

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, 13th June, 2019 at 6.30 pm
Council Chamber - The Guildhall

Members:

- Councillor Giles McNeill (Chairman)
- Councillor Stuart Kinch (Vice-Chairman)
- Councillor Owen Bierley
- Councillor Matthew Boles
- Councillor Stephen Bunney
- Councillor David Cotton
- Councillor Michael Devine
- Councillor Ian Fleetwood
- Councillor John McNeill
- Councillor Mrs Mandy Snee
- Councillor Robert Waller
- Councillor Mrs Anne Welburn
- 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** (PAGES 3 - 6)
To confirm as a correct record the Minutes of the previous meeting held on 11 April 2019.
4. **Declarations of Interest**
Members may make declarations of Interest at this point or may make them at any point in the meeting.
5. **Public Reports for Approval:**
 - i) Treasury Management Annual Report 2018/19 (PAGES 7 - 21)

Agendas, Reports and Minutes will be provided upon request in the following formats:

Large Clear Print: Braille: Audio: Native Language

- ii) Budget Monitoring Final Outturn 2018/19 (PAGES 22 - 41)
- iii) Progress and Delivery Report - Period 4 2018/19 (PAGES 42 - 69)
- iv) Budget Consultation Proposal (PAGES 70 - 79)
- 6. **Committee Work Plan** (PAGES 80 - 82)
- 7. **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 item of business on the grounds that it involves the likely disclosure of exempt information as defined in paragraphs 3 and 4 of Part 1 of Schedule 12A of the Act.
 - i) Provision of Operational Depots (PAGES 83 - 140)
 - ii) Annual Review of Commercial Property Investment Portfolio (PAGES 141 - 161)

Ian Knowles
Head of Paid Service
The Guildhall
Gainsborough

Wednesday, 5 June 2019

Agenda Item 3

Corporate Policy and Resources Committee – 11 April 2019
Subject to Call-in. Call-in will expire at 5pm on Monday 29 April 2019

WEST LINDSEY DISTRICT COUNCIL

MINUTES of the Meeting of the Corporate Policy and Resources Committee held in the Council Chamber - The Guildhall on 11 April 2019 commencing at 6.30 pm.

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

Councillor Mrs Sheila Bibb
Councillor David Cotton
Councillor Michael Devine
Councillor Ian Fleetwood
Councillor John McNeill
Councillor Mrs Maureen Palmer

In Attendance:
Ian Knowles Executive Director of Resources and S151 Officer
Alan Robinson Strategic Lead Governance and People/Monitoring Officer
Tracey Bircumshaw Strategic Finance and Business Support Manager
Ele Snow Democratic and Civic Officer

Apologies: Councillor Tom Regis

110 PUBLIC PARTICIPATION PERIOD

There was no public participation.

111 MINUTES OF PREVIOUS MEETING/S

A Member of Committee noted that the resolution for minute item 104, Refresh of Members' IT Devices, specified 'council owned devices' not 'council owned iPads'.

The minutes of the Corporate Policy and Resources meeting held on 14 February 2019 were approved and signed as a correct record.

The minutes of the Concurrent meeting held on 28 February 2019 were approved and signed as a correct record.

The minutes of the Joint Staff Consultative Committee meeting held on 22 November 2018 were noted.

112 DECLARATIONS OF INTEREST

There were no declarations of interests.

113 MATTERS ARISING SCHEDULE

The matters arising were noted by Committee.

114 RECORDING OF TELEPHONE CALLS

The Committee were asked to consider a report detailing the updated policy for the recording of telephone calls. It was introduced by the Strategic Lead for Governance and People who explained that the report came via the Joint Staff Consultative Committee (JSCC) and there had been no concerns raised by the staff or union representatives. The Committee heard that this was an existing policy but had required updating due to changing processes, such as telephone payments, as well as the requirements of GDPR.

Councillor D. Cotton, as Chairman of the Joint Staff Consultative Committee, reiterated that there had been no issues raised during discussions at the recent meeting and that the policy was as much about protecting and supporting Council staff as it was for the customer. It was a useful tool for dispute resolution and staff training and he moved the recommendations in the report.

The Vice Chairman supported the paper and felt it was a pragmatic approach to keep the policy under review and ensure the Council was compliant at all time. He seconded the recommendations.

There was discussion amongst Committee Members as to the purpose of recording internal calls and whether this was a form of surveillance on staff. Members were assured by both the Strategic Lead and Chairman of JSCC that the recording of internal calls was primarily for a training and development need, for example to demonstrate best practice for telephone call handovers, and internal calls would not be routinely listened to. It was also emphasised that any requests for recorded calls would be logged and there was a specific process in place for requesting such recordings. It was also clarified that the system was only being used in those teams with high call rates, such as the Revenues and Housing Benefits teams.

RESOLVED that:

- 1) Members approve the amended policy for formal adoption; and
- 2) Delegated authority be granted to the Director of Resources to make minor housekeeping amendments to the policy in future, in consultation with the chairman of the Corporate Policy & Resources committee and chairman of JSCC.

115 REVENUE, CAPITAL AND TREASURY MANAGEMENT MONITORING PERIOD 4

Members considered a report on the Revenue, Capital and Treasury Management Monitoring for period four. The Strategic Finance and Business Support Manager highlighted the key points of the report. The draft revenue forecast out-turn position for 2018/2019 was reflecting a net contribution to reserves of £634k as at 31 March 2019 with approved carry forwards of £919k. She explained that £263k of the forecast contribution to reserves related to the net Treasury Management activity on investment and borrowing interest. The capital out-turn position for 2018/19 was £21,079k, with carry forwards of £8,893k requested for

approval. The Committee heard that in February 2019 the Council externally borrowed £2,500k for 25 years from the Public Works Loans Board (PWLB) at an interest rate of 2.53%. This took the external borrowing level to £11,000k. It was noted that there had been no breaches of Treasury or Prudential Indicators within the period of this report. Average investments for the Quarter (Jan-Mar) was £15.493m which achieved an average rate of interest of 1.592% in Quarter 4 (1.757% Oct-Dec).

Members heard that there were two items to report, firstly, that it was requested to introduce a 24hour parking charge at the Roseway carpark for customers of the Travelodge, this would be set at £6.50. Secondly, the 2019/20 update for Capital schemes requested approval of up to £82k for the 3 year extension and enhancement to the Income Management System, which would be funded from the Project Investment Reserve.

There was significant discussion regarding parking charges and that there appeared to be a downward trend in the income from parking. This was identified as partly a result of the old Lidl site having been unoccupied and the transition of customers using the carpark at the new Lidl site. There was however an increased number of parking spaces in the Roseway carpark and the parking strategy would be looking at all options for maximising parking income.

There was further discussion regarding the introduction of a 24hour parking charge for people staying at the Travelodge. It was explained that this was at the request of the hotel as their guests had found issues with the previous parking arrangements. The practical implications of this new charge were discussed at length, including changes to the set-up of the ticket machine and how the 24hour period would be enforced. It was acknowledged that the suggestion to charge had come from the hotel and was designed to help them accommodate their guests. A Member of Committee also enquired about the use of parking permits and whether there were options for increasing the sale of permits, the Executive Director of Resources explained that the current permit price provided a 40% reduction compared with standard rates and the limit for applying for a permit had now been lifted. However, costs and income were reviewed annually and changes could be implemented if necessary.

There was one further comment from a Member of Committee who suggested that, given the increase in fuel prices and the unpredictability of these costs, it may be time for the Council to consider alternative methods of fuelling their fleet. He gave the examples of the zero emission buses in London and believed that similar green vehicles would soon be seen in cities closer to home. It was agreed that there was significant development in the field of cleaner vehicles with increasing options available for transport.

With no further comments from Members, the recommendations in the report were moved and seconded and it was

RESOLVED that:

- 1) Members accept the forecast out-turn position of a £634k net contribution to reserves as at 31 March 2019, as at section 2 and approve the final out-turn surplus be transferred to the General Fund Balance;
- 2) Members accept the Revenue budget carry forwards of £919k approved in

year (Appendix A);

- 3) Members approve a new Car Park fee of £6.50 (incl. VAT) for 24 hours, specifically for users of the Travelodge (2.4.3);
- 4) Members accept the use of Earmarked Reserves during the quarter approved by the Executive Director of Resources using Delegated powers (2.5.1);
- 5) Members accept the Commercial Income position (2.3);
- 6) Members approve the Capital budget carry forwards of £8,939k (3.1.4) and they accept the final Capital out-turn position of 21,079k;
- 7) Members approve new Capital Budgets for 2019/20 (Income Management System £82k and £100k for Market Rasen Leisure Centre construction contingency). (3.3);
- 8) Members accept the Treasury Management and Prudential Indicators to 31 March 2019.

116 COMMITTEE WORK PLAN

The work plan for the coming months was noted.

The Executive Director of Resources took the opportunity to extend his thanks to the Strategic Finance and Business Support Manager and her team for completing the period four report so quickly. It was explained that there would be a further update report brought to the committee in June, however, with this being the last meeting of the current cycle it was felt it had been important to provide a final view of the position this year.

A Member of Committee agreed and commended the work undertaken by the Strategic Finance and Business Support Manager, saying she did excellent work for the authority.

117 EXCLUSION OF 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 involved the likely disclosure of exempt information as defined in paragraph 3 of Part 1 of Schedule 12A of the Act.

118 EXEMPT RECORD OF CONCURRENT MEETING

The exempt record of the concurrent meeting held on 28 February 2019 was noted.

The meeting concluded at 7.19 pm.

Chairman



**Corporate Policy and
Resources Committee**

Thursday 13 June 2019

Subject: Treasury Management Annual Report 2018/19

Report by:

Executive Director of Resources

Contact Officer:

Tracey Bircumshaw
Strategic Finance and Business Support Manager

tracey.bircumshaw@west-lindsey.gov.uk

Purpose / Summary:

To report on Annual Treasury Management activities and prudential indicators for 2018/19 in accordance with the Local Government Act 2003

RECOMMENDATION(S):

1. Members accept the Annual Treasury Management Report and actual Prudential Indicators and **recommend to Full Council** for approval.

IMPLICATIONS

Legal: This report complies with the requirement of the Local Government Act 2003.

Financial : FIN/35/20/TJB

Treasury Investment activities have generated £0.246m of investment interest at an average rate of 1.57%.

Non-Treasury investments (Investment Property acquisitions) have totalled £13.494m in 2018/19 and the full portfolio has generated £0.662m of net income (7.27% net yield) after taking direct operating expenses in to account.

Financing activities has resulted in £11m of external borrowing at a cost in year of £0.105M, £0.251m, which will be funded from additional income generated from capital investments funded by borrowing.

Staffing : None from this report

Equality and Diversity including Human Rights :

None from this report

Risk Assessment :

The Treasury Management Strategy sets our assessment of Treasury risks.

Climate Related Risks and Opportunities :

None from this Report

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

CIPFA Code of Treasury Management Practice

CIPFA The Prudential Code

Local Government Act 2003

Located in the Finance Department, Guildhall, Gainsborough

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

x

Key Decision:

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

Yes

No

x

1. Executive Summary

The Council are required to receive as a minimum the following reports;

- an annual treasury strategy in advance of the year (March 2018)
- a mid-year, (minimum), treasury update report (November 2018)
- an annual review following the end of the year describing the activity compared to the strategy, (this report)

In addition, this Corporate Policy and Resources Committee has received quarterly treasury management update reports.

The regulatory environment places responsibility on members for the review and scrutiny of treasury management policy and activities. This report is, therefore, important in that respect, as it provides details of the outturn position for treasury activities and highlights compliance with the Council's policies previously approved by members.

This Council confirms that it has complied with the requirement under the Code to give prior scrutiny to all of the above treasury management reports by either the Governance and Audit Committee who provide scrutiny of the Treasury Management Strategy and the Corporate Policy and Resources Committee who monitor in year performance and mid-year updates. Member training on treasury management issues was undertaken during the year in order to support members' scrutiny role.

During 2018/19, the Council complied with its legislative and regulatory requirements. The key actual prudential and treasury indicators detailing the impact of capital expenditure activities during the year, with comparators, are as follows:

| Prudential and treasury indicators | 2017/18 Actual £000 | 2018/19 Budget £000 | 2018/19 Actual £000 |
|---|--------------------------------|--------------------------------|--------------------------------|
| Capital expenditure | 6,534 | 30,267 | 21,079 |
| Capital Financing Requirement: | 4,714 | 29,700 | 23,082 |
| Of which – Investment Properties | 2,490 | 22,910 | 15,984 |
| Gross borrowing (External) | 0 | 24,370 | 11,000 |
| Finance Lease | 32 | 0 | 0 |
| Investments | | | |
| • Longer than 1 year | 3,000 | 3,000 | 3,000 |
| • Under 1 year | 12,200 | 9,310 | 11,200 |
| • Total | 15,200 | 12,310 | 14,200 |
| Net borrowing | (15,168) | (12,060) | (3,200) |

Other prudential and treasury indicators are to be found in the main body of this report. The Executive Director of Resources also confirms that borrowing was only undertaken for a capital purpose and the statutory borrowing limit, (the authorised limit), was not breached.

The financial year 2018/19 continued the challenging investment environment of previous years, namely low investment returns.

This report summarises the following:-

- Capital activity during the year;
- Impact of this activity on the Council's underlying indebtedness, (the Capital Financing Requirement);
- The actual prudential and treasury indicators;
- Overall treasury position identifying how the Council has borrowed in relation to this indebtedness, and the impact on investment balances;
- Summary of interest rate movements in the year;
- Detailed debt activity; and
- Detailed investment activity.

2. Capital Expenditure and Financing

The Council undertakes capital expenditure on long-term assets. These activities may either be:

- Financed immediately through the application of capital or revenue resources (capital receipts, capital grants, revenue contributions etc.), which has no resultant impact on the Council's borrowing need; or
- If insufficient financing is available, or a decision is taken not to apply resources, the capital expenditure will give rise to a borrowing need.

The actual capital expenditure forms one of the required prudential indicators. The table below shows the actual capital expenditure and how this was financed.

| Capital and Financing | 2017/18 Actual £000's | 2018/19 Budget £000's | 2018/19 Actual £000's |
|------------------------------|--------------------------------------|--------------------------------------|--------------------------------------|
| Capital expenditure | 6,534 | 30,267 | 21,079 |
| Financed in year by: | | | |
| Capital Receipts | 344 | 150 | 0 |
| Capital grants/contributions | 634 | 1,430 | 1,578 |
| Revenue | 1,786 | 3,644 | 1,053 |
| Leases | 0 | 0 | 0 |
| S106 | 160 | 0 | 0 |
| Prudential Borrowing | 3,610 | 25,043 | 18,448 |

3. The Council's overall borrowing need

The Council's underlying need to borrow for capital expenditure is termed the Capital Financing Requirement (CFR). This figure is a gauge of the Council's indebtedness. The CFR results from the capital activity of the Council and resources used to pay for the capital spend. It represents the 2018/19 unfinanced capital expenditure (see above table), and prior years' net or unfinanced capital expenditure which has not yet been paid for by revenue or other resources.

Part of the Council's treasury activities is to address the funding requirements for this borrowing need. Depending on the capital expenditure programme, the treasury service organises the Council's cash position to ensure that sufficient cash is available to meet the capital plans and cash flow requirements. This may be sourced through borrowing from external bodies, (such as the Government, through the Public Works Loan Board [PWLB], or the money markets), or utilising temporary cash resources within the Council.

Reducing the CFR – the Council's underlying borrowing need (CFR) is not allowed to rise indefinitely. Statutory controls are in place to ensure that capital assets are broadly charged to revenue over the life of the asset. The Council is required to make an annual revenue charge, called the Minimum Revenue Provision – MRP, to reduce the CFR. This is effectively a repayment of the non-Housing Revenue Account (HRA) borrowing need, (there is no statutory requirement to reduce the HRA CFR). This differs from the treasury management arrangements which ensure that cash is available to meet capital commitments. External debt can also be borrowed or repaid at any time, but this does not change the CFR.

The total CFR can also be reduced by:

- the application of additional capital financing resources, (such as unapplied capital receipts); or
- charging more than the statutory revenue charge (MRP) each year through a Voluntary Revenue Provision (VRP).

The Council's 2018/19 MRP Policy, (as required by MHCLG Guidance), was approved as part of the Treasury Management Strategy Report for 2018/19 on 6 March 2018.

The Council's CFR for the year is shown below, and represents a key prudential indicator. It includes PFI and leasing schemes on the balance sheet, which increase the Council's borrowing need. No borrowing is actually required against these schemes as a borrowing facility is included in the contract (*if applicable*).

| Capital Financing Requirement (CFR) | 31 March 2018 Actual £000's | 31 March 2019 Budget £000's | 31 March 2019 Actual £000's |
|--|-----------------------------|-----------------------------|-----------------------------|
| Opening balance | 1,219 | 4,715 | 4,715 |
| Add adjustment for the inclusion of on-balance sheet leasing arrangements and Prudential Borrowing | 3,610 | 25,043 | 18,448 |
| Less Adjustment for Non Capital Loans | 0 | (45) | (45) |
| Less MRP/Finance Lease Repayments | (114) | (199) | (36) |
| Closing balance | 4,715 | 29,514 | 23,082 |
| <i>Movement on CFR</i> | <i>3,496</i> | <i>24,799</i> | <i>18,367</i> |

Borrowing activity is constrained by prudential indicators for gross borrowing and the CFR, and by the authorised limit.

Gross borrowing and the CFR - in order to ensure that borrowing levels are prudent over the medium term and only for a capital purpose, the Council ensures that its gross external borrowing does not, except in the short term, exceed the total of the capital financing requirement in the preceding year (2017/18) plus the estimates of any additional capital financing requirement for the current (2018/19) and next two financial years. This essentially means that the Council is not borrowing to support revenue expenditure. This indicator allowed the Council some flexibility to borrow in advance of its immediate capital needs in 2018/19. The table below highlights the Council's gross borrowing position against the CFR. The Council has complied with this prudential indicator.

| | 31 March 2018 Actual £000's | 31 March 2019 Budget £000's | 31 March 2019 Actual £000's |
|-------------------------------|-----------------------------|-----------------------------|-----------------------------|
| Prudential borrowing position | 3,610 | 28,448 | 18,403 |
| CFR | 4,715 | 29,513 | 23,082 |

The Authorised Limit - the authorised limit is the “affordable borrowing limit” required by s3 of the Local Government Act 2003. Once this has been set, the Council does not have the power to borrow above this level. The table below demonstrates that during 2018/19 the Council has maintained gross borrowing within its authorised limit.

The Operational Boundary – the operational boundary is the expected borrowing position of the Council during the year. Periods where the actual position is either below or over the boundary are acceptable subject to the authorised limit not being breached.

Actual financing costs as a proportion of net revenue stream - this indicator identifies the trend in the cost of capital, (borrowing and other long term obligation costs net of investment income), against the net revenue stream.

| | 2018/19 £000's |
|---|---------------------------|
| Authorised limit | 42,202 |
| Maximum gross borrowing position during the year | 11,000 |
| Operational boundary | 23,170 |
| Financing costs as a proportion of net revenue stream | 0.68% |

4. Treasury Position as at 31 March 2019

The Council's debt and investment position is organised by the treasury management service in order to ensure adequate liquidity for revenue and capital activities, security for investments and to manage risks within all treasury management activities. Procedures and controls to achieve these objectives are well established both through member reporting detailed in the summary, and through officer activity detailed in the Council's Treasury Management Practices. At the end of 2018/19 the Council's treasury, (excluding borrowing by PFI and finance leases), position was as follows:

4.1 Borrowing

| TABLE 1 | 31 March 2018 Principal £000's | Rate/ Return | Average Life yrs | 31 March 2019 Principal £000's | Average Rate/ Return | Average Life yrs |
|---------------------------------|---|-------------------------|-----------------------------|---|-------------------------------------|-----------------------------|
| Fixed rate funding: | | | | | | |
| -PWLB | 0 | 0 | 0 | 11,000 | | |
| Total debt | 0 | 0 | 0 | 11,000 | 2.28% | 26.67 |
| CFR | 4,715 | | - | 23,082 | - | - |
| Over / (under) borrowing | (4,715) | - | - | (12,082) | - | - |
| Investments: | | | | | | |
| | 15,200 | 1.39% | - | 14,200 | 1.57% | - |
| Total investments | 15,200 | 1.39% | - | 14,200 | 1.57% | - |
| Net debt | (15,200) | - | - | (3,200) | - | - |

Under borrowing reflects Internal Borrowing from the Council's cash balances.

The maturity structure of the debt portfolio was as follows:

| | 31 March 2018 Actual £000's | 31 March 2019 Actual £000's | % |
|------------------------------|--------------------------------------|--------------------------------------|-------|
| 5 years and within 10 years | 0 | 2,500 | 1.70% |
| 10 years and within 20 years | 0 | 0 | 0 |
| 20 years and within 30 years | 0 | 2,500 | 2.53% |
| 30 years and within 40 years | 0 | 0 | 0 |
| 40 years and within 50 years | 0 | 6,000 | 2.43% |

2018/19 was the first time in 2 decades that the Council has undertaken long term external borrowing as a result of a Capital Programme with significant construction schemes being funded from prudential borrowing.

All loans have been undertaken with the Public Works Loans Board at fixed rates on a maturity basis as detailed above.

Borrowing in advance of need

The Council has not borrowed more than, or in advance of its needs, purely in order to profit from the investment of the extra sums borrowed.

The Council's capital investments and their subsequent financing costs as a % of the Net Revenue Stream is detailed below along with the impact on Council Tax (all other things being equal). The indicators reflect our Borrowing Strategy, that we will only borrow where schemes are able to provide sustained support for the costs of borrowing and reflect new income generated is in excess of the cost of borrowing.

| | 31 March 2018 Actual | 31 March 2019 Budget | 31 March 2019 Actual |
|--|----------------------------|----------------------------|----------------------------|
| Ratio of Financing Costs to Net Revenue Stream | 0.06% | 1.39% | -.91% |
| Increase/(Reduction) in Council Tax | £1.96 | (6.77) | (15.68) |

4.2 Investments

Investment Policy – the Council's investment policy is governed by MHCLG investment guidance, which has been implemented in the annual investment strategy approved by the Council on 6 March 2018. This policy sets out the approach for choosing investment counterparties, and is based on credit ratings

provided by the three main credit rating agencies, supplemented by additional market data, (such as rating outlooks, credit default swaps, bank share prices etc.).

The investment activity during the year conformed to the approved strategy, and the Council had no liquidity difficulties.

Resources – the Council’s cash balances comprise revenue and capital resources and cash flow monies. The Council’s core cash resources comprised as follows:

| Balance Sheet Resources | 31 March 2018 £000's | 31 March 2019 £000's |
|--------------------------------|---------------------------------|---------------------------------|
| General Fund Balance | 3,914 | 3,848 |
| Earmarked reserves | 12,635 | 15,834 |
| Provisions | 935 | 1,196 |
| Usable capital receipts | 3,016 | 3,362 |
| Capital Grants Unapplied | 368 | 587 |
| Total | 20,868 | 24,827 |

Investments held by the Council

- The Council maintained an average balance of £15.975m of internally managed funds.
- The internally managed funds earned an average rate of return of 1.657%.
- The comparable performance indicator is the average 7-day LIBID rate, (*amend as appropriate*), which was 0.5071%.
- This compares with a budget assumption of £16.133m investment balances earning an average rate of 1.5%.
- Total investment income was £0.246m compared to a budget of £0.242m

| Types of investments | 31 March 2018 Actual £000 | 31 March 2019 Actual £000 |
|--|--|--|
| Deposits with banks and building societies | 6,000 | 6,200 |
| Money Market Funds | 1,400 | 8,000 |
| Other Local Authorities | 4,800 | 0 |
| Property funds | 3,000 | 3,000 |
| TOTAL TREASURY INVESTMENTS | 15,200 | 14,200 |

4.3 Non Treasury Investments

| YEAR OF ACQUISITION | Commercial Property Portfolio | Sector | Total Acquisition Cost £'m |
|---------------------|-------------------------------|---------------|----------------------------|
| 2017/18 | Bradford Road, Keighley | Hotel | 2.490 |
| 2018/19 | 43 Penistone Road, Sheffield | Leisure | 2.700 |
| 2018/19 | Unit 7 Drake House, Sheffield | Manufacturing | 3.174 |
| 2018/19 | 5 Sandars Road, Gainsborough | Manufacturing | 6.470 |
| 2018/19 | Heaton Street, Gainsborough | Retail | 1.150 |
| | TOTAL PORTFOLIO | | 15.984 |

The investments are held on the balance sheet at their Fair Value (*the price expected to be received in current market conditions*). Their Fair Value as at 31 March 2019 for the Commercial Property Portfolio is £15.178m, effectively reflecting a reduction for the costs of purchase.

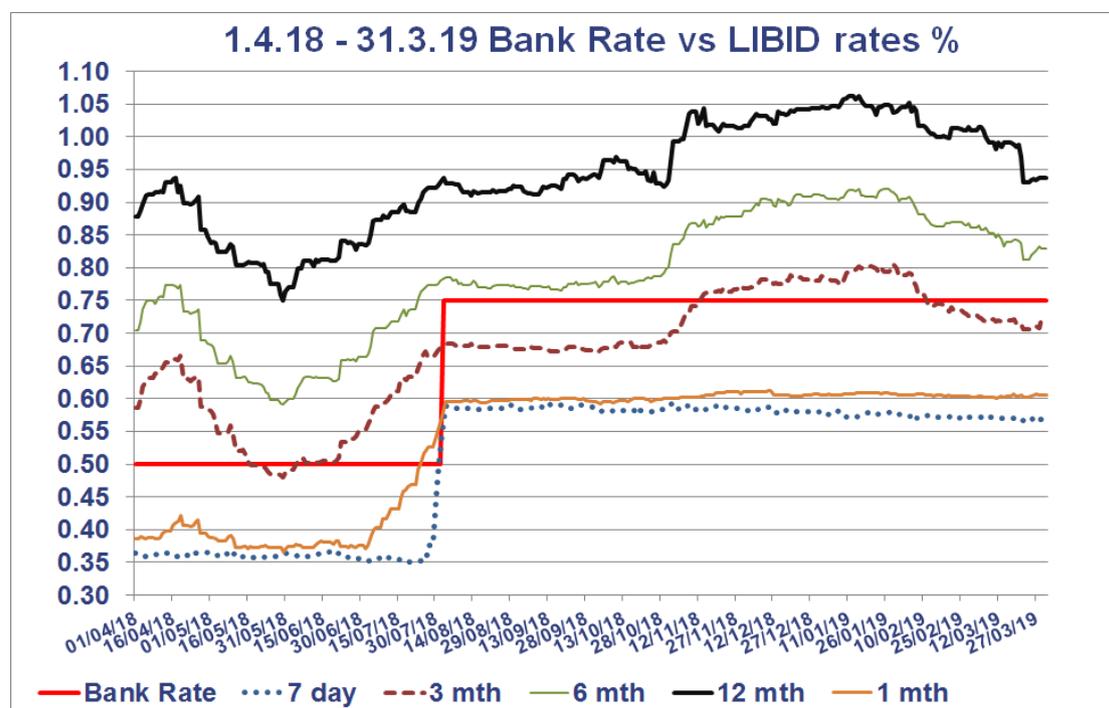
The actual net contribution to services for the year was £0.662m.

This investment portfolio is generating a gross yield of 7.27%

The Council mitigates any loss on investment by holding a Valuation Volatility Reserve at a minimum of 5% of the purchase price of properties. The balance on this reserve as at 31 March 2019 is £1.019m.

5. The strategy for 2018/19

5.1 Investment strategy and control of interest rate risk



Investment returns remained low during 2018/19. The expectation for interest rates within the treasury management strategy for 2018/19 was that Bank Rate would rise from 0.50% to 0.75%, an average 1% was used for budget purposes, to take into account our investment with the CCLA Property Fund which was achieving +4%. At the start of 2018-19, and after UK GDP growth had proved disappointingly weak in the first few months of 2018, the expectation for the timing of this increase was pushed back from May to August 2018. Investment interest rates were therefore on a gently rising trend in the first half of the year after April, in anticipation that the MPC would raise Bank Rate in August. This duly happened at the MPC meeting on 2 August 2018. During this period, investments were, therefore, kept shorter term in anticipation that rates would be higher later in the year.

It was not expected that the MPC would raise Bank Rate again during 2018-19 after August in view of the fact that the UK was entering into a time of major uncertainty with Brexit due in March 2019. Value was therefore sought by placing longer fixed term investments after 2 August where cash balances were sufficient to allow this.

Investment rates were little changed during August to October but rose sharply after the MPC meeting of 1 November was unexpectedly hawkish about their perception of building inflationary pressures, particularly from rising wages. However, weak GDP growth data after December, plus increasing concerns generated by Brexit, resulted in investment rates falling back again.

Continued uncertainty in the aftermath of the 2008 financial crisis has promoted a cautious approach whereby investments would continue to be dominated by

low counterparty risk considerations, resulting in relatively low returns compared to borrowing rates.

5.2 Borrowing strategy and control of interest rate risk

During 2018-19, the Council maintained an under-borrowed position. This meant that the capital borrowing need, (the Capital Financing Requirement), was not fully funded with external loan debt, as cash supporting the Council's reserves, balances and cash flow was used as an interim measure. This strategy is prudent as investment returns were low and minimising counterparty risk on placing investments also needed to be considered.

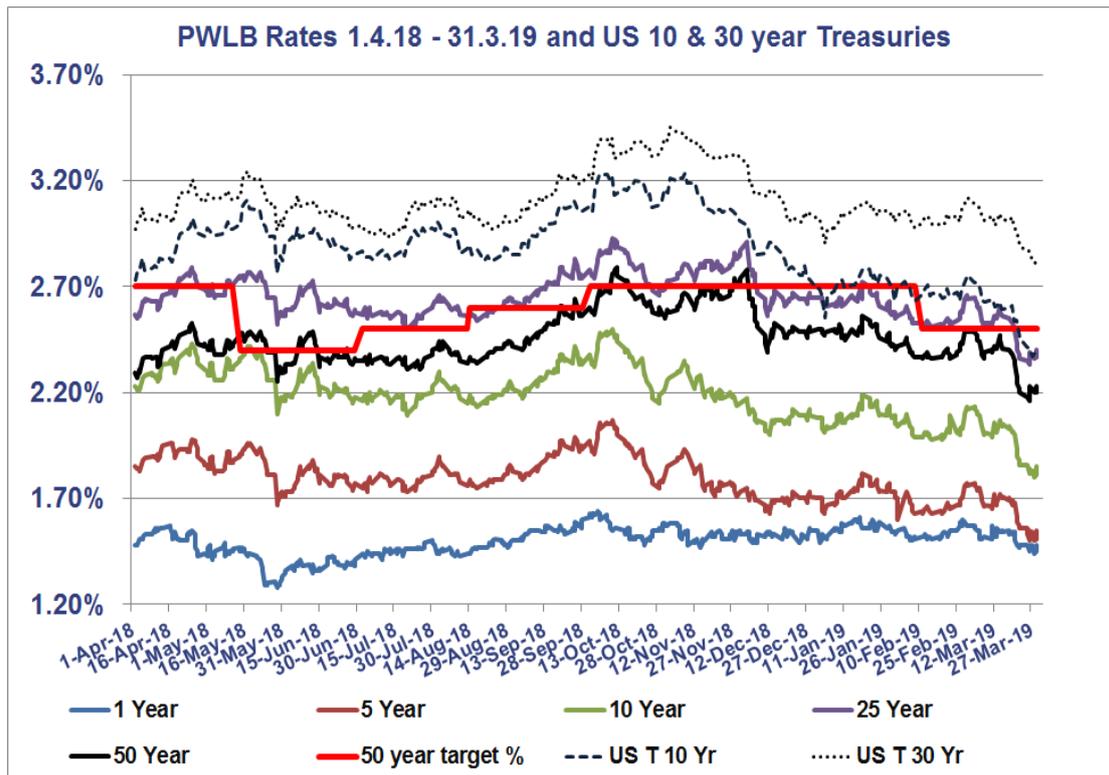
A cost of carry remained during the year on any new long-term borrowing that was not immediately used to finance capital expenditure, as it would have caused a temporary increase in cash balances; this would have incurred a revenue cost – the difference between (higher) borrowing costs and (lower) investment returns.

The policy of avoiding new borrowing by running down spare cash balances, has served well over the last few years. However, this was kept under review to avoid incurring higher borrowing costs in the future when this authority may not be able to avoid new borrowing to finance capital expenditure and/or the refinancing of maturing debt.

Against this background and the risks within the economic forecast, caution was adopted with the treasury operations. The Executive Director of Resources therefore monitored interest rates in financial markets and adopted a pragmatic strategy based upon the following principles to manage interest rate risks;

Rates have remained low during the year however have fluctuated with the Brexit issues being a factor. The Council has taken the view that rates will raise over the longer term. Borrowing has therefore been undertaken, as required for cash flow purposes and to mitigate interest rate risk over the longer term.

| Link Asset Services Interest Rate View 12.2.18 | | | | | | | | | | | | | |
|--|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|
| | Mar-18 | Jun-18 | Sep-18 | Dec-18 | Mar-19 | Jun-19 | Sep-19 | Dec-19 | Mar-20 | Jun-20 | Sep-20 | Dec-20 | Mar-21 |
| Bank Rate | 0.50% | 0.75% | 0.75% | 1.00% | 1.00% | 1.00% | 1.00% | 1.25% | 1.25% | 1.25% | 1.50% | 1.50% | 1.50% |
| 5yr PWLB Rate | 1.90% | 2.00% | 2.10% | 2.10% | 2.20% | 2.30% | 2.30% | 2.40% | 2.40% | 2.50% | 2.50% | 2.60% | 2.60% |
| 10yr PWLB Rate | 2.50% | 2.50% | 2.60% | 2.70% | 2.70% | 2.80% | 2.80% | 2.90% | 3.00% | 3.00% | 3.10% | 3.10% | 3.20% |
| 25yr PWLB Rate | 2.80% | 2.90% | 3.00% | 3.10% | 3.20% | 3.20% | 3.30% | 3.30% | 3.40% | 3.50% | 3.50% | 3.60% | 3.60% |
| 50yr PWLB Rate | 2.60% | 2.70% | 2.80% | 2.90% | 3.00% | 3.00% | 3.10% | 3.10% | 3.20% | 3.30% | 3.30% | 3.40% | 3.40% |



Since PWLB rates peaked during October 2018, most PWLB rates have been on a general downward trend, though longer term rates did spike upwards again during December, and, (apart from the 1 year rate), reached lows for the year at the end of March. There was a significant level of correlation between movements in US Treasury yields and UK gilt yields -which determine PWLB rates. The Fed in America increased the Fed Rate four times in 2018, making nine increases in all in this cycle, to reach 2.25% – 2.50% in December. However, it had been giving forward guidance that rates could go up to nearly 3.50%. These rate increases and guidance caused Treasury yields to also move up. However financial markets considered by December 2018, that the Fed had gone too far, and discounted its expectations of further increases. Since then, the Fed has also come round to the view that there are probably going to be no more increases in this cycle. The issue now is how many cuts in the Fed Rate there will be and how soon, in order to support economic growth in the US. But weak growth now also looks to be the outlook for China and the EU so this will mean that world growth as a whole will be weak. Treasury yields have therefore fallen sharply during 2019 and gilt yields / PWLB rates have also fallen.

6. Other Issues

International Financial Reporting Standard 9 (IFRS9) was adopted last at 1 April 2018. The Standard requires that Risk management will need to take account as prescribed in the 2018/19 Accounting Code of Practice for the valuation of investments including:

- Expected credit loss model. Whilst this has not been material for (below 1% for Money Market Funds and Investments with Banks and other Local Authorities) it has been considered for our investment with the CCLA Property Fund, where no adjustment is considered appropriate as only gains have been realised in the past 3 years. Capital loans to third parties have been affected and a loss value of £22k has been applied.
- The valuation of investments previously valued under the available for sale category e.g. equity related to the “commercialism” agenda, property funds, equity funds and similar, will be changed to **Fair Value through the Profit and Loss (FVPL)**. For WLDC this relates to our CCLA Property Fund. In year gains have been reflected within the Financing and Investment Income and Expenditure within the Comprehensive Income and Expenditure Statement.

However, following the consultation undertaken by the Ministry of Housing, Communities and Local Government, [MHCLG], on IFRS9 the Government has introduced a mandatory statutory override for local authorities to reverse out all unrealised fair value movements resulting from pooled investment funds. This will be effective from 1 April 2018. The statutory override applies for five years from this date. Local authorities are required to disclose the net impact of the unrealised fair value movements in a separate unusable reserve throughout the duration of the override in order for the Government to keep the override under review and to maintain a form of transparency. We currently hold, £0.231m therefore in an unusable reserve, reflecting in year and previous gains from our investment.

Agenda Item 5b



Corporate Policy and
Resources

Thursday, 13 June 2019

Subject: Budget Monitoring Final Outturn 2018/19

Report by:

Executive Director of Resources (S151)
Ian Knowles

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Purpose / Summary:

This report sets out the final budget outturn position for revenue and capital 2018/19.

In addition it requests approval to accept a grant and to incur expenditure to be claimed in arrears against the grant.

RECOMMENDATION(S):

- a) That Members accept the out-turn surplus position of £664k.
- b) To approve a contribution of £263k to the Valuation Volatility Reserve as per the Non-Treasury investment strategy.
- c) To approve the remaining £401k be transferred to the General Fund working balance.
- d) That Members accept the grant awarded by One Public Estate (OPE) of £100k and West Lindsey District Council (WLDC) acting as joint accountable body with Lincolnshire County Council (LCC), agreeing to incur expenditure to be claimed in arrears against the award (see Section 3 for details).

- e) That Members note the items contained at Section 4;
 - a. Section 137 expenditure statement for 2018/19, showing contributions made to certain charitable funds and not for profit bodies providing a public service in the UK.
 - b. Building Control Account for 2018/19, showing the deficit for the chargeable and non-chargeable work for the year.
- f) That Members accept the final capital outturn position of £21.079m (Section 5).
- g) The Revenue Outturn Subjective Analysis is included at Appendix A for information.
- h) That Members note the content of the Regulation 62 of the Community Infrastructure Levy (CIL) Regulations 2010 report (Appendix B).

IMPLICATIONS

Legal: None arising as a result of this report.

Financial : FIN/2/20/TJB

The forecast outturn position for 2018/19 was presented to this committee on 11 April 2019 as part of the Budget and Treasury Management Monitoring report for period 4 (FIN/1/20).

The forecast outturn position at that time was a net contribution to reserves of £634k.

The purpose of this report is to present to Members the final outturn position for the year, following the closure of accounts.

The final outturn position is a net contribution to reserves of £664k, an increase of £30k from the previous forecast.

This is after taking account of approved carry forwards of £919k, as approved in the previous report and which in the main relates to one off budget provision for ongoing project related costs. Details are included in this report at Appendix C.

£263k of the forecast contribution to reserves relates to the net Treasury Management impact on investment and borrowing interest. To ensure sustainability any capital investments funded from borrowing are assumed to require PWLB borrowing to finance the expenditure. This committee have previously approved that any net surplus be set aside at the year end to the Valuation Risk Reserve. This reflects the saving from using internal resources to finance capital during the year.

The remaining balance of £401k has been transferred to General Fund balances.

| Summary of Out-turn Position 2018/19 | | |
|---|--------------|--------------------------------------|
| | £ 000 | |
| FORECAST OUTTURN AS AT 29.04.19 | (1,583) | BEFORE CARRY FORWARDS |
| CARRY FORWARDS: | | |
| BASE BUDGET-APPROVED IN YEAR | 242 | ALREADY APPROVED |
| USE OF EARMARKED RESERVES | 342 | ALREADY APPROVED |
| SUB-TOTAL: | (999) | |
| SERVICE CARRY FORWARD REQUESTS | 335 | APPROVED BY MANAGEMENT TEAM 18.03.19 |
| NET CONTRIBUTION TO RESERVES: | (664) | |
| TO VALUATION VOLATILITY RESERVE | 263 | |
| NET CONTRIBUTION TO GENERAL FUND BALANCES: | (401) | |

The capital out-turn position for 2018/19 remains unchanged at £21.079m, carry forwards of £8.939m were approved April 2019.

Treasury investments returned interest at a 1.57% generating £246k of income.

The Council borrowed £11m from the Public Works Loans Board.

The Annual Treasury Management Report is elsewhere on this agenda.

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.

Data Protection Implications: None arising as a result of this report.

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

X

Key Decision:

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

Yes

No

X

1. EXECUTIVE SUMMARY

This report provides the oversight of financial performance for;

- Revenue Actual Out-Turn - Surplus £664k (4.3% of Net Revenue Expenditure)
- Capital Forecast Out-Turn - £21.079m (Budget £30.267m)

2. FINAL REVENUE BUDGET OUTTURN 2018/19

The final Revenue Budget outturn for 2018/19 is a net contribution to reserves of £664k as detailed in the table below, this is after taking account of £919k of budget carry forwards.

| SERVICE CLUSTER | 2018/19 Budget £ | 2018/19 Actual £ | 2018/19 Variance £ |
|---|------------------------|------------------------|--------------------------|
| People | 5,089,200 | 4,270,003 | (819,197) |
| Places | 1,070,200 | 1,250,130 | 179,930 |
| Policy and Resources | 4,861,500 | 4,426,285 | (435,215) |
| Controllable Total | 11,020,900 | 9,946,418 | (1,074,482) |
| Corporate Accounting: | | | |
| Interest Receivable | (282,300) | (277,668) | 4,632 |
| Interest Payable | 371,800 | 237,755 | (134,045) |
| Investment Income | (570,600) | (669,639) | (99,039) |
| Precepts and Levies | 2,260,749 | 2,260,715 | (34) |
| Statutory Accounting: | | | |
| Capital Expenditure Charged to General Fund | 6,024,300 | 1,053,296 | (4,971,004) |
| Movement in Reserves: | | | |
| To / (From) General Fund | (1,479,900) | (495,825) | 984,075 |
| Use of Specific Reserves | (6,827,200) | (1,754,531) | 5,072,669 |
| Contribution to Specific Reserves | 4,900,993 | 4,032,147 | (868,846) |
| Repayment of Borrowing | 32,400 | 32,679 | 279 |
| Net Revenue Expenditure | 15,451,142 | 14,365,348 | (1,085,794) |
| Funding Total | (15,451,142) | (15,948,786) | (497,644) |
| NET SUBSIDY FROM / (CONTRIBUTION) TO RESERVES FOR THE YEAR | 0 | (1,583,438) | (1,583,438) |
| Carry Forwards - approved in year | | | 241,700 |
| Carry Forwards - approved at year end | | | 335,100 |
| Carry Forwards - use of Earmarked Reserves | | | 342,400 |
| Net Contribution (To) / From Reserves | | | (664,238) |
| (Surplus)-to Valuation Volatility Reserve | | | 263,000 |
| (Surplus)/Deficit-to General Fund | | | (401,238) |

Headline: £664k Forecast Net Contribution to Reserves

| Cluster | EXPENDITURE | Total £000 | Direction of Travel |
|------------------------------|---|---------------|---------------------|
| BUDGET UNDERSPENDS | | | |
| | Salary savings. | (£249) | ↓ |
| Interest & Investment Income | Net impact of investment property acquisitions, and forecast acquisitions. | (£102) | ↑ |
| Interest & Investment Income | Treasury management activities. | (£263) | ↔ |
| Policy & Resources | Audit Fees - reduced contract price with current Auditors (£10k). Reduction in amount payable in current year (£15k). | (£25) | ↔ |
| PRESSURES | | | |
| People | Fuel - forecast pressure on fuel due to average prices being greater than budgeted. | £19 | ↔ |
| People | Legal costs settlement. | £19 | ↔ |
| Places | Leisure - final invoice plus annual retention fee for previous financial year. | £26 | ↔ |
| Places | Property Services costs - net pressure across all properties (service charges/utilities/NNDR). | £26 | ↔ |
| Policy & Resources | IT Shared Services - pressure of £43k offset by savings within the service. | £13 | ↔ |
| | Various forecast outturn variances <£10k | (£26) | ↓ |
| | | (£562) | |

| Cluster | INCOME | Total £000 | Direction of Travel |
|-------------------------------------|--|---------------|---------------------|
| BUDGETED INCOME EXCEEDED | | | |
| People | Green Waste service income target exceeded. | (£289) | ↔ |
| People | Housing Benefits - forecast net subsidy position. | (£28) | ↑ |
| Places | Trinity Arts Centre - increased performances, film showing & additional hire. | (£17) | ↔ |
| Policy & Resources | Share of Legal Services surplus (£22k) - payable by LCC for previous financial year. | (£22) | ↔ |
| Funding | NNDR - additional income renewables and S31 Grant. | (£134) | ↑ |
| Funding | LCTS Admin Grant higher than anticipated (£31k), Autumn budget statement-distribution of levy surplus (£46k) | (£94) | ↓ |
| BUDGETED INCOME NOT ACHIEVED | | | |
| People | Trade Waste income target not due to be achieved - average income per customer below target set for budget. | £31 | ↔ |
| Places | Rental income lost due to sale of assets and voids. | £52 | ↔ |
| Places | Car park income - not achieving target based on actuals to date, offset by surplus on car park permits (£6k) | £104 | ↓ |
| Places | Planning fee income. | £162 | ↔ |
| Places | Impact of acquisition not expected to be leased out until April 19 - loss of rental income and NNDR. | £133 | ↔ |
| | | (£102) | |
| TOTAL VARIANCE | | (£664) | |

2.2 The movement of (£30k) from the net contribution of (£634k) reported to this Committee 11 April 2019 (FIN/1/20) is due to;

- (£38k) NNDR retention
- (£35k) Housing Benefits final subsidy claim
- £19k Reduction in employee cost savings
- £12k other government grants
- £9k Car park income
- £3k various forecast outturn variances <£10k

3. ONE PUBLIC ESTATE GRANT

Following the paper to Prosperous Communities on 29th Jan 2019 (FIN/204/19) detailing the One Public Estate (OPE) bid submission for project work in relation to the stabilisation of RAF Scampton following the closure announcement in summer 2018. The Authority has been advised that a grant of £100k has been awarded by the OPE. The award of this grant is a positive step towards securing a sustainable future for the existing community and is reflective of the positive working relationship West Lindsey District Council and partners including Lincolnshire County Council and the Defence Infrastructure Organisation, which continues to develop and prosper.

The grant is revenue funding which will be used to commission studies of the base which will include community engagement to establish the needs of the community, opportunities for economic stabilisation through growth and place making. Briefs for this work will be progressed quickly and the development of the projects overseen by the Member led Local Plan, Scampton and Infrastructure Group, of which the first meeting is planned for early June.

High level milestones for the initial project spend detailed below:

| Project Milestone Description | Start Date | Expected Completion Date |
|---|------------|--------------------------|
| Procurement of Consultancy for evidence base work to support the requirement of new Local Plan Policy | 01/05/19 | 07/06/19 |
| Procurement of Consultancy for Community Engagement to support Place Making Strategy | 20/05/19 | 07/06/19 |
| Final Consultancy Reports | 30/09/19 | 30/10/19 |
| Finalise evidence for Local Plan Policy | 30/10/19 | 30/11/19 |

It is anticipated that work on a full Master Plan will begin in 2020, with an estimated completion date of mid-2021 to align with the adoption of the Local Plan.

Recommendation – to accept the OPE Grant for £100k acting as a joint accountable body with LCC and agree to incur expenditure (detailed above) to be claimed in areas against this grant.

4. STATUTORY REQUIREMENTS TO PUBLISH;

SECTION 137 EXPENDITURE AND BUILDING CONTROL ACCOUNT

We are required to publish the following data on our website as part of Statutory Requirements, annually each year. They are included in this report for information.

- 4.1 Section 137 of the 1972 Local Government Act (as amended) empowers local authorities to make contributions to certain charitable funds AND not for profit bodies providing a public service in the United Kingdom. The maximum amount allowable is £5 per head of population (94,300) which equates to £471,500.

The Council's expenditure in 2018/19 under this power was £440,240 (£463,110 in 2017/18).

- 4.2 The Building Control Regulations 2010 requires authorities to publish a financial statement relating to the building regulations chargeable and non-chargeable account. The following statement shows the deficit for the chargeable and non-chargeable work for the year 2018/19.

| | Chargeable 2018/19 £'000's | None Chargeable 2018/19 £'000's | Total 2018/19 £'000's |
|-----------------------------------|----------------------------------|---------------------------------------|-----------------------------|
| Expenditure for year | 221 | 144 | 365 |
| Income for year | (221) | (1) | (222) |
| (Surplus)/Deficit for year | 0 | 143 | 143 |

5. FINAL CAPITAL BUDGET OUTTURN 2018/19

Capital Investment Programme 2018/19

| Corporate Priority / Scheme | Actuals 2018/19 | Original Budget | Revised Budget 2018/19 | Final Outturn | Over/ (Underspend) | Carry Forward Requests/ Drawbacks |
|--|--------------------|--------------------|---------------------------|-------------------|-----------------------|---|
| | £ | £ | £ | £ | £ | £ |
| People First | | | | | | |
| Disabled Facilities Grants | 554,341 | 555,200 | 698,172 | 554,341 | 0 | (143,831) |
| Independent Living | (2,071) | 0 | 0 | (2,071) | (2,071) | 0 |
| Telephony | 80,440 | 150,000 | 107,400 | 80,440 | 0 | (26,960) |
| CCTV | 22,735 | 0 | 50,000 | 22,735 | 0 | (27,265) |
| Asset Management | | | | | | |
| Capital Enhancements to Council Owned Assets | 0 | 36,000 | 51,100 | 0 | 0 | (51,100) |
| Carbon Efficiency Project | 79,714 | 225,000 | 85,000 | 79,714 | (5,286) | 0 |
| Development Loan | 24,026 | 0 | 24,026 | 24,026 | 0 | 0 |
| Commercial Investment - Crematorium | 2,476,757 | 2,900,000 | 2,201,757 | 2,476,757 | 0 | 275,000 |
| Car Park Strategy Investment | 460,744 | 700,000 | 450,000 | 460,744 | 10,744 | 0 |
| Leisure Facilities - Gainsborough | 1,417,923 | 1,397,500 | 1,417,000 | 1,417,923 | 923 | 0 |
| Leisure Facilities - Market Rasen | 441,041 | 0 | 240,200 | 441,041 | 0 | 200,841 |
| Commercial Investment - Property Portfolio | 13,494,356 | 10,000,000 | 20,509,645 | 13,494,356 | 0 | (7,015,289) |
| Central Lincolnshire Local Plan | | | | | | |
| Gainsborough Growth Fund | 12,144 | 139,000 | 195,754 | 12,144 | (183,610) | 0 |
| Saxilby Industrial Units | 63,000 | 0 | 670,000 | 63,000 | 0 | (607,000) |
| Unlocking Housing living over the shop | 65,000 | 150,000 | 130,000 | 65,000 | 0 | (65,000) |
| Gainsborough Regeneration | | 2,450,000 | 0 | 0 | 0 | 0 |
| Gainsborough Shop Front Improvement Scheme | 25,000 | 45,000 | 45,000 | 25,000 | 0 | (20,000) |
| Viability Funding - Capital Grant | 957,342 | 700,000 | 1,235,952 | 957,342 | 0 | (278,610) |
| Rural Transport | 0 | 0 | 40,000 | 0 | 0 | (40,000) |
| Food Enterprise Zone | 0 | 1,900,000 | 500,000 | 0 | 0 | (500,000) |
| Private Sector Renewal | 36,453 | 500,000 | 150,000 | 36,453 | 0 | (113,547) |
| Excellent, VFM Services | | | | | | |
| Vehicle Replacement Programme | 565,765 | 628,000 | 602,081 | 565,765 | 0 | (36,316) |
| Desktop Refresh and experience | 29,177 | 29,000 | 239,000 | 29,177 | 0 | (209,823) |
| Commercial Loans | 133,332 | 0 | 200,000 | 133,332 | 0 | (66,668) |
| IT Infrastructure Refresh and Software | 91,613 | 154,000 | 105,000 | 91,613 | 0 | (13,387) |
| Upgrade Council Chamber Technology | 50,311 | 10,000 | 50,000 | 50,311 | 311 | 0 |
| Total Capital Programme Gross Expenditure - Stage 3 and BAU | 21,079,144 | 22,668,700 | 29,997,087 | 21,079,144 | (178,988) | (8,738,955) |
| Stage 2 | 0 | 945,310 | 120,000 | 0 | (70,000) | (50,000) |
| Stage 1 | 0 | 1,842,560 | 150,000 | 0 | 0 | (150,000) |
| Pre-Stage 1 | 0 | 0 | 0 | 0 | 0 | 0 |
| Total Capital Programme Gross Expenditure | 21,079,144 | 25,456,570 | 30,267,087 | 21,079,144 | (248,988) | (8,938,955) |

APPENDIX A

Revenue Outturn - Subjective Analysis 2018/19

| | 2018/19 Budget £ | 2018/19 Actual £ | 2018/19 Variance £ |
|--|------------------------|------------------------|--------------------------|
| Expenditure | 40,055,189 | 38,820,308 | (1,234,881) |
| Employees | 10,838,800 | 10,236,971 | (601,829) |
| Premises | 945,900 | 857,207 | (88,693) |
| Transport | 886,600 | 892,069 | 5,469 |
| Supplies and Services | 2,499,750 | 2,478,207 | (21,543) |
| Third Party Payments | 1,531,400 | 1,388,863 | (142,538) |
| Transfer Payments | 20,720,190 | 20,468,521 | (251,669) |
| Interest Payable | 371,800 | 237,755 | (134,045) |
| Other Operating Expenditure-Parish Precepts | 1,909,249 | 1,909,249 | 0 |
| Other Operating Expenditure-Drainage Board Levies | 351,500 | 351,466 | (34) |
| Income | (27,254,640) | (27,322,726) | (68,086) |
| Customer and Client Receipts | (5,858,190) | (5,726,208) | 131,982 |
| Government Grants | (20,998,750) | (21,168,840) | (170,090) |
| Other Grants and Contributions | (115,400) | (150,262) | (34,862) |
| Interest Receivable | (282,300) | (277,416) | 4,884 |
| Transfers To / (From) Reserves | 2,650,593 | 2,867,766 | 217,173 |
| Transfers To / (From) Reserves | 2,650,593 | 2,867,766 | 217,173 |
| Grand Total | 15,451,142 | 14,365,348 | (1,085,794) |
| FUNDED BY: | | | |
| Business Rate Retention Scheme | (5,916,600) | (6,260,357) | (343,757) |
| Collection Fund Surplus - Council Tax | (105,010) | (164,958) | (59,948) |
| Parish Council Tax Requirement | (1,909,249) | (1,909,249) | 0 |
| New Homes Bonus | (1,278,400) | (1,278,420) | (20) |
| Other Government Grants | (184,600) | (278,519) | (93,919) |
| Council Tax Requirement | (6,057,283) | (6,057,283) | 0 |
| Grand Total | (15,451,142) | (15,948,786) | (497,644) |
| (SURPLUS)/DEFICIT TO GENERAL FUND | 0 | (1,583,438) | (1,583,438) |
| Approved Carry Forwards | | | 919,200 |
| Approved (Surplus) to Valuation Volatility Reserve | | | 263,000 |
| (SURPLUS)/DEFICIT TO GENERAL FUND | | | (401,238) |

Community Infrastructure Levy (CIL)

In line with Regulation 62 of the CIL Regulations 2010 (as amended) a charging authority must prepare and publish a report detailing the amount of CIL collected for the reported year. This report must be published on the Charging Authorities website on or before 31st December following the end of the reported year.

West Lindsey District Council adopted a CIL charging schedule on 22nd January 2018, however did not collect any CIL payments until the start of the new financial year 2018/19. This report is therefore the first Regulation 62 report.

| <u>Regulation 62 Community Infrastructure Levy (CIL) Regulations (2010) as amended: Annual report for the reported year 2018/19</u> | | | | |
|--|---|----------------------|--|---|
| Section 1: Receipts and Expenditure | | | | |
| Total Receipts | £ | 86,915.00 | | |
| Total Expenditure on Infrastructure (see Section 2 for more information) | £ | - | | |
| Receipts from reported year retained at year end | £ | 68,818.14 | | |
| Receipts from previous reported year retained at year end | £ | - | | |
| Section 2: Items of Infrastructure funded with CIL | | | | |
| Infrastructure Item | Recipient | Total CIL Amount (a) | Amount allocated to repay money borrowed (b) | Amount of (b) that comprises interest on money borrowed (c) |
| None paid 2018/19 | | £ - | £ - | £ - |
| Section 3: Administrative Expenses | | | | |
| Percentage of CIL allocated to cover administrative costs | Total amount of CIL allocated to administration | | | |
| 5% | £ 4,348.25 | | | |

| Section 4: CIL passed to local councils | | | |
|---|------------|--|--|
| Name of Local Council | CIL amount | Percentage (25% with neighbourhood plan; 15% without neighbourhood plan) | |
| Caistor | £ 3,534.00 | 25% | |
| Bardney | £ 374.06 | 15% | |
| Scampton | £ 701.44 | 15% | |
| Middle Rasen | £ 480.94 | 15% | |
| Cherry Willingham | £ 844.31 | 15% | |
| Bigby | £ 6,128.21 | 15% | |
| Marton | £ 1,735.65 | 15% | |
| Section 5: Payments in kind passed to local councils | | | |
| Name of Local Council | Details | | |
| No data 2018/19 | | | |
| Section 6: CIL passed to other recipients | | | |
| Name of recipient | CIL amount | | |
| None paid 2018/19 | £ - | | |
| Section 7: CIL (including payments in kind) repaid due to being unspent within 5 years | | | |
| No data 2018/19 | | | |
| Section 8: Infrastructure payments | | | |
| No data 2018/19 | | | |

Recommendation: Members notes the content of the report.

REVENUE CARRY FORWARDS – BASE BUDGET ALREADY APPROVED

Budget underspends to be carried forward into 2019/20 which have been approved during the year are provided below for information only.

| BASE BUDGET C/FWDS APPROVED IN YEAR | | | FINAL | |
|-------------------------------------|----------------------|--------------------------------|-------|---|
| Committee | Cluster | Business Unit | £ 000 | Purpose of Carry Forward |
| PC | People | Housing Strategy | 40 | Selective Licensing - to fund fixed term posts to 31.08.18 |
| PC | People | Food Safety | 35 | Appointment of Food Safety Officer - to be funded from cfwd in 19/20, and built into the MTFP as a pressure thereafter. |
| PC | Places | Economic Development | 31 | Development Partnership - delay in project spend, legal fees (FIN/134/17) |
| CP&R | Policy and Resources | Corporate Management - Finance | 136 | Any Board Budget savings (business case development) will be carried forward. Original funding from Earmarked Reserves |
| TOTAL | | | 242 | |

REVENUE CARRY FORWARDS – USE OF EARMARKED RESERVES ALREADY APPROVED

Budget underspends to be carried forward into 2019/20 which have been approved during the year are provided below for information only.

| USE OF EARMARKED RESERVES | | | FINAL | |
|---------------------------|---------|-------------------------------------|-------|--|
| Committee | Cluster | Business Unit | £ 000 | Purpose of Carry Forward |
| PC | People | Community Action & Community Safety | 3 | Community Rail Partnership Post Funded from EMR Connectivity Fund - balance of WLDC contribution to be carried forward |
| Page 32 | People | General Grants etc. | 48 | Remaining balance of Supporting Vulnerable Communities reserve allocation. Further report to be presented to Committee to allocate remaining balance |
| PC | People | General Grants etc. | 133 | Balance on Community Grants budget. Grants to be issued early 19/20 |
| PC | People | General Grants etc. | 37 | Community Transport scheme - carry forward balance on project spend |
| PC | People | Waste Management | 5 | Enhancements to dustcart due to take place early 19/20 (camera, weighing machine) |
| PC | People | Waste Management | 6 | Replacement of manager van - due April 19 |
| CP&R | Places | Commercial Properties | 12 | To carry out agreed works on the former Lidl building prior to new tenant occupancy. |
| PC | Places | Development Management | 14 | New Burdens funding from reserves - Planning & Monitoring Officer Post |
| PC | Places | Economic Development | 17 | Released from Invest for Growth in 18/19 but development phase slipped by 3 months into 19/20 |

REVENUE CARRY FORWARDS – USE OF EARMARKED RESERVES ALREADY APPROVED

Budget underspends to be carried forward into 2019/20 which have been approved during the year are provided below for information only.

| USE OF EARMARKED RESERVES | | | FINAL | |
|---------------------------|----------------------|--------------------------------------|-------|--|
| Committee | Cluster | Business Unit | £ 000 | Purpose of Carry Forward |
| PC | Places | Economic Development | 19 | Unapplied Grants - HCA grant - slipped Housing related projects spend |
| PC | Places | Neighbourhood Planning & Local Plans | 11 | Neighbourhood Planning - unspent grant to be carried forward into 19/20 |
| PC | Places | Neighbourhood Planning & Local Plans | 20 | Neighbourhood Planning - 'Top Up' funding (£25k allocated per annum) - not used in 18/19 so needs rolling into 19/20 |
| PC | Places | Visitor Economy | 15 | Invest to Earn reserve - approved to fund Visitor Economy Officer (FIN/VAC/16/19) |
| CP&R | Policy and Resources | Register of Electors | 2 | Was to support District Elections in May - estimated but struggled to appoint so delay has led to underspend |
| TOTAL | | | 342 | |

REVENUE CARRY FORWARDS – APPROVED BY MANAGEMENT TEAM

Bids for budget underspends to be carried forward into 2019/20, approved by Management Team 18 March 2019, are as follows;

| BASE BUDGET C/FWDS APPROVED BY MT 18.03.19 | | | FINAL | |
|--|---------|------------------------------|-------|--|
| Committee | Cluster | Business Unit | £ 000 | Purpose of Carry Forward |
| PC | People | Building Control | 2 | Corporate Training budget - spans multiple years - Certificate in Building Control £3k. Delayed training (SAP) to occur 19/20 £1k |
| CP&R | People | Customer Services | 8 | Corporate Training budget - approx. half will be implemented 19/20 |
| PC | People | Cemeteries and Churchyards | 21 | Delay in procurement for repairs to stone walls for churchyards |
| PC | People | Environmental Initiatives | 14 | C/fwd from 17/18 for footpath & refurb work at Ashcroft Road Park-slipped as didn't receive any tenders for 1st procurement exercise. Hope to complete by Easter 19 |
| PC | People | Homelessness/ Housing Advice | 0 | Flexible Homelessness Support Grant received 18/19 was allocated for project spend. No spend has been incurred during the year but is proposed to carry forward the underspend as a contribution towards the development of a Housing Company in 19/20. Business Case to follow. |
| PC | People | Parish Lighting | 10 | Additional parish lighting repairs work anticipated 19/20 as lights continue to be upgraded to LED |

REVENUE CARRY FORWARDS – APPROVED BY MANAGEMENT TEAM

Bids for budget underspends to be carried forward into 2019/20, approved by Management Team 18 March 2019, are as follows;

| BASE BUDGET C/FWDS APPROVED BY MT 18.03.19 | | | FINAL | |
|--|---------|--------------------------------|-------|--|
| Committee | Cluster | Business Unit | £ 000 | Purpose of Carry Forward |
| PC | People | Private Sector Housing Renewal | 22 | Corporate Training budget - agreed for delivery of training across Housing service staff as identified through 18/19 Development Appraisals but not yet completed |
| PC | People | Town Centre Markets | 7 | Markets - promotional & marketing spend for events 2019/20 |
| CP&R | Places | Admin Buildings | 13 | Board Budget allocation £30k. North Warren Road Depot Provision report to Portfolio Board - contamination works carried out Feb/Mar, remaining balance to be spent during 19/20 |
| CP&R | Places | Admin Buildings | 54 | Was a one off budget to improve facilities at Market Rasen depot. Slippage - awaiting final business case regarding future depot options. |
| PC | Places | Culture, Heritage & Leisure | 13 | Board Budget allocation. Options appraisal work for Trinity Arts Centre due to be completed 19/20 |
| PC | Places | Culture, Heritage & Leisure | 56 | Mayflower project - project slippage to be spent in 19/20 |
| PC | Places | Economic Development | 2 | Officer training approved but due to take place April/May 19 |

REVENUE CARRY FORWARDS – APPROVED BY MANAGEMENT TEAM

Bids for budget underspends to be carried forward into 2019/20, approved by Management Team 18 March 2019, are as follows;

| BASE BUDGET C/FWDS APPROVED BY MT 18.03.19 | | | FINAL | |
|--|----------------------|---|-------|--|
| Committee | Cluster | Business Unit | £ 000 | Purpose of Carry Forward |
| PC | Places | Economic Development | 34 | Delay in project spend. Economic Development projects - £6k Foxby lane, £15k Consultancy Support, £1k Employment & Skills and £12k Place Board. |
| PC | Places | Parks & Open Spaces | 4 | Memorial testing on a 5 year programme, to take place 19/20 (£3k). Garden seats - survey to be carried out 19/20 in conjunction with Gainsborough Town Council |
| CP&R | Policy and Resources | Business Improvement & Commercial Development | 5 | Request to roll forward into 19/20 for project works performance management and project software. |
| CP&R | Policy and Resources | Corporate Management - Finance | 17 | EU Exit Funding for Local Government grant received 18/19. Carry forward to support any costs resulting from Brexit |
| CP&R | Policy and Resources | Corporate Systems | 9 | Project costs for final training days on Telephony Project in 19/20 |
| CP&R | Policy and Resources | Financial Services | 10 | Approved training delayed due to CIPFA not running anticipated course during 18/19 |
| CP&R | Policy and Resources | Financial Services | 34 | Carry forward requested to cover transitional arrangements during restructure implementation period |
| TOTAL | | | 335 | |

Agenda Item 5c



**Corporate Policy and
Resources Committee**

13th June 2019

Subject: Progress and Delivery Report - Period 4 2018/19

Report by:

Executive Director of Operations

Contact Officer:

Mark Sturgess
Executive Director of Operations

mark.sturgess@west-lindsey.gov.uk

Purpose / Summary:

To consider the Progress and Delivery Report
for Period 4, 2018-19

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: N/A |
|--------------------------|

| |
|---|
| Financial : FIN/6/20 There are no financial implications as a result of this report |
|---|

| |
|------------------------------|
| Staffing : N/A |
|------------------------------|

| |
|---|
| Equality and Diversity including Human Rights : N/A |
|---|

| |
|-------------------------------------|
| Risk Assessment : N/A |
|-------------------------------------|

| |
|---|
| Climate Related Risks and Opportunities : N/A |
|---|

| |
|---|
| Title and Location of any Background Papers used in the preparation of this report: N/A |
|---|

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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Executive Summary

1.0 Introduction

This report forms the Period Four performance report for 2018/19. It is about the services the council is delivering in order to meet the objectives it has set itself in the Corporate Plan. The report contains information relating to those measures where performance has fallen outside agreed tolerance levels for two periods or more. Information relating to service based performance is included on an exception basis (above or below target) as Appendix A.

2.0 Overall Summary of Performance

Table one shows a summary of service performance for period four (January - March) 2018/19 which also includes the previous three periods for comparison. Performance has improved significantly during the last period of the financial year with 84% of the Council's indicators performing on or above target, an increase of 6.5% on the last period.

In total, 16% of indicators are below target for the period, a reduction of 5.5% compared to period three.

| RAG | P1 (2018/19) | P2 (2018/19) | P3 (2018/19) | P4 (2018/19) |
|---------------------|--------------|--------------|--------------|--------------|
| Exceeding target | 45% | 43% | 32% | 36% |
| Meeting target | 26% | 30% | 45.5% | 48% |
| Below target | 21% | 23% | 21.5% | 16% |
| Missing information | 8% | 4% | 1% | 0% |

Table 1: Overall summary of performance

Table two shows the direction of travel when compared to the previous period. It should be noted that the reporting periods are not equal in length making direct comparisons using direction of travel difficult. From 2019/20, direction of travel will be measured by comparing each period to the same period in the previous year in order that analysis of performance is more meaningful. For example, period 1 2019/20 will be compared to period 1 2018/19.

| Direction of Travel | P1 (Apr-May) | P2 (Jun-Sep) | P3 (Oct-Dec) | P4 (Jan-Mar) |
|---|--------------|--------------|--------------|--------------|
| Performance has improved since last period | 42% | 11% | 14% | 10% |
| Performance has remained static since last period | 9% | 82% | 61% | 82% |
| Performance has declined since last period | 49% | 7% | 25% | 8% |

Table 2: Overall direction of travel

2.0 Performing Well

Trinity Arts Centre – TAC continues to exceed performance expectations as a result of changes to the operational and business model that have been implemented over the last financial year. An ambitious programme of events continues to attract large audiences with sell-out shows from Roy 'Chubby' Brown and pop duo Ward Thomas during period 4. These performances, along with others have attracted new audiences to TAC this period and a gradual diversification of audiences is beginning to occur. This period also welcomed regular venue hirers on the new charge scale. This increased scale enables us to operate more efficiently and with better resources whilst providing value for money for the customer. The children's festival in half-term was oversubscribed and additional workshops were scheduled to cater for high demand. As a result of this success, there are plans to run regular weekly workshops to engage young people in the area and collaborate closely with local schools. TAC has also undergone some structural development, including the installation of LED lighting in the public areas and the bar has been redecorated making the area more welcoming and warm for patrons.

Waste Collection – Performance across all areas is above target, despite challenges from rising staff costs, rising agency costs and higher fuel prices. Despite this, the cost of delivering the service per head of population remains low and is the third lowest when benchmarked with our similar authority grouping through

APSE. Recycling rates are within tolerance and the Council is working closely with the Lincolnshire Waste Partnership in order to offer a more comprehensive recycling collection service and to reduce the amount of contamination in the recycling stream. Commercial Waste continues to outperform predictions in the Business Case and has brought in considerable income from over 350 customers. Over the year complaints have dropped and compliments are now significantly exceed complaints. Results from last year's citizen's panel show an overall satisfaction rate of 89.6%.

3.0 Risk Areas

Home Choices - Performance remains below target for the number of bed and breakfast (B&B) nights, temporary accommodation and homeless prevention. This is a result of households being placed in temporary accommodation as a result of the Council's Severe Weather Emergency Procedures (SWEP), complex households that have been difficult to move on, waiting times being affected by delays in the Acis voids repairs service and households being unable to access social rented accommodation and refused from the private rented sector (PRS). The Home Choices Team is waiting for other services to assist with these cases. There has also been a significant impact on service delivery as a result of the duty to refer persons at risk of homelessness into the authority which began in October 2018. This saw a high number of prison leavers and high risk persons from probation referred into the service which accounts for the high number of B&B nights and temporary accommodation usage during period 4 as it was difficult to move these customers on. A Home Choices performance workshop has been scheduled for April 2019, facilitated by the Performance and Programmes Team in order to identify improvements that can be made to performance. The outcome of this workshop, including agreed actions will be included in the P&D report for period 1, 2019/20.

Housing – The number of properties brought back into use through Council intervention continues to fall below target. Empty homes remain part of the day to day business of the work area and work has been undertaken to ensure that officers from different work areas are taking action in relation to empty homes and the issues that they cause. This has included a member of the Environmental Protection team becoming responsible for dealing with waste in gardens or any vermin related issues which has allowed for more resilience when dealing with empty properties. The Housing Assistance Policy is helping those that wish to bring empty property back into use. It is proposed that this Policy is reviewed in summer 2019 and that the scope for empty property grants is widened to assist with addressing the number of long term empty properties across the wider district.

Land Charges – Income received for period 4 and the year as a whole is below expected levels. This is due to a decrease in the number of paid for searches received by the Council as a result of the downturn in the property market which, for Gainsborough equates to a 13% downturn in the property market. It is difficult for the Council to influence this measure and due to wider economic uncertainties, it is difficult to predict a direction of travel for income received. Overall, the number of searches received has increased but the majority of these are searches that are not paid for and do not bring income in to the Council.

Measures where performance is outside agreed tolerance levels for at least two consecutive periods

| Service | Measure | P1 (2018/19) | P2 (2018/19) | P3 (2018/19) | P4 (2018/19) | DoT | What do we need to do to improve and by when? |
|---|--|-----------------|-----------------|-----------------|-----------------|-----|---|
| Asset and Facilities Management | Rental Income – Car Parks | £73,623 | £67,616 | £48,840 | £45,260 | ↓ | The too ambitious income targets set for the 18/19 financial year (particularly around the anticipated use of the Riverside Car park) combined with the temporary closure of the Roseway Car Park and general reduced use of all such facilities has led to this year income figures being below expectation. The income target for 2019/20 has been reduced to reflect achievable goal. |
| Benefits | Claims older than 30 days | 22 | 20 | 14.3 | 9 | ↑ | Introduction of Universal Credit has resulted in fewer new claims for Housing Benefit and Council Tax support, thus allowing old claims to be dealt with quicker. The service will continue to monitor and ensure targets for the next year are reflective of changes brought about by the introduction of UC. |
| Building Control | Cost of the service to the Council | £4,748 | £8,479 | £15,141 | £25,336 | ↑ | Salary savings during the financial year have led to a lower than predicted cost. All vacancies have now been filled and this will be reflected in next year's performance. |
| Contracts Management | Savings generated through the Procurement Lincs exercise | £0 | £98,000 | £0 | £1,400 | ↑ | While performance for the period is below target, overall performance for the year has actually exceeded target by £24,400. Further potential savings have already been identified for future procurement exercises and contract renewals. |
| Council Tax and NNDR | Cost of service per property tax base | £3.24 | £7.32 | £6.09 | £5.58 | ↑ | March costs have not yet been posted which means the cost per property is lower than it should be. There is also one member of staff on long-term sick leave. A temporary member of staff has been recruited to cover long-term sickness absence which should lead to a more accurate reflection of performance showing in period 1 2019/20 when training is complete and the staff member is able to work independently. |
| Customer Services | Average days taken to resolve a complaint | 9 | 6.6 | 7.4 | 6.7 | ↑ | Having a dedicated Customer Experience Officer has resulted in consistently high performance in this area, as well as an improved experience for the customer through adopting a consistent approach to dealing with complaints. |
| Democratic Services | Satisfaction with member training and development events | 100% | 100% | 100% | 100% | → | Performance has remained consistent throughout the year. The service will continue to monitor and ensure members are supported to carry out their duties effectively following the local elections in May. |

| Service | Measure | P1 (2018/19) | P2 (2018/19) | P3 (2018/19) | P4 (2018/19) | DoT | What do we need to do to improve and by when? |
|--|--|-----------------|-----------------|-----------------|-----------------|-----|---|
| Development Management | % of 'major' planning applications determined within national target | 92% | 100% | 100% | 100% | → | There were nine major decisions determined within the period, all had a 100% turnaround time. The target has been amended for 2019/20 to reflect consistently high levels of performance. |
| | Non-major planning applications determined within national target | 100% | 99% | 99% | 99% | → | Continue to monitor. Performance remains consistently above the statutory target. |
| | Appeals allowed as a % of all decisions | 0% | 2% | 1% | 1% | → | There was one appeal allowed during the period. Three appeals were dismissed. |
| Enforcement and Community Safety | % of landlords breaching selective licensing conditions | 1% | 1% | 1% | 1% | → | There has been a minimal breach of conditions and these continue to be monitored via compliance checks. |
| | Time taken to resolve a housing enforcement request | 211.5 | 142 | 146 | 165 | ↓ | Longer-term, complex cases remain open which impacts significantly on overall performance. A new set of measures has been developed for 2019/20 to allow for more informed analysis of performance. |
| | Time taken to resolve a planning enforcement request | 300 | 224 | 193 | 173 | ↑ | Time taken to resolve requests has reduced consistently throughout the year and this positive trend is expected to continue in the next financial year. |
| | Open community safety complaints at month end | 48 | 64 | 62 | 57 | ↑ | There has been additional caseload as a result of issuing fixed penalty notices. Performance has continued to improve over the last three periods. |
| | Open community safety cases at month end | 19 | 26 | 15 | 18 | ↓ | Performance has remained consistently on or above target during the year. |
| | Average number of days before a community safety case is closed | 11 | 11 | 8 | 8 | → | As above |
| Financial Services | Return on the Council's capital investment | 1.38% | 1.57% | 1.76% | 1.58% | ↓ | Performance has been consistently above target throughout the year |
| Healthy District | New participants at WL leisure centres | 467 | 1,129 | 798 | 1,142 | ↑ | Results for the period are following industry trend as higher numbers of people join the gym in January. Good numbers of users are being attracted to the newly refurbished centre. |

| Service | Measure | P1 (2018/19) | P2 (2018/19) | P3 (2018/19) | P4 (2018/19) | DoT | What do we need to do to improve and by when? |
|---------------------|--|-----------------|-----------------|-----------------|-----------------|-----|---|
| Home Choices | Bed and breakfast nights | 89 | 123 | 77 | 148 | ↓ | <p>Below target due to a households being placed in temp accommodation through SWEP, complex households who have been difficult to move on, waiting times being affected by the Acis voids repairs service and households being unable to access social rented and refused from PRS. We are waiting for other agencies to assist with these.</p> <p>The last quarter saw a big impact from implementation of the duty to refer which started in October 18. This was done to make certain statutory bodies have a duty to refer persons at risk of homelessness into the local authority. It was during December and January that saw a high number of prison leavers and high risk customers from probation referred into the service. This accounted for the high number of B&B nights and TA usage as it was difficult to get customers moved on due to a mixture of, Christmas leave, availability of staff, complex issues, void targets for registered providers and conditions on where the customers can live.</p> <p>Criteria for prevention cases has changed and in order to report we must produce more information than we ever did before. This has meant it has taken some time to gather information from teams such as housing benefit and DFG's as in previous years we just needed numbers rather than specific information about the actual customer. We are still trying to find ways of capturing this data as this is resource intensive and requires other teams to change their reporting mechanisms. We also have a senior officer now in post doing case work which will increase the number of preventions moving forward.</p> <p>Costs have been consistently high over the last 18 months due to rising contractor costs. A county wide framework for contractors has been agreed and is now in place which should ensure that costs stay consistent across different areas for the coming years. The target will be revised accordingly to reflect this for the next financial year.</p> |
| | Temporary accommodation usage | 15 | 23 * | 23 | 34 | ↓ | |
| | Homeless prevention | 32 | 80 | 57 | 58 | ↑ | |
| | Average cost of Disabled Facilities Grants (DFGs) | £9,864 | £7,259 | £7,094 | £6,214 | ↑ | |
| Housing | Average number of days from DFG referral to completion | 119 | 124 | 132 | 133 | ↓ | A temporary vacancy and staff absence has led to a decrease in performance for the last two periods. Performance is within tolerance for the year as a whole. Resource issues have now been resolved and performance is expected to improve to within agreed tolerances in the new financial year |

| Service | Measure | P1 (2018/19) | P2 (2018/19) | P3 (2018/19) | P4 (2018/19) | DoT | What do we need to do to improve and by when? |
|------------------------------------|---|-----------------|-----------------|-----------------|-----------------|-----|--|
| | Long-term properties brought back into use through Council intervention | 3 | 2 | 7 | 3 | ↓ | Staffing resource has been limited in this area due to other priorities across work areas and secondments that have reduced officer time. A staffing resource is now in place and the focus continues to be on the highest risk empty properties. Performance is expected to improve in the new financial year |
| ICT | Service and system availability | 100% | 100% | 100% | 99% | ↓ | Performance remains consistently above target. |
| Licensing | Number of licensing applications received | 147 | 299 * | 282 | 232 | ↓ | Performance has consistently been on or above target throughout the year. A higher number of applications during the second half of the year has contributed to the pressures in the service re processing times (see below). *it should be noted that p2 covers a 4 month period. |
| | % of licensing applications completed on time | 100% | 96% | 86% | 86% | → | A change in legislation and reduction in staff availability has led to increased processing times. Further resource has been allocated to this service which, once embedded, will lead to improved performance in the new financial year. |
| Local Land Charges | Income Received | £17,144 | £39,165 | £27,172 | £19,957 | ↓ | Income for the year as a whole is £18,061 below the expected target. This is as a result of a decrease in paid for searches received. The service has received fewer paid for searches this financial year, due to the down-turn in the property market which therefore impacts on income received. This measure is determined by the property market. Uncertainties around the property market (as a result of the current economic climate and Brexit for example) means it is difficult to forecast a direction of travel for this performance measure. |
| | Local land charges searches received | 440 | 924 | 633 | 684 | ↑ | Whilst the overall number of searches for the year as a whole has exceeded target, it is important to note that the majority of these are made up of non-paid for searches which do not contribute to the income received. The number of paid for searches has decreased over the last year which explains why income is below target. The number of paid for searches is determined by the property market. Uncertainties around the property market means it is difficult to forecast a direction of travel for this performance measure. |
| Markets | Average number of stalls on a Saturday | 16 | 15 | 12 | 13 | ↑ | There has been a 22% decline in Saturday stalls this financial year compared to the previous year. Reasons include stall holders giving notice, adverse weather and long-term sickness absence for regular traders. |

| Service | Measure | P1 (2018/19) | P2 (2018/19) | P3 (2018/19) | P4 (2018/19) | DoT | What do we need to do to improve and by when? |
|-------------------------------------|---|-----------------|-----------------|-----------------|-----------------|-----|--|
| | Average number of stalls on a Tuesday | 40 | 38 | 36 | 34 | ↓ | There has been a 19% decline in Tuesday stalls this financial year compared to the previous year. See commentary above. |
| Trinity Arts Centre | Cost of TAC per user | £4.16 | £4.51 | £3.50 | £2.67 | ↑ | Higher audience figures during the period as a result of popular performances from Roy 'Chubby' Brown and Ward Thomas has led to a lower cost per user. |
| | Received surplus | £14,165 | £22,219 | £21,871 | £19,333 | ↓ | New charging scale, increased audience figures and improvements to the operating and business model have all contributed to higher than anticipated performance for the period. |
| | Audience figures | 3,048 | 6,414 | 5,747 | 4,548 | ↓ | Sell out performances from Roy 'Chubby' Brown and Ward Thomas, and other popular shows have led to higher than anticipated audience figures for the post-Christmas period |
| | Event occupancy | 45.5% | 52.5% | 43% | 49.6% | ↑ | Whilst performance continues to fall below target, this is a result of the introduction of multiple screenings which has led to a rise in audience figures. A wider choice of viewings therefore leads to an inevitable fall in average occupancy. This indicator is being reviewed for 2019/20 to reflect changes to the programming structure. It should be noted that nationally, average event occupancy is 49% and so TAC is in line with industry standards, despite performing below its own internal target of 55% |
| Waste Collection | Cost of waste collection service per household | £28.28 | £27.15 | £27.94 | £28.50 | ↓ | Continues to perform above target despite rising wages, fuel costs and rising agency prices. The cost per household still represents good value for money when benchmarked against similar authorities. |
| | Missed black and blue bin collections | 240 | 261 | 255 | 198 | ↑ | Closer working between supervisors and crews has led to a consistent improvement in performance throughout the year. Overall, there has been a 20% decrease in missed bins compared to the last financial year |
| | Missed black/blue bins collected within the SLA | 99% | 96% | 100% | 100% | → | Consistent performance as a result of improved working between supervisors and crews |

Table 3: Measures performing outside agreed tolerance levels for at least two consecutive periods

Corporate Health

| Measure | P1 Perf | P2 Perf | P3 Perf | P4 Target | P4 Perf | DoT | What is affecting performance? | What do we need to do to improve and by when? |
|---|------------|------------|-----------|-----------|----------|-----|--|---|
| Budget forecast outturn | 0.40% | 0.31% | 2.40% | 0% | 4% | | The actual figure for the period is £634k which equates to 4% of net revenue expenditure | Continue to monitor |
| Compliments received | 88 | 190 | 88 | 124 | 139 | ↑ | Customer satisfaction surveys resumed during the period which has led to an increase in compliments as predicted. | Continue to monitor |
| Complaints received | 32 | 35 | 40 | 42 | 40 | → | 40 complaints were received, of which 19 related to the quality of service received; 7 related to staff behaviour; 9 related to the decision made; 3 related to the process and 2 were out of scope. | Continue to monitor |
| % of complaints where the Council is at fault | 44% | 36% | 35% | 45% | 23% | ↑ | Performance has continued to improve during the year | Quality Monitoring Board continues to meet regularly to review upheld complaints |
| Digital demand | 44% | 38% | 28% | 40% | 40% | ↑ | The significant increase in online activity during the period can be attributed to renewal of garden waste subscriptions. | As part of the Customer First Programme, service redesigns commenced in February which should result in more services being offered online. |
| Calls answered within 21 seconds | 82% | 81% | 84% | 80% | 86% | ↑ | Performance has been consistently on or above target | Continue to monitor |
| Staff absenteeism | 0.4 days | 0.55 days | 0.57 days | 0.7 days | 0.6 days | ↓ | Performance remains above target | Continue to monitor |
| Service and system availability | 100% | 100% | 100% | 98% | 99% | ↓ | Performance remains above target | Continue to monitor |
| Time taken to pay invoices | 11.41 days | 11.53 days | 11 days | 30 days | 9.5 days | ↑ | Consistently above target throughout the year | The target has been revised for 2019/20 to reflect consistently high levels of performance |
| Effectiveness of Council communications | N/A | N/A | N/A | 70% | 85% | ↑ | This is an annual measure. Performance has improved significantly compared to last year's figure of 68% | Continue to monitor |
| Employee satisfaction | N/A | N/A | N/A | 65% | 93% | ↑ | This is an annual measure. Staff satisfaction is up 3% compared to last year | Continue to monitor and amend the target for the next financial year to reflect consistently high satisfaction scores. |

Programme Delivery

| Programme | RAG | What do we need to do to improve and by when? |
|---------------------|-------|---|
| Crematorium | Amber | On track |
| Customer First | Amber | On track |
| Housing | Amber | On track |
| Land and Property | Amber | On track |
| Leisure | Amber | On track |
| West Lindsey Growth | Amber | On track |
| ICT Programme | Amber | On track |

Table 5: Programme delivery

Appendix A: Service Exceptions

Asset and Facilities Management

A too ambitious income target for 18/19 has now been demonstrated by the service's under target performance. The combination of the less than anticipated use of the former Lidl (Riverside) car park and the extended temporary loss of Roseway car park (due to the development of the hotel) amounted to around a £30k loss of income against budget. This matter has now been reflected in the setting of the 2019/20 income target to reflect a more achievable goal.

| Measure | P1 Perf | P2 Perf | P3 Perf | P4 Target | P4 Perf | DoT | What is affecting performance? | What do we need to do to improve and by when? |
|---------------------------|---------|---------|---------|-----------|---------|-----|---|---|
| Rental income – car parks | £73,623 | £67,616 | £44,840 | £75,474 | £45,260 | ↓ | The financial forecast at the beginning of the year was based on the acquisition of Lidl car park, however, this doesn't necessarily equate to additional income at the levels suggested. | Ensure the financial target for 2019/20 is stretch based but achievable |

Table 6: Asset and Facilities Management performance exceptions

Benefits

2018-19 has been one of the busiest benefit years for change since 2011 with the introduction of Universal Credit full service for all clients' new claims which means Housing Benefit is closed for the majority of new working-age claims. The Benefits Team have successfully provided Digital and Budgeting Support for new Universal Credit claimants up to 31 March and have helped with the transition onto UC.

| Measure | P1 Perf | P2 Perf | P3 Perf | P4 Target | P4 Perf | DoT | What is affecting performance? | What do we need to do to improve and by when? |
|-----------------------------|---------|---------|---------|-----------|---------|-----|--|--|
| End to end processing times | 5.1 | 4.5 | 5.2 | 5 | 3.7 | ↑ | Improved performance during the period due to receiving new figures for 2019 state pensions and working age benefits which can be processed quickly. The introduction of UC has also reduced the processing times as there are fewer new claims for HB and CT Support. | Continue to monitor and ensure the targets for next year reflect changes to the service. |
| Claims older than 30 days | 22 | 20 | 14.3 | 25 | 9 | ↑ | The introduction of UC has resulted in fewer new claims for Housing Benefit and Council Tax support, thus allowing old claims to be dealt with quicker. | As above |

Table 7: Housing Benefit and Local Council Tax Support performance exceptions

Building Control

Building Control has had a challenging year both in terms of market share and fee income with an ambitious income target, with some months seeing income targets being exceeded but market share dropping. Conversely in other months we have fallen below our expected targets. In the last quarter the service has been striving to achieve its year end budgetary target which has unfortunately not been achieved. This follows the trend in planning's falling fee income applications which often has a direct impact on building control's ability to market our services for works happening in the district. The team have been working on some high profile applications, including the new crematorium, leisure centre and a number of new housing development applications.

| Measure | P1 Perf | P2 Perf | P3 Perf | P4 Target | P4 Perf | DoT | What is affecting performance? | What do we need to do to improve and by when? |
|------------------------------------|---------|---------|---------|-----------|---------|-----|---|--|
| Cost of the service to the Council | £4,748 | £8,479 | £15,141 | £54,469 | £25,336 | ↑ | Salary savings during the financial year have led to a lower than predicted cost. All vacancies have now been filled and this will be reflected in next year's performance. | Continue to monitor |
| Applications received | 102 | 211 | 144 | 150 | 137 | ↓ | The drop in applications for is typical for this time of year. | Performance is within tolerance for the year as a whole. |
| Market Share | 71% | 75% | 75% | 80% | 66% | ↓ | The downturn during period 4 is due to 1 housing site submitting 10 dwellings as individual applications rather than 1 single initial notice | Continue to monitor |

Table 8: Building Control performance exceptions

Contracts Management and Procurement

Across contract management and procurement a number of exercises have been undertaken in the last period. These include the renewal of the Village Hall Broadband contract which provides internet access at over 30 community venues across the District. LED lighting has been procured for the Guildhall and the audio-visual equipment in the Council Chamber has been upgraded. A new contract for the provision of temporary accommodation has been secured as has capacity to support the development of the Green Infrastructure strategy and ground investigation works for the depot project. Over the last two years, savings of approximately £100k have been achieved across a number of contract renewals.

| Measure | P1 Perf | P2 Perf | P3 Perf | P4 Target | P4 Perf | DoT | What is affecting performance? | What do we need to do to improve and by when? |
|--|---------|---------|---------|-----------|---------|-----|---|--|
| Savings generated through the Procurement Lincs exercise | £0 | £98,000 | £0 | £18,750 | £1,400 | ↑ | While performance for the period is below target, overall performance for the year has actually exceeded target by £24,400. | Further potential savings have already been identified for future procurement exercises and contract renewals. |

Table 9: Contracts Management and Procurement performance exceptions

Council Tax and NNDR

This has been a particularly challenging year for the council tax team with a number of staffing issues affecting performance and therefore the cost of the service being lower than anticipated. There has been an increase of £2.7 million in the amount of Council Tax collected this year compared to last year which equates to an overall in year collection rate of 98.08% of the council tax a slight reduction compared to last year of 0.07%. Performance across all other indicators has been maintained when compared to the same period last year. 40,291 annual council tax bills were posted in mid-March with 4,915 e-bills and there were no reported issues. During 2018/19 there has been an increase in over 1,200 customers opting to pay by direct debit and, despite the team promoting e-billing this does not appear to be a popular method of receiving bills with only a small increase of 491 in customers receiving e-bills. Business rate in year collection increased this year by 0.10% and saw an increase of £763,362 in the total sum collected.

| Measure | P1 Perf | P2 Perf | P3 Perf | P4 Target | P4 Perf | DoT | What is affecting performance? | What do we need to do to improve and by when? |
|---------------------------------------|------------|------------|------------|------------|------------|-----|--|--|
| Cost of service per property tax base | £3.24 | £7.32 | £6.09 | £9.10 | £5.58 | ↑ | March costs have not yet been posted which means the cost per property is slightly lower than it should be. There is also one member of staff on long-term sick leave. | A temporary member of staff has been recruited to cover long-term sickness absence which should lead to a more accurate reflection of performance showing in period 1 2019/20 when training is complete and they are able to work independently. |
| NNDR in year collection rate | 25.70% | 58.39% | 82.77% | 95.11% | 98.63% | ↑ | Performance for Q4 (and therefore year-end) has been consistently above target and is 0.10% higher than the previous financial year. | Continue with monthly monitoring of collection rate and monthly meetings with Revenue Manager of shared service. |
| NNDR collected | £4,594,918 | £5,694,071 | £4,219,174 | £2,550,000 | £2,662,165 | ↑ | Performance for Q4 (and therefore year-end) has been consistently above target and is 0.10% higher than the previous financial year. | Continue with monthly monitoring of collection rate and monthly meetings with Revenue Manager of shared service. |

Table 10: Council Tax and NNDR performance exceptions

Customer Services

We have continued to see demand for the Customer Services team increasing, with the biggest increases felt in face to face demand, which is costly to the Council. The cost of delivery has reduced in this quarter which is a result of successfully driving green garden waste demand to our website. Complaints continue to be resolved within target, which demonstrates that having a dedicated officer to work on complaints has led to a much improved service for the customer. Overall, the number of complaints has dropped this year but the complexity of the complaints received has increased. Further details about this will be provided to Members and Management Team in the annual Voice of the Customer Report 2018/19. Generally, it has been a busy year for the team and our demands are continuing to rise whilst staffing levels remain static. Some of this increased demand can be attributed to the customer services team now taking bookings on behalf of Trinity Arts Centre. Compared to 2017/18 the amount of emails being received has increased by 1,189, telephone calls have increased by 1,721

and face to face demand has increased by 6,371. This represents a total increase of 9,281 contacts over the year. In addition the total number of payments received into the Council has also increased from 452,569 to 471,364 an increase of nearly 19,000. Some of these payments do require the team to interact with customers. The only area that has seen a reduction is outgoing post which has reduced from 49,502 items to 40,638 this year a drop of 8, 864 items of mail. This is a result of a more proactive approach to collecting customer email addresses so that items can be sent by email resulting in a more efficient service for the customer and a cost saving to the Council.

| Measure | P1 Perf | P2 Perf | P3 Perf | P4 Target | P4 Perf | DoT | What is affecting performance? | What do we need to do to improve and by when? |
|---|---------|---------|---------|-----------|---------|-----|--|---|
| Cost of delivery per customer contact | £1.46 | £1.75 | £2.44 | £2.00 | £1.16 | ↑ | The local implementation of universal credit has increased the number of vulnerable customers who now access services face to face and this is set to continue in the foreseeable future | In 2019/20 we will further integrate email activity into the contact centre and implement web chat for customers so we can offer help via web chat and social media. We are undertaking service redesign work across all services which will allow more services to be accessed digitally. This will result in a decreased cost per customer contact. |
| Average time taken to resolve a complaint | 9 | 6.6 | 7.4 | 21 | 6.7 | ↑ | Performance has been above target throughout the year | Continue to monitor and embed the Customer First programme |

Table 11: Customer Services performance exceptions

Democratic Services

During the last quarter, Members attended a workshop on the draft Corporate Plan for 2019-2023 and a small group of Members finalised their work in identifying a suitable ICT device solution which meets their needs. This will be made available to all Members following the elections in May 2019. In terms of the forthcoming elections, the Member Induction Plan and Member Development Pan have been progressed to ensure that all Members will be suitably supported in fulfilling their duties effectively. Work to upgrade the AV facilities in the Council Chamber was completed. This project was well-run and the outcomes have been well received. The FOI service continues to meet its statutory targets despite a 33% increase in the number of FOI requests received in 2018/19 (763) compared to the previous year. Requests relating to matters concerning ICT, Planning and Homelessness have all risen. A focus is to be placed on reviewing the information the Council holds and determining what can be made publicly available, thereby reducing the number of FOI requests that require a formal response.

| Measure | P1 Perf | P2 Perf | P3 Perf | P4 Target | P4 Perf | DoT | What is affecting performance? | What do we need to do to improve and by when? |
|--|---------|---------|---------|-----------|---------|-----|---|--|
| Member satisfaction with training and development events | 100% | 100% | 100% | 90% | 100% | → | Performance has remained consistent across the year | Continue to monitor and ensure members are supported to carry out their duties effectively following the local elections in May. |

Table 12: Democratic Services performance exceptions

Development Management

Performance results demonstrate that Development Management has been able to maintain high performance levels into Q4 and across the year. Overall for 2018/19, 98% of major applications were determined within national targets and 98% of non-major applications. The number of appeals allowed for the year as a whole equates only to 1% of decisions which demonstrates the quality of decision making. Whilst the number of applications received each month is fairly consistent, with the target often exceeded, there has been a lot of variation from month to month with the income received from planning applications and pre-application enquiry fees. These fluctuations may be expected to continue as the development industry reacts to the wider economy, and allocated sites within the Central Lincolnshire Local Plan continue to come forward.

| Measure | P1 Perf | P2 Perf | P3 Perf | P4 Target | P4 Perf | DoT | What is affecting performance? | What do we need to do to improve and by when? |
|---|---------|---------|---------|-----------|---------|-----|--|---|
| % of 'major' planning applications determined within target | 92% | 100% | 100% | 70% | 100% | → | There were 9 major decisions determined within the period, all had a 100% turnaround time. | Continue to monitor. The target has been amended for 2019/20 to reflect high levels of performance. |
| % of other planning applications determined within target | 100% | 99% | 99% | 80% | 99% | → | Performance remains consistent and significantly above the statutory target | Continue to monitor. |
| Appeals allowed as a % of all decisions | 2% | 1% | 1% | 5% | 1% | → | There was 1 appeal allowed and 3 appeals dismissed during the period | Continue to monitor. |

Table 13: Development Management performance exceptions

Economic Development and Town Centre Management

The first claim has been submitted to the LEP for the Central Lincs Food Enterprise Zone to recover some of the initial planning/preliminary works carried out during 2016/17 and 2017/18. Caistor's Neighbourhood Plan working group and action plan have been established and feasibility work is currently being progressed on a number of key sites. In Saxilby, the 6,000 sq ft business workspace on Riverside Enterprise Park is expected to complete in April 2019, with a lot of market interest especially from SME businesses. In Gainsborough, delivery of three shops under Market Street Renewal has been completed with two already occupied. Four residential dwellings have been completed and are already occupied. The Travelodge is complete and open with good progress being made to secure an alternative operator for the ground floor restaurant space. Variation to the Grant Funding Agreement has been approved to support this.

In relation to the Housing Infrastructure Fund, in due diligence for the draw-down of £2.1m to support the Southern SUE, with Keepmoat Development making substantial progress on Phase 1 of the scheme, expecting commencement on site in late 2019.

Phase 1a of the Greater Lincolnshire Local Enterprise Partnership's (GLLEP) £4 million grant for Gainsborough has now been awarded to the Living Over the Shop pilot, a Living Over the Shop roll out and the Gainsborough Transport Study. The Living Over the Shop roll out has now been launched and the first application is likely to be approved in May 2019. Further due diligence on key housing sites to form a 'phase 2' is underway, the Council expects the delivery of 130 dwellings on the Japan Road/ Bowling Green Lane site with the assistance of the GLLEP grant to provide infrastructure for the site.

The Gainsborough Growth Fund Scheme was discontinued in its current format in Jan 2019. Residual monies have been reallocated to support delivery of other wider growth projects including the proposed District-wide Feasibility Fund. The team has commissioned a consultant to carry out a Green Infrastructure Study for Gainsborough to produce an agreed methodology to assist with planning to assess quality of open spaces and will assist with capturing and spending of green spaces development contributions. The commission will also look into any improvements to the Gainsborough Gateway area and provide a list of projects, prioritised and costed to assist the team with any future funding bids.

With regards to Discover Gainsborough, a marketing plan has been written to give the brand direction and in order to raise awareness of Gainsborough, increase visitor numbers and support the wider economy. The Discover Gainsborough / Mayflower 400 workshop took place on 7 Feb at Gainsborough Old Hall. Funding has become available from Mayflower 400 to destination partners (£5,000 each) to develop an online bookable product to drive awareness and commitment to visit. The product is primarily targeted at US visitors but could be promoted to the UK market. Work on the Love Lincolnshire Wolds website is still ongoing. There is a new leaflet called 'what's on in the Wold's' which will cover events throughout the year. These are being distributed via KM Media and Take One to get outside of the county. The destination management plan is still being reviewed.

We have now had our final Townscape Heritage review with National Lottery Heritage Fund and they have granted us permission to proceed with submitting our round two full application. If successful we will be awarded almost £1.5million along with match funding from West Lindsey, this will make a total of over £1.8million for building restoration in the Market Place and Lord Street.

In terms of skills, Made in Gainsborough is in progress for Year 2. Currently 18 Apprenticeship vacancies are being advertised with over 60 applicants to date. There is 100% Apprentice retention from Year 1 with all expected to complete the course successfully. Businesses joining the scheme has increased by a third. The College are looking to scale up the project with Phase 2 – this could include relocation to larger premises within the town. Ongoing support is being provided to Benjamin Adlard via a mentoring programme and a proposal to form a wider community hub. Positive discussion with the University of Lincoln and local employers resulting in a brochure to attract higher level skills.

Enforcement and Community Safety

There continues to be a high demand across the enforcement services, which is accompanied by excellent outcomes and a formal approach to the action taken to resolve them. Across the housing and planning work areas there are a number of ongoing prosecutions and civil penalties, which, if successful, continue to reinforce that the authority takes its enforcement role very seriously and will deal with offences using the powers it has available. Excellent progress has been made in the period in relation to planning enforcement, which has seen a revised closure process come into effect and the caseload reducing down due to the proactive work of officers to 78. This is a figure which is expected to be maintained to ensure that cases can be progressed effectively. Alongside this, across the last 4 months of 18/19, the average closure time has been 120 days, which again demonstrates the effective work undertaken. There is a commitment and desire to ensure that these timescales become the norm moving forward, which is in line with the requirements of the audit undertaken in 2018. There continues to be a high number of complex housing cases that are open, which the now fully resourced team are working to address. Over 40 formal notices have been served within the year, which have contributed to the improvement of over 80 private rented sector properties. The focus for the coming performance year is to ensure that a revised closure process is implemented and to continue to focus on the highest risk cases. In the selective licensing scheme there are now 595 licensed properties, which is an increase on the number initially expected when the scheme commenced. It is also believed that there are around 100 additional properties that could be licensable and officers are now focussed on ensuring that these are investigated. A large amount of resource is being focussed on the formal action relating to unlicensed landlords via either civil penalties or prosecutions and this will continue for the remainder of the scheme. Community Safety work has focussed on environmental issues, with the main area of work being the bagged waste collection areas within the South West Ward of Gainsborough.

There has been a marked improvement in the street scene appearance and a clear process for dealing with these issues is now in place and effective. Fixed penalty notices continue to be issued as required and there are ongoing investigations linked to licensing or fly tipping offences.

| Measure | P1 Perf | P2 Perf | P3 Perf | P4 Target | P4 Perf | DoT | What is affecting performance? | What do we need to do to improve and by when? |
|---|---------|---------|---------|-----------|---------|-----|---|--|
| Open planning enforcement cases | 134 | 125 | 119 | 120 | 103 | ↑ | Improved case closure procedures have led to a reduction in the number of open cases | Continue to embed new procedures |
| Number of open community safety complaints at month end | 48 | 64 | 62 | 40 | 57 | ↑ | There has been additional caseload as a result of issuing fixed penalty notices in relation to early presentation of waste. | Continue to monitor. Resources are in place to cope with this level of workload. |
| Number of open community safety cases at month end | 19 | 26 | 15 | 30 | 18 | ↓ | Performance has been consistently on or above target during the year. | Continue to monitor |
| Time taken to resolve a housing enforcement request | 211.5 | 142 | 156 | 90 | 165 | ↓ | Longer-term, complex cases remain open and are requiring formal action which impacts on the time taken to resolve requests | A review of performance reporting has taken place which resulted in a new set of measures that better reflect activity within the service. These new measures will roll-out in 2019/20 |

Table 14: Enforcement performance exceptions

Enterprise and Communities

Funding Our Community Grant Schemes have continued to support a wide range of projects with a good spread across the District. A slight increase in applications to our Match Funding Grant during Q3 and Q4 has increased the grants awarded. Very good levels of match funding secured as a result of Councillor Initiative Fund and Match Funding Grant. Allocation and spend from the Councillor Initiative Fund completed at the end of March 2019 with only nominal amounts left in the budget. A great take up of this scheme during the year and lots of very positive engagement between groups and our Elected Members. Core Community & Voluntary Sector funding review completed during Q4. New 3 year grant funding agreements agreed and currently being put in place for April 2019 onwards. Includes funding for services such as Citizens Advice, Volunteer Centre and Call Connect.

Transport Programme Appointment of new Community Rail Partnership Officer for the North Notts & Lincs Community Rail Partnership. Represents the partnership but employed by WLDC. New hourly Monday to Saturday service at Gainsborough Central Station due to start in May 2019. Agreements on station improvements and service delivery agreed during Q4. Service will connect Gainsborough Central to Sheffield via Retford and Worksop.

Community Right to Bid Only one new nomination received during Q4. Training workshop delivered during Q4 but low interest. Will be exploring comms during 2019/2020 to raise awareness amongst Parish and Town Councils.

Green Spaces Funding of £14,800 received from The Ministry for Housing, Communities & Local Government to support improvement works on parks and green spaces. Spending plan being prepared to meet funding criteria and expected to be confirmed in June 2019.

Place Based Working (South West Ward & Hemswell Cliff) Update report due to go to Prosperous Communities in July 2019 on our place based strategy and associated work. Positive work on-going with local partners in the South West Ward including X-Church and Benjamin Adlard Primary School. This includes exploring funding opportunity for community initiatives, management of pocket park space and mentoring scheme. Land management contract continuing at Hemswell Cliff as part of wider regeneration work. Positive results achieved with reductions in ASB, complaints, criminal damage and greatly improved surroundings and public realm. On-going work with local partners including the Parish Council to achieve a lasting change.

Community Defibrillators We have installed 19 defibrillators during 2018/2019 at various locations across the District. Continued interest and on-going partnership working with LIVES.

Healthy District

The leisure contract has continued to be embedded within the final quarter of the financial year. As previously reported the leisure contract is cost neutral in the first year but from year two will generate an income plus capital repayment. The refurbishment of West Lindsey Leisure Centre has demonstrated a pleasing upturn in the numbers of users and activities on offer. In quarter four usage has been over achieved by 13,500. Customer satisfaction has remained high at 95%, although there have been some issues relating to the wetside facilities in quarter four. Officers are working with the leisure contractors and users to ensure that the improvements are maintained. The leisure centre in Market Rasen is on track to open in May 2020.

| Measure | P1 Perf | P2 Perf | P3 Perf | P4 Target | P4 Perf | DoT | What is affecting performance? | What do we need to do to improve and by when? |
|---|---------|---------|---------|-----------|---------|-----|--|--|
| New participants at West Lindsey Leisure Centre | 467 | 1,129 | 798 | 600 | 1,142 | ↑ | Results for the period are following industry trend as higher numbers of people join the gym in January. | Good numbers of users are being attracted to the newly refurbished centre. |
| West Lindsey Leisure facilities usage | 51,240 | 96,674 | 65,632 | 78,750 | 92,303 | ↑ | As above | As above |

Table 15: Healthy District performance exceptions

Home Choices

Since March 2018 the Home Choices team have undertaken a period of transition. Capacity has been reduced due to periods of sick leave, staff leaving and others taking additional duties which meant there were fewer case officers. New legislation and a new IT system to support legislation as well as changes to Government reporting mechanisms has meant we have not been able to analyse data as quickly as we could have previously. However, there is now a full-team in place which will enable better management of caseloads. A performance workshop is also scheduled for April 2019 which will lead to identification of further service improvements where possible. Progress against the agreed actions from this workshop will be reported in the next P&D report. Performance is below target across the indicator set due to households being placed in temporary accommodation as a result of SWEP, complex households that are difficult to move on, waiting time affected by the Acis voids repair service and households being unable to access social rented housing, or refused from PRS. During period 4, there was a big impact from the implementation of the duty to refer which started in October 2018 in order to place a duty on statutory bodies to refer persons at risk of homelessness to the Council. This has led to a high number of prison leavers and high risk persons on probation referred to the Council which therefore had an impact on temporary accommodation usage and bed and breakfast nights.

| Measure | P1 Perf | P2 Perf | P3 Perf | P4 Target | P4 Perf | DoT | What is affecting performance? | What do we need to do to improve and by when? |
|-------------------------------|---------|---------|---------|-----------|---------|-----|--|--|
| Temporary accommodation usage | 15 | 23 * | 23 | 18 | 34 | ↓ | See above service commentary for detailed explanation | Performance workshop scheduled for 10 th April * P2 is a four month period |
| Bed and Breakfast Nights | 89 | 123 | 77 | 0 | 148 | ↓ | See above service commentary for a detailed explanation | Performance workshop scheduled for 10 th April |
| Homeless Prevention | 32 | 80 | 57 | 201 | 58 | ↑ | Criteria for prevention cases has changed and we are required to produce more information than ever before which adds time to the process due to the need to gather information from other teams (Benefits, DFGs etc). | We are still trying to find ways of capturing this data as this is resource intensive and requires other teams to change their reporting mechanisms. A senior officer is now in post which will increase the number of preventions moving forward. |

Table 16: Home Choices performance exceptions

Housing

The measures in relation to housing continue to show a consistent demand and consistent progress in ensuring that services are delivered effectively. The number of disabled facilities grants delivered remains consistent and the timescales in which they are delivered are all within target. During the previous period there was a staffing resource issue in this work area and existing officers have performed excellently to ensure that the service continues to meet the needs of customers. The average cost of a DFG remains higher than expected, however these costs have been consistently higher for some time. Across the County a framework for contractors has been agreed and is in place, which should ensure that costs stay consistent across different areas and remain at the same level for the coming years. Empty homes remain part of the day to day business of the work area and work has been undertaken to ensure that officers from different work areas are taking action in relation to empty homes and the issues that they cause. This has included a member of the environmental protection team becoming responsible for dealing with waste in gardens or any vermin related issues. This has enabled there to be more resilience when dealing with empty properties. The number of long term empty properties remain consistent and the housing assistance policy is helping those that wish to bring property back into use. It is proposed that the housing assistance policy is reviewed in summer 2019 and that the scope for empty property grants is widened to assist with addressing the number of long term empty properties across the wider district.

| Measure | P1 Perf | P2 Perf | P3 Perf | P4 Target | P4 Perf | DoT | What is affecting performance? | What do we need to do to improve and by when? |
|----------------------|---------|---------|---------|-----------|---------|-----|--|---|
| Average cost of DFGs | £9,864 | £7,259 | £7,094 | £4,000 | £6,214 | ↑ | Costs have been consistently higher for the last 18 months due to rising contractor costs. | A county wide framework for contractors has been agreed and is now in place which should ensure that costs stay consistent across different areas for the coming years. The target will be revised accordingly to reflect this for the next financial year. |

| Measure | P1 Perf | P2 Perf | P3 Perf | P4 Target | P4 Perf | DoT | What is affecting performance? | What do we need to do to improve and by when? |
|---|---------|---------|---------|-----------|---------|-----|---|--|
| Average days from DFG referral to completion | 119 | 124 | 132 | 120 | 133 | ↓ | A temporary vacancy and staff absence has led to a decrease in performance for the last two periods. Performance is within tolerance for the year as a whole. | Resource issues have been resolved and performance is expected to improve to within agreed tolerances in the new financial year |
| Long-term empty properties brought back into use through Council intervention | 3 | 2 | 7 | 25 | 3 | ↓ | Staffing resource has been limited in this area due to other priorities across work areas and secondments that have reduced officer time. | A staffing resource is now in place and the focus continues to be on the highest risk empty properties. Performance is expected to improve in the new financial year |

Table 17: Housing performance exceptions

ICT

Performance is within agreed tolerances across all performance measures, however, long-term sickness absence within the team has had an impact on incident and problem management and change management. Resources have been relocated to provide continuity of service and a new shift system has been implemented in order to provide ICT support from the earlier time of 8am. Excellent progress has been made on business as usual tasks alongside a significant amount of project work on telephones, Members' refresh and the desktop replacement.

Licensing

The provision of the licensing service has faced challenges this year due to numerous reasons, the principal ones being: 1) Implementation of new legislation regarding animal welfare has had a major impact on the staffing resources available, 2) Further challenges emerged due to the receipt of 128 more applications over the previous year, 3) reduced staff available. On a positive note, whilst it took longer to process the increased amount of applications, our income is £10k over budget. Officers have continued to react accordingly when faced with scenarios that have put public safety at risk, which at times the appropriate action has resulted in the revocation or refusal of licences.

| Measure | P1 Perf | P2 Perf | P3 Perf | P4 Target | P4 Perf | DoT | What is affecting performance? | What do we need to do to improve and by when? |
|---|---------|---------|---------|-----------|---------|-----|---|---|
| Number of licensing applications received | 147 | 299 * | 282 | 180 | 232 | ↓ | Performance has consistently been on or above target throughout the year. A higher number of applications during the second half of the year has contributed to the pressures in the service re processing times (see below). * it should be noted that p2 covers a 4 month period. | Continue to monitor |

| Measure | P1 Perf | P2 Perf | P3 Perf | P4 Target | P4 Perf | DoT | What is affecting performance? | What do we need to do to improve and by when? |
|--|---------|---------|---------|-----------|---------|-----|--|---|
| % of licensing applications processed within target time | 100% | 96% | 86% | 96% | 86% | → | A change in legislation and reduction in staff availability has led to increased processing times. A higher demand for the service (128 more applications compared to last year) has also placed additional pressure on resources. | Further resources have been allocated to the service which, once embedded, will lead to improved performance in the new financial year. |

Table 18: Licensing performance exceptions

Local Land Charges

Generally throughout the UK there has been a national reduction in property sales of around 20%, locally this figure is around 13% which has had a detrimental impact on the number of land charge searches received along with the associated income also. There have been 140 fewer paid for searches received this year and this has impacted on the amount of income received which is beyond the control of the service and largely dependent on the property market. The service is currently recruiting to fill a vacancy within the team and once the full team is established the expectation is that we will concentrate on offering the best possible service in order to increase our market share/revenue.

| Measure | P1 Perf | P2 Perf | P3 Perf | P4 Target | P4 Perf | DoT | What is affecting performance? | What do we need to do to improve and by when? |
|--------------------------------------|---------|---------|---------|-----------|---------|-----|--|--|
| Income received | £17,144 | £39,165 | £27,172 | £30,375 | £19,957 | ↓ | Income for the year as a whole is £18,061 below the expected target. This is as a result of a decrease in paid for searches received. The service has received fewer paid for searches this financial year, due to the down-turn in the property market which therefore impacts on income received. | This measure is determined by the property market. Uncertainties around the property market (as a result of the current economic climate and Brexit for example) means it is difficult to forecast a direction of travel for this performance measure. |
| Local Land Charges searches received | 440 | 924 | 633 | 579 | 684 | ↑ | Whilst the overall number of searches for the year as a whole has exceeded target, it is important to note that the majority of these are made up of non-paid for searches which do not contribute to the income received. The number of paid for searches has decreased over the last year which explains why income is below target. | The number of paid for searches is determined by the property market. Uncertainties around the property market means it is difficult to forecast a direction of travel for this performance measure. |

Table 19: Local Land Charges performance exceptions

Markets

Gainsborough Market continues to underperformance against targets and stall take-up by traders for the Tuesday market has declined throughout the year with a 19% decrease for the year overall when compared to the previous financial year. Stall take-up for the Saturday market has also declined by 22% for the year overall compared to the previous financial year. Looking at the market as a whole, there has been a 31% decrease in the number of stalls for this year compared to 2017/18 as a result of various factors including traders giving notice to take up other employment, adverse weather and long-term sickness for some of the market's usual traders. In house led operational changes have now been implemented which should lead to efficiency savings being made. The Council is seeking to understand options around different delivery methods for Gainsborough Market with an interim arrangement in place with Marshall's Yard in the meantime. After engagement with traders, a new payment system has been implemented with traders now required to pay market rent via debit/credit card. This new system has been well received by traders and has led to a decrease in monies owed to the Council. In 2019, the inaugural Gainsborough Food and Garden Festival is scheduled to take place over three days in June. This event will support the local community and shops and will have a positive impact on the Gainsborough Market.

| Measure | P1 Perf | P2 Perf | P3 Perf | P4 Target | P4 Perf | DoT | What is affecting performance? | What do we need to do to improve and by when? |
|-------------------------------------|---------|---------|---------|-----------|---------|-----|---|--|
| Average number of stalls - Saturday | 16 | 15 | 12 | 20 | 13 | ↑ | There has been a 22% decline in Saturday stalls this year compared to the previous year. Reasons include stall holders giving notice, adverse weather and long-term sickness absence for regular traders. | The Council is seeking to understand different delivery methods for the Gainsborough Market with an interim arrangement in place with Marshall's Yard in the meantime. |
| Average number of stalls - Tuesday | 40 | 38 | 36 | 60 | 34 | ↓ | There has been a 19% decline in Tuesday stalls this year compared to the previous year. See commentary above. | As above |

Table 20: Markets performance exceptions

Regulatory Services

The primary focus of the regulatory service work area has been to ensure that the resources available for food hygiene inspections are sufficient and enable the Council to meet its scheduled target from the Food Standards Agency. In the last reporting period additional information was provided to elected members in relation to the challenge faced in order to meet the FSA target. Measures have now been put in place via a review of the resources available in February 2019 and agreement from Management Team for additional resources in March 2019. This additional resource (1 FTE) will be in place by July 2019 after a recruitment process has been undertaken. Within the 2018/19 year a total of 248 scheduled inspections have taken place, alongside an additional 47 revisits and a further 35 proactive visits following complaints. Over the last 5 years, around 80% of scheduled inspections have been completed per annum and the performance this year is in line with this. The additional resources will enable the Council to seek to achieve a level of between 90 and 95% in the coming year, subject to the additional resource commencing in July 19. Officers continue to focus their inspections on the highest risk premises and the number of broadly compliant food premises has consistently remained at 97%.

| Measure | P1 Perf | P2 Perf | P3 Perf | P4 Target | P4 Perf | DoT | What is affecting performance? | What do we need to do to improve and by when? |
|--|---------|---------|---------|-----------|---------|-----|---|--|
| Nuisance complaints completed on time | 100% | 100% | 100% | 90% | 100% | → | Performance has remained consistent throughout the year | Continue to monitor |
| Number of registered food premises receiving a proactive inspection as per FSA standards | 43 | 77 | 57 | 90 | 71 | ↓ | There are insufficient resources to meet the FSA target. See service commentary above for a fuller explanation. | A business case was put together and presented to Management Team in March where it was agreed that additional resource (1 FTE) will be put in place by July 2019. |
| % of food premises rated 3* or above | 97% | 97% | 97% | 94% | 97% | → | Performance has remained consistently above target throughout the year | Continue to monitor |

Table 21: Regulatory Services performance exceptions

Street Cleansing

Performance throughout the service is within the parameters set at the beginning of the year despite some challenges. During period four, there has been a small decrease in cost per household, however, there will be challenges ahead with wage rises, increased agency costs and increasing fuel costs. Overall, street cleansing costs per household for 2018/19 was £12.21 which, when benchmarked through APSE, was the third lowest of all authorities in the Council's benchmarking group. The service continues to have strong links with communities, the success of the Great British Spring Clean initiative in March 2018 has helped in keeping communities engaged with further tidy ups during the year and there has been an 11% increase compared to the same period last year. With further community engagement, this trend is set to continue next year. Income generation for 2018/19 remains below target but within agreed tolerances, mainly due to a down-turn in this type of work. Weed spraying was completed in period three in line with the SLA with LCC and this is set to continue next financial year. WLDC's Schedule 4 EPA 1990 scheme has resulted in a reduction in the amount of abandoned shopping trolleys by 70%, as well as generating additional income for the Council. The street cleansing service continues to strive to deliver an excellent service to its stakeholders and again, for period four, compliments far exceed complaints. Over the year, complaints have fallen and results from this year's Citizens' Panel show a 71% satisfaction rate which is slightly down from last year's figure of 73.6%

| Measure | P1 Perf | P2 Perf | P3 Perf | P4 Target | P4 Perf | DoT | What is affecting performance? | What do we need to do to improve and by when? |
|------------------------|---------|---------|---------|-----------|---------|-----|----------------------------------|---|
| Volunteer Litter Picks | 25 | 23 | 18 | 15 | 21 | → | Performance remains above target | Continue to monitor |

Table 22: Street cleansing performance exceptions

Systems Development

The teams continue to deliver significant projects during the normal course of their work load. The Digital team is currently involved in the upgrade of some corporate systems (GIS & LLPG), and carrying out normal system development work. The Digital team is continuing to work with Rutland County Council by developing their website. The new Minerva site has recently been developed and launched in the new Office 365 environment. The technical team continues to proactively manage their work plan through the system development requests, and has successfully completed the Year End Processes and Roll-over, without incident. Our LLPG & SNN officer continues to manage the LLPG and maintains the standard of Gold for the majority of the year. The recent appointment of a Trainee System Development Officer has secured a permanent role for the apprentice who has recently completed his training.

| Measure | P1 Perf | P2 Perf | P3 Perf | P4 Target | P4 Perf | DoT | What is affecting performance? | What do we need to do to improve and by when? |
|----------------------|---------|---------|---------|-------------------|---------|-----|----------------------------------|---|
| LLPG Standard | Gold | Gold | Gold | National standard | Gold | → | Performance remains above target | Continue to monitor |
| Website availability | 100% | 100% | 98% | 98% | 100% | → | Performance remains above target | Continue to monitor |

Table 23: Systems Development performance exceptions

Trinity Arts Centre

Period 4 opened with a very strong January aided by the sell-out performances of Roy 'Chubby' Brown and Pop Folk Duo Ward Thomas. These performances, along with many others welcomed new audiences to Trinity this period and a gradual diversification of audiences has begun to occur. We were lucky to host an incredible performance of 'The Shy Manifesto' which joined us on its national tour and equally 'Murder, She Didn't Write' which achieved an incredible occupancy rate for that genre. This period also welcomed regular venue hirers on the new charge scale who saw the value for money in the service we provide. The increase in charge enables us to operate more efficiently and with better resources. Our children's festival in half-term had to have additional workshops scheduled due to the original ones selling out ahead of the day. We are now looking to run regular weekly workshops to engage young people in the area and collaborate closely with the local schools. Trinity has also undergone some structural development, including the installation of LED lighting in the public areas and the bar has been redecorated making the area more welcoming and warm for patrons.

| Measure | P1 Perf | P2 Perf | P3 Perf | P4 Target | P4 Perf | DoT | What is affecting performance? | What do we need to do to improve and by when? |
|--------------------------|---------|---------|---------|-----------|---------|-----|---|--|
| Cost of the TAC per user | £4.16 | £4.51 | £3.50 | £5.50 | £2.67 | ↑ | Sell-out performances during the period led to higher audience figures and therefore a lower cost per user. This figure is also influenced by an improved operating and business model. | Continue to embed changes already implemented. |

| Measure | P1 Perf | P2 Perf | P3 Perf | P4 Target | P4 Perf | DoT | What is affecting performance? | What do we need to do to improve and by when? |
|-------------------------|---------|---------|---------|-----------|---------|-----|---|--|
| Received surplus | £14,164 | £22,219 | £21,871 | £10,500 | £19,333 | ↓ | New charging scale, increased audience figures and improvements to the operating and business model have all contributed to higher than anticipated performance. | Continue to embed changes already implemented. |
| Audience Figures | 3,048 | 6,414 | 5,747 | 2,700 | 4,548 | ↓ | Sell out performances from Roy 'Chubby' Brown and Ward Thomas, and other popular shows have led to higher than anticipated audience figures for the post-Christmas period | Continue to pursue ambitious events programming |
| Average event occupancy | 45.5% | 52.5% | 43% | 55% | 49.6% | ↑ | Whilst performance continues to fall below target, this is a result of the introduction of multiple screenings which has led to a rise in audience figures. A wider choice of viewings therefore leads to an inevitable fall in average occupancy | This indicator is being reviewed for 2019/20 to reflect the changes to the programming structure at TAC. |

Table 24: Trinity Arts Centre performance exceptions

Waste Collection

Performance throughout the service is within the parameters set at the beginning of the year despite some challenges. The recycling rate has dropped but is still within tolerance. This is due to garden waste collection now being a chargeable service and the hot summer which reduced grass growing considerably. We are working closely with the Lincolnshire waste partnership to be able to offer a more comprehensive recycling collection service and 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 likely encourages recycling. Missed collections have seen a 20% decrease compared to last year as a result of improved working practices. The cost of service is £28 per household which even with rising wages, agency costs and fuel costs is still an excellent rate when benchmarked with others. The chargeable green waste service has also brought this figure down by nearly £20 per household. Commercial Waste continues to outperform predictions in the Business Case and has brought in considerable income and now has over 350 customers. Over the year complaints have dropped and compliments are now well out weighing complaints. Results from last year's citizen's panel show that an 89.6% satisfaction rate with the service which is slightly down from last year but this was to be expected with the charge on the green waste service.

| Measure | P1 Perf | P2 Perf | P3 Perf | P4 Target | P4 Perf | DoT | What is affecting performance? | What do we need to do to improve and by when? |
|---|---------|---------|---------|-----------|---------|-----|--|--|
| Cost of waste collection service per household | £28.28 | £27.15 | £27.94 | £45.37 | £28.50 | ↓ | Continues to perform above target despite rising wages, fuel costs and rising agency prices. | The cost per household still represents good value for money when benchmarked against similar authorities. |
| Missed black and blue bin collections | 240 | 261 | 255 | 345 | 198 | ↑ | Overall, there has been a 20% decrease in missed bins compared to the last financial year | Continue to embed improvements |
| Missed black/blue bins collected within the SLA | 99% | 96% | 100% | 95% | 100% | → | Consistent performance as a result of improved working between supervisors and crews. | Continue to embed improvements |

Table 25: Waste Collection performance exceptions

Agenda Item 5d



**Corporate Policy and
Resources Committee**

13 June 2019

Subject: Budget Consultation Proposal

Report by:

Executive Director of Resources

Contact Officer:

Ian Knowles
Executive Director of Resources
01427 675183
ian.knowles@west-lindsey.gov.uk

Purpose / Summary:

To provide Members with the proposal to run the budget consultation in 2019, to inform the 2020/21 budget.

RECOMMENDATION(S):

That Members agree the proposal for consulting on the 2020/21 budget.

IMPLICATIONS

Legal: None

Financial : FIN 38/20/TJB

Cost of the video, events and survey will be contained within existing budgets.

Staffing :

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

x

Key Decision:

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

Yes

No

x

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 there is 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 West Lindsey District Council (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 from last year's consultation. These would include 3 events and an online and paper survey. To ensure that all residents receive the same message it is proposed that a video is produced to introduce the situation the council is currently in. The responsible officer for this work is Ian Knowles,

Executive 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
- Identify what areas of the Corporate Plan and the Business Plan should be prioritised.

3. Who and how to involve

3.1. The stakeholders to be consulted on this subject would be:

- National Non-Domestic Rate (NNDR) payers
- Residents
- Citizens' Panel members

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

3.2. To ensure inclusivity and to allow as many residents as possible to take part there are a number of different routes to take part. These routes include events, online and paper survey and written submissions:

- Online and paper survey – to ensure as many views on the consultation as possible there would be an online and a matching paper survey which would be available to those on the Citizen Panel and any other resident that wishes to take part through requesting a survey, going onto the WLDC website or through an invite from the Citizen Panel.
- Events – 3 will be held in Nettleham, Caistor and Gainsborough. These venues have been chosen due to the amount of attendance at previous events. These events would match the content of the surveys. Informal feedback at the previous events showed that residents found this format informative.
- Social Media –the consultation would be advertised on both Twitter and Facebook to try to spread the chance for residents to take part as widely 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.

4. Timescales

4.1. A draft timescale of the proposal is included as Appendix A.

5. Survey contents

- 5.1. A copy of the draft survey can be found at Appendix B.

6. Video

- 6.1. The aim of the video is to promote the council and what it does for customers (residents/businesses). The aim is to showcase what services WLDC delivers and concentrate on all areas of the district not just the main three market towns. It is proposed to have this video to ensure the same message is received by all respondents to the survey rather than only those which attend the events. The authority is also seeking residents' priorities for the council rather than previously where we have asked what should be reduced in terms of service budgets.

- 6.2. Key documents to consider:

- Corporate Plan – focusing on People, Place and Council

- Key messages – Our challenge is:
 - For the second year running, we will receive no funding from central government
 - Areas of the district are among the most deprived in the UK which impacts education, ASB, Health and housing standards.
 - Need to expand economic growth across the area to increase jobs and housing
 - High expectations from residents.

- Map of the District – want to showcase the whole area and not just the three market towns.

- 6.3 Interviews:

- ❖ Executive Director of Resources – Ian Knowles
- ❖ Executive Director of Commercial and Economic Growth – Eve Fawcett-Moralee
- ❖ Leader of the Council - Cllr Giles McNeill

Appendix A – Proposed Timescale

| Action | Start date | Finish Date | Responsible Officer |
|---|----------------------------|-------------------|---------------------|
| Details of consultation to Corporate Policy and Resources Committee | | 13 June 2019 | Ian Knowles |
| Video to Corporate Policy and Resources Committee members | | 1 July 2019 | Ian Knowles |
| Open consultation | 8 July 2019 | | Katy Allen |
| Advertise consultation | 1 July 2019 | 1 September 2019 | Julie Heath |
| Event – Nettleham | TBC | | Katy Allen |
| Event – Gainsborough | 23 rd July 2018 | | Katy Allen |
| Event - Caistor | TBC | | Katy Allen |
| Close consultation | | 2 September 2019 | Katy Allen |
| Inputting of data | 22 July 2019 | 6 September 2019 | Katy Allen |
| Analysis | 9 September 2019 | 13 September 2019 | Katy Allen |
| Draft report | | 18 September 2019 | Katy Allen |
| Report to Policy and Resources Committee | | 7 November 2019 | Ian Knowles |

Appendix B – Draft survey



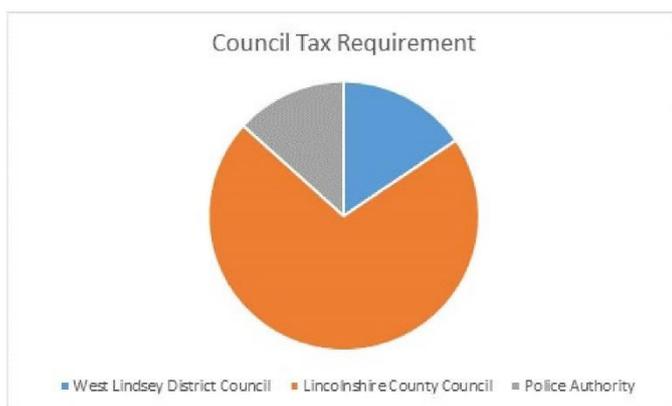
West Lindsey District Council Budget Consultation 2019

HELPFUL HINTS FOR COMPLETING THIS QUESTIONNAIRE

- Please read each question carefully. In most cases you will only have to tick one box but please read the questions carefully as sometimes you will need to tick more than one box, or write in a response.
- Once you have finished please take a minute to check you have answered all the questions that you should have answered.
- If you have any questions about this survey please email Katy Allen on katy.allen@west-lindsey.gov.uk or ring on 01427 675149.

Section 1: Council Tax

Local Councils, the Police and Fire Authorities fund their services through government grant, fees and charges, Business Rates and Council Tax. There is one council tax bill for each domestic dwelling whether it is a house, flat, mobile home or houseboat. We collect the council tax on behalf of Lincolnshire County Council, the Police and Crime Commissioner and Parish and Town Councils. West Lindsey District Council share of your overall Council Tax is 12.22% (excluding Parish/Town Council Precepts) which for a band D property in 2019/20 is £213.47 per year.



1. Having watched the video what level of council tax increase would you agree to? **Please tick one box only**
- 0% change - A 0% change would give West Lindsey a total level of council tax income of £6.3m.
 - 1% increase - A 1% increase would mean a 4 pence per week increase for a band D property on the West Lindsey proportion of council tax and would give West Lindsey a total level of council tax income of £6.37m.
 - 2% increase - A 2% increase would mean a 8 pence per week increase for a band D property on the West Lindsey proportion of council tax and would give West Lindsey a total level of council tax income of £6.43m.
 - 3% increase - A 3% increase would mean a 12 pence per week increase for a band D property on the West Lindsey proportion of council tax and would give West Lindsey a total level of council tax income of £6.49m.

Section 2: Corporate Plan 2019-2023

The Corporate Plan is the key corporate document which outlines the priorities and objectives for the Council and the District over the next four years. A summary of this document has been enclosed with this survey however, a full version can be found at www.west-lindsey.gov.uk/corporateplan or by contacting the council.

Three themes have been identified in the Corporate Plan which are Our Council, Our People and Our Place and each have a set of focal points as illustrated below:



2. Please highlight from Our People which focal point would be your highest priority: **Please tick one box only**
- Health and Wellbeing - to reduce health inequalities and promote wellbeing across the district through the promotion of healthy lifestyles.
 - Vulnerable Groups and Communities - to create strong and self-reliant communities and promote positive life choices for disadvantaged residents.
 - Education and Skills - to facilitate the creation of a highly educated and skilled workforce, that meets the present and future needs of the local and wider economy.
3. Please highlight from Our Place which focal point would be your highest priority: **Please tick one box only**
- Economy - to ensure that economic regeneration in West Lindsey is sustainable and benefits all of our communities.
 - Housing Growth - to facilitate quality, choice and diversity in the housing market, assist in meeting housing need and demand and deliver housing related services to support growth.
 - Public Safety and Environment - to create a safer, cleaner district in which to live, work and socialise.

4. Please highlight from Our Council which focal point would be your highest priority: **Please tick one box only**
- Finances - to remain financially sustainable.
 - Customer - to put the customer at the centre of everything we do.
 - Staff and Member - to maintain our position as a well-managed and well-governed council.

Section 3: Executive Business Plan

The Executive Business Plan sets out the actions to be taken by the council to deliver the Corporate Plan over the next three years. These actions are split into the 3 themes outlined in the Corporate Plan.

5. Which of the following actions within the Our People theme should be our priority: **Please tick one box only**
- Customer First Programme - access to services through different methods as required by the customer and at times convenient to the customer. Timely and accurate responses, improved customer experience whilst increasing productivity and maintaining or reducing costs.
 - Review of the Waste Depot facilities- to be delivered by December 2020
 - Consider food waste and review dry recycling collections - increase in quality and value of recycling
 - Charging for food safety re-inspections - ensuring safer food premises for the customer
 - Continue with use of technology for anti-social behaviour/enforcement and CCTV - ensures safer communities, higher detection rates and a bigger deterrent
6. Which of the following actions within the Our Place theme should be our priority: **Please tick one box only**
- Housing and Social regeneration - Having housing solutions to meet the needs of our diverse and vulnerable communities, regeneration of areas and addressing private sector property standards.
 - Growth agenda - making West Lindsey an investable district. Currently over £10 million received in capital grants to regenerate Gainsborough and Hemswell Cliff with further direct investment made in Market Rasen on £6.5 million on the leisure centre. These will increase the number of residents in the district and help to sustain the tax base which in turn will help to tackle the poverty which exists in areas of the district.
 - Commercial projects - Completion of the existing projects such as the crematorium and Market Rasen leisure facility and continuation of further income generating opportunities. These projects will look at maximising health and the well being of residents in the district.
7. Which of the following actions within the Our Council theme should be our priority: **Please tick one box only**
- Finance - to have an improved, modernised and customer focused finance team which delivers better value to the services. Continued excellence in financial and management accounting and reporting.
 - Performance and Programme Management - To ensure that performance management is embedded within the organisation and that programme management is part of our culture to ensure that these drive efficiencies.
 - Governance and Policy - Increased efficiency across the service and improved support to services to deliver procurement savings.
 - People and Organisational Development - Improved customer focused culture whilst delivering a fit for purpose workforce for the 21st century.
 - Information and communication technology - Deliver an ICT infrastructure which supports the customer focused service.

Section 4: New Homes Bonus

New Homes Bonus (NHB) is a government grant awarded to the council based on the number of new properties in the district which now generate council tax. The amount awarded is based on a national average council tax and the councils' benefit by circa £1,500 per property. The current policy is that NHB is used to support regeneration and growth projects throughout the district. The council receives circa £100k per annum in NHB over a period of 4 years. 79 Parish Councils raise £2m in Parish Precepts which is between 2.2% and 39.2% (average 24% currently) of the West Lindsey District Council tax bill.

8. How should New Homes Bonus be utilised in West Lindsey? **Please tick one box only**
- Provide an allocation based on number of new properties in their Parish.
 - Provide an allocation through a Communities Grant Funding Scheme in which they can all bid for local schemes.
 - Use all New Homes Bonus to support growth and regeneration across West Lindsey.
9. Should New Homes Bonus be used to support the revenue budget? **Please tick one box only**
- Yes
 - No

Section 5: Comments

- 10 Are there any services which West Lindsey do not currently deliver that you feel we should be providing?

11. Any other comments you wish to make regarding this consultation:

- 12 Panel reference:

Thank you very much for your time completing this survey.
Please send it back in the enclosed prepaid envelope by the date noted in the enclosed letter.

CPR Work Plan as at 5 June (to May 2020)

Purpose:

This report provides a summary.

Recommendation:

1. That members note the workplan.

| Date | Title | Lead Officer | Purpose of the report |
|---------------------|---|--|--|
| 25 JULY 2019 | | | |
| 25 Jul 2019 | Caistor Southdale Development | Karen Whitfield, Communities & Commercial Programme Manager | To approve plans for GP and residential development |
| 25 Jul 2019 | Progress and Delivery Report - Period 1 2019/20 | Mark Sturgess, Executive Director of Operations | This report presents performance of the Council's key services against agreed performance measures and indicates areas where improvements could be made, having regard to the remedial measures set out in the report. |
| 25 Jul 2019 | Budget Monitoring and Treasury Performance Period 1 | Tracey Bircumshaw, Strategic Finance and Business Support Manager | To provide members with the financial and treasury performance as at May 2019 |
| 25 Jul 2019 | Gainsborough Green Corridor & Riverside Walk Acquisition | Jo Walker, Growth & Regeneration Manager | To seek approval to pursue the acquisition of land adjacent to the River Trent for the purposes of extending and completing the Riverside Walkway in Gainsborough. To seek approval to make a final funding bid to support the works to extend the walkway and to carry out related ecological improvements to the river corridor and nearby green spaces. |

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| | | | |
|-------------|--------------------------------|--|--|
| 25 Jul 2019 | 5-7 Market Place Refurbishment | Wendy Osgodby, Senior Growth Strategy & Projects Officer | The refurbishment of 5-7 Market Place, including significant structural works. |
|-------------|--------------------------------|--|--|

19 SEPTEMBER 2019

| | | | |
|-------------|--|---|--|
| 19 Sep 2019 | To introduce a Data Protection Appropriate Policy Document | Steve Anderson, Data Protection Officer | To introduce a Data Protection Appropriate Policy Document to comply with the Data Protection Act 2018 |
|-------------|--|---|--|

| | | | |
|-------------|--|---|--|
| 19 Sep 2019 | Introduction of a Privacy Management Framework | Steve Anderson, Data Protection Officer | Introduction of a Privacy Management Framework to demonstrate compliance with the GDPR principle of accountability |
|-------------|--|---|--|

7 NOVEMBER 2019

| | | | |
|------------|---|---|--|
| 7 Nov 2019 | Progress and Delivery Report - Period 2 2019/20 | Mark Sturgess, Executive Director of Operations | To present performance of the Council's key services against agreed performance measures and indicate where improvements should be made, having regard to the remedial action set out in the report. |
|------------|---|---|--|

| | | | |
|----------|---------------------------------|--------------------------------------|----------------------------------|
| Nov 2019 | Proposed Fees & Charges 2020/21 | Sue Leversedge, Principal Accountant | proposed fees and charges for CP |
|----------|---------------------------------|--------------------------------------|----------------------------------|

| | | | |
|------------|--|---|---|
| 7 Nov 2019 | Budget and Treasury Monitoring Mid Year Review 2019/20 | Tracey Bircumshaw, Strategic Finance and Business Support Manager, Sue Leversedge, Principal Accountant | Forecast outturn position as at 30th September 19 |
|------------|--|---|---|

9 JANUARY 2019

6 FEBRUARY 2020

| | | | |
|------------|--|--------------------------------------|---|
| 6 Feb 2020 | Corporate Policy & Resources Committee Draft Budget 2020/21 & estimates to 2024/25 | Sue Leversedge, Principal Accountant | draft budget for PC & CPR budgets 2020/21 - 2024/25 |
|------------|--|--------------------------------------|---|

| | | | |
|------------|---|---|---|
| 6 Feb 2020 | Progress and Delivery Report - Period 3 2019/20 | Mark Sturgess, Executive Director of Operations | To present performance of the Council's key services against agreed performance measures and indicate where improvements should be made, having regard to |
|------------|---|---|---|

the remedial action set out in the report.

| | | | |
|------------|--|--|--|
| 6 Feb 2020 | Budget and Treasury Monitoring Period 3 2019/20 | Tracey Bircumshaw, Strategic Finance and Business Support Manager, Sue Leversedge, Principal Accountant | forecast outturn position as at 31st December 2019 |
|------------|--|--|--|

9 APRIL 2020

| | | | |
|------------|--|--|--|
| 9 Apr 2020 | Budget and Treasury Monitoring Period 4 2019/20 | Tracey Bircumshaw, Strategic Finance and Business Support Manager, Sue Leversedge, Principal Accountant | to report final outturn position 2019/20 |
|------------|--|--|--|

By virtue of paragraph(s) 3,4 of Part 1 of Schedule 12A
of the Local Government Act 1972.

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of the Local Government Act 1972.

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