 206    | 195   | ★ | ↑ | 205   | ★ | 802<br>★    | New responsive website and dedicated team to manage all digital development | Continual drive for digital enablement |
| Number of electronic forms completed and submitted on the website    | Mth | 26,956 | 6,000 | ★ | ↑ | 9,564 | ★ | 51,431<br>★ | New responsive website and dedicated team to manage all digital development | Continual drive for digital enablement |
| Percentage of street naming and numbering requests dealt with        | Mth | 75%    | 50%   | ★ | ↓ | 80%   | ★ | 92%<br>★    | Dedicated officers to fulfil this duty                                      | Maintain current arrangement           |

Table 23: Systems Development measure exceptions





**Corporate Policy & Resources Committee Work Plan**

**Purpose:**

This report provides a summary of reports that are due on the Forward Plan over the next 12 months for the Corporate Policy & Resources Committee.

**Recommendation:**

1. That members note the schedule of reports.

| <b>Date</b> | <b>Title</b>  | <b>Lead Officer</b> | <b>Purpose of the report</b>   |
|-------------|---|---------------------|--|
| 14/06/2018  | <b>Review of Equality Policy</b>                          | Emma Redwood        | To review the Equality Policy  |
|             | <b>Community Lottery</b>                                  | Grant White         | To propose the introduction of a community lottery in West Lindsey   |
|             | <b>Surestaff and WLDC Staffing Services Business Plan</b> | Tracey Bircumshaw   | To approve, as sole shareholder, the Business Plan 2018-19 to 2020-21 of Surestaff Lincs Ltd and WLDC Staffing Services  |
|             | <b>Joint Working with ACIS - Japan Road</b>               | Eve Fawcett-Moralee | Recommendation 3 of the Japan Road paper that went to committee on 06/02/18 stated that a further report would be brought to the Committee in April with a proposed Business Plan of the JVCo and the financial investment implications for West Lindsey District Council. |
|             | <b>Mobile Phone Usage Policy</b>                          | Jeannette Anderson  | Update the existing Mobile Phone Usage Policy to bring into line current legislative changes and trends.   |
|             | <b>Business Plan update for Market St Renewal</b>         | Eve Fawcett-Moralee | To bring the next steps for Market Street Renewal to CPR committee.  |

|                   |   |                     |   |
|-------------------|---|---------------------|---|
|                   | <b>The Council's IT and Digital Strategy</b>        | Michelle Carrington | To follow...  |
|                   | <b>Annual Treasury Management 2017/18</b>           | Tracey Bircumshaw   | This annual treasury report is a requirement of the Council's reporting procedures. It covers the treasury activity during 2017/18 and the actual Prudential Indicators for 2016/17.  |
|                   | <b>Market Rasen 3 Year Strategy</b>                 | Eve Fawcett-Moralee | <p>1. Approve an "in principle" allocation of £200k funding from the Capital Programme towards the delivery of growth projects detailed within the strategy subject to:</p> <ul style="list-style-type: none"> <li>• Consultation and support for the strategy</li> <li>• Setting up of an agreed implementation mechanism i.e. CIO</li> <li>• Suitable financial regulation</li> </ul> <p>2. Approve the recommendation to conclude disposal/transfer of the Area Office to Festival Hall.</p> |
|                   | <b>HIF Grant</b>                                    | Eve Fawcett-Moralee | Eve has requested that this goes onto the FP for PC and CPR for June.   |
| <b>26/07/2018</b> | <b>Review of Recruitment &amp; Selection Policy</b> | Emma Redwood        | Review of the recruitment and selection policy  |

|                   |  |                     |   |
|-------------------|--|---------------------|---|
|                   | <b>Budget and Treasury Monitoring 1</b>                  | Tracey Bircumshaw   | To set out the revenue, capital and treasury management activity from Period 1  |
|                   | <b>2017/18 Financial Review</b>                          | Tracey Bircumshaw   | This report provides Members with a financial review of 2017/18   |
|                   | <b>Budget consultation 2018</b>                          | Ian Knowles         | To provide Members with the draft system for the budget consultation for 2018   |
| <b>20/09/2018</b> | <b>Annual Health and Safety Report</b>                   | Emma Redwood        | To provide an update on the Corporate Health and Safety   |
|                   | <b>Gainsborough Growth Fund Review</b>                   | Marina Di Salvatore | to present a Review of the GGF Scheme, its performance over the last 3 years and any recommendations going forward        |
|                   | <b>Review of Discipline at Work Procedure</b>            | Emma Redwood        | To review and update the discipline at work procedure   |
|                   | <b>Review of Career Break Scheme</b>                     | Emma Redwood        | To review the Career Break Scheme   |
|                   | <b>Made in Gainsborough - update paper</b>               | Amanda Bouttell     | Members requested an update to the paper taken to CPR in April to see how the project was going.                          |
| <b>08/11/2018</b> | <b>Market Rasen Car Parking Charges - 12month Review</b> | Eve Fawcett-Moralee | to reviewing the car parking charges in Market Rasen to come into effect April 2019. as resolved by Cttee in October 2018 |
|                   | <b>Garden Waste Review</b>                               | Ady Selby           | A report on the first year of charging for Garden waste, as requested by CPR committee in December 2017                   |

|                   |   |                   |  |
|-------------------|---|-------------------|--|
|                   | <b>Councillor Initiative Fund</b>           | Grant White       | To present Members with an update on the Councillor Initiative Fund and give options for it's continued delivery after March 2019. |
|                   | <b>Budget and Treasury Monitoring 2</b>     | Tracey Bircumshaw | To set out the revenue, capital and treasury management activity from Period 2   |
|                   | <b>Committee Timetable 19/20 and beyond</b> | Katie Coughlan    | To look at dates for committee for 2019/20, and 2020/21.   |
| <b>13/12/2018</b> | <b>Write Offs</b>                           | Alison McCulloch  | This report details debts which are irrecoverable  |
|                   | <b>Council Tax Support Scheme</b>           | Alison McCulloch  | For Council to agree the Local Council Tax Support Scheme for West Lindsey DC for 2019/20.   |
| <b>07/02/2019</b> | <b>Medium Term Financial Plan</b>           | Tracey Bircumshaw | The MTFP for 19/20   |
|                   | <b>Budget and Treasury Monitoring 3</b>     | Tracey Bircumshaw | To set out the revenue, capital and treasury management activity from Period 3   |
|                   | <b>Base Budget 19/20</b>                    | Tracey Bircumshaw | To set the budget for 2019/20  |
| <b>11/04/2019</b> | <b>Budget and Treasury Monitoring 4</b>     | Tracey Bircumshaw | To set out the revenue, capital and treasury management activity from Period 4   |

# Agenda Item 9

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# Agenda Item 10

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