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West Lindsey District Council

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AGENDA

<u>This meeting will be recorded and the video archive published on our website</u>

Corporate Policy and Resources Committee
Thursday, 13th February, 2020 at 6.30 pm
Council Chamber - The Guildhall

Members: Councillor Giles McNeill (Chairman)
Councillor Mrs Anne Welburn (Vice-Chairman)
Councillor Owen Bierley
Councillor Matthew Boles
Councillor Stephen Bunney
Councillor David Cotton
Councillor Michael Devine
Councillor Ian Fleetwood
Councillor Paul Howitt-Cowan
Councillor John McNeill
Councillor Mrs Mandy Snee
Councillor Robert Waller
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**
   To confirm as a correct record the Minutes of the previous meeting.

   i) For Approval

   Corporate Policy and Resources Committee meeting 9 January 2020. (PAGES 3 - 8)

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

Large Clear Print: Braille: Audio: Native Language

ii) For Noting

Joint Staff Consultative Committee meeting on 16 January 2020. (PAGES 9 - 13)

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

5. **Matters Arising Schedule** (PAGES 14 - 16)
Setting out current position of previously agreed actions as at 5 February

6. **Public Reports for Approval:**

i) Compassionate Leave Policy (PAGES 17 - 23)

ii) Review and rationalise information security policies (PAGES 24 - 50)

iii) Social Media Policy Review (PAGES 51 - 64)

iv) Progress and Delivery Report - Period 3 2019/20 (PAGES 65 - 91)

v) Nominate Director for Market Street Renewal (PAGES 92 - 95)

vi) Budget and Treasury Monitoring Period 3 2019/20 (PAGES 96 - 140)

vii) Corporate Policy & Resources Committee Draft Budget 2020/21 & estimates to 2024/25 (PAGES 141 - 209)

viii) Executive Business Plan, Medium Term Financial Strategy and Plan 2020/21 - 2024-25 (PAGES 210 - 339)

7. **Committee Work Plan** (PAGES 340 - 341)

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

9. **Executive Business Plan - Exempt Appendices** (PAGES 342 - 344)

Ian Knowles
Head of Paid Service
The Guildhall
Gainsborough

Wednesday, 5 February 2020

WEST LINDSEY DISTRICT COUNCIL

MINUTES of the Meeting of the Corporate Policy and Resources Committee held in the Council Chamber - The Guildhall on 9 January 2020 commencing at 6.30 pm.

Present: Councillor Giles McNeill (Chairman)
Councillor Mrs Anne Welburn (Vice-Chairman) (until item 73)

Councillor Owen Bierley
Councillor Matthew Boles
Councillor Stephen Bunney
Councillor David Cotton
Councillor Michael Devine
Councillor Ian Fleetwood
Councillor Paul Howitt-Cowan
Councillor John McNeill
Councillor Mrs Mandy Snee
Councillor Robert Waller
Councillor Trevor Young

In Attendance:

Ian Knowles	Chief Executive
Tracey Bircumshaw	Strategic Finance and Business Support Manager
Ellen King	Senior Performance Officer
James Welbourn	Democratic and Civic Officer

Apologies: None.

67 PUBLIC PARTICIPATION PERIOD

There was no public participation.

68 MINUTES OF PREVIOUS MEETING

In response to Councillor's comments regarding other Members' behaviour, the Chairman advised how complaints of such a nature should be raised, but ruled that the intervention was not related to the accuracy of the minutes.

The minutes of the meeting held on 4 December 2019 were approved as a correct record.

69 DECLARATIONS OF INTEREST

Councillors Paul Howitt-Cowan, Stephen Bunney, Owen Bierley and Anne Welburn declared an interest in item 71, as they were members of the Leisure, Culture and Events Working

Group. This did not preclude them from speaking, or voting on this item.

Councillor Anne Welburn declared that she was a member of the Progress and Delivery working group that helped to formulate the measures in item 72. This did not preclude her from taking part in, or voting on this item.

70 MATTERS ARISING SCHEDULE

The Democratic and Civic Officer introduced the matters arising, and informed Members that a briefing note on the leisure contract would be circulated to them by email.

Note: Councillor Matt Boles entered the Chamber at 1837.

The remaining matters arising were noted.

71 TRINITY ARTS CENTRE LIGHTING

Members considered a report requesting an increase in funding for the upgrade to lighting and communications systems at the Trinity Arts Centre.

£60,000 had previously been approved in November at the Corporate Policy and Resources committee for health and safety investments at the Trinity Arts Centre. Following market testing, it had been identified that an additional £20,000 was required for lighting from the £500,000 capital budget allocated to the Trinity Arts Centre.

Following this introduction, Members provided comment, and asked questions on the report. Further information was provided:

- There was an able manager at the Trinity Arts Centre, which was in the process of improving. This should be considered an investment;

- The increase from the original figure of £60,000 was attributed to receiving quotations in excess of the original estimate. Unfortunately, it was not possible to go to procurement without first getting the approval to spend.

  The estimates were originally in the Business Plan for 2019-2024, but new estimates had flagged up that the budget of £60,000 would not be enough;

- In future, more robust estimates should be gathered;

- There were a number of risks at Trinity Arts Centre; one of these was a mechanical risk due to the requirement of using ladders.

At the end of discussions, the Chairman moved an amendment to the written recommendation; the written recommendations had previously been moved and seconded. The amendment was accepted by committee, and therefore it was **RESOLVED** to:

Agree increased funding of up to £20,000 (with a margin of 10%) in order that the upgrade to lighting and communications systems at the Trinity Arts Centre may be carried out.

72 APPROVAL OF THE COUNCIL'S PROPOSED PERFORMANCE MEASURES

Members considered a report on proposed performance measures for future progress and delivery reports, and the proposed performance reporting framework for 2020/21.

The Senior Performance Officer introduced the report, and highlighted the following points:

- The performance measures were reviewed on a yearly basis; officers engage with managers, who attend the Progress and Delivery Working Group. This year Elected Members were given greater ownership of these measures.

  This new process had been explained to members of Overview and Scrutiny Committee in June 2019, after work by the Progress and Delivery Working Group;

- A series of meetings had been held with managers; this had been a robust process with an adopted approach of a balanced scorecard;

- The Progress and Delivery Working Group had met in November 2019 to consider and feed into any new performance measures, as well as scrutinising targets;

- Currently, the Progress and Delivery periods were as follows:
  - Period 1 covered 2 months of the year;
  - Period 2 covered 4 months of the year;
  - Periods 3 and 4 covered 3 months of the year.

  This schedule did not allow for correct benchmarking, and did not give an accurate picture of performance. The proposal in the report was to move to a system of four equal performance reporting periods, which was in line with standard Local Authority practice.

  To make this possible quarterly performance reports would be taken to Management Team, an internal management meeting. Members would be made aware through the Members' Newsletter;

- Performance reports would be brought to both the Prosperous Communities and Corporate Policy and Resources Committees, along with the Overview and Scrutiny Committee at the end of the second quarter of the municipal year, and then again at the end of that year. This would allow for more detailed information; this approach had been acknowledged and supported by the Progress and Delivery Working Group.

Following this introduction, further comment was provided by Members:

- Having equal quarters for reporting was a positive move;

- It can be seen as frustrating that some measures have a 'star' rating whereas others have a percentage score;

- There were members of the public who are dissatisfied with certain services of the authority but haven't responded through feedback;

- In the opinion of one Councillor, users of Council services were unlikely to give low ratings unless they were really dissatisfied. A more interesting piece of feedback would be the 'mid-rating';

- Some of the measures contained within the report were contingent on the consultation on the Central Lincolnshire Local Plan;

- One Member expressed concern that more Members should have been involved, and that there wasn't enough consultation. This view was not supported by other Members that had attended, nor the officers that had carried out the work.

- Other Members expressed that they had difficulty in understanding some of the performance measures; for example the home choices process that resulted in long term accommodation. Sometimes there was room for simpler performance measures, and it is always best if measures can be understood by all members of the public;

The Senior Performance Officer responded to comments with the following information:

- Five Members were invited to take part in the Progress and Delivery Working Group; this number was standard for Member working groups across the Authority. One session was held, lasting two hours, with the Chief Executive present, along with officers from the Programmes and Performance Team. One Member received a briefing outside of this meeting as he was unable to attend the session.

- Indicators in the report that don't have targets attached were income based measures; officers were tied by the budget process. Targets that have been set would align with financial targets in the budget.

RESOLVED to:

1) Approve the proposed changes to the performance reporting framework for 2020/21 onwards as follows:

(a) Reporting periods are realigned to four equal quarters of three months each in line with standard local government practice;
(b) All Councillors receive a full copy of the quarterly Progress and Delivery report via the Members' newsletter. This is a more transparent process that will ensure all Councillors will have the opportunity to review and comment on the Council's performance;
(c) Progress and Delivery reports are presented to the Council's policy committees and Overview and Scrutiny Committee bi-annually (at the end of quarters two and gour) in order to continue to fulfil the Council's constitutional requirements.

2) Approve the proposed Progress and Delivery performance measures for 2020/21;

3) Note the basket of Corporate Plan performance measures which have been updated for the Council's new Corporate Plan covering

the period up to 2023.

73 RESERVES STRATEGY AND ANNUAL REVIEW OF RESERVES 2019/20

Members considered a report on the proposals informed through the annual review of reserves process.

The report detailed the statutory requirements and the response of the Chief Finance Officer, whilst also containing the strategy detailing the purpose for which the Authority held reserves.

The Deputy Section 151 Officer also highlighted the following points:

- The purpose of the General Fund working balance was to mitigate any in-year budget risks;

- The annual review of reserves was undertaken prior to the Medium Term Financial Plan. The balances at 31 March 2019 were:
    - General Fund working balance totalled £3.849m;
    - General Fund Earmarked Reserves totalled £15.834m;
    - Capital receipts total £3.361m;
    - Capital Grants unapplied £0.587m

- The overall general fund reserves were in excess of £17 million, which was over and above one year's net expenditure. The expectation was to have in excess of £2 million in the working balance, which would be retained until the impact of the fairer funding review was understood.

Following this introduction, Members provided comment on the report and asked questions of officers. Further information was provided:

- The Chairman of the committee had asked the Secretary of State for a fairer funding deal for Councils;

- The strategy for the Valuation Volatility Reserve (VVR) was to hold it at a minimum of 5% of the purchase price of properties that have been acquired. However Minimum Revenue Provision (MRP) was monitored throughout the year to see what would have been charged. The Authority had taken the approach of using the VVR rather than MRP for commercial properties as an alternative prudent approach and it was agreed with WLDC's external auditors each year.

  The Deputy Section 151 Officer assured Members that the external auditors considered this approach was in accordance with the Local Government Act 2003, and was considered prudent;

- Individual reserves were assessed based on risk. The Authority would speak with insurers on its risk reserve. Every reserve was looked at in terms of what would need to be issued in a replacement programme, whilst being mindful of the Corporate Plan objectives;

- The authority had been spending on large projects such as the Crematorium, and the proposed cinema in Gainsborough.

RESOLVED to:

1) Approve the changes as proposed and informed by the Earmarked Reserves review;

2) Approve a net contribution from General Fund to Earmarked Reserves of £0.209 million.

Note: Following the vote, Councillor Anne Welburn left the Chamber and did not return

74 CHANGE OF COMMITTEE DATE

It was **RESOLVED** to move the Corporate Policy and Resources committee date in February. The previous date was 6 February; the new date would be 13 February.

75 COMMITTEE WORK PLAN

The workplan was noted.

The meeting concluded at 7.35 pm.

Chairman

WEST LINDSEY DISTRICT COUNCIL

MINUTES of a Meeting of the Joint Staff Consultative Committee held in the Council Chamber - The Guildhall on Thursday, 16 January 2020 commencing at 4.00 pm.

Members:	Councillor Timothy Davies Councillor Mrs Jessie Milne
Representatives of Union members:	James Deacon
Representatives of Non-union staff:	Rachel Parkin (in the Chair) Amy Potts
In attendance:	Alan Robinson, Monitoring Officer Emma Redwood, People and Organisational Development Manager Steve Anderson, Data Protection Officer Ele Snow, Democratic and Civic Officer
Apologies:	Councillor David Cotton Councillor Matthew Boles Councillor Mrs Jackie Brockway

21 **MEMBERS' DECLARATION OF INTEREST**

There were no declarations of interest at this point in the meeting.

22 **MINUTES**

RESOLVED that the Minutes of the meeting of the Joint Staff Consultative Committee held on 3 October 2019 be confirmed and signed as a correct record.

23 **MATTERS ARISING SCHEDULE**

The Democratic and Civic Officer advised the Committee there was one item on the matters arising schedule which had now been completed. This related to the overarching document for all data protection related policies which was to be heard later on in the meeting.

RESOLVED that the matters arising schedule be noted.

24 REVIEW AND RATIONALISE INFORMATION SECURITY POLICIES

The Data Protection Officer introduced a report regarding the rationalisation of the council's information security policies. He explained that there had been a large suite of policies to cover different aspects of information security and to remain up to date with legislation changes. The purpose of this document was to rationalise those policies into one document making it easier for staff to use and reference. It was proposed that, with the formal adoption of this policy, several of the earlier policies be withdrawn.

The Data Protection Officer highlighted to members of the Committee an additional paragraph which had been shared with them at the start of the meeting. This was regarding the use of smartphones in the workplace and would be added to the main policy. He added that the policy as it was had been shared with internal groups following consultation with staff and would be going to the Corporate Policy and Resources Committee for final adoption.

The Chairman enquired about the details of the additional paragraph and it was explained that it was not a blanket statement against all smartphones in the workplace, rather it sought to distinguish between personal and work phones and acknowledge that the use of personal phones in some areas of the council would not be appropriate. It was suggested that the wording of the additional paragraph could be amended slightly to make this distinction more obvious and the Data Protection Officer agreed to share the amended paragraph with the Chairman prior to sending the report to the next Committee.

The Committee praised the Data Protection Officer for his work and thanked him for producing a document that was considerably easier to understand and work with, in comparison with the multitude of policies previously. With the agreement to reword the additional paragraph, it was unanimously

RESOLVED that:

a) Members of the Joint Staff Consultative Committee support and recommend the new policy to the Corporate Policy and Resources Committee for formal adoption;

b) The withdrawal of the following policies be approved:
   - Email Acceptable Use
   - Internet Acceptable Use
   - Computer, Telephone and Desk Use
   - Public Service Network Acceptable Use
   - Northgate Acceptable Use;

c) Any future housekeeping amendments be delegated to the Chief Executive in consultation with the Chairman of the Corporate Policy and Resources Committee and the Chairman of the Joint Staff Consultative Committee.

25 COMPASSIONATE LEAVE POLICY

The Committee heard from the People and Organisational Development Manager regarding the Compassionate Leave Policy. She explained that for several years there had been arrangements in place for compassionate leave but there had been no guidance or policy. The aim of this policy was to introduce some level of consistency whilst retaining manager's discretion on a case by case basis. Committee Members were also advised that there was a new Parental Bereavement Act coming into effect from April 2020 which would be incorporated in this policy.

There was discussion amongst Members regarding the balance between following the policy, consulting HR and using manager's discretion as, by the very nature of compassionate leave, each circumstance would be different. It was agreed that most managers already worked closely with the HR team in such circumstances however the People and Organisational Development Manager suggested adding the phrase '…in consultation with HR' when considering individuals' entitlement to longer periods of compassionate leave.

With no further discussion it was unanimously

RESOLVED that

a) Members, unions and staff representatives support and recommend the Compassionate Leave Policy to Corporate Policy & Resources Committee for adoption; and

b) Delegated authority be granted to the Chief Executive to make minor housekeeping amendments to the policy in future, in consultation with the Chairman of CP&R committee and Chairman of JSCC.

26 SICKNESS ABSENCE UPDATE

The People and Organisational Development Manager introduced a paper detailing the most recent sickness absence statistics. She explained that, in comparison with previous years, there were no areas of concern, no particular spikes or issues to be aware of. She detailed how there had been a series of wellbeing sessions for staff to attend at lunchtimes and there continued to be a focus on mental wellbeing in the workplace.

There was further discussion regarding mental health issues for staff and it was confirmed that support was readily available through the Employee Assistance Programme.

RESOLVED that the content of the report be noted.

27 **SOCIAL MEDIA POLICY REVIEW**

The People and Organisational Development Manager introduced her final report regarding the review of the Social Media policy. She explained that the Communications Team and the Data Protection Officer had worked in conjunction to ensure it covered all aspects of social media use. She highlighted the parts that had been amended and, in response to a question in relation to the list of social media applications, she explained that the areas covered in the report were not exhaustive but were designed to inform staff of the variety of networking sites covered by the policy.

There was discussion between Committee Members about whether Elected Members should be referred to in the policy. It was highlighted that Elected Members were directed to the policy and advised to adhere to the guidelines, however, there was nothing in place to enforce the policy should a Member choose not to follow the advice. In contrast, should a member of staff be found to be acting in breach of the policy, there were clear disciplinary procedures which could be invoked. The Committee heard that the policy was referenced in the Corporate Induction for new employees with emphasis given to the expectations placed on staff members. All were in agreement that the principles of the policy were relevant for Elected Members and the induction programme for Members should continue to highlight the policy.

It was therefore

RESOLVED that

a) Members, unions and staff representatives support and recommend the Social Media Policy to the Corporate Policy & Resources Committee for adoption; and

b) Delegated authority be granted to the Chief Executive to make minor housekeeping amendments to the policy in future, in consultation with the Chairman of CP&R committee and Chairman of JSCC.

28 **WORK PLAN**

The Committee gave consideration to the workplan for upcoming meetings. They heard that the Recruitment and Selection Policy had been delayed several times as work to streamline recruitment processes were ongoing. The People and Organisational Development Manager explained that, under current processes, the post-interview timescale was often delayed by the requirement to obtain references from two previous employers. This could prove difficult for a number of reasons and options for not requiring these references, and therefore improving the speed of recruitment, were being looked at. She confirmed that the policy would be presented to Committee once all involved were satisfied it was the best and final version.

RESOLVED that the workplan be noted.

29 **TO NOTE THE DATE OF THE NEXT MEETING**

NOTED that the next meeting of the JSCC be held on Thursday 26 March 2020, 4.00pm in the Council Chamber.

The meeting closed at 4.50 pm.

Chairman

Corporate Policy & Resources Committee Matters Arising Schedule

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

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

Black	**Leisure Centre Contract**	Members at Corporate Policy and Resources committee on 7 November asked the following questions about the Leisure Centre in Gainsborough: 1 - how are the figures in the P and D report arrived at in terms of customer satisfaction? 2 - Is there any feedback on the 'mystery shopper' visit that took place recently? 3 - How is the contract managed in terms of maintaining the facility? Public concerns of late have included health and safety issues; in particular the lack of running water for two days.	**Ellen King's response to the first part:** **"Is the P&D element relating to the comments not reflecting complaints that members are receiving? If so, the customer satisfaction figure is derived from a survey completed by users of the leisure centre. I am reliant on this information being sent to me by Anna so I wouldn't be able to comment on how the survey is compiled, how often it is sent, what the questions are etc.** **Any complaints would be dealt with by the Leisure Centre and as part of the contract monitoring meetings held with Anna. They wouldn't form part of Nat's complaints and, again, I would be reliant on feedback from Anna in terms of the commentary that is included in P&D.** **The remedial action is for monthly monitoring meetings to be held between the Council and Leisure Centre to address issues of cleanliness. I would expect that this would lead to improvements by the end of quarter three if followed through. If this proves not to be the case and the action already being taken doesn't lead to improvements, then members can request additional remedial action via the next P&D round."** **At committee on 4 December Members**	04/12/19	Anna Grieve

enquired whether it would be possible to get our own subset of data - they were informed that this was unlikely because of the way the contract was arranged.

Ian Knowles has a briefing note to read out at committee on 9 January. In terms of question 2, there had been no 'mystery shopper' visit as Anna Grieve had made ad-hoc visits herself.

Meeting to be arranged with officers involved with the project to formulate an action plan.

Black	**Energy Efficiency monies**	Committee requested the below: (2) Request that proposals be brought forward to Corporate Policy and Resources Committee to see if any monies from this scheme could be used for remedial works to properties; this would be subject to eligibility This was related to the introduction of the maximum of £5000 penalty charge for energy efficiency	**AG 9/12/19 : There is no provision within the guidance which stipulates that penalty income should be ring-fenced for this type of work. It is proposed that the regulations are reviewed after 12 months to look at the income level achieved to see if it is sufficient to develop a scheme such as this.**	09/01/20	Sue Leversedge
Green	**P and D Budget figures**	At committee on 9 January, the Senior Performance Officer was asked if the budget figures for Progress and Delivery could be added as an appendix to the Budget Report for February's meeting.		13/02/20	Ellen King

Corporate Policy & Resources
Thursday 13 February 2020

Subject: Compassionate Leave Policy

Report by:	Monitoring Officer
Contact Officer:	Emma Redwood People and Organisational Development Manager emma.redwood@west-lindsey.gov.uk
Purpose / Summary:	To formalise the policy for Compassionate Leave and agree to the changes regarding the new Parental Bereavement Act 2018

RECOMMENDATION(S):

That Corporate Policy and Resources committee approve the Compassionate Leave Policy and the policy is adopted for all employees of the council.
Delegated authority be granted to the Chief Executive to make minor housekeeping amendments to the policy in future, in consultation with the Chairman of Corporate Policy and Resources committee and the Chairman of the Joint Staff Consultative Committee.

IMPLICATIONS

Legal: To be able to ensure the council meets the requirements of the Parental Bereavement Act 2018

(N.B.) Where there are legal implications the report MUST be seen by the MO

Financial :

FIN/174/20
There are no financial implications arising from this report.

Staffing : None

(N.B.) Where there are staffing implications the report MUST have a HR Ref

Equality and Diversity including Human Rights :
West Lindsey District Council has a commitment to equal opportunities.
It seeks to ensure that no potential or current employee receives less favourable treatment than another on the grounds of age, disability, gender, gender reassignment, marriage and civil partnership, pregnancy and maternity, race, religion or belief, sex and sexual orientation.

Data Protection Implications :

Climate Related Risks and Opportunities:

Section 17 Crime and Disorder Considerations:

Health Implications:

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

None.

Risk Assessment :

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. Introduction

The council has had arrangements in place for compassionate leave since 2006/7, however these have not been captured in a policy document before. Queries are regularly received regarding compassionate leave and the relationships which fall under the entitlement, it was seen as timely to formalise this information and to also take into account the new Parental Bereavement Act 2018 which comes into force in April 2020.

2. Purpose

The policy gives direction to the council with regards to managing staff during a period of bereavement and allows for consistency and guidance to be issued during what can be a very distressing time for staff.

3. Scope

This policy applies to all employees within the council. With regards to the Parental Bereavement Act 2018, for information in the last 10 years only one member of staff has suffered the bereavement of a child and that was during pregnancy so the Maternity Policy applied.

4. Engagement

Compassionate leave has been in place in the council for over 10 years. Staff representatives and union representatives have been made aware of this policy.

This policy and report was presented at JSCC on 16th January 2020 and was fully supported by members, union and staff representatives.

Human Resources

Compassionate Leave Policy

JSCC Approved –

CP&R Approved –

1.0 Introduction

The purpose of this policy is to provide managers and staff with sufficient information in relation to compassionate leave. It applies to all council employee's and has been developed to provide help and support to members of staff should they experience personal bereavement.

This policy aims to detail when compassionate leave can be considered and the procedure for requesting this leave.

Please note staff have the right to take time off for the caring of dependants under the Carers/Parental Leave Policy.

2.0 Bereavement

This policy should only be used in cases of bereavement.

Compassionate leave is the period of time an employee is granted off work by their employer following the death of a family member or loved one. This allows the employee time for grieving and managing bereavement matters, such as arranging and attending a funeral.

Any deviation from the qualifying relationships or compassionate leave period should be agreed by the manager in consultation with Human Resources.

3.0 Qualifying Relationships

Compassionate leave will apply for the following dependants:

- A spouse or partner;
- A child (including step children) – see section 5 below
- A parent (including step parent);
- Parent –in law;
- Sibling (including step sibling);
- Grandparent;
- Grandchild

4.0 Compassionate Leave

The length of compassionate leave can be discussed and authorised by a manager. The employee can take paid compassionate leave up to a maximum of 7 working days in any twelve month period (pro-rata'd for part time staff). In exceptional circumstances where longer periods of leave are required a combination of compassionate, annual and or unpaid leave maybe agreed if necessary to meet the particular circumstances and subject to operational needs of the organisation.

Compassionate leave will be paid at the employee's normal rate of pay.

5.0 Parental Bereavement

The Parental Bereavement (Leave and Pay) Act 2018 provides for at least two weeks' leave for employees following the loss of a child under the age of 18, or a stillbirth after 24 weeks of pregnancy (see Maternity Policy). The two weeks leave will be at the employee's normal rate of pay.

6.0 Employee - Notification/Documentation Requirements

Employees should notify the employer as soon as reasonably practicable of the reason they wish to take compassionate leave. This can be taken as single days or a continuous period. If the request for leave is authorised the manager is required to complete The Application for Compassionate Leave form. This can be found on Minerva under the Human Resources forms.

7.0 Monitoring and Reviewing

Human Resources will monitor the use of this policy and review for any legislative changes.

Managers are responsible for ensuring that compassionate leave is requested and recorded through the HR system. All documentation, paperwork and completed forms need to be scanned and e-mailed to the Human Resources team. The documents will be added to the employees personnel file and/or processed during the next pay run if necessary.

Policy Statement

West Lindsey District Council has a commitment to equal opportunities.
It seeks to ensure that no potential or current employee receives less favourable treatment than another on the grounds of age, disability, gender, gender reassignment, marriage and civil partnership, pregnancy and maternity, race, religion or belief, sex and sexual orientation.

Agenda Item 6b

Corporate Policy and Resources Committee	**Thursday, 13th February 2020**

Subject: Review and rationalise information security policies

Report by:	Monitoring Officer
Contact Officer:	Steve Anderson Data Protection Officer steve.anderson@west-lindsey.gov.uk
Purpose / Summary:	This report introduces a new Acceptable Use Policy that merges and rationalises policy content from 5 existing policy documents into a single document to provide guidance to users in an easy to read plain English format.

RECOMMENDATION(S):

That Corporate Policy and Resources members:

- Approve and formally adopt the Acceptable Use Policy.
- Approve the withdrawal of the following policy documents:
    - Email Acceptable Use Policy
    - Internet Acceptable Use Policy
    - Computer, Telephone and Desk-use Policy
    - Public Service Network Acceptable Use Policy
    - Northgate Acceptable Use Policy
- Agree that any future housekeeping tasks can be delegated to the Chief Executive in consultation with the Chairs of the Joint Staff Consultative Committee (JSCC) and Corporate Policy and Resources Committee (CP&R).

IMPLICATIONS

Legal:

(N.B.) Where there are legal implications the report MUST be seen by the MO

Financial : FIN/147/20/SL

There are no financial implications arising from this report.

(N.B.) All committee reports MUST have a Fin Ref

Staffing : HR110-12-19

Please ensure this is discussed with the HR team following approval so that on-boarding and induction can be aligned.

(N.B.) Where there are staffing implications the report MUST have a HR Ref

Equality and Diversity including Human Rights :

NB: Please explain how you have considered the policy's impact on different groups (for example: young people, elderly, ethnic minorities, LGBT community, rural residents, disabled, others).

Data Protection Implications: This report introduces a new simplified policy to help users of technology comply with privacy and other legislation/standards.

Climate Related Risks and Opportunities: N/A

Section 17 Crime and Disorder Considerations: N/A

Health Implications: N/A

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

None.

Risk Assessment :

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 Introduction

1.1 Since 1998 when computers were first issued to all office-based staff the council has developed and maintained policies to guide and educate users on how to use them properly and securely. Policies help to demonstrate our compliance with the legislation that governs the processing of information by electronic means. Some of our policies have been developed specifically to comply with codes of connection to networks such as the Public Service Network (PSN) and mandatory standards such as the Payment Card Industry – Data Security Standard (PCI-DSS). Consequently, we now have a set of over 30 policy documents governing all aspects of information management and security.

1.2 As this policy set has grown it has become more difficult for the council to demonstrate that individual policies have been effectively implemented and are regularly reviewed and updated. Users have to read and understand content spread across a large number of documents and over time this content has become duplicated and disjointed.

1.3 This report introduces a new Acceptable Use Policy that merges and rationalises policy content from 5 existing policy documents and one planned new policy document into a single document to provide guidance to users in an easy to read plain English format. As the current policy review progresses, we intend to look for further opportunities to modernise and rationalise policies where possible.

2 What does acceptable use mean and why is it important?

2.1 Acceptable use means that access to information is legitimate, it is used only for the intended purpose(s), the required standards of practice are in place to protect the confidentiality, integrity and availability of information, and the use complies with relevant legislation and regulation.

2.2 When we talk about 'acceptable use' in the information technology context we are referring to the conduct we expect from a person using our computers, systems and applications. We must tell users:

- What they can do and what they can't do;
- What sanctions we can apply if they don't comply;
- What monitoring we carry out and when; and
- What action they should take if things go wrong.

2.3 Since unacceptable use can result in sanctions being imposed on individuals, up to and including dismissal, it is important that the guidance we provide to users is as clear and simple as possible.

3 The Policy

3.1 The Acceptable Use Policy covers the following areas:

- Confidentiality and the use of personal data;
- Copyright compliance;
- General security;
- Password policy;
- Email acceptable usage;
- Internet and social media acceptable usage;
- Telephone acceptable use policy;
- Clear screen and clear desk policy;
- Mobile device acceptable use policy; and
- Responding to security incidents and malfunctions.

3.2 The new policy will subsume and replace the following policy documents:

- Email Acceptable Use Policy
- Internet Acceptable Use Policy
- Computer, Telephone and Desk-use Policy
- Public Service Network Acceptable Use Policy
- Northgate Acceptable Use Policy

4 Recommendations

4.1 This report introduces a new policy that will enable users to find important guidance in a single, easily readable document. The policy has been circulated to the Corporate Information Governance Group (CIGG) for comment and has received positive feedback from group members. Management Team and JSCC have been consulted and support the policy for formal adoption.

4.2 CP&R members are requested to:

- Approve and formally adopt the Acceptable Use Policy.
- Approve the withdrawal of the following policy documents:
  - Email Acceptable Use Policy
  - Internet Acceptable Use Policy
  - Computer, Telephone and Desk-use Policy
  - Public Service Network Acceptable Use Policy
  - Northgate Acceptable Use Policy

- Agree that any future housekeeping tasks can be delegated to the Chief Executive in consultation with the Chairs of the JSCC and CP&R committees.

Acceptable Use Policy

Version Number	Draft 0.1
Approved by	
Date approved	
Review Date	
Authorised by	
Contact Officer	Data Protection Officer

Revision History

Revision Date	Version	Description of Revision

Contents

1 Introduction

1.1 Information plays an essential role in the conduct of the business of West Lindsey District Council (WLDC, “the council”)

1.2 The information technology and communications facilities must be used sensibly, professionally, lawfully, consistently with the duties of the role, with respect for colleagues and in accordance with this policy and with the council’s rules and procedures. The Information Technology infrastructure is either wholly owned by or operated on behalf of WLDC and consequently any information contained therein is owned by the council.

1.3 Acceptable use means that access to information is legitimate, it is used only for the intended purpose(s), the required standards of practice are in place to protect the confidentiality, integrity and availability of information, and the use complies with relevant legislation and regulation.

1.4 All references in this document to WLDC or “the council” shall be deemed to refer to West Lindsey District Council and any other organisation which the council wholly or partly controls.

1.5 This policy forms part of WLDC's compliance with the Payment Card Industry - Data Security Standard (PCI-DSS) and the council’s commitment to comply with the principles of ISO27001:2013 "Information Security Management System" and Cyber Essential Plus.

1.6 This policy will be published on the council’s intranet (Minerva) and any amendments or revisions will be notified to all staff.

2 Policy Statements

2.1 It is the responsibility of all users to know this policy and to conduct their activities accordingly. Breach by any user could result in disciplinary action or other appropriate action being taken.

2.2 Council information facilities are provided for business purposes only, with limited personal use permitted as defined elsewhere in this document.

2.3 Use of information facilities must be authorised by line managers.

2.4 Any use of council facilities for unauthorised purposes may be regarded as improper use of facilities. Council IT systems must display an appropriate warning notice to this effect when users log on.

2.5 Users should be aware that any data they create on council systems (including anything pertaining to themselves) is deemed to be the property of the council. Users are responsible for exercising good judgment regarding the reasonableness of personal use and to be compliant with the Officer Code of Conduct.

2.6 For security and network maintenance purposes, users specifically authorised for the task may monitor equipment, systems and network traffic at any time.

2.7 The council reserves the right to audit networks and systems on a periodic basis to ensure compliance with this policy.

2.8 The policy is not designed to be obstructive. If you believe that any element of this policy hinders or prevents you from carrying out your duties, please contact your line manager.

2.9 This policy is supported by a number of other policies and standards which should be read in conjunction with it:

1. Data Protection Policy
2. Information Security Policy
3. Information Security Incident Management Policy
4. Information Classification and Handling Policy (TBD)
5. Home Working Security Policy (TBD)
6. Payment Card Industry-Data Security Standard (PCI-DSS) Policy
7. Social Media Policy
8. Telephone Monitoring Policy
9. Telephone Recording Policy
10. Customer Standards Handbook
11. Officer Code of Conduct

3 Objectives, aim and scope

3.1 The objective of this policy is to protect the information assets (e.g. any computer system, information and data) owned and used by WLDC, from all threats, whether internal or external, deliberate or accidental and to meet all regulatory and legislative requirements, specifically:

- Computer Misuse Act 1990
- Copyright, Design & Patents Act 1988
- General Data Protection Regulation (GDPR)

- Data Protection Act 2018 (DPA)
- Freedom of Information Act 2000
- Environmental Information Regulations 2004
- The Human Rights Act 1998.
- The Privacy and Electronic Communications (EC Directive) Regulations 2003 (amended in 2004, 2011, 2015, and 2016)
- The Electronic Communications Act 2000.
- Obscene Publications Act 1959
- Protection from Harassment Act 1997
- Equality Act 2010
- Regulations of Investigatory Powers Act 2000
- Telecommunications Act 1984
- The Children Act 1978
- The Telecommunications (Lawful Business Practice) (Interception of Communications) Regulations 2000 or successor legislation
- Payment Card Industry (PCI) Data Security Standard (DSS)
- The Re-use of Public Sector Information Regulations 2015

3.2 It is a criminal offence under the Computer Misuse Act 1990 to deliberately attempt to access a system to which no authority has been given.

3.3 It is a criminal offence under Section 170 of the DPA to knowingly or recklessly obtain, retain, disclose, or procure the disclosure of personal data without the consent of the data controller (i.e. the council).

3.4 It is a criminal offence under Section 171 of the DPA for a person to knowingly or recklessly re-identify information which was previously de-identified personal data without the consent of the data controller.

3.5 It is a criminal offence under Section 173 of the DPA for the controller or an officer or other person subject to the direction of the controller to alter, deface, block, erase, destroy or conceal information with the intention of preventing disclosure of all or part of the information that the person making the request would have been entitled to receive.

3.6 The aim of the policy is to ensure that staff are given the relevant support so they are aware of what is acceptable use of any computer system owned or operated by the council and can therefore apply procedures accordingly.

3.7 This policy applies to all employees, third parties, contractors and temporary staff of WLDC and compliance with its principles is mandatory for computer users accessing any computer system owned and/or operated by the council or on its behalf by a third party. Its application extends to the use of all such equipment wherever situated.

4 Responsibilities

4.1 Ultimate responsibility for ensuring compliance with this policy rests with the council's Management Team (MT).

4.2 The Senior Information Risk Owner (SIRO) is responsible for managing, implementing and effectively cascading the policy.

4.3 The Finance and Business Support Manager is responsible for PCI-DSS compliance.

4.4 The ICT Manager is responsible for implementing a secure IT infrastructure with effective controls to facilitate compliance with this policy.

4.5 Employees, third parties, contractors and temporary staff are responsible for ensuring that they comply with the requirements detailed in this policy.

4.6 Any actual or suspected breach of this policy within, or affecting, the council's systems will be thoroughly investigated. Disciplinary action may be taken against council employees in line with the relevant disciplinary procedures. Any action taken internally does not preclude prosecution through a court of law. In the event of an issue arising from a misinterpretation of this policy, it must be resolved by reference to the SIRO.

5 Confidentiality and the use of personal data

5.1 Employees, third parties, contractors and temporary staff, as part of their employment or relationship with the council, could be given access to information that is of a personal, confidential and/or proprietary nature. This might be, for example: personal information related to staff, members and citizens, such as names, e-mail addresses, salaries, employment information, health data, financial information, criminal conviction data, commercial-in-confidence or proprietary information, etc.

5.2 All employees, third parties, contractors and temporary staff therefore agree:

- To hold all personal or confidential information in trust and strict confidence, use it only for the purposes for which it was collected, and not disclose it to any third party unless properly authorised to do so by the council.

- To keep secure any personal or confidential information in their possession.
- Not to remove any personal or confidential information from council premises without proper authorisation. Any information which is approved to be removed from council premises must be adequately protected from unauthorised use, reproduction or disclosure.
- To maintain the absolute confidentiality of personal, confidential and proprietary information in recognition of the privacy and proprietary rights of others at all times, and in both professional and social situations.
- To comply with all privacy laws and regulations, which apply to the collection, use and disclosure of personal information.

5.3 Employees, third parties, contractors and temporary staff must understand that a breach of confidentiality or misuse of information could result in disciplinary action up to and including termination of employment.

5.4 Users must only use personal data in accordance with the agreed and published purposes for the collection of data. Using personal data in any manner requires a clear legal basis or consent from the data subject. Merging personal data with other sources, for example, is not permitted unless a legal basis or consent is present, and the use of the data correctly authorised. Personal data may not be held on any WLDC computer without the authorisation of the SIRO.

6 Copyright compliance

6.1 Copyright law, which governs the use of intellectual property, including software, is very straightforward - it is illegal to use copyrighted material unless expressly permitted by the copyright holder.

6.2 Users must not:

- Transmit copyright software from their PC or allow any other person to access it from their PC unless the controls/licence so permits

- Knowingly download or transmit any protected information/material (including, but not limited to, digitisation and distribution of photographs from magazines, books or other copyrighted sources and copyrighted music) that was written by another person or organisation without getting permission

6.3 If caught using illegally using copyrighted material, it is not only the council that may face legal proceedings, but individual employees, third parties, contractors and temporary staff may also be charged with criminal and/or civil liabilities. Should such a prosecution be brought, the potential harm to the good name of the council will be immense.

6.4 Legitimate copies of software will be provided to all users who need it, subject to the necessary authorisation having been obtained.

6.5 Employees, third parties, contractors and temporary staff are NOT allowed to make unauthorised copies of any software under any circumstances.

6.6 The council will not tolerate the use of unauthorised copies of software. Any employees, third parties, contractors and temporary staff illegally reproducing software may be subject to civil and criminal penalties including fines and imprisonment, in addition to the council's disciplinary procedure.

6.7 WLDC developed software may be given to any non-WLDC employees, third parties, contractors and temporary staff, but only if specific authorisation is given.

6.8 Any misuse of software within WLDC must be promptly reported using the Information security incident reporting procedure.

6.9 All software to be purchased must be on the approved software list. The ICT Manager will ensure that a central list is created and maintained accordingly.

6.10 ICT will be responsible for completing the registration of all software with the supplier, installing upgrades and maintaining version control on all software throughout the council. ICT will ensure that all applicable licensing conditions in respect of all software loaded by them are fully met.

6.11 The loading of games, screen savers or unauthorised software on any computer system owned or operated by the council is strictly prohibited.

6.12 WLDC software must not be loaded on to any computer system not owned or operated by the council unless specifically authorised by the SIRO.

6.13 The use of Freeware and Shareware software is only permitted for appropriate business purposes if the software is shown in the approved software list.

6.14 All WLDC computers are regularly audited, as part of the conditions of complying with, but not necessarily being certified to, the standards of the Federation against Software Theft (FAST).

6.15 All software, information and programmes developed for and/or on behalf of the council by employees, third parties, contractors and temporary staff, during the course of their employment remain the property of the council. Duplication or sale of such software without the prior consent of the council will be an infringement of the council's copyright and will be dealt with as a disciplinary matter.

6.16 Software developed for or on behalf of the council must comply with this policy.

7 General security

7.1 The council has procedures in place to deal with the threat of invasive viruses, the risk of theft of hardware and software, the unauthorised access of data and the maintenance of systems security.

7.2 Employees, third parties, contractors and temporary staff must not disclose information relating to WLDC IT facilities to anyone outside of the council without the SIRO and IT Manager’s express permission. Any telephone canvassing for information must be passed directly to the SIRO or IT Manager.

7.3 Computers logged onto the network must be locked (press the “windows” key and the letter “L” key at the same time) or logged off the network if left unattended. A password protected screen saver must activate after 1 minute of inactivity on the PC. If this does not occur, then you should report the matter to your service desk.

7.4 The council regularly monitors all systems and all unauthorised attempts at accessing systems are investigated.

7.5 Data must be saved on an approved network storage location. The only circumstance where data may be saved to the hard disk or authorised removal media is when a laptop is being taken to a site where the council's network is not accessible. In this event, a copy of all the data must be left on the network as a backup.

7.6 Payment card holder data must not be stored outside the council’s cardholder data environment. Refer to the PCI-DSS Policy for more information about the security standards and regulations relating to taking card payments.

7.7 The responsibility for all data on the network servers lies with the ICT Manager, who will ensure that regular backups are performed, tracked and stored off site and that they are securely destroyed when the data retention periods are exceeded.

7.8 Only authorised third parties are permitted to move any WLDC IT equipment, whether within an office or to another site, unless specifically approved by the ICT Manager.

7.9 No peripheral device of any kind (e.g. digital cameras, PDAs, USB pen drives, etc.) may be installed or configured on any WLDC computer, unless specifically approved by the ICT Manager.

7.10 Disposal of WLDC IT equipment will be arranged by the ICT Manager with due regard to legal (software compliance) and environmental issues, ensuring that the appropriate hardware and software registers are updated. Payment cardholder data will be securely destroyed in compliance with the PCI-DSS.

8 Password policy

8.1 All computer users are given a BitLocker key, username and password; these are unique and must not be shared with any other employees, third parties, contractors and temporary staff.

8.2 Passwords must not be written down.

8.3 Passwords must be hard to guess and must contain at least ten characters. The minimum password requirement is that it has to include three of the four following types of character:

- Number
- Lower case letter
- Upper case letter
- Special character such as [! # £ $].

8.4 Passwords must be changed at regular intervals; systems will be configured to automatically force password changes every 365 days and to prevent re-use of the user's previous 24 passwords.

8.5 Password changes will be automatically prompted for when a password expires. To complete a password change the current password will need to be entered and a new password entered twice. The password will be validated to ensure it matches the guidelines in Appendix 1. Any typing mismatches between the new password and the retyped new password will result in the password change process being repeated.

8.6 An account will be locked after three failed password attempts.

8.7 For further password guidance please refer to Appendix 1.

9 Email acceptable usage

9.1 The council provides email to assist employees, third parties, contractors and temporary staff in the performance of their jobs and its use should be limited to official WLDC business.

9.2 However, incidental and occasional personal use of email is permitted by the council, with the understanding that personal messages will be treated in the same way as business messages.

9.3 Personal use of the email system must never impact upon normal traffic flow of business related email. WLDC reserves the right to purge identifiable personal email to preserve the integrity of the email system. As a general guide, it would not be reasonable to see more than two or three personal emails a day each of no more than one or two short paragraphs in length.

9.4 Under no circumstances should users email material (either internally or externally), which is, for example, defamatory, obscene, or does not comply with the Council's Equal Opportunities Policy, or which could reasonably be expected to be considered inappropriate. Any user who is not clear about whether material is appropriate should consult their team manager before starting any associated activity or process.

9.5 ICT facilities provided by the Council for email should not be used for:

- sending unsolicited commercial or advertising material, chain letters, or other junk-mail of any kind, to other organisations;
- the unauthorised sending to a third party of OFFICIAL-SENSITIVE, confidential or material containing person identifiable information (PII) material concerning the activities of the Council;
- sending material that infringes the copyright of another person, including intellectual property rights;

- activities that unreasonably waste staff effort or use network resources, or activities that unreasonably serve to deny the service to other users;
- activities that corrupt or destroy other users' data;
- activities that disrupt the work of other users;
- the creation or sending of any offensive, obscene or indecent images, data, or other material, or any data capable of being resolved into obscene or indecent images or material;
- the creation or sending of material which is designed or likely to cause annoyance, inconvenience or needless anxiety;
- the creation or sending of material that is abusive or threatening to others, or serves to harass or bully others;
- the creation or sending of material that either discriminates or encourages discrimination on racial or ethnic grounds, or on grounds of gender, sexual orientation, marital status, disability, political or religious beliefs;
- the creation or sending of defamatory material;
- the creation or sending of material that includes false claims of a deceptive nature;
- so-called 'flaming' – i.e. the use of impolite terms or language, including offensive or condescending terms;
- activities that violate the privacy of other users;
- unfairly criticising individuals, including copy distribution to other individuals;
- publishing to others the text of messages written on a one-to-one basis, without the prior express consent of the author;
- the creation or sending of anonymous messages – i.e. without clear identification of the sender; or
- the creation or sending of material which brings the Council into disrepute.

9.6 All email messages must be sent or received using WLDC's email system, the use of any other email systems including internet email (i.e. Yahoo mail, Gmail etc.) is strictly prohibited, unless specifically approved by the SIRO.

9.7 Payment card holder data must not be transmitted using messaging technologies. If a messaging technology communication is received containing cardholder data it must be logged as a security incident, deleted and removed from the deleted items folder.

9.8 All emails sent or received will be logged and when considered appropriate and properly authorised by a director and/or the Human Resources Manager, may be monitored, opened and read by appropriately authorised WLDC staff.

9.9 E-mails concerning illegal activities must not be sent or forwarded unless they relate to the legitimate business of the council. The SIRO must be notified immediately should any such e-mails be received. These emails must not be forwarded to anyone unless required by the SIRO.

9.10 The system may not be used for personal financial gain, other than for selling your own personal possessions on either a WLDC intranet site or internet sites such as eBay, but with a non-council email address.

9.11 The forwarding of chain letters is strictly forbidden. This includes those purporting to be for charity or other good causes as well as those promising wealth or other personal gain. Also virus warnings come under the same exclusion; the majority of these are false, to check the truth of these messages consult with ICT, but do not under any circumstances forward these messages to anyone inside or outside of the council.

9.12 All email messages that are sent externally from the council will be passed over networks owned by other people; this is not a secure form of communication. If the content of the message could cause embarrassment or problems for the council or financial loss should the contents become known, a more secure method should be used.

9.13 The user logged in at a computer will be considered to be the author of any messages sent from that computer. Remember to log-out or lock computers if left unattended (press the “windows” key and the letter “L” key at the same time). Under no circumstances should an e-mail be sent from a PC that is logged in to the network by another person. Email addresses should not be disclosed unnecessarily.

9.14 Disclosing email addresses when filling in surveys or other questionnaires will increase the risk of receiving unwanted junk messages.

9.15 Subscriptions to email lists which are not WLDC approved are strictly prohibited. The volumes of messages that can be generated are high and there is no control over the content, which may conflict with the conditions stated above.

9.16 Email should not be used to send large attached files (i.e. 10 Megabytes or larger), unless very urgent. Many email systems including those used by other councils and government departments will not accept large files which are returned and may result in overloading WLDC's own email system. Secure file transfer such as SFTP or appropriately encrypted removable media should be used to send large amounts of data, whenever possible.

9.17 Attachments to email messages should not be opened unless they are expected. Extreme caution should be exercised.

9.18 The forwarding of WLDC business related information to personal email accounts is strictly prohibited and could result in disciplinary action being taken. The council provides a number of solutions for accessing the corporate email system when away from the office.

10 Internet and social media acceptable usage

10.1 WLDC will provide access to the internet including social media to all authorised employees, third parties, contractors and temporary staff to assist them in the performance of their jobs. Where access is provided, use should be limited to official council business. However, it is recognised that there may be occasions when employees, third parties, contractors and temporary staff would wish to use the internet and social media for personal reasons; this is permitted during your own time (i.e. you are allowed to browse the internet during breaks and lunches). The only social media channels the council will allow are Facebook, Twitter and Instagram. This personal usage must be kept to an absolute minimum. Any misuse of social media (e.g. excessive use) will be investigated in line with the Disciplinary Policy.

10.2 Applications to set up a social media account on behalf of the council must be processed by the Communications Team. Guidance is available to support staff who use social media channels on behalf of the council. For more information refer to the Social media Policy.

10.3 The use and viewing of internet based email (i.e. Yahoo mail and Gmail) is strictly prohibited.

10.4 Messages must not be posted on any internet message board, social networking sites or other similar web based services that could bring WLDC into disrepute, or which a reasonable person would consider to be offensive or abusive. The list of prohibited material is the same as that for email.

10.5 As part of routine security measures, all sites visited are centrally logged and monitored.

10.6 The internet and social media must not be used for illegal activities.

10.7 Internet access may not be used for personal financial gain nor should a website be hosted on any WLDC equipment without express permission.

10.8 The internet must not be used for participation in online games or the use of active web channels that broadcast frequent updates to PCs, such as the BBC News Ticker Tape services, streaming video or audio, for example, radio stations, unless specifically approved by the SIRO.

10.9 Websites that display material of a pornographic nature, or which contain material that may be considered offensive must not be accessed. It is recognised that accidental viewing of such material may happen from time to time, in this event the SIRO must be notified immediately.

10.10 Files from the internet, or any images that are displayed must not be downloaded for personal use. If a file is required from the internet ICT should be contacted - there may be any number of issues concerning copyright, viruses and overall functioning of the computer.

10.11 Email addresses must not be unnecessarily entered on a website. Disclosing email addresses when completing surveys or other questionnaires will increase the risk of receiving unwanted junk messages.

10.12 The person logged in at a computer will be considered to be the person browsing the internet. Remember to log out or lock computers if left unattended (press the “windows” key and the letter “L” key at the same time). Under no circumstances should the browsing of the Internet take place from a PC that is logged into the network by another person.

10.13 All internet access must be routed through the council’s internet proxy server.

10.14 WLDC monitors and logs all internet accesses by individuals and reserves the right to access and report on this information.

11 Telephone acceptable use policy

11.1 Personal calls should be kept to a minimum and not interfere with performance of duties. The council reserves the right to check, review and monitor telephone calls made using any council telephone or telephone system. Refer to the Telephone Monitoring Policy for more information.

11.2 Where the council provides a user with a mobile phone, it is to ensure that the user is contactable when away from the office. Therefore, council mobile phones should be switched on or directed to voicemail or an alternative phone at all times during working hours.

11.3 Voicemail should be checked regularly and greetings updated as necessary. Voicemail users should secure their messages with a minimum four-digit pin code and clear down messages on a frequent basis. Refer to the Customer Standards Handbook for more information.

11.4 To ensure that a mobile phone cannot be used fraudulently, it should be protected by using a PIN number. If a council mobile phone is lost or stolen it must be reported to the ICT Service Desk.

11.5 The council has a Code of Practice (see Appendix 1) relating to telephone use. This concerns the use of council-owned static and mobile telephones for private telephone calls and must be followed at all times.

11.6 Misuse of the council's telephone services is also considered to be potential gross misconduct and may render the individual(s) concerned liable to disciplinary action.

12 Clear screen and clear desk policy

12.1 The council has a clear desk policy in place to make sure that all information is held securely at all times. It also supports the council's flexible working arrangements.

12.2 Sensitive material must not be left in clear view on unattended desks.

12.3 At the end of each day, every desk must be cleared of all documents that contain any council OFFICIAL information, or any information relating to clients or citizens.

12.4 Trays containing work should be stored in a locked cabinet or drawer overnight, and there should be nothing left on desks at the end of the working day.

12.5 OFFICIAL-SENSITIVE information must be secured in a facility (e.g. lockable safe or cabinet) commensurate with this classification level.

12.6 Nothing should be left lying on printers, photocopiers or fax machines at the end of the day. Consideration should be given to the location of printers which are used for overnight printing. If OFFICIAL information is printed overnight then the printer is to be located in a secure location.

12.7 Users of IT facilities are responsible for safeguarding data by making sure that equipment is not left logged-on when unattended, and that portable equipment in their custody is not exposed to opportunistic theft.

12.8 Computer screens must be locked (press the "Windows" key + L) to prevent unauthorised access when unattended. Screens must lock automatically after a 5 minute period of inactivity in order to protect information. A screen saver with password protection enabled must be installed on all PCs and laptops. Attempts to tamper with this security feature will be investigated and could lead to disciplinary action.

12.9 Floor space under furniture and around the office should remain free from obstructions at all times to facilitate the cleaning and maintenance of the building.

12.10 Checks of each area will be made regularly by team managers and any items that are found on the floor (apart from footrests and bins) will be removed.

12.11 As part of good housekeeping, boxes, folders etc. should not be stored on top of furniture, cabinets, window ledges etc.

12.12 Paper media containing payment card holder data must never be left unattended and must be locked in a secure storage facility.

12.13 The clear desk policy is not intended to hinder your day to day working. In an ideal world, we would all work with a clear desk.

13 Mobile device acceptable use policy

13.1 A Mobile Computing Device (MCD) (see the Mobile computing policy for a definition of an MCD) must never be left on view in a car, whether the vehicle is occupied or not.

13.2 A MCD must never be left unattended on any form of public transport or in bars/restaurants or any other public place.

13.3 Care must be taken when using MCDs in public places or unprotected areas outside of council premises to avoid the risk of information being overlooked or overheard.

13.4 The encryption utility must be enabled on all MCDs. This will prevent unauthorised access to data, even if the MCD is stolen. ICT can give advice regarding the protection of MCDs.

13.5 Anti-virus software must be up to date. Please contact the ICT department if unsure of current status.

13.6 MCDs must be kept secure as they could contain private and confidential information. The ICT department can give advice regarding safe storage of information on MCDs.

13.7 Smartphones are capable of collecting, storing and transmitting large quantities of data in many different formats. Council-supplied devices are encrypted, protected against malware and unauthorised access, and monitored for compliance. Users of smartphones issued by the council must make sure that they comply with relevant legislation, i.e. GDPR and DPA 2018, when capturing data using the device's camera or microphone.

13.8 Unless they have been secured and authorised for use under the council's Bring Your Own Device (BYOD) Policy, personal smartphones brought into council offices present a particular risk to data protection. Users should be aware that, in order to reduce the risk of data breaches, individual departments may choose to impose restrictions on the use of personal smartphones and similar devices in the workplace.

14 Responding to Security Incidents & Malfunctions

14.1 Any perceived or actual information security weakness or incident must be reported to the ICT Service Desk immediately. Examples of a security incident include unauthorised access to information assets, misuse of information assets, loss/theft of information assets, virus attacks, denial of service attacks, suspicious activity.

14.2 Further information on the reporting of security incidents can be found in the Information Security Incident Management Policy.

15 Validity of this policy

15.1 In applying this policy, WLDC will have due regard for the need to eliminate unlawful discrimination, promote equality of opportunity, and provide for good relations between people of diverse groups, in particular on the grounds of the following characteristics protected by the Equality Act (2010); age, disability, gender, gender reassignment, marriage and civil partnership, pregnancy and maternity, race, religion or belief, and sexual orientation, in addition to offending background, trade union membership, or any other personal characteristic.

15.2 This policy must be reviewed when the need arises (i.e. when there are changes in the organisation or to relevant legislation). Reviews will be carried out by the Corporate Information Governance Group (CIGG) under the authority of the SIRO.

Appendix 1 – Creating good passwords

#ThinkRandom

1. Did you know that the password ‘123456’ has been found 23 million times in cyber security breaches? Proving that a common password will make you an easy target.

2. The NCSC has recommended **#ThinkRandom** for a few years and is still promoting this method of password creation.

3. Instead of creating extremely long and complex passwords, the NCSC’s **#ThinkRandom** recommends that, when setting up a password, users choose three random words. Examples used on the NCSC website are: ‘coffeetrainfish’ or ‘walltinshirt’.

4. Avoid using easy to guess passwords, such as ‘onetwothree’ or the names of family members or pets as this will make you an easy target for hackers.

Appendix 2 – Code of Practice Relating to Private Telephone Calls

This Code of Practice applies to the use of council-owned static and mobile telephones for private telephone calls.

Whenever possible, private calls should be made on an employee's personal device. However, the council acknowledges that employees may occasionally need to make calls of a personal nature using a council-owned device whilst at work. This Code of Practice outlines reasonable steps that all employees are expected to take to make sure that the provision of service is not compromised and there is no financial loss.

Where possible, private calls should be made outside standard hours of service provision, i.e. before 9pm, after 5pm, or during an employee's lunch break.

Private calls during these hours should be kept to a minimum, so as not to prevent business calls getting through.

Each employee should keep a record of the private calls they make. The council may carry out monitoring to ensure private use is not excessive.

There may be times when unforeseen working commitments may require the rearranging of personal engagements. The council recognises that such calls are necessary in order for employees to effectively perform their duties, and should not be treated as private. However, the council stresses that such calls are normally exceptional, and expect employees to recognise when such calls are required.

The council may, under certain circumstances, record telephone calls. Refer to the Telephone Recording Policy for more information.

West Lindsey District Council

Corporate Policy & Resources Committee
Thursday, 13 February 2020

Subject: Social Media Policy Review

Report by:	Monitoring Officer
Contact Officer:	Emma Redwood People and Organisational Development Manager emma.redwood@west-lindsey.gov.uk
Purpose / Summary:	To review and update the Council's Social Media Policy

RECOMMENDATION(S):

That Corporate Policy and Resources committee approve the Social Media Policy and the policy is adopted for all employees of the council.

Delegated authority be granted to the Chief Executive to make minor housekeeping amendments to the policy in future, in consultation with the Chairman of Corporate Policy and Resources committee and the Chairman of the Joint Staff Consultative Committee.

IMPLICATIONS

Legal:

(N.B.) Where there are legal implications the report MUST be seen by the MO

Financial :

FIN/175/20
There are no financial implications arising from this report.

Staffing :

(N.B.) Where there are staffing implications the report MUST have a HR Ref

Equality and Diversity including Human Rights :
West Lindsey District Council has a commitment to equal opportunities. It seeks to ensure that no potential or current employee receives less favourable treatment than another on the grounds of age, disability, gender, gender reassignment, marriage and civil partnership, pregnancy and maternity, race, religion or belief, sex and sexual orientation.

Data Protection Implications :

Climate Related Risks and Opportunities:

Section 17 Crime and Disorder Considerations:

Health Implications:

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

None.

Risk Assessment :

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. Introduction

The council has had the Social Media Policy in place since March 2012.

2. Purpose

The policy is in place to minimise the risks from social media to the council and to inform and guide staff and other users.

3. Scope

The policy covers all employees working at all levels. It also applies to other individuals working with WLDC including consultants, contractors, agency staff, volunteers and any other individual who has access to our electronic communication system and equipment.

4. Engagement

The policy has been in place from March 2012, and a review was undertaken by the Senior Communications Officer. If the changes are agreed then this will be widely communicated to staff.
The Data Protection Officer has been involved in the review and has agreed to the changes recommended.

The attached policy shows new additions highlighted in yellow, this will hopefully allow readers to identify the changes in the policy more easily.

The revised policy was presented at JSCC on 16th January 2020 and was fully supported by Members, Union and Staff Representatives.

5. Recommendation

That Corporate Policy and Resources committee approve the Social Media Policy and the policy is adopted for all employees of the council.

Delegated authority be granted to the Chief Executive to make minor housekeeping amendments to the policy in future, in consultation with the chairman of CP&R committee and chairman of JSCC.

West Lindsey District Council

Social Media Policy

JSCC Approved – 16 January 2020

CP&R Approved –

Contents

1. About this Policy

This policy is in place to minimise the risks to our business through use of social media.

This policy deals with the use of all forms of social media, including Facebook, LinkedIn, Twitter, Google+, Wikipedia, Instagram, Vine, Tumblr and all other social networking sites, internet postings and blogs. It applies to use of social media for business purposes as well as personal use that may affect our business in any way.

This policy covers all employees working at all levels. It also applies to other individuals working with WLDC including consultants, contractors, agency staff, volunteers and any other individual who has access to our electronic communication system and equipment.

All staff are responsible for the success of this policy and should ensure that they take the time to read and understand it. Any misuse of social media should be reported to your manager in the first instance, the Senior Communications Officer or the Human Resources Team.

2. Risks

The council recognises that there are risks associated with users accessing and handling information in order to conduct official council business.

This policy aims to mitigate the following risks:

- Employees sharing false information in public forums;
- The loss or exposure of confidential information; and
- Increased exposure to litigation.

3. Employee Social Media Acceptable Use Policy

3.1 Overview

The council recognises that there are legitimate business and personal reasons for using social media at work or using corporate computing resources. To enable employees to take advantage of the value of these sites and to promote an open, trusting, collaborative workplace, West Lindsey District Council’s policy allows all employees to use social media within the guidelines specified below.

3.2 What is Social Media?

Social media includes any web site in which visitors are able to publish information to a larger group. Information shared may include (but is not limited to) personal information, opinions, research, commentary, or business information. Examples of such destinations include large branded entities such as Facebook, Twitter, YouTube, and LinkedIn. However, blogs, special interest forums, user communities are also considered social media.

Staff should never provide references for other individuals on social or professional networking sites, as such references, positive and negative, can be attributed to the organisation and create legal liability for both the author of the reference and the Council. – new section

3.3 Inappropriate Content

While social media contains legitimate business and personal content, they also include content that is inappropriate for the workplace including nudity, violence, drugs, sex, and gambling. **Therefore, the same inappropriate content policy that applies to the broader web, also applies to content found within social media.**

Inappropriate content should not be accessed by employees while at work, or while using council resources. Employees should use common sense and consideration for others in deciding which content is appropriate for the workplace. In addition, the council employs technical controls to provide reminders, audit, and enforce this policy.

3.4 Productivity

The council recognises that employees have a need, at times, to conduct personal business within social media while at work or using council resources. Therefore, the council allows limited access to non-business social media content. For example, employees are allowed to access personal communications applications, email, and blog content within social media during authorised breaks. It is the responsibility of the employee to ensure that personal business does not affect work quality or productivity. **This policy is consistent with the council's Internet Acceptable Use Policy defined for the broader web outside of social media.** The council employs technical controls to provide reminders, audit, and enforce this policy.

Where employees are found to have accessed social media outside of authorised break times, they may be subject to disciplinary action in line with the council's disciplinary policy. – new section

3.5 Personal Use of Social Media at the Workplace and at Home

This section of the guidelines provides guidance on the use of social media tools by council officers in a personal capacity. For example this includes a personal profile on Facebook or use of Twitter in a personal capacity by council officers. This includes personal use at work and at home.

- Employees using the council's resources to access social media sites must make sure that their online activities do not interfere with their job, colleagues or commitments to customers.

- When using social media, employees should respect their audience. As a general rule, employees should be mindful of any detrimental comments made about colleagues whilst using social media. Any conduct which breaches the Employee Code of Conduct such as failing to show dignity at work (harassment), discriminatory language, personal insults, obscenity, and disclosure of confidential information will be considered a disciplinary matter. These examples are not exhaustive.

- Employees should also show proper consideration for others' privacy and for topics that may be considered objectionable or inflammatory – such as politics and religion.

- Employees must be aware of their association with West Lindsey District Council when using social media. **If they identify themselves as a West Lindsey District Council employee, they should ensure that their profile and any related content is consistent with how they would wish to present themselves with colleagues and customers**.

- Employees who may not directly identify themselves as a council employee when using social media for personal purposes at work or at home, should be aware that content they post on social media websites could still be construed as relevant to their employment at the council. For example, employees should not normally write or report on conversations, meetings or matters that are meant to be private or internal to West Lindsey District Council. Nor should employees publish council documents on their personal social networking sites. Unauthorised disclosure of confidential information would constitute misconduct/gross-misconduct in accordance with the council's disciplinary policy. Employees should not cite or refer to customers, partners or suppliers without their written approval. If it is necessary to include a reference, where possible, link back to the source.

- You must not express opinions on the council's behalf via social media, unless expressly authorised to do so by your manager. Such authorisation may only be obtained following relevant training. – new section

- You must not post comments about sensitive business-related topics, such as our performance, or do anything to jeopardise confidential information. You must not include our logos or other trademarks in any social media posting or in your profile on any social media. – new section

The council will not accept liability for any actions arising out of employee's personal use of social networking sites.

The council will monitor the use of social networking sites to make sure that any use by employees complies with its internet policy.

4 Content Publishing and Confidential Information Policy

4.1 Authorisation to Represent the Council in Social Media

Only those persons officially designated by West Lindsey District Council have the authorisation to represent the council on employee sponsored social media pages or other social media pages. For a list of users and groups authorised to represent the council, contact People & Organisational Development Team. If and when members of the council engage in advocacy for the council and have the authorisation to participate in social media, they should identify themselves as such.

Enquiries or requests for information from visitors to council-sponsored social media sites (not personal social media sites), including requests from bloggers, could fall within the Freedom of Information Act. Managers of council-sponsored social media sites (such as the West Lindsey District Council Facebook page official) should be particularly alert to identifying potential requests and be ready to deal with them in a timely and appropriate manner (the council must normally respond to requests within 20 days). If answers can be provided immediately then the council's social site manager should provide the answer and does not have to notify FOI or log the request. The request should always be forwarded to FOI, however, if:

- the site manager cannot, or is unsure whether to, answer the request; or where an exemption might apply
- the request cannot be answered immediately; or
- the requestor has specifically requested the information to be provided under the Freedom of Information Act.

4.2 Content Publishing and Confidentiality Guidelines

The following are policy guidelines regarding what you should and should not do when publishing content in social media. These guidelines apply to all social media publishing whether personal or council-sponsored. Employees are responsible for content they publish in social media and can be held personally liable for content published. Employees can also be subject to disciplinary action by West Lindsey District Council for publishing inappropriate or confidential content. These guidelines only cover a sample of all possible content publishing scenarios and are not a substitute for good judgment.

- DO know and follow all privacy and confidentiality guidelines in the West Lindsey District Council Officer Code of Conduct (All policies available on Minerva). All guidelines in the handbook, as well as laws such as copyright, fair use and financial disclosure laws apply to social media.
- DO be aware that content on such social media websites may be subject to Freedom of Information requests.
- DO NOT disclose or use West Lindsey District Council confidential or proprietary information or that of any other person or council. For example, ask permission before posting someone's picture in a social network or publishing in a blog a conversation that was meant to be private.
- DO NOT comment on West Lindsey District Council on confidential financial information such as future business performance or business plans.
- DO NOT publish council documents on personal social networking sites.
- DO NOT cite or reference customers, partners or suppliers without their written approval.
- DO identify yourself. Some individuals work anonymously, using pseudonyms or false screen names. West Lindsey District Council discourages that practice.
- DO be professional. You are connected to your colleagues, managers and even West Lindsey District Council customers. You should ensure that content associated with you is consistent with your work at West Lindsey District Council.
- DO ask permission – to publish or report on conversations that are meant to be private or internal to West Lindsey District Council and when in doubt, always ask permission from Legal Services.
- DO speak in the first person when engaging in personal social media communications. Make it clear that you are speaking for yourself and not on behalf of West Lindsey District Council.
- DO use a disclaimer – If you publish personal social media communications and it has something to do with the work you do or subjects associated with West Lindsey District Council, use a disclaimer such as this: "The postings on this site are my own and don't necessarily represent those of West Lindsey District Council."
- DO link back to the source – When you do make a reference to a customer, partner or supplier, where possible link back to the source.

- DO use your best judgment – Remember that there are always consequences to what you publish. If you're about to publish something that makes you even the slightest bit uncomfortable, review the suggestions above and think about why that is. If you're still unsure, and it is related to West Lindsey District Council business, feel free to discuss it with your manager or simply do not publish it. You have sole responsibility for what you post to your blog or publish in any form of social media.
- DO NOT use ethnic slurs, personal insults, obscenity, or engage in any conduct that would not be acceptable in the West Lindsey District Council workplace. You should also show proper consideration for others' privacy and for topics that may be considered objectionable or inflammatory.
- DO NOT conduct confidential business with a customer or partner business through your personal or other social media.
- DO NOT register accounts using the West Lindsey District Council brand name or any other unregistered or registered trademarks.
- DO remember that West Lindsey District Council's reputation is heavily influenced by its people and what is published will reflect on the council's reputation.

West Lindsey District Council employs technical controls to provide reminders, monitor, and enforce these guidelines.

4.3 Malware and Online Crime Prevention

Social media is commonly used by the online criminal community to deliver malware and carry out schemes designed to damage property or steal confidential information. To minimise risk related to such threats, adhere to the following guidelines. While these guidelines help to reduce risk, they do not cover all possible threats and are not a substitute for good judgment.

- Do not use the same passwords for social media that you use to access council computing resources.
- Do consider setting browser privacy and security settings to HIGH.
- Do not follow links on Social media pages posted by individuals or organisations that you do not know.
- Do not download software posted or recommended by individuals or organisations that you do not know.
- If any content you find on any social media Web page looks suspicious in any way, close your browser and do not return to that page.
- Configure social media accounts to encrypt communications whenever possible. Facebook, Twitter and others support encryption as an

option. This is extremely important for roaming users who connect via public Wi-Fi networks.

- Beware of “Frapping” (where another person makes comical, embarrassing, or even illegal changes to your social networking profile when you leave it open and unattended). Remember, this applies just as much to a Smartphone as it does to a PC or laptop.

West Lindsey District Council employs technical controls to provide reminders, audit, and enforce these guidelines.

5 Breach of the Policy

Any breach of this policy must be reported and investigated in line with the Information Security Incident Management Policy and associated procedures.

In line with the Information Security Incident Management Policy, the council will always treat any breach as a serious issue that may result in disciplinary action in line with the council’s Disciplinary Policy. Any member of staff suspected of committing a breach of this policy will be required to cooperate with our investigation, which may involve handing over relevant passwords and login details. – new section

You may be required to remove any social media content that we consider to constitute a breach of this policy. Failure to comply with such a request may in itself result in disciplinary action. – new section

Each incident will be investigated and judged on its individual circumstances in line with the Officer Code of Conduct or, in the case of elected members, the Members’ Code of Conduct.

Policy Statement
West Lindsey District Council has a commitment to equal opportunities.
It seeks to ensure that no potential or current employee receives less favourable treatment than another on the grounds of age, disability, gender, gender reassignment, marriage and civil partnership, pregnancy and maternity, race, religion or belief, sex and sexual orientation.

West Lindsey District Council

If you would like a copy of this leaflet in large clear print, audio, Braille or in another language, please telephone **01427 676676**

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www.west-lindsey.gov.uk

Corporate Policy and Resources

Thursday 13 February 2020

Subject: Progress and Delivery Report - Period 3 2019/20

Report by:	Chief Executive
Contact Officer:	Ian Knowles Chief Executive ian.knowles@west-lindsey.gov.uk
Purpose / Summary:	To consider the Progress and Delivery report for period three (October – December) 2019-20.

RECOMMENDATION(S):
To assess the performance of the Council's services 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: **There are no legal implications as a result of this report**

Financial : FIN/169/20 **There are no financial implications as a result of this report**

Staffing : **There are no staffing implications as a result of this report**

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**	x

Key Decision:

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

1.0 Introduction

Councillors have received Progress and Delivery (P&D) reports since 2012. These performance reports provide information on how the Council is performing using a balanced scorecard approach that measures performance of Council services based on the following perspectives:

- Customer
- Financial
- Process
- Quality

The purpose of the P&D reporting cycle is to provide Councillors on policy committees the opportunity to discuss service based performance with officers and for Councillors to be given assurance that proposed measures to remedy consistently below target performance are sufficient enough to allow for required improvements. Once the report has been received by each policy committee, the Council's Overview and Scrutiny Committee is given the opportunity to scrutinise any challenges made, thus feeding in to a cycle of continuous improvement of the Council's performance management processes.

As per the Council's Constitution, this report provides information on an exception basis, i.e. those performance measures that are performing above or below agreed targets for at least two consecutive periods. Where performance is below expected standards, Team Managers are required to provide explanatory commentary, including what remedial action is/will be taken to improve performance to the expected level. Performance measures that are performing within agreed tolerance levels are not included in this report, though all P&D performance measures continue to be monitored corporately, facilitated by the Performance and Programmes Team.

How to use this report

Performance is assessed using the RAG traffic light system as follows:

Red	Performance is below agreed tolerance levels
Amber	Performance is within agreed tolerance levels
Green	Performance is better than agreed tolerance levels.

The municipal year is divided into four periods in alignment with the Council's committee schedule. Period one covers April and May, period two runs from June – September, period three covers October – December and period four runs from January – March. As well as current performance, information for the preceding three periods is included in the report on a rolling basis to provide context and to allow for comparison. In addition, direction of travel is also included which compares performance for the current period to the same period the previous year, i.e. period three 2019/20 is compared to period three 2018/19.

↑	Performance has improved
→	Performance has remained static
↓	Performance has declined

Contents

Executive Summary

1.0 Overall Summary of Performance

Table one shows a summary of service performance for period three 2019/20 (October-December) which also includes the preceding three periods for comparison. A total of 87.6% of the Council's key performance indicators are either meeting or exceeding target compared to 77.5% at the same point last year, representing an improvement of 10.1%. In addition, 12.4% of the Council's key performance measures are below target, compared to 21.5% at the same point last year. Further information relating to those areas that have performed above target can be found in the 'commentary' column of Table 2 (measures where performance is outside agreed tolerance for two periods or more), and in the associated tables in Appendix A.

57% of the Council's performance measures are outside agreed tolerance levels (red or green) for period three. Of these, 51% have been outside agreed tolerances for two periods or more and of these specific indicators:

- 76% have been above target for two periods or more (green), equating to 22 indicators.
- 17% have been below target for two periods or more (red), equating to 6 indicators.
- The remaining 7% (or 2 indicators) have been outside tolerance for at least two periods but the position is mixed, i.e. performance has moved from above to below target (green to red); or from below to above target (red to green).

	2018/19	2019/20		
RAG	**Period Four**	**Period One**	**Period Two**	**Period Three**
Exceeding target	36%	48%	35%	46.4%
Meeting target	48%	40.6%	56%	41.2%
Below target	16%	11.4%	7%	12.4%
Missing information	0%	0%	2%	0%

Table 1: Overall summary of performance

2.0 Identified Improvement Actions

Table 2 identifies measures where performance is outside agreed tolerance (red or green) for two consecutive periods or more. Where remedial action has been identified to ensure underperformance is rectified, this has been included in the 'commentary' column.

Those measures where additional improvement action or information has been requested by the Council's Management Team or by Members are highlighted below, Members will be advised of progress against these actions on a rolling basis through Progress and Delivery reporting.

Leisure Contract

Following the presentation of the period two P&D report to Prosperous Communities Committee (22nd October 2019) and Corporate Policy and Resources Committee (7th November 2019), Members requested further feedback from the client meeting between the Council and the Leisure Centre.

The Business Development Officer took over the management of the Leisure Contract in September 2019. Monthly meetings are now taking place with the Leisure Centre to manage and monitor the contract. These meetings focus on:

- Ongoing refurbishment works to the centre
- Health and Safety issues
- Maintenance programme
- Outreach progress
- Customer complaints/ comments

Further information is included in the table below and updates will continue to be provided to Members in future P&D reports until all issues have been resolved.

Issue Identified	Update	Next Steps
Closure of the Salt Bath and Sauna Cabins	• Re-opened on 27th December 2019. • Requested insurance documentation was provided to the insurance company.	• Further information may be requested by the insurance company at a later stage but continued insurance cover remains in place. • Asset and Property Services are still producing the photovoltaic panel documentation with a deadline of February 2020.
Complaints regarding cleanliness and hygiene	• A total of 4 complaints were received by the Council between Sep-Oct 2019. • The Business Development Officer and Leisure Centre Manager met with complainants in November 2019. It was agreed that a four week period leading up to Christmas would be allowed to improve the cleanliness and hygiene of the building, with a particular focus on the wet side areas. • The Business Development Officer and Leisure Centre Manager met with Leisure Centre staff to highlight areas of concern. An additional plan was developed to bring the centre up to a satisfactory standard. • Ad-hoc twice weekly visits by the Business Development Officer have been taking place	• A further meeting took place with complainants on 9th January 2020. All stated that they had noticed significant improvements in the cleanliness and hygiene of the Leisure Centre. • Ongoing dialogue is planned so that feedback can be considered and acted upon. • Ad-hoc visits to the Leisure Centre continue to take place on a twice weekly basis • A review of the cleaning regime and staffing levels is currently underway. • Monthly client meetings continue to take place and a further meeting is planned with Council officers to review the action that has been taken to date. • Consideration is being given to bringing back Customer Forums which will feed into the future development of the Leisure Centre. • A complete refurbishment of the wetside area is planned for Spring 2020. • A mystery shopping exercise is planned and results will be fed back to the Council on a regular basis. • In addition, the Council is seeking to commission independent Customer Satisfaction surveys which will survey *all* customers of the Leisure Centre. • Copies of regular maintenance reports have been requested by the Council to provide assurance on progress with replacing and maintaining equipment.

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

		Preceding three periods			Current period		
Service	**Measure**	**P4 (2018/19)**	**P1 (2019/20)**	**P2 (2019/20)**	**Current Target**	**P3 (2019/20)**	**Commentary**
Asset and Facilities Management	Rental income – car parks	**£45,620**	**£120,588**	**£180,984**	£286,000	**£233,104**	The figure provided is for the year to date. Income was boosted by good sales of car park permits in April as well as additional income from the Roseway car park (Travelodge).
	Rental portfolio voids	**8%**	**7%**	**5%**	12%	**3%**	Occupancy levels continue to exceed target.
Benefits	End to end processing times	**3.7 days**	**3.9 days**	**4.3 days**	5 days	**4.4 days**	Performance remains on a par with the same period last year. The introduction of UC has meant fewer Housing Benefit claims which has had a positive impact on processing times.
	Number of claims older than 30 days	**9.0**	**15.5**	**10**	20	**15**	There has been an increase in the number of complex claims over the past three months which take longer to process, however, performance remains better than target and better than the same period last year.
Building Control	Income received	**£220,253**	**£55,025**	**£142,950**	£235,700	**£183,332**	Income received for the year to date is £14,443 higher than at the same point last year. Income is expected to fall within the agreed target at year end.
Council Tax and NNDR	Cost of service delivery per property tax base	**£5.58**	**£10.15**	**£5.38**	£9.10	**£10.08**	Costs for the period have been impacted by staff changes and the fact that December costs have not yet been posted. This increase in cost was expected. Costs will adjust in January 2020 and performance is expected to be within agreed parameters in period 4.
Democratic Services	Member satisfaction with training & development events	**100%**	**100%**	**92%**	87%	**100%**	Training has covered topics such as Risk Management, Treasury Management and planning. Attendance rates are extremely encouraging, with an attendance rate of 100% at mandatory sessions and an overall attendance of 75%.
	% of Freedom of Information requests (FoIs) turned around in the statutory time limit	**100%**	**100%**	**100%**	99%	**100%**	A total of 185 FoI requests were received during the period, an increase of 21 or 12.8% on the same period last year. The service continues to encourage the publication of information on the Council's website where possible.

		Preceding three periods			Current period		
Service	**Measure**	**P4 (2018/19)**	**P1 (2019/20)**	**P2 (2019/20)**	**Current Target**	**P3 (2019/20)**	**Commentary**
	Number of FoI challenges that are subsequently upheld	**0**	**0**	**0**	5	**0**	No challenges during the period.
Development Management	% of major planning applications determined on time	**100%**	**100%**	**100%**	90%	**100%**	Seven major applications were received and all were determined on time.
	% of non-major planning applications determined on time	**99%**	**99%**	**99%**	80%	**99%**	Of the 155 non-major planning applications received, 153 of these were determined on time.
	Planning appeals allowed as a % of all appeals	**1%**	**2%**	**1%**	9%	**2%**	Of the 162 reportable planning decisions, three of these were allowed during the period.
	Income received	**£313,261**	**£104,310**	**£388,172**	£1,019,200	**£781,370**	Although income for the period is high (£393,198) as a result of seven major planning applications, overall income remains lower than expected and is not predicted to meet the year-end target. Although there have been a number of major applications submitted in period three, numbers for the rest of the year have been low. Nationally, there has been a notable decline in these types of planning applications.
Enforcement and Community Safety	% of housing enforcement cases closed within 6 months	N/A	**81%**	**78%**	75%	**82%**	Improvements in performance demonstrate the work that has been undertaken to improve customer service in this area.
	Average number of days before a Community Safety case is closed	N/A	**8**	**6.5**	15	**6 days**	Turnaround times have improved consistently month on month, representing a 45% improvement in performance since the same period last year.

		Preceding three periods			Current period		
Service	**Measure**	**P4 (2018/19)**	**P1 (2019/20)**	**P2 (2019/20)**	**Current Target**	**P3 (2019/20)**	**Commentary**
Home Choices	Number of households in temporary accommodation	**34**	**20**	**19**	18	**8**	There were no households placed in temporary accommodation during December and performance has improved consistently throughout the year.
	Number of cases prevented from becoming homeless within the statutory target	**58**	**22**	**57**	90	**65**	Homeless preventions have been affected by winter pressures, Housing Association staff availability over the Christmas period which means that properties haven't been updated as they would normally be. Performance is expected to improve in January 2020.
	Number of nights spent in B&B accommodation	**148**	**59**	**58**	0	**52**	B&B accommodation was used only for victims of domestic abuse until appropriate accommodation became available outside Gainsborough. Complex cases will always occur and the service continues to work to deal with these in the most appropriate way for the service user as and when they arise.
Housing	Average cost of Disabled Facilities Grants (DFGs)	**£6,214**	**£3,859**	**£5,172**	£7,500	**£5,179**	While the average cost of a DFG is decreasing, overall spend on the scheme is increasing due to greater demand and the Council is on course to allocate and spend the majority of the grant available this year.
	Customer satisfaction with DFGs	**100%**	**100%**	**100%**	92%	**100%**	Satisfaction remains consistently high and no issues were noted during the period.
Leisure Centre Contract	Customer satisfaction with West Lindsey leisure facilities	**95%**	**94%**	**96%**	80%	**95%**	Satisfaction as recorded through the Leisure Centre's customer satisfaction survey has remained consistent throughout the year. Going forward, the Council will carry out a mystery shopping exercise for a period of 12 months; as well as seeking to conduct independent customer satisfaction surveys of *all* customers of the Centre; with the results being fed back to the Council regularly.
	Volume of people using the West Lindsey leisure centre	**92,303**	**57,131**	**107,324**	78,750	**69,976**	Usage figures are typically lower during period three and performance is following the same trajectory as previous years, although usage was higher in period three by 4,344 compared to the same period last year. For the whole year to date, usage stands at 234,431 which is an increase of 20,885 (or 9.78%) compared to the same point last year.

		Preceding three periods			Current period		
Service	**Measure**	**P4 (2018/19)**	**P1 (2019/20)**	**P2 (2019/20)**	**Current Target**	**P3 (2019/20)**	**Commentary**
Licensing	% of licensing applications processed in the target time	**86%**	**99%**	**100%**	96%	**100%**	Performance remains consistently high, despite changes to management and staffing within the Licensing Team.
	Number of licensing applications received	**232**	**178**	**338**	195	**268**	The number of applications is higher than expected though there have been 14 fewer applications compared to the same period last year.
Street Cleansing	Income generated	**N/A**	**£9,037**	**£45,483**	£52,400	**£63,390**	Income is measured on a cumulative basis and is currently exceeding target by £10,990. This is a result of the weed spraying Service Level Agreement (SLA) with Lincolnshire County Council, as well as the collection of abandoned shopping trollies scheme.
	Volunteer litter picks	**0**	**30**	**24**	18	**19**	Performance remains consistently above target with a total of 73 community litter picks being undertaken for the year to date. This is an increase of 7 compared to the same period last year.
Town Centre Management	Average number of paid for market stalls - Saturday	**13**	**9.5**	**7**	14	**7**	Adverse weather, a decline in market stall take-up and traders giving notice have contributed to a decline in the number of stalls, representing a decrease of 16.6% on the same period last year. There was also a low turn-out for the Christmas Eve and New Year's Eve markets.
	Income received	**£35,086**	**£4,785**	**£15,667**	£36,300	**£22,318**	Income is measured on a cumulative basis. For period three alone, income stands at £6,651 which is a decline of 40% compared to the same period last year. For the year to date, income is down 21% compared to the same point last year.
Trinity Arts Centre	Audience figures	**4,548**	**3,136**	**7,023**	3,600	**5,965**	Audience figures have increased by 3.79% compared to the same period last year.
Waste Collection	Missed black and blue bin collections	**198**	**211**	**310**	285	**233**	Flooding had an impact on bin collections in November. Improvements to the staff rota system have been made to ensure crews consistently work on the same round schedule and are therefore more familiar with, for example, which households require assisted collections.

Table 2: Measures performing outside agreed tolerance levels for at least two consecutive periods

Corporate Health

Measure	Baseline Perf (P3 2018/19)	Target	Current Perf (P3 2019/20)	DOT	What is affecting performance?	What do we need to do to improve and by when?
Time taken to pay invoices	**11 days**	14 days	**11 days**	→	No issues noted and performance remains consistently above target.	Continue to monitor
Average Customer satisfaction rating out of 5 stars	**N/A**	3.5 stars	**3.6 stars**	N/A	Customer satisfaction stands at 79.7% for the period	Continue to monitor
Complaints received	**40**	NTS	**57**	↓	There has been a significant increase in complaints during the period, the majority of which relate to Waste Services (accounting for 35% of all complaints), and Development Management. Waste Services complaints centre on quality of service or officer conduct. For Development Management, complaints relate to the quality of decision making where customers have been unhappy with planning permission being granted for an application near their property. Four complaints relate to the Leisure Centre though it should be noted that this figure only includes those complaints made directly to the Council and not complaints dealt with by the Leisure Centre directly.	The Customer Experience Officer continues to work with Waste Services Supervisors to ensure complaints are dealt with appropriately and in a timely manner. For those complaints related to Planning, it has been determined that the correct procedures were followed and no further action was needed. Leisure Centre complaints relate to the cleanliness of the Centre, in particular the toilets, changing areas and the wet side area of the pool. Other complaints relate to the temperature on the viewing balcony and the temperature of the pool itself. Paragraph 2.0 of this report provides further information about what is being done to address this.
% of complaints where the Council is at fault	**35%**	45%	**37%**	↓	A total of 23 of the 57 complaints received were found to be the fault of the Council. The majority of these relate to Waste Services (repeated missed bin collections and damage to property caused by refuse lorries).	Where complaints have been upheld, improvement actions have been identified including changes to processes and procedures, staff training and awareness sessions and improvements to the Council's website. Damage to property has now been rectified.

Measure	Baseline Perf (P3 2018/19)	Target	Current Perf (P3 2019/20)	DOT	What is affecting performance?	What do we need to do to improve and by when?
Average number of days to resolve a complaint	**7.4 days**	21 days	**7.9 days**	↓	Performance remains largely consistent and the majority of complaints are resolved quickly, particularly relating to Waste Services.	There have been a small number of complex complaints which have required an extension to the expected 21 day response time.
Digital demand	**28%**	NTS	**42%**	↑	No target is allocated to this and performance is monitored based on direction of travel. Digital demand has continued to increase throughout the year, representing a 14% increase compared to the same period last year.	Work is still being carried out to understand changes in demand.
% of calls answered within 21 seconds	**82%**	80%	**81%**	↑	No issues noted	Continue to monitor
Average number of staff sickness absence days per FTE	**0.57 days**	0.6 days	**0.6 days**	↓	Sickness remains within agreed target	Continue to monitor
Number of recorded Health and Safety incidents	**21**	NTS	**22**	↓	No target is set against this indicator and performance is monitored against direction of travel. There were no Reports of Injuries, Disease or Dangerous Occurrences (RIDDOR) during the period.	The Health and Safety Officer continues to work with Managers to ensure correct procedures are followed. The Council has recently trained a cohort of Officers as the Council's Health and Safety Champions.
Server and system availability	**100%**	98%	**100%**	→	No issues were noted during the period.	Continue to monitor
Number of data breaches resulting in action by the Information Commissioner's Office (ICO)	**N/A**	0	**0**	→	No data breaches reported to the ICO during the period	Continue to monitor

Table 3: Corporate Health measures

Appendix A: Service Exceptions

Asset and Facilities Management

Rental income from received assets (£444,144 for the year to date) remains on a par with the same period last year as a result of high occupancy levels.

Measure	Baseline Perf (P3 2018/19)	Target	Current Perf (P3 2019/20)	DOT	What is affecting performance?	What do we need to do to improve and by when?
Rental income – car parks	**£186,079**	£286,000	**£233,104**	↑	The figure provided is for the year to date. Income was boosted by good sales of car park permits in April as well as additional income from the Roseway car park (Travelodge)	Continue to monitor.
Rental portfolio voids	**9%**	12%	**3%**	↑	Occupancy levels continue to exceed target.	Continue to monitor

Table 4: Asset and Facilities Management performance exceptions

Benefits

Housing Benefit claims continue to be lost to Universal Credit (UC) with 135 fewer claims in period three compared to the same point last year. The number of Council Tax Support claims being assessed where UC is the primary income has increased. These claims are more complex than standard Council Tax Reduction claims and take longer to assess due to the wait involved in the UC process. This has had an impact on the number of older claims.

Measure	Baseline Perf (P3 2018/19)	Target	Current Perf (P3 2019/20)	DOT	What is affecting performance?	What do we need to do to improve and by when?
End to end processing times	**4.5 days**	5 days	**4.4 days**	↑	Performance remains on a par with the same period last year. The introduction of UC has meant fewer Housing Benefit claims which has had a positive impact on processing times.	Continue to monitor.
Number of claims older than 30 days	**20**	20	**15**	↑	There has been an increase in the number of complex claims over the past three months which take longer to process, however, performance remains better than target and better than the same period last year.	Continue to monitor.

Table 5: Housing Benefit and Local Council Tax Support performance exceptions

Building Control

At £33,856, the cost of delivering the service to the Council has increased by £18,715 (or 123%) compared to the same period last year. This is due to a continuing vacancy within the team that is being filled by temporary staff which has a cost implication for the service. Market share remains consistent at 80% for the period, as does the number of applications received which stands at 153 for the period or 802 for the year to date. Of the applications received during period three, 88 were building notices, 34 were full plan applications, four were partnership applications and 27 were partnership applications from other authorities.

Measure	Baseline Perf (P3 2018/19)	Target	Current Perf (P3 2019/20)	DOT	What is affecting performance?	What do we need to do to improve and by when?
Income received	**£168,889**	£235,700	**£183,332**	↑	Income received for the year to date is £14,443 higher than at the same point last year.	Target is on track to be met by year end.

Table 6: Building Control performance exceptions

Contracts Management and Procurement

Of the four contracts awarded during period three, two were awarded to local suppliers (classified as within West Lindsey and up to a 20 mile radius outside the district).

Measure	Baseline Perf (P3 2018/19)	Target	Current Perf (P3 2019/20)	DOT	What is affecting performance?	What do we need to do to improve and by when?
% of contracts awarded to local suppliers	**N/A**	20%	**50%**	N/A	This figure represents two contracts out of a total four.	Continue to monitor.

Table 7: Contracts Management and Procurement performance exceptions

Council Tax and NNDR

During the period, the Council tax base has been submitted and work is currently being undertaken to procure a single person discount review provider for 2020/21. As of 31st December, 240 more Council Tax reminder notices have been issued compared to the same period last year. In addition, 79% of Council Taxpayers are now paying via direct debit, representing the highest ever figure for the Council.

Measure	Baseline Perf (P3 2018/19)	Target	Current Perf (P3 2019/20)	DOT	What is affecting performance?	What do we need to do to improve and by when?
Cost of service per property tax base	**£5.09**	£9.10	**£10.08**	↓	Costs for the period have been impacted by staff changes and the fact that December costs have not yet been posted.	The increase in cost was expected. Costs will adjust in January 2020 and performance is expected to be back within agreed parameters during period 4.
NNDR in year collection rate	**82.8%**	81.9%	**82.2%**	↓	A new debt of £30k has been raised from the Valuation Office Agency (VOA) schedule. There are also two large, unpaid accounts that are in dispute. The Council is prohibited from taking action due to High Court, and court action.	Performance remains on track to meet the year-end target. A total of £14,149,569 has been collected for the year to date.

Table 8: Council Tax and NNDR performance exceptions

Democratic Services

This has been a busy period for the team who continue to work with the Member Development Group to build on the successful induction process. On-line training trials for Members have commenced and, if successful, it is hoped on-line training for softer skills will be rolled out to all Members at the start of the next civic year. The Civic Team hosted a very successful school visit to the Council as part of Local Democracy Week. The children engaged well with the session and feedback from the school was overwhelmingly positive; such that further visits are being planned during the spring. The Annual Carol Service was held in December and the team are now in full preparation for the Annual Community Awards in April 2020, with significant promotion being undertaken.

Measure	Baseline Perf (P3 2018/19)	Target	Current Perf (P3 2019/20)	DOT	What is affecting performance?	What do we need to do to improve and by when?
Member satisfaction with training and development events	**100%**	87%	**100%**	→	Training has covered topics such as Risk Management, Treasury Management and planning. Attendance rates are extremely encouraging, with an attendance rate of 100% at mandatory sessions and an overall attendance of 75%.	Continue to monitor.
% of Freedom of Information requests (FoI) turned around in the statutory time limit	**100%**	99%	**100%**	→	A total of 185 FoI requests were received during the period, an increase of 21 or 12.8% on the same period last year.	The service continues to encourage the publication of information on the Council's website where possible.

Measure	Baseline Perf (P3 2018/19)	Target	Current Perf (P3 2019/20)	DOT	What is affecting performance?	What do we need to do to improve and by when?
Number of FOI challenges that are subsequently upheld	**2**	5	**0**	↑	No issues noted	Continue to monitor

Table 9: Democratic Services performance exceptions

Development Management

A total of seven major planning applications submitted during period three has boosted income for the period although this remains below target for the year to date; a position that is not expected to change by year end due to a reduction in the number of planning applications received overall. In relation to turnaround times, performance remains consistently high.

Measure	Baseline Perf (P3 2018/19)	Target	Current Perf (P3 2019/20)	DOT	What is affecting performance?	What do we need to do to improve and by when?
Received planning applications	**405**	345	**321**	↓	Whilst there has been a number of major planning applications submitted during the period, the number planning applications received overall has reduced	Performance in this area is largely outside the Council's control.
% of major planning applications determined on time	**100%**	90%	**100%**	→	Seven major applications were received and all were determined on time.	Continue to monitor
% of non-major applications determined on time	**99%**	80%	**99%**	→	Of the 155 non-major planning applications received, 153 of these were determined on time.	Continue to monitor
Appeals allowed as a % of all decisions	**1%**	9%	**2%**	↓	Of the 162 reportable planning decisions, three of these were allowed during the period.	Continue to monitor
Received income	**£777,306**	£1,019,200	**£781,370**	↑	Although income for the period is high (£393,198) as a result of seven major planning applications, overall income remains lower than expected and is not predicted to meet the year-end target.	Although there have been a number of major applications submitted in period three, numbers for the rest of the year have been low. Nationally, there has been a notable decline in these types of planning applications.

Table 10: Development Management performance exceptions

Enforcement and Community Safety

There continues to be a consistent level of requests received within these work areas and the number of cases for the year as a whole will be consistent with, if not higher than previous years. The level of cases initially responded to within 20 working days shows the positive work that has been undertaken to improve customer service within planning enforcement and there has been a positive culture change within the team. There are currently some temporary staffing arrangements in place within the housing work area, which are impacting upon the service's ability to be proactive. These issues are expected to be resolved by the end of the financial year. During period three, there have been 69 housing enforcement requests and 45 planning enforcement requests received.

Measure	Baseline Perf (P3 2018/19)	Target	Current Perf (P3 2019/20)	DOT	What is affecting performance?	What do we need to do to improve and by when?
Number of planning enforcement requests received	**62**	60	**45**	↑	No issues noted	It is anticipated that the number of cases for the year as a whole will be consistent or higher than previous years.
% of planning enforcement cases given an initial response within 20 working days	N/A	90%	**93%**	N/A	Improvements in performance demonstrate the work that has been undertaken to improve customer service in this area.	Continue to monitor and embed improvement actions.
Average time before a community safety case is closed	**11 days**	15 days	**6 days**	↑	Turnaround times have improved consistently month on month, representing a 45% improvement in performance since the same period last year.	Continue to monitor and embed improvement actions.
% of housing enforcement cases closed within 6 months	**N/A**	75%	**82%**	N/A	Improvements in performance demonstrate the work that has been undertaken to improve customer service in this area.	Continue to monitor and embed improvement actions.

Table 11: Enforcement performance exceptions

Enterprising Communities

The CCTV service continues to respond to high volumes of incidents although there was a decrease in shoplifting in December. CCTV footage has been used in a number of high profile incidents resulting in successful convictions. Hemswell Cliff Managed Estate work continues and there have been improvements in the housing sales market as a result of ongoing enhancement to the local community. The Council's Community Grant Scheme continues to support a wide range of projects and, with the matched funding received, the Scheme is expected to be in a strong position by year end. A funding bid as part of the Local Access Programme has been submitted with a potential value of £3million plus in grant and social investment. The outcome from this is expected in February 2020 and, if successful, funding will support growing the local social economy in Gainsborough. A number of rural communities have been supported to access broadband support schemes which will help to provide infrastructure improvements and bring faster internet speeds to residents and businesses.

Garden Waste Collection

Please note that the garden waste collection service ended for the season in November 2019. The figures in the table below represent data for year two as a whole, with comparisons made against year one.

The focus during this period has been preparation for year three; ensuring the re-subscription service runs as smoothly as possible for the customer. Such preparation has involved meetings with the new contractor responsible for printing and dispatching customer welcome packs; working with IT to make improvements to the subscription process and working with the Communications team to produce a robust communications plan. Customers will be encouraged to subscribe to the service via the Council's website from January 2020, however, additional staff have been recruited to the Customer Services team to manage anticipated demand once telephone subscriptions open in February 2020. A total of 9,359.21 tonnes of garden waste was sent to composting sites for year two.

Measure	Baseline Perf (year 1 2018/19)	Target	Current Perf (year 2 2019/20)	DOT	What is affecting performance?	What do we need to do to improve and by when?
Subscription take up	**58.3%**	58%	**64.2%**	↑	Subscription take-up is 5.9% higher than at the end of year one	Continue to monitor
Income generated by the Garden Waste service	**£897,067**	£821,700	**£915,145**	↑	Income ended year two above target, with an increase of £18,078 on year one.	Performance has exceed target by 11.3%
% of garden waste collections that were missed	N/A	0.2%	**0.14%**	N/A	There have been no missed collections since May.	Continue to monitor

Table 13: Garden Waste performance exceptions

Home Choices

The number of people who have been housed from the Housing Register (nine) is low due to a combination of winter pressure on the service and reduced staff availability within the housing organisations because of Christmas leave. This meant that properties weren't updated as efficiently as they would normally be though it is expected that performance will improve from January onwards. During the period, bed and breakfast accommodation was used only for victims of domestic abuse until appropriate temporary accommodation outside Gainsborough became available. Whilst usage of temporary accommodation has been lower in period three, it has been more difficult to source alternative accommodation because of complex issues.

Measure	Baseline Perf (P3 2018/19)	Target	Current Perf (P3 2019/20)	DOT	What is affecting performance?	What do we need to do to improve and by when?
Number of households using temporary accommodation	**23**	18	**8**	↑	There were no households using temporary accommodation during December.	Performance has continued to improve throughout the year. Continue to monitor.

Measure	Baseline Perf (P3 2018/19)	Target	Current Perf (P3 2019/20)	DOT	What is affecting performance?	What do we need to do to improve and by when?
The number of cases prevented from becoming homeless within the statutory target (56 days)	**57**	90	**65**	↑	Homeless preventions have been affected by winter pressures, Housing Association staff availability over the Christmas period which means that properties haven't been updated as they would normally be.	Performance is expected to improve in January 2020.
Number of nights spent in B&B accommodation	**77**	0	**52**	↑	B&B accommodation was used only for victims of domestic abuse until appropriate accommodation became available outside Gainsborough.	Complex cases will always occur and the service continues to work to deal with these in the most appropriate way for the service user as and when they arise.
The average number of days spent in temporary accommodation	**31**	56	**38**	↓	The target was changed this year to reflect the statutory target set by central government. Overall, usage of temporary accommodation has been lower this year, however, complex issues have made it more difficult to source alternative accommodation.	As above

Table 15: Home Choices performance exceptions

Housing

The total spend for Disabled Facilities Grants (DFGs) is increasing and the Council is on course to allocate and spend the majority of the grant that is available for this year. The level of demand has impacted on some of the delivery timescales, however delivery times are within agreed parameters; applicants are receiving their adaptation within a reasonable timescale and customer satisfaction remains at 100%. The overall number of long-term empty homes continues to decrease and joint efforts across a variety of work areas are helping to ensure that this continues. Formal action is being taken to enforce sale of empty properties and, alongside this, the Council's empty property grant scheme remains popular with 26 applications currently in progress and a further 14 that have been completed.

Measure	Baseline Perf (P3 2018/19)	Target	Current Perf (P3 2019/20)	DOT	What is affecting performance?	What do we need to do to improve and by when?
Customer satisfaction with Disabled Facilities Grants (DFGs)	**100%**	92%	**100%**	→	No issues noted	Continue to monitor

Measure	Baseline Perf (P3 2018/19)	Target	Current Perf (P3 2019/20)	DOT	What is affecting performance?	What do we need to do to improve and by when?
Average cost of DFGs	**£7,094**	£7,500	**£5,179**	↑	While the average cost of a DFG is decreasing, overall spend on the scheme is increasing due to greater demand and the Council is on course to allocate and spend the majority of the grant available.	Continue to monitor
The total number of long-term empty homes in the District	**571**	540	**531**	↑	Numbers continue to decrease and joint efforts across a variety of work areas mean that this trend is expected to continue.	Formal action is being taken to enforce sales of empty properties. Alongside this, the Council's Empty Property Grant Scheme remains popular with 26 applications in progress and 14 that have already been completed.

Table 16: *Housing performance exceptions*

ICT

The desktop refresh commenced during period three and this has led to a spike in the number of helpdesk requests received. The measures included in the table below were agreed at an ICT performance workshop at the beginning of the civic year. Targets will be allocated once a full year of baseline data have been collected.

Measure	Baseline Perf (P3 2018/19)	Target	Current Perf (P3 2019/20)	DOT	What is affecting performance?	What do we need to do to improve and by when?
Number of helpdesk requests received	N/A	N/A	**720**	N/A	The desktop refresh has led to a spike in the number of requests received.	Continue to monitor
Average time taken to action helpdesk requests	N/A	N/A	**11.2 days**	N/A	The roll out of the desktop refresh has impacted on turnaround times this period which are 7.4 days longer compared to period two.	It is expected that turnaround times will improve now that the desktop refresh has been completed
Number of change management requests received during the period	N/A	N/A	**0**	N/A	No issues noted	Continue to monitor
Number of change requests completed during the period	N/A	N/A	**7**	N/A	Whilst there were no requests received during the period; this figure relates to completion of older requests.	Continue to monitor

Table 17: *ICT performance exceptions*

Leisure Contract

Following concerns around the cleanliness of the Leisure Centre; a number of actions have been taken to improve the experience for the customer. During period three, four complaints have been received by the Council regarding cleanliness of the Centre; particularly the wet side area. As requested by Members, a detailed update of the work being undertaken with the provider of the leisure contract to improve the cleanliness and hygiene of the Leisure Centre is provided in paragraph two of this report. A meeting is scheduled between the Chief Executive, Senior Performance Officer, Business Development Officer and Customer Experience Officer on 16th January 2020 to review the current position and identify and action any further improvements that are needed. The total number of outreach users during period three stands at 368, with a dip in December when the service only ran for one week due to the Christmas period. A total of 60 Leisure Centre users were referred through participation in the Healthy Lifestyle Scheme during period three.

Measure	Baseline Perf (P3 2018/19)	Target	Current Perf (P3 2019/20)	DOT	What is affecting performance?	What do we need to do to improve and by when?
Customer satisfaction with West Lindsey leisure facilities	**95%**	75%	**95%**	→	Satisfaction as recorded through the Leisure Centre's customer satisfaction survey has remained consistent throughout the year.	Going forward, the Council will carry out a mystery shopping exercise for a period of 12 months; as well as conducting independent customer satisfaction surveys of *all* customers of the Centre; with the results being fed back to the Council regularly.
Volume of people using the West Lindsey leisure centre	**65,632**	78,750	**69,976**	↑	Usage figures are typically lower during period three and performance is following the same trajectory as previous years, although usage is higher by 4,344 compared to the same period last year.	For the year to date, usage stands at 234,431 which is an increase of 20,885 (or 9.78%) compared to the same point last year.

Table 18: Leisure Contract performance exceptions

Licensing

During period three, there has been a change in management and staffing within the Licensing team. The interim focus has been effective service continuity whilst options for future delivery are considered. Applications continue to be processed consistently within agreed timescales and this is expected to continue for the remainder of the year. The level of income is on a par with expectations although the year end position is expected to be lower than last year.

Measure	Baseline Perf (P3 2018/19)	Target	Current Perf (P3 2019/20)	DOT	What is affecting performance?	What do we need to do to improve and by when?
Income received	**£100,223**	N/A	**£102,416**	N/A	No target is set for this indicator and performance is monitored against direction of travel. Whilst income is higher than the same period last year and within expected levels this year; the year end position is expected to be lower than last year.	Continue to monitor
Number of applications received	**282**	195	**268**	↓	The number of applications is higher than expected though there have been 14 fewer applications compared to the same period last year.	Continue to monitor
% of applications processed within the target time	**86%**	96%	**100%**	↑	Performance remains consistently high, despite changes to management and staffing within the Licensing Team.	Continue to monitor

Table 19: Licensing performance exceptions

Local Land Charges

Unexpected staff sickness absence combined with planned staff leave led to a drop in turnaround times during October and November. This was rectified in December and performance is still expected to be on target at year end. An improved approach to handling searches has led to a better standard of service for the customer.

Measure	Baseline Perf (P3 2018/19)	Target	Current Perf (P3 2019/20)	DOT	What is affecting performance?	What do we need to do to improve and by when?
Income received	**£83,481**	N/A	**£73,058.99**	↓	No target is set for this indicator and performance is monitored against direction of travel. The figure represents income for the year to date. Income is £10,422.01 lower than at the same point last year. This is a decrease of 12.4%	Income continues to be monitored and managed by the manager of the service and the Finance Business Partner.
Time taken to process a search	**11 days**	10 days	**12 days**	↓	A combination of staff sickness and annual leave has impacted performance although turnaround times have improved consistently, down from 19 days at the start of the year.	The period two P&D report stated that performance would be on target by year end and this is still expected to be the case.

Measure	Baseline Perf (P3 2018/19)	Target	Current Perf (P3 2019/20)	DOT	What is affecting performance?	What do we need to do to improve and by when?
Market Share	**59%**	65%	**59%**	→	Performance remains consistent with the same period last year.	Text needed

Table 20: Local Land Charges performance exceptions

Regulatory Services

The number of scheduled inspections continues to increase in line with the target and demonstrates the positive impact that the additional resource placed within the work are is having. Of the inspections completed within the period, The Food Standards Agency have also asked for additional information in relation to performance in 2018/19 and the Council have used improved performance data for 2019/20 to date to demonstrate that the Council is on course to addressing some of the historical issues identified. For example, the number of inspections completed this year has already exceeded the previous year’s total with three months still remaining.

Measure	Baseline Perf (P3 2018/19)	Target	Current Perf (P3 2019/20)	DOT	What is affecting performance?	What do we need to do to improve and by when?
% of food premises rated at 3* or above	**97%**	95%	**97%**	→	Performance remains on a par with the same period last year	Continue to monitor
Number of Environmental Protection requests received	**N/A**	125	**164**	N/A	Demand for the service remains high.	Continue to monitor
% of Environmental Protection cases closed within 6 months	**N/A**	75%	**100%**	N/A	Performance remains consistently high and no issues have been noted during the period.	Continue to monitor

Table 21: Regulatory Services performance exceptions

Street Cleansing

Performance remains within agreed parameters across the service. The cost of the street cleansing service per household remains one of the lowest of all local authorities. The service continues to have strong links with local communities with the number of volunteer litter picks continuing to perform above target. The Council has once again registered for the Great British Spring Clean; due to run between 20th March and 13th April 2020. There were 278 instances of fly-tipping reported during the period, of which 276 (99.2%) were collected and disposed of within the service level agreement. Fly-tipping has increased by 12.09% compared to period two of this year.

Measure	Baseline Perf (P3 2018/19)	Target	Current Perf (P3 2019/20)	DOT	What is affecting performance?	What do we need to do to improve and by when?
Income generated	**N/A**	£39,300	**£63,390**	N/A	Income is measured on a cumulative basis and is currently exceeding target by £24,090. This is a result of the weed spraying Service Level Agreement (SLA) with Lincolnshire County Council, as well as the collection of abandoned shopping trollies scheme.	The Weed Spraying SLA for 2020/2021 is still to be confirmed.
The number of volunteer litter picks	**18**	18	**19**	↑	Performance remains consistently above target with a total of 73 community litter picks being undertaken for the year to date. This is an increase of 7 compared to the same period last year.	Continue to monitor

Table 22: Street cleansing performance exceptions

Systems Development

Proactive monitoring and management of the Council's services have ensured that high standards continue to be maintained.

Measure	Baseline Perf (P2 2018/19)	Target	Current Perf (P3 2019/20)	DOT	What is affecting performance?	What do we need to do to improve and by when?
Website availability	**98%**	98%	**100%**	↑	No issues noted during the period	Continue to monitor
% of Systems Development requests dealt with in the target time	**87%**	80%	**96%**	↑	No issues noted during the period	Continue to monitor

Table 23: Systems Development performance exceptions

Town Centre Management

Gainsborough market continues to underperform against target. Stall take up for both the Tuesday and Saturday markets continues to decline and income remains below target. In-house led operational changes have been implemented earlier in the year which have led to efficiency savings being made. An interim arrangement with Marshall's Yard was approved by Members in December 2019 which will allow time for long-term options for delivery to be identified. The Gainsborough Farmers' Market has now been relocated onto Market Street which has forged a link between Marshall's Yard and the Gainsborough Market Place in order to increase footfall into the Market Place. Stall take up for the Farmers' Market remains at 100% and any additional traders making enquiries are encouraged to take a stall on the Gainsborough market. The three day Christmas Light Switch on event and Festive Feast was well received and helped to support the local community, shops, charities and the Gainsborough Market which sees a small uptake in stalls when a Farmers' Market is running. In addition to this, the Gainsborough Charity Christmas Market was held alongside the Saturday market which was well attended and supported a number of local charities.

Measure	Baseline Perf (P3 2018/19)	Target	Current Perf (P2 2019/20)	DOT	What is affecting performance?	What do we need to do to improve and by when?
Average number of paid for market stalls – Tuesday	**36**	37	**30**	↓	Adverse weather, a decline in market stall take-up and traders giving notice have contributed to a decline in the number of stalls. There was a take-up of 414 stalls in period three compared to 477 in the same period last year which is a 13.20% decrease. There was also a low turn-out for the Christmas Eve and New Year's Eve markets.	An interim arrangement with Marshall's Yard was agreed by Prosperous Communities Committee in December 2019 while long-term options for delivery methods are identified.
Average number of paid for market stalls – Saturday	**13**	14	**7**	↓	As above. There was a take-up of 94 stalls in total for period three, compared to 164 for the same period last year, representing a 42.7% decrease.	As above
Income received	**£28,744**	£36,300	**£22,318**	↓	Income is measured on a cumulative basis. For period three alone, income stands at £6,651 which is a decline of 40% compared to the same period last year. For the year to date, income is down 21% compared to the same point last year.	As above

Table 24: *Town Centre Management performance exceptions*

Trinity Arts Centre

Pantomime was the feature of the season during this period as Trinity Arts Centre re-introduced pro-panto after an absence of over a decade. The majority of productions that visit the Trinity Arts Centre have traditionally only sustained one performance, however, with strong marketing, the pantomime demonstrated that the venue can sustain a multi-performance run during a peak period. The variety of events brought a diverse audience with many customers visiting for the very first time. The focus will be now be on retaining and sustaining audience levels to ensure future sustainability.

Measure	Baseline Perf (P3 2018/19)	Target	Current Perf (P3 2019/20)	DOT	What is affecting performance?	What do we need to do to improve and by when?
Audience figures	**5,747**	3,600	**5,965**	↑	Audience figures have increased by 3.79% compared to the same period last year.	Continue to monitor

Table 25: Trinity Arts Centre performance exceptions

Waste Collection

Performance throughout the waste collection service remains within the parameters set at the beginning of the year. The recycling rate has declined during period three due to the garden waste collection service ending in November, however performance remains above target. West Lindsey is working closely with the Lincolnshire Waste Partnership to offer a more comprehensive recycling collection service and to reduce the amount of contamination within the recycling stream. To coincide with this, a new County wide mixed dry recycling mix has been agreed and all of the district council websites have been aligned to publish the same message. Trials of food waste and separate card/paper waste collections have begun in several districts and the Lincolnshire Waste Partnership Strategic Officer Working Group are in talks with the Department for the Environment, Food and Rural Affairs (DEFRA) regarding a full food waste roll out before the 2023 deadline. The amount of residual waste collected remains consistent and the number of missed collections remains better than target. In light of recent customer complaints relating to missed collections; improvements to the staff rota have been made to rectify this. For example, all team members have now been allocated a fixed rota day off which means crews will consistently be working the same round schedule. Following complaints relating to property damage caused by refuse vehicles, any damage has been repaired and those customers affected have received an apology. Commercial waste continues to outperform predictions in the Business Case and now serves over 350 customers.

Measure	Baseline Perf (P2 2018/19)	Target	Current Perf (P2 2019/20)	DOT	What is affecting performance?	What do we need to do to improve and by when?
Number of missed black and blue bin collections	**255**	285	**233**	↑	Flooding had an impact on bin collections in November.	Improvements to the staff rota system have been made to ensure crews consistently work on the same round schedule and are therefore more familiar with, for example, which households require assisted collections.
% of missed bins collected within the Service Level Agreement	**100%**	95%	**99%**	↓	No issues noted.	As above.

Table 26: Waste Collection performance exceptions

Agenda Item 6e

	Corporate Policy and Resources Committee
	Thursday, 13 February 2020

Subject: Nomination of Director - Market Street Renewal Limited (MSRL)

Report by:	Monitoring Officer
Contact Officer:	Alan Robinson Monitoring Officer alan.robinson@west-lindsey.gov.uk
Purpose / Summary:	To nominate an officer to replace Eve Fawcett-Moralee as Director of our Joint Venture Company, Market Street Renewal Ltd

RECOMMENDATION(S):

1. Sally Grindrod-Smith, Assistant Director of Planning and Regeneration be nominated as Director of Market Street Renewal Limited.

IMPLICATIONS

Legal: Market Street Renewal Limited is a Joint Venture Company to which as joint owners West Lindsey District Council is entitled to nominate two Directors

Financial : FIN/176/20/TJB None from this report.

Staffing : None from this report

Equality and Diversity including Human Rights : *NB: Please explain how you have considered the policy's impact on different groups (for example: young people, elderly, ethnic minorities, LGBT community, rural residents, disabled, others).*

Data Protection Implications : None from this report

Climate Related Risks and Opportunities: None from this report

Section 17 Crime and Disorder Considerations: None from this report

Health Implications: None from this report

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

Risk Assessment :

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 The Council, Dransfield Properties Limited ("**Dransfield**") and Market Street Renewal Limited are parties to a Joint Venture Agreement dated 22 March 2017 (the "**JV Agreement**"). The JV Agreement contains terms agreed between the Council and Dransfield which relate to the management of MSRL (which is jointly owned by the Council and Dransfield with each having a 50% share).

2 Nomination of Directors

2.1 The Joint Venture agreement allows both West Lindsey District Council and Dransfield Property Services to nominate two Directors to the Company. The current Directors for the Council are Eve Fawcett – Moralee, the Executive Director of Commercial and Economic Growth and Andrew Morriss, Independent Member of the Governance and Audit Committee.

2.2 Eve Fawcett–Moralee is due to leave West Lindsey District Council in March 2020. In accordance with the original nomination and appointment she will have to resign from her post as a Director. This will leave a vacancy.

3 Recommendation

3.1 It is recommended that Sally Grindrod-Smith, Assistant Director of Planning and Regeneration be nominated as Director of Market Street Renewal Limited**.**

	Corporate Policy and Resources Committee
	Thursday, 13th February 2020

Subject: Budget and Treasury Monitoring – Period 3 2019/20

Report by:	Tracey Bircumshaw Strategic Finance and Business Support Manager
Contact Officer:	Sue Leversedge Business Support Team Leader 01427 676541 Sue.leversedge@west-lindsey.gov.uk
Purpose / Summary:	This report sets out the revenue, capital and treasury management activity from 1 April 2019 to 31 December 2019.

RECOMMENDATION(S):

a) That Members accept the forecast out-turn position of a £914k net contribution to reserves as at 31 December 2019 (see Section 2).
b) Members accept the use of Earmarked Reserves during the quarter approved by the Chief Finance Officer using Delegated powers (2.5.1)
c) That Members approve the amendment to the fees and charges schedule for the Crematorium (2.4.4)
d) Members approve the Capital Budget amendments as detailed in 3.1.3 and accept the current forecast outturn position.
e) That Members' accept the Treasury Management and Prudential Indicators to 31 December 2019.

IMPLICATIONS

Legal: None arising as a result of this report.

Financial: FIN/159/20/SL

The draft revenue forecast out-turn position for 2019/2020 is currently reflecting a net contribution to reserves of £914k as at 31 December 2019 (£628k as at 30 September 2019).

This is after taking account of approved carry forwards of £54k, and carry forward requests from services pending future approval as detailed at Appendix A.

Summary of Out-turn Position 2019/20

Summary of Out-turn Position 2019/20		
	£ 000	
FORECAST OUTTURN AS AT 31.12.19	(1,367)	BEFORE CARRY FORWARDS
CARRY FORWARDS:		
BASE BUDGET-APPROVED IN YEAR	31	ALREADY APPROVED
USE OF EARMARKED RESERVES	23	ALREADY APPROVED
SUB-TOTAL:	**(1,313)**	
SERVICE CARRY FORWARD REQUESTS	399	PENDING APPROVAL BY MANAGEMENT TEAM **.03.20
NET CONTRIBUTION TO RESERVES:	**(914)**	
TO VALUATION VOLATILITY RESERVE	469	
NET CONTRIBUTION TO GENERAL FUND BALANCES	**(445)**	

The items with significant variances are contained within this report at 2.1.

The capital out-turn position for 2019/20 is £20.263m, this is a 10.75% reduction on the current revised budget (original budget + carry forwards + approvals in year) and is due to:

Capital scheme amendments (£0.062m) due to incurred expenditure which cannot be capitalised and need to be treated as revenue.

New capital budgets are requested for the Flooding Recovery Support Scheme £0.050m (fully funded by the Department for the Environment, Food and Rural Affairs (DEFRA)). A replacement civic vehicle £0.026m funded from the trade in value of the existing vehicle and capital receipts. £0.5m in lieu of S106 for the Corringham Road junction. (Details in 3.1.3.)

The Treasury Management activities during the reporting period are disclosed in the body of this report (Section 4).

There have been no breaches of Treasury or Prudential Indicators.

Average investments for the period (Oct-Dec) was £15.228m which achieved an average rate of interest of 1.743% in Quarter 2 (1.555% Jul-Sep).

Staffing: None arising as a result of this report.

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

Risk Assessment: This is a monitoring report only.

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

Title and Location of any Background Papers used in the preparation of this report: 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**	**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 Forecast Out-Turn - Surplus £914k (6.58% of Forecast Net Revenue Expenditure).

- Capital Forecast Out-Turn - £20.263m, a variance of £2.442m against current budget £22.705m, this is made up of:
  - **Anticipated Slippage of £2.422m to 2020/21**
    - See table at 3.1.5 for details of which schemes this relates
  - **Projected overspend on one scheme £0.050m**
    - This is in relation to the Crematorium where compensation events have resulted in variations to contract price. This is within the 10% tolerance originally approved at committee.
  - **£0.008m underspend on one scheme which is now complete.**
    - This is in relation to the Saxilby Industrial Units scheme.
  - **£0.066m spend that cannot be capitalised and the budget therefore needs transferring to revenue and request for additional budget of £0.004m for one scheme pending completion**
    - see 3.1.3 for details

  In addition, **approval to spend £0.030m** for a replacement civic vehicle as the current vehicle has been found to be unsuitable when carrying passengers. The cost of a new vehicle will be offset by the sale value of the existing vehicle, resulting in a net budget requirement of £8k which will be met from Capital Receipts.

  Approval to spend a new capital budget of £0.050m for the Flooding Recovery Support Scheme fully funded by a capital grant from DEFRA.

- Treasury Management Report and Q3 monitoring
  - Average investment interest rate 1.743%
  - Total Investments at end Q3 £11.530m

The tables below reflect investment movements and prudential borrowing analysis:

Investment Movements	**Q3 £'000**
Investments B/fwd (at 31.3.2019 incl. bank)	**14,265**
Less Capital expenditure	(14,241)
Add PWLB Borrowing in year	5,500
Less Net Revenue Expenditure	(8,319)
Add Net Collection Fund Movement (Ctax/NNDR)	12,042
Add Working Capital Movement	2,283
Investments c/fwd (at 31.12.2019)	**11,530**

Our prudential borrowing position reflects actual borrowing undertaken from the Public Works Loans Board and the amount of internal borrowing required to meet the actual costs of borrowing up to the 31.12.2019:

	Q3
Prudential Borrowing at 31.12.2019	**£'000**
Total External Borrowing (PWLB)	16,500
Internal Borrowing	18,094
Total Prudential Borrowing at 31.12.2019	**34,594**

REVENUE BUDGET MONITORING PERIOD 3
(Forecast outturn for 2019/2020)

2. The Revenue Budget forecast out-turn currently stands at a net contribution to reserves of £914k as detailed in the table below, this is after taking account of £453k of budget carry forwards, the details of which are provided at Appendix A.

   Details of headline variances by Cluster can be found below at 2.1.

SERVICE CLUSTER	2019/20 Budget £	Forecast Outturn £	Forecast Outturn Variance £
Our People	5,185,300	5,024,448	(160,852)
Our Place	1,114,300	1,244,670	130,370
Our Council	5,567,900	5,164,317	(403,583)
Controllable Total	**11,867,500**	**11,433,435**	**(434,065)**
Corporate Accounting:			
Interest Receivable	(242,100)	(298,200)	(56,100)
Interest Payable	773,900	400,797	(373,103)
Investment Income	(1,103,500)	(1,262,500)	(159,000)
Precepts and Levies	2,379,200	2,382,254	3,054
Movement in Reserves:			
To / (From) General Fund	(816,800)	(816,800)	0
Use of Specific Reserves	(743,600)	(773,500)	(29,900)
Contribution to Specific Reserves	2,675,500	2,829,500	154,000
Repayment of Borrowing	10,000	10,000	0
Net Revenue Expenditure	**14,800,100**	**13,904,986**	**(895,114)**
Funding Total	(14,800,100)	(14,819,121)	(19,021)
NET SUBSIDY FROM / (CONTRIBUTION) TO RESERVES FOR THE YEAR	**0**	**(914,135)**	**(914,135)**

(Surplus)-to Valuation Volatility Reserve	(469,203)
Forecast (Surplus)/Deficit-to General Fund	**(444,932)**

2.1 The significant movements being;

Cluster	EXPENDITURE	Total £000	Direction of Travel
	BUDGET UNDERSPENDS		
	Salary savings.	(£324)	↑
Funding	Government Grant income received - EU Exit grant.	(£18)	↔
Investment Income	Net impact of investment property acquisitions, and forecast acquisitions.	(£159)	↑
Interest Payable & Receivable	Treasury management activities.	(£469)	↑
Our Council	Insurance Premium savings.	(£17)	↔
Our Council	Systems Development - Renegotiated contracts (£5k), budget not required (£12k), plus additional income achieved (£14k). Balance made up of various low value savings totalling (£6k).	(£37)	**New**
Our Council	Audit plan savings.	(£13)	↔
Our People	Park Spring Community Centre - reduced contributions towards maintenance of centre. Contingency fund of £20k held in reserves.	(£15)	↓
	PRESSURES		
Interest Payable & Receivable	Estimate of increase in bad debt provision.	£40	↑
Our People	Customer Services - increased software licences costs.	£31	↔
	Various forecast outturn variances <£10k.	£82	↓
		(£899)	

Cluster	INCOME	Total £000	Direction of Travel
	BUDGETED INCOME EXCEEDED		
Our People	Green Waste service income target exceeded (£94k) plus operational savings of (£8k).	(£102)	↔
Our People	Trade Waste income - additional contract secured (£20k) plus increase in customer base.	(£24)	↓
Our People	Shopping Trolley reclaim income.	(£21)	↑
	BUDGETED INCOME NOT ACHIEVED		
Our People	Land Charges income target not forecast to be met.	£17	**New**
Our Place	Impact of property not leased out until 15 July 19 at reduced rate - total pressure £73k (loss of rental income-£56k, plus NNDR-£17k). Balance of £15k due to unexpected repair and maintenance costs, room hire income not achieved, legal and other supplies and services costs.	£88	↑
Our Place	Planning fee income target not forecast to be achieved (£60k planning fee income, £5k est. of appeal costs, offset by £17k reduction in hearing costs).	£48	↑
Our Council	Commercial Contingency - to offset planning fee income pressure.	(£60)	**New**
Our Place	Car park income - pay & display income not forecast to meet target.	£13	↑
Our Place	Loss of rental income £16k, and repair and maintenance costs due to vandalism of public conveniences £10k.	£26	↓
		(£15)	

	TOTAL VARIANCE	**(£914)**

2.2 Significant items (>£10k) of note by Cluster:

2.2.1 Interest & Investment Income

- £469k of the forecast contribution relates to interest payable on borrowing. We provide a base budget estimated on the capital financing of schemes from prudential borrowing and assume that this borrowing will be from the Public Works Loans Board. This ensures we have a sustainable base budget which provides for future interest and minimum revenue provision costs.

  In reality we manage our actual borrowing through our Treasury Management function, utilising any surplus cash balances as internal borrowing, rather than taking on costly additional debt.

  This committee have previously approved that any net surplus be set aside at the year end to the Valuation Risk Reserve should it be required to meet the policy requirement of a minimum 5% of our investment portfolio purchase price.

  Approval to spend up to £30m on investment property (with £7m budgeted this financial year which was carried forward from 2018/19). The 2019/20 base budget assumed a net contribution of £563k in 2019/20 raising to £728k by 2020/21.

  A property has been purchased during this financial year and income generated for investment properties is forecast to be £159k above target.

  The Council continues to assess its options with regards to purchasing commercial investment properties.

- Bad debt provision – over the past 2 years the contribution towards our bad debt provision has been; 2017/18 £89k and 2018/19 £105k. As this has a significant impact on the outturn position of the Council, we are forecasting a contribution for 2019/20 of £40k, in order to provide an accurate forecast outturn position for members during the year.

  This is the forecast contribution required based on the levels of outstanding debt as at 31st December 2019.

2.2.2 Our People

- The 2019/20 budget for Green Waste Charging reflects a net contribution of £752k. With actual income at £915k from subscriptions achieved during this period and operational savings the forecast net contribution is £854k, £102k above the prudent original forecast. (£94k additional income and £8k net operational savings).

- Trade waste is reporting a £24k increase in income. This reflects an additional contract secured for the year.

2.2.3 Our Place

- A tenancy of a previously vacant property has been secured during the year, with effect from 15th July 2019. A reduced rent has been agreed for 2 years to secure this lease, resulting in a forecast loss of rental income of £56k for the year, plus NNDR costs incurred by the Council up to the commencement of the lease of £17k. This is a total pressure against the budget of £73k.

- Planning Services are forecasting a £48k pressure for the year. £60k relates to planning applications plus £5k estimation of appeal costs, offset by £17k reduction in hearing costs. We have benefitted from significant levels of planning fee income over the past 3 years. A variety of economic factors and the adoption of the Local Plan is now impacting upon the reductions projected, reflected by less applications to date. Although there are further large cases anticipated over the remainder of the current year, they are not expected to generate sufficient income to meet the target.

  As Planning is a demand led service, the commercial contingency budget will be utilised to offset any underachievement on fee income – currently forecast as £60k.

- A Commercial Contingency budget of £200k was built into the 2019/20 base budget to mitigate a number of commercial risks, including investment properties. It is proposed that £60k is utilised to offset the forecast pressure on planning fee income.

  If the remaining balance of £140k is not required this Committee will be asked to approve the balance be transferred into reserves later in the year.

2.2.4 Establishment

Current vacancy levels after costs of interim staffing resources has achieved a £324k budget underspend this represents 3.20% of the overall employee budget. This is broken down by cluster as follows;

Cluster	Forecast Outturn £
Our People	(76,565)
Our Place	(102,100)
Our Council	(145,462)
Grand Total	**(324,127)**

2.3 Commercial Projects and Income Target

2.3.1 The Commercial Plan 2015/16 – 2019/20 was intended to be a proactive response in contributing to future financial sustainability. This was to be achieved through charging, trading and investment in order to reduce the net subsidy on services. A target contribution of £1m was set.

2.3.2 Progress against this target will deliver £1,700k of ongoing additional income which has been built into the Medium Term Financial Plan 2019/20-2023/24.

2.3.3 For 2019/20 the forecast net contribution total of £1,994k is detailed below;

- £722k Investment in Commercial Property (Target £600k by 2020/21)
- £170k Trade Waste Income
- £854k Green Waste
- £ 65k Pre-Application Planning Advice
- £ 12k Surestaff Lincs Ltd (Recruitment Agency)
- £ 37k Commercial Loan income
- £ 134k Leisure contract

2.4 Fees and Charges

2.4.1 £2,989k has been received in Fees and Charges up to the end of the period against a budget for the period of £2,826k, additional income to date of £163k. The significant variances are included in the table at 2.1.

2.4.2 The most significant areas of additional income being Garden Waste and Trade Waste (see 2.2.2).

2.4.3 The significant areas of under achieved income against target being Planning Fee income (see 2.2.3).

2.4.4 **Amendment to Fees and Charges Schedule – Crematorium**

Members are asked to approve an addition to the fees and charges schedule presented to this Committee on the 7th November 2019;

Prosperous Communities Committee	2019/20	Proposed Increase		2020/21	VAT Amount	2020/21 Charge Inc. VAT	VAT Rate
Crematorium	£	% Type	or £	£	£	£	
Sanctum 2000 vault (leased for 10 years) **	£791.67			£791.67	£158.33	£950.00	S
Barbican memorial (space lease for 5 years) **	£192.50			£192.50	£38.50	£231.00	S
Mulberry Tree - per leaf, space leased for 5 years **	£137.50			£137.50	£27.50	£165.00	S

** Sanctum 2000 vault/Barbican memorial/Mulberry tree - additional artwork/photo plaque can be provided - POA

There is a need to offer a wide choice of memorialisation to fit all pockets to enable people to choose a memorial that is financially acceptable to them. WLDC offer a range of memorials and it is important for the bereaved to have choice over expenditure and can arrange a memorial that meets with their needs and requirements within the constraints of their own particular budget.

We offer memorials ranging in prices from the cheapest option of a book of remembrance up to a sanctum 2000 vault.

Book of Remembrance - A simple and lasting traditional memorial**.**

Mulberry Tree - A realistic Mulberry memorial tree with a hand carved granite trunk situated at the end of a pathway leading to Remembrance Court. Offering the opportunity for a hand crafted and beautiful memorial tribute. Tree comprises of 240 spaces.

Barbican Plaque - A simple yet stylish design displaying individual granite plaques. Each plaque can be personalised with a choice of personal artwork designs symbolising a personal tribute to a loved one. Barbican comprises of 80 spaces.

Sanctum 2000 Vault - A Sanctum 2000 vault can hold up to 2 sets of cremated remains or other personal tributes. Each vault is adorned with a polished granite plaque and a personal floral tribute vase fitted in the base. The Sanctum 2000 plaque is a truly personalised memorial option that will be beautifully inscribed with your words and bespoke artwork of your choice. The sanctum vault is an individual memorial.

Having benchmarked the fees of our competitors, and considered all costs relating to the purchase, installation and maintenance of the memorials including the foundation costs, the amendment and introduction of the additional memorials identified above is deemed appropriate.

2.5 Use and Contribution to Reserves

2.5.1 2019/20 Use of Reserves – Delegated Decisions

The Chief Finance Officer has used delegated powers to approve the use of earmarked reserves up to £50k, new delegated decisions totalled £111.8k;

- £14.8k from Unapplied Grants reserve (RE13). Local Authority Parks funding received in 2018/19, approved spend by Management Team 28.10.19 (FIN/120/20)

- £10.7k from IT Reserve (RE101). Revenue spend relating to Desktop Refresh – £4.2k staff costs and £6.5k equipment.

- £11.3k from Local Development Framework (RE98). To commission evidence base on sports provision for the Local Plan.

- £16.6k from the IT Reserve (RE01). Revenue spend for development, hardware and support relating to the Telephony project.

- £13k from Local Development Order (LDO) reserve. Contribution towards the LDO & Major Projects Officer post.

- £30.6k from Maintenance of Facilities reserve (RE01);
    - £0.7k - Repairs and maintenance of Ashcroft Road car park.
    - £3k - Revenue spend for LED lighting works.
    - £25k - Property conditions survey.
    - £1.9k – repairs to car park at former site, Caistor.

- £14.8k from Unapplied Grants (RE13);
    - £12.3k use of Flexible Homelessness Support Grant for frontline homelessness service, and repossession prevention.
    - 2.5k use of New Burdens grant (IT for implementation of homelessness prevention act) for bespoke software work.

2.6 Grants

2.6.1 Successful Grant Bids and New Grant determinations

The following grants have been awarded during this period:

Grant Issued By	Name of Grant	Revenue/ Capital	£
Active Lincolnshire	Sport England - Satellite Club Funding	Revenue	400
DWP	Data Sharing	Revenue	10,742
HCLG	Flood Relief Grant	Revenue	35,000
HCLG	Flexible Homelessness Support	Revenue	65,800
HCLG	New Burden - Homelessness Reduction Act	Revenue	24,900
HCLG	Cold Weather Fund	Revenue	10,000
HCLG	Council Tax Annexe Discount Grant	Revenue	11,116
GLLEP	Manufacturing Feasibility	Revenue	50,000
One Public Estate (OPE)	Community Lincs	Revenue	100,000
		TOTAL:	307,958

2.6.2 £100k One Public Estate (OPE) Grant

We have been awarded £100k from the One Public Estate (OPE) project in relation to the former RAF base at Scampton. The grant is received by LCC and West Lindsey District Council incurs the spend and draws down the funds from LCC.

High level objectives:

• Community Engagement & Consultation related specifically to capacity building of the Parish Council and related community groups.

• Production of a high level Place Making Strategy for married quarters (considering opportunities presented by further development sites allocated to the South of the Family Married Quarters).

2.6.3 £50K GLLEP Grant – Manufacturing Feasibility

On the 18th January 2019, Greater Lincolnshire LEP received a grant determination letter confirming the Greater Lincolnshire East Midlands Manufacturing Zone funding totaling £155k. Hemswell Cliff FEZ was one of the areas approved for this grant (£50k), which builds on our existing strengths in food and advanced manufacturing, enabling the sectors to innovate, grow and boost economic growth across the Midlands Engine area. The East Midlands Manufacturing Zone aims to reduce planning restrictions to allow land to be used more productively and provide certainty for business investment. Our grant has been awarded on the premise that it will directly assist the East Midlands to increase competitive advantage in enabling the UK's largest concentration of food producers and supply chain companies.

To support all of the above we are considering some work that would extend to the wider business park but would still incorporate the FEZ designation. A combination of visual concept for the whole estate for investment purposes and some studies associated to the AD plant as localised energy provider. Hence, in principle we would like the proposal to consider the allocation of funding in the following areas:

- Smart Grid/AD Plant Evaluation and Marketing Presentation – up to £20k
- 3D visuals and concept marketing for the finished estate (FEZ site and wider business park) - £25k

Other Items for information

2.7 Planning Appeals

In period 3 2019/20 there were 13 appeals determined, as follows;

Period	Number of Appeals	Allowed	Dismissed
October	6	0	6
November	3	2	1
December	4	1	3
Total for Period 3	**13**	**3**	**10**

Costs have been awarded against us in relation to one appeal. Costs are estimated between £15-£20k.

2.8 Aged Debt Summary – Sundry Debtors Aged

Debt Summary Period 3 Monitoring Report

At the end of December 2019, there was a total of £189k outstanding debt in the system over 90 days. The majority of this debt was over 150 days old and mainly comprised of:

Housing Benefits overpayments £68k the majority of which will look to be recovered through ongoing entitlement or where appropriate on agreed repayment schedules.

Environmental Protection & Licensing £58k
Corporate Governance £17k

Month	90 – 119 days £	120 – 149 days £	150+ days £	Total £
Qtr 1 - May 19	13,566	1,371	174,136	189,073
Qtr 2 - September 19	19,388	109,463	53,029	181,880
Qtr 3 - December 19	3,078	2,127	183,851	189,056

2.9 Changes to the Organisation Structure

There have been the following changes to the organisation structure during period 3;

2.9.1 Housing Benefits - New 12mth fixed term post (Debt Recovery Officer). Impact on MTFP £6,200.

2.9.2 Homelessness & Housing Advice – Increase fixed term post for another 2 years (Private Rented Support Officer). Impact on MTFP £20,400.

2.9.3 Tourism – Make temporary post permanent (Visitor Economy Officer)

2.9.4 Neighbourhood Planning Grant (NPG) – deleted NPG officer post as no longer required – impact on MTFP nil as funded from NPG grant.

2.9.5 Community Safety – Full time post extended for another 2 years (Enforcement Officer) – impact on MTFP nil as funded from reserves.

3.1 CAPITAL BUDGET MONITORING – Quarter 3

3.1.1 The Capital Budget forecast out-turn for schemes approved for spend (includes Stage 3 and Business as Usual) totals £19.368m against a revised budget of £21.679m, a £2.311m underspend. There is a £0.050m overspend on the Crematorium which is within the approved 10% tolerance. There is anticipated slippage on the Commercial Investment portfolio £1.334m, Depot review £0.200m, Street Lighting (Carbon Efficiency) £0.210m and smaller slippage across various schemes amounting to £0.617m. £0.066m of budget is to be transferred to revenue as the expenditure cannot be capitalised. Saxilby Industrial Units has now completed and underspent by £0.008m. Desktop Refresh is due to complete in February but has overspent by £0.004m as additional monitors were required. Pre Stage 1, Stage 1 and Stage 2 are expected to spend £0.895m (subject to future formal approval). This gives an overall total spend of £20.263m as detailed in the table below;

Capital investment Programme 2019/20

Corporate Priority / Scheme	Actuals to 31/12/2019	Original Budget	Revised Budget 2019/20	Final Outturn 2019/20	Over / (Underspend)	Carry Forward Requests/ Drawbacks
	£	£	£	£	£	£
Total Capital Programme Gross Expenditure - Stage 3 and BAU	14,240,739	19,850,958	21,679,323	19,368,173	(19,181)	(2,291,970)
Stage 2	0	947,300	865,000	805,000	0	(60,000)
Stage 1	0	898,860	160,500	90,000	0	(70,500)
Pre-Stage 1	0	0	0	0	0	0
Total Capital Programme Gross Expenditure	14,240,739	21,697,118	22,704,823	20,263,173	(19,181)	(2,422,470)

3.1.2 The capital programme spend to date is £14.241m against a revised budget of £22.705m. Expenditure is forecast to be £20.263m resulting in a £2.442m variance. Of this, £0.066m is requested to be transferred to revenue to cover spend that cannot be capitalised. £0.050m relates to a within tolerance overspend on the Crematorium, £0,008m underspend on one scheme and an anticipated £0.004m overspend on Desktop Refresh. An anticipated £2.422m will be slipped to 2020/21 at the financial year-end.

3.1.3 The Committee is asked to formally approve the following:

- **Net Budget reduction of £0.062m**

  - Reduction of £0.049m on Capital Enhancements to Council owned buildings which is due to the classification of schemes as revenue.

  - Increase of £0.004m on Desktop Refresh due to additional monitors required to complete the roll out of the programme.

  - Reduction of £0.017m on Telephony, due to the classification of some spend as revenue.

  - The Committee have previously approved a Capital Budget and expenditure of £1.010m for the Corringham Road Junction Scheme which is being funded from GLLEP grant and S106. Due to timescales, the Committee are asked to approve the forward funding of £0.5m in lieu of the S106 receipt to be applied to the Northern Neighbourhood development site. A charge will be made on the land to mitigate any financial risk.

  - **New Budget requests of £.076m**

  - The creation of a £0.050m capital budget for Flooding Recovery Support funded by a capital grant from DEFRA. This scheme is designed to help improve flood defences at eligible properties that experienced damage during the November Floods. Grants of up to £5,000 are payable per property and it is anticipated that up to 10 claims will be made.

  - The replacement of the civic vehicle at a cost of £0.026m offset from the trade in value of the existing vehicle and resulting in a net cost of £0.004m which will be funded from capital receipts. This is due to the current vehicle being deemed unsuitable when carrying maximum number of passengers. A 4 year replacement programme will be built into the 2021/22 Capital Programme.

All other amendments to capital schemes will be dealt with as part of the closedown process at the financial year end.

3.1.4 The following schemes have been approved by this Committee during the period and therefore have been moved from stage 2 to stage 3 which is reflects there is approval to commence spending:

Public Sector Hub
Depot Review
Roses Sports Ground 3 G Community Pitch (Spend will only occur upon receipt of completed grant funding agreement)

3.1.5 Individual schemes are detailed in the table below and commentary provided on performance.

Capital Investment Programme 2019/20

Corporate Priority / Scheme	Stage (1 April 2019)	Stage	Actuals to 31/12/2019	Original Budget 2019/20	Revised Budget 2019/20	Final Outturn 2019/20	Over/ (Underspend)	Carry Forward Requests/ Drawbacks	Comments
Open for Business									
Telephony	Stage 2	Stage 3	3,000	18,000	16,560	0	(16,560)	0	£17k to be transferred to revenue as expenditure is not capital
Trinity Arts Address System	Stage 2	Stage 3	34,724	0	35,000	34,724	(276)	0	
People First									
Disabled Facilities Grants	BAU	BAU	519,572	591,600	631,100	631,100	0	0	
Customer First Programme	Stage 1	Stage 1	0	181,300	75,000	85,000	0	10,000	Implementation costs 10k more than anticipated. Clawback from 2020/21
CCTV Expansion	Stage 3	Stage 3	2,200	0	27,265	27,265	0	0	
Channel Optimisation	Stage 1	Stage 1	0	50,000	0	0	0	0	
Asset Management									
Capital Enhancements to Council Owned Assets	BAU	BAU	0	90,000	141,100	45,000	(49,000)	(47,100)	£9k for Plough Décor, 15k sansfield pavillion demolishment and 25k for condition survey to be transferred to revenue. £49k slipped to 2020/21
Carbon Efficiency Project	BAU	Stage 3	910	210,000	210,000	0	0	(210,000)	Procurement process not yet complete - slip to 20/21
Hemswell Masterplan - Public Realm Improvements	Stage 2	Stage 2	0	150,000	0	0	0	0	
Commercial Investment - Crematorium	Stage 3	Stage 3	3,053,458	3,612,600	3,687,600	3,737,600	50,000	0	Compensation events resulted in variations to contract price resulting in a £50k overspend anticipated. This is within the 10% tolerance originally approved at committee
Car Park Strategy Investment	Stage 3	Stage 3	(13,500)	0	0	0	0	0	
Leisure Facilities - Market Rasen	Stage 3	Stage 3	3,333,839	6,040,300	6,486,459	6,486,459	0	0	This project will slip into 20/21 to confirm amount slipped by Q3
Commercial Investment - Property Portfolio	Stage 3	Stage 3	5,681,319	0	7,015,289	5,681,319	0	(1,333,970)	One acquisition already made in 19/20 £1.3m remaining likely to be slipped to 2020/21
Depot Review	Stage 1	Stage 3	80,194	3,700,000	400,000	200,000	0	(200,000)	Project to commence in 20/21 - land purchase should complete this financial year
5-7 Market Place - Redevelopment	Stage 1	Stage 2	0	387,300	35,000	35,000	0	0	
Trinity Entrance Refurbishment	Stage 1	Stage 3	0	500,000	250,000	95,000	0	(155,000)	scheme expected to commence early 2020 residual to be slipped into the next financial year
Roses Sports Ground: 3 G Community Pitch	Stage 2	Stage 3	0	150,000	150,000	150,000	0	0	
Central Lincolnshire Local Plan									
Gainsborough Shop Front Improvement Scheme	Stage 3	Stage 3	0	65,000	45,000	10,000	0	(35,000)	3 Pending applications any residual budget to be Slipped to 2020/21
Gainsborough Heritage Regeneration - THI	Stage 2	Stage 3	0	346,245	147,900	10,000	0	(137,900)	Scheme will commence once recruitment to the post to enable the project is completed
Unlocking Housing - Living over the Shop	Stage 2	Stage 3	0	135,000	100,000	25,000	0	(75,000)	1 application received and in discussion for others. Residual budget to be slipped to 2020/21
Riverside Gateway - Marina/Transformational Change	Stage 2	Stage 1	0	250,000	0	0	0	0	
Gainsborough Regeneration - Dev Partnership	Stage 1	Stage 3	0	1,150,000	0	0	0	0	
Gainsborough Regeneration - Cinema		Stage 2	0	0	650,000	640,000	0	(10,000)	Slipped to 2020/21
Viability Funding - Capital Grant	Stage 3	Stage 3	220,341	0	220,341	220,341	0	0	
Market Rasen 3 year vision	Pre stage 1	Stage 2	0	150,000	0	0	0	0	MRTC will submit a Heritage Action Zone bid which will require match funding from WL, this is likely to be finalised in 2020/21.
Rural Transport	Stage 3	Stage 3	0	0	0	0	0	0	Scheme no longer progressing
Private Sector Renewal	Pre stage 1	Stage 3	73,629	475,000	190,000	190,000	0	0	
Food Enterprise Zone infrastructure	Stage 1	Stage 4	0	1,483,513	0	0	0	0	
Saxilby Industrial Units	Stage 3	Stage 3	582,371	0	607,000	599,371	(7,629)	0	Scheme is now complete
Green Corridor	Stage 1	Stage 1	0	387,560	0	0	0	0	
North Marsh Road - Affordable Housing Scheme (REFCUS)	Stage 1	stage 3	0	360,000	360,000	360,000	0	0	
Riverside Gateway Acquisition		Stage 1	0	0	65,500	5,000	0	(60,500)	Land purchase expected to complete early 2021 - slip budget

Capital Investment Programme 2019/20

Corporate Priority / Scheme	Stage (1 April 2019)	Stage	Actuals to 31/12/2019	Original Budget 2019/20	Revised Budget 2019/20	Final Outturn 2019/20	Over/ (Underspend)	Carry Forward Requests/ Drawbacks	Comments
Excellent, VFM Services									
Vehicle Replacement Programme	BAU	BAU	373,218	435,000	428,218	428,218	0	0	
Replacement Planning/Building Control/Land Charges System	Pre stage 1	Stage 3	0	123,700	0	0	0	0	
Desktop Refresh and experience	BAU	BAU	196,634	0	201,823	206,109	4,286	0	Spend of £8500 for additional monitors is required, resulting in an overspend of £4200
Commercial Loans	Stage 3	Stage 3	66,666	0	66,668	66,666	(2)	0	
Financial Management System	Stage 1	Stage 2	0	150,000	50,000	0	0	(50,000)	System implementation to commence in 2020/21
IT Infrastructure Refresh and Software	BAU	BAU	0	0	0	0	0	0	
Performance Management	Stage 1	Stage 1	0	10,000	10,000	0	0	(10,000)	Implementation is likely to be in 2020/21 budget to be slipped accordingly
Project Management	Stage 1	Stage 1	0	10,000	10,000	0	0	(10,000)	Implementation is likely to be in 2020/21 budget to be slipped accordingly
Public Sector Hub	Stage 1	Stage 3	814	365,000	180,000	82,000	0	(98,000)	Preliminary costs will commence in January with start of works in March - residual budget to be slipped to 2020/21
Environmental Protection Equipment (noise)	Stage 1	Stage 1	0	10,000	0	0	0	0	
Refresh Servers and storage Cloud	Stage 2	Stage 2	0	110,000	110,000	110,000	0	0	
Income Management System Development	Stage 3	Stage 3	31,350	0	82,000	82,000	0	0	
3D Payment Secure	Stage 2	Stage 2	0	0	20,000	20,000	0	0	
Total Capital Programme Gross Expenditure			**14,240,739**	**21,697,118**	**22,704,823**	**20,263,173**	**(19,181)**	**(2,422,470)**	

3.2 Capital Investment in Commercial Property 2019/20

3.2.1 Investment in commercial property is ongoing with one successful acquisition in the financial year to date totaling £5.668m (including costs).

The remaining balance for the 2019/20 Investment Programme is £1.348m, the Council continues to seek additional suitable investment opportunities but it is unlikely this will be spent this financial year and will therefore be slipped at year end into 2020/21. A further £7.0m is proposed for 2020/21, this will fully utilise the £30m allocated for the Council's Investment Property Programme.

3.3 Acquisitions, Disposals and Capital Receipts

3.3.1 The Council has made the following asset acquisition during Quarter 3.

- Saxilby Industrial Units

3.3.2 Following a deed review 17 parcels of land have been identified as belonging to West Lindsey District Council and 16 pieces of land (14 of which are Church yards which are just burden of repair, the other 2 are parcels of land) have been identified as not belonging to West Lindsey District Council, these amendments will have a minimal impact on the Council's balance sheet.

3.3.3 The Council has had no asset disposals during Quarter 3.

3.3.4 Capital Receipts - The total value of capital receipts at the end of Quarter 3 was £174k this was due to income of £130k from the Housing Stock Transfer Agreement share of Right to Buy receipts, £17k loan repayments, £5k repayments from DFG Grant, £10k deposit on Disposals and LCC Sale of Mercury House of which the Council was entitled to a percentage of the sale proceeds £12k.

4. TREASURY MONITORING – PERIOD 3 (Oct - Dec)

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

4.1 Prudential Indicator Breaches

Officers can confirm that there have been no breaches of Prudential Indicators as detailed at 4.10 below.

4.2 Economic Background

UK. Economic growth in 2019 has been very volatile with quarter 1 unexpectedly strong at 0.5%, quarter 2 much weaker at -0.2%, quarter 3 back up to +0.4% and quarter 4 expected to come in around zero. Political and Brexit uncertainty have dampened growth in 2019.

Despite political uncertainty ending with a decisive overall majority for the Conservative government in the December general election which clears the way for the UK to leave the EU on 31 January 2020, we still have much uncertainty as to whether there will be a reasonable trade deal achieved by the end of 2020.

After the Monetary Policy Committee raised **Bank Rate** from 0.5% to 0.75% in August 2018, it is little surprise that they have abstained from any further increases since then. We are unlikely to see any further action from the MPC until these remaining uncertainties over the likely type of Brexit become clear. If growth was to reduce significantly, the MPC could also cut Bank Rate in 2020. The Government has announced some major spending increases and is expected to make further commitments in the spring budget; these will provide some support to growth and will take some pressure off the MPC to act to stimulate growth by either cutting Bank Rate or implementing other monetary policy measures.

The MPC did have some concerns over the trend in wage inflation, which was on a rising trend, and peaked at a new post financial crisis high of 3.9% in June. Since then, however, it has been falling steadily back to 3.5% in October, (3 month average figure, excluding bonuses). Growth in employment picked up again to 24,000 in the three months to October, after a fall in the previous month's figures. However, this is still well below the 2018 average, although the unemployment rate remained at 3.8 percent, its lowest rate since 1975.

As for **CPI inflation** itself, this fell to 1.5% in October and November and is likely to remain between 1.5% and 2% over the next two years. If there was a no deal Brexit though, it could rise towards 4%, primarily as a result of imported inflation on the back of a weakening pound.

The strong wage inflation figure and the fall in CPI inflation is good news for **consumers** as their spending power is improving in this scenario as the difference between the two figures is now around 2.0%, i.e. a real term increase. Given the UK economy is very much services sector driven, an increase in household spending power is likely to feed through into providing some support to the overall rate of economic growth in the coming months.

A more detailed Economic Forecast provided by our Link Asset Services is attached at Appendix 1 and 2 of the Monthly Investment Review attached;

4.3 Interest Rate Forecasts

The Council's treasury advisor, Link Asset Services, has provided the following forecast:

Link Asset Services Interest Rate View	Mar-20	Jun-20	Sep-20	Dec-20	Mar-21	Jun-21	Sep-21	Dec-21	Mar-22	Jun-22	Sep-22	Dec-22	Mar-23
Bank Rate View	0.75	0.75	0.75	0.75	1.00	1.00	1.00	1.00	1.00	1.25	1.25	1.25	1.25
3 Month LIBID	0.70	0.70	0.80	0.90	1.00	1.00	1.00	1.10	1.20	1.30	1.30	1.30	1.30
6 Month LIBID	0.80	0.80	0.90	1.00	1.10	1.10	1.20	1.30	1.40	1.50	1.50	1.50	1.50
12 Month LIBID	1.00	1.00	1.10	1.20	1.30	1.30	1.40	1.50	1.60	1.70	1.70	1.70	1.70
5yr PWLB Rate	2.40	2.40	2.50	2.50	2.60	2.70	2.80	2.90	2.90	3.00	3.10	3.20	3.20
10yr PWLB Rate	2.70	2.70	2.70	2.80	2.90	3.00	3.10	3.20	3.20	3.30	3.30	3.40	3.50
25yr PWLB Rate	3.30	3.40	3.40	3.50	3.60	3.70	3.70	3.80	3.90	4.00	4.00	4.10	4.10
50yr PWLB Rate	3.20	3.30	3.30	3.40	3.50	3.60	3.60	3.70	3.80	3.90	3.90	4.00	4.00

After the August 2018 increase in Bank Rate to 0.75%, the first above 0.5% since the financial crash, the MPC has put any further action on hold, probably until such time as the fog of Brexit might clear. While the general election in December 2019 has provided political certainty leading to implementation of the UK leaving the EU on 31.1.20, there is still much uncertainty on what sort of trade deal may be agreed by the end of 2020 and its likely impact on the UK economy. Bank Rate forecasts will have to change if this assumption does not materialise. All other forecasts for investment and borrowing rates would also have to change.

The balance of risks to the UK

- The overall balance of risks to economic growth in the UK is probably even, but dependent on a successful outcome of negotiations on a trade deal.
- The balance of risks to increases in Bank Rate and shorter term PWLB rates are broadly similarly to the downside.
- In the event that a Brexit deal is agreed with the EU and approved by Parliament, the balance of risks to economic growth and to increases in Bank Rate is likely to change to the upside.

4.4 Interest received has been in excess of the 7 day average libid benchmark (0.57%) with an average yield of 1.644% (including CCLA) and 0.832% (excluding CCLA).

4.5 Investments

The Council held investments of £11.530m in addition to a bank balance of £0.087m.

The table below details where these investments were held as at Q3

Investments at Q3	Q3 £'000
LGIM Money Market Fund	2,530
CCLA Property Fund	3,000
Santander (35 Day Notice Account)	2,000
Lloyds (32 Day Notice Account)	3,000
Lloyds (95 Day Notice Account)	1,000
Total Investments	**11,530**

4.6 Investment in Local Authority Property Fund (CCLA)

The total the Council has invested now stands at £3m (of an approved £4m). Interest is receivable on a quarterly basis with Q3 due during January.

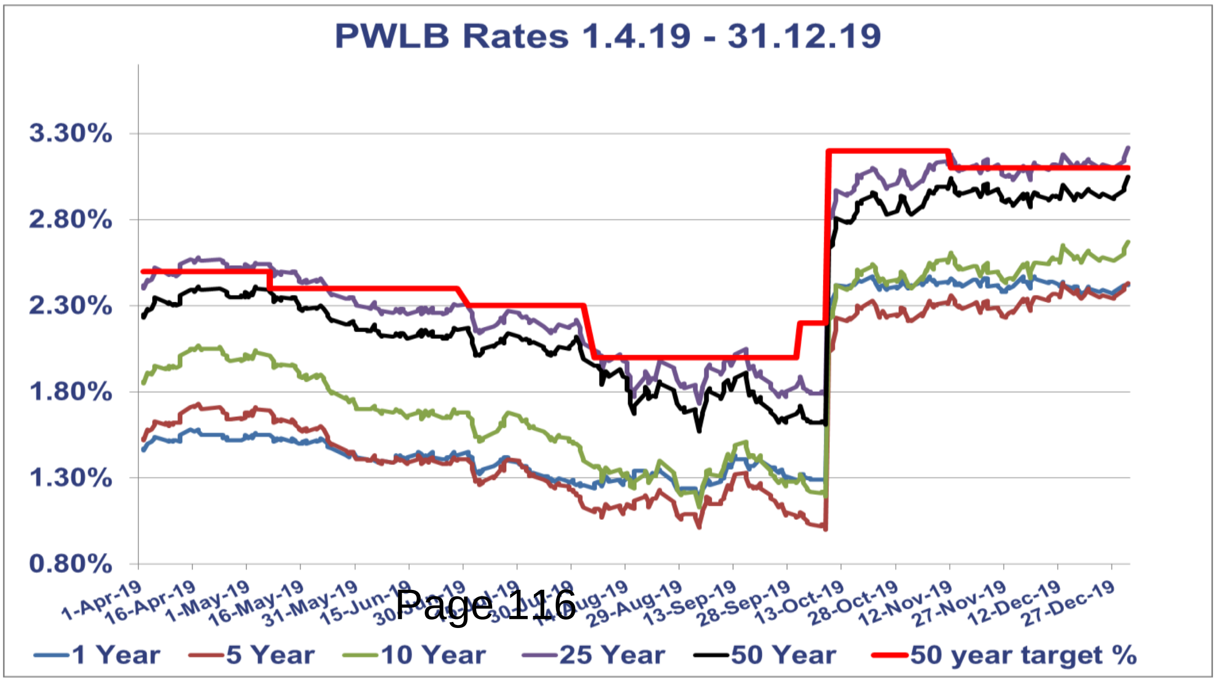
This is a treasury investment and not related to our capital investment in the commercial Property Portfolio.

4.7 New External Borrowing

No new borrowing was undertaken in the third quarter of the financial year.

The Council's total external borrowing stands at £16.5m.

It is anticipated that further borrowing will be undertaken during this financial year.



	1 Year	5 Year	10 Year	25 Year	50 Year
Low	1.17%	1.00%	1.13%	1.73%	1.57%
Date	03/09/2019	08/10/2019	03/09/2019	03/09/2019	03/09/2019
High	2.47%	2.43%	2.67%	3.22%	3.05%
Date	21/10/2019	13/12/2019	31/12/2019	31/12/2019	31/12/2019
Average	1.70%	1.64%	1.88%	2.45%	2.31%

4.8 Prudential Borrowing at Q3

	Q3
Prudential Borrowing at Q3	**£'000**
External Borrowing at 31/12/2019	**16,500**
Internal Borrowing at 31/12/2019	**18,094**
Total Prudential Borrowing	**34,594**

4.9 Borrowing in advance of need

The Council has not borrowed in advance of need during the period ending 31 December 2019

4.10 Compliance with Treasury and Prudential Limits

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

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

The prudential and treasury Indicators are shown below and take into account the revisions to the Capital Programme as detailed in section 3 of this report.

	Original £'000	**Q1 £'000**	**Q2 £'000**	**Q3 £'000**
Treasury Indicators				
Authorised limit for external debt	48,519	48,519	48,519	48,519
Operational boundary for external debt	43,184	42,809	40,588	39,165
External Debt	33,863	30,292	28,189	23,198
Long term Leases	0	0	0	0
Investments	(9,527)	(9,258)	(13,706)	(12,886)

Net Borrowing	**24,336**	**21,034**	**14,483**	**10,312**
Prudential Indicators				
Capital Expenditure	21,698	32,062	22,655	20,263
Capital Financing Requirement (CFR)*	43,184	42,810	40,589	39,165
Of Which Commercial Property	22,999	*22,999*	*22,999*	*22,999*
Annual change in CFR*	13,672	19,726	17,505	16,082
In year borrowing requirement	33,863	30,292	28,189	23,198
Under/(over) borrowing	9,321	12,518	12,400	15,967
Ratio of financing costs to net revenue stream*	4.00%	1.69%	1.89%	1.49%
Incremental impact of capital investment decisions:				
Increase/Reduction (-) in Council Tax (band change per annum)	(£0.31)	(£3.30)	(£6.33)	(£7.20)

4.11 Key Changes to the Treasury and Capital Strategies

There are no changes to report to this committee

4.12 The Monthly Investment Review report for December is attached below;

LINK Asset Services

West Lindsey District Council

Monthly Investment Analysis Review

December 2019

Monthly Economic Summary

General Economy

December's economic data began with the November Markit/CIPS Manufacturing PMI survey falling to 48.9, from 49.6 the previous month. The survey's details showed that British manufacturers cut jobs in November at the fastest rate since 2012, as pressures from Brexit and a global trade slowdown caused the sector's longest decline since the financial crisis. The Construction PMI, meanwhile, rose by 1.1 points to 45.3 - still indicating contraction - as companies yet again noted subdued client demand due to political uncertainty. The Services PMI decreased to 49.3 from October's figure of 50.0, leaving the Composite figure also at 49.3 – a decrease from 50.0 in October, indicating a contraction in the UK's economy last month.

The UK trade deficit widened sharply to £5.19bn in October 2019, the biggest since April, from a revised £1.92bn in the previous month. Imports jumped by 6.2%, while exports rose at a much softer 0.8%. GDP data, meanwhile, showed that the UK economy stagnated in the three months to October 2019, falling from the 0.3% q/q growth recorded in the previous period. Year-on-year GDP growth fell slightly to 0.7% in October, from 0.9% y/y in September.

The UK's unemployment rate remained at 3.8% in the three months to October, as the number of people employed rose by 24,000 to 32.8m. Average earnings including bonuses rose by an annual 3.2% rate, slowing from the 3.7% gain recorded in the three months to September. Average earnings excluding bonuses growth slowed less sharply to 3.5% y/y in the three months to October, from 3.6% y/y in the previous period.

CPI was unchanged at 1.5% y/y in November, slightly above market expectations of 1.4% but well below the Bank of England's 2% target. This was the lowest inflation rate since November 2016, but the BoE forecasts suggest that inflation could fall to as low as 1.25% in early 2020 due to caps on energy and water prices. The core CPI rate (which strips out the more volatile components), was 1.7% in November, unchanged from the previous month.

November's retail sales fell by 0.6% m/m after reporting no growth in October, which missed market expectations of a 0.3% m/m increase. This marked the 4th consecutive month of no growth in trade, the longest run since 1996. Year-on-year retail sales growth slowed to 1.0% in November, from the 3.1% gain recorded in the previous period.

The Confederation of British Industry's monthly retail sales balance rose 3 points from a month earlier to 0 in December, the highest level since April, but below market expectations of +3. The latest reading still signalled flat sales overall, with the volume of orders placed on suppliers falling for the 8th consecutive month. The GfK Consumer Confidence index, meanwhile, rose to -11 in December, from the previous month's reading of -14.

Against this backdrop, the Bank of England voted by a 7-2 majority to hold interest rates at 0.75% during their December Meeting. The two dissenting members voted to cut interest rates to 0.5%. Outside of economic and market events the general election on the 12th December saw the Conservatives gain a 78 seat majority. This result provided a late boost to domestic financial markets as the large majority was expected to ease through the Withdrawal Agreement Bill, thus remove some near-term Brexit uncertainty.

In the US, non-farm payrolls rose by 266,000 in November, following an upwardly revised increase of 156,000 in October, easily beating market expectations of 180,000. This was the largest advance in payrolls since January, with notable job gains occurring in health care and in professional and technical services. Employment also increased in manufacturing, reflecting the return of workers from a strike at General Motors. US average hourly earnings for all employees registered a 0.2% m/m gain in November, following an upwardly revised 0.4% rise in October, which was slightly below market expectations of a 0.3% gain. The unemployment rate fell to 3.5% in November from 3.6% in October, which missed market expectations for the rate to remain unchanged.

US CPI increased to 2.1% y/y in November from 1.8% in October, which was marginally above consensus forecasts of a 2.0% rise. This was the highest rate since November 2018, as food inflation was little-changed while energy prices dropped at a much slower pace. The core inflation rate, which excludes volatile items such as food and energy, was unchanged at 2.3 percent, in line with market forecasts. The US economy grew at a 2.1% annualised rate in the third quarter, following the 2% expansion recorded in the second quarter. The increase in real GDP in the third quarter reflected positive contributions from consumption, government spending and residential spending that were partly offset by negative contributions from non-residential fixed investment and private inventory investment.

The Euro Area unemployment rate fell to 7.5% in October, matching market expectations, from an upwardly revised 7.6% in the previous month. This is the lowest rate recorded in the Euro Area since July 2018. The number of unemployed persons in the Euro Area decreased to 12.334 million in October from 12.365 million in September. Across the European Union as a whole, the unemployment rate was unchanged at 6.3% in October, where it has remained for the last six months.

Housing

Buoyed by a 1% monthly gain, Halifax reported that house prices rose by 2.1% y/y in November, which was well above October's 0.9% y/y gain and the consensus forecast of a 1% y/y rise.

Currency

Sterling exhibited significant volatility against both the US Dollar and Euro last month, mainly due to the outcome of the general election. Having garnered a Conservative majority, the PM can fulfil his plan to take the UK out of the EU on the 31st January 2020. As a result, the pound rose from $1.29 to $1.326 and from €1.172 to €1.182

Forecast

The General Election win for the Conservatives has taken away some Brexit uncertainty, and as a result, both Link Asset Services and Capital Economics have left their forecasts unchanged.

Bank Rate	Now	Mar-20	Jun-20	Sep-20	Dec-20	Mar-21	Jun-21	Sep-21	Dec-21
Link Asset Services	0.75%	0.75%	0.75%	0.75%	0.75%	1.00%	1.00%	1.00%	1.00%
Capital Economics	0.75%	0.75%	0.75%	0.75%	0.75%	0.75%	1.00%	1.00%	1.00%

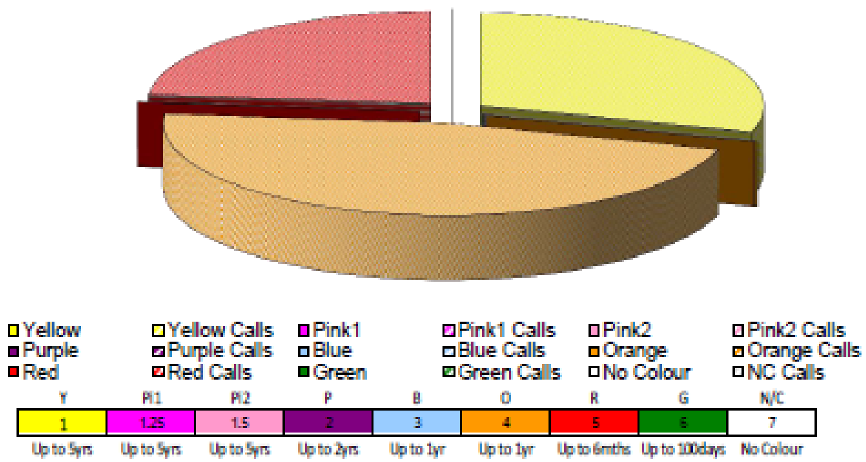
West Lindsey District Council

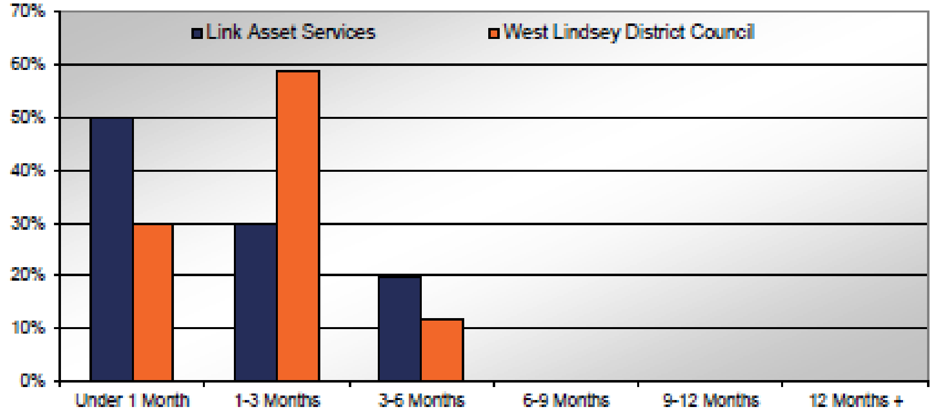
Current Investment List

Borrower	Principal (£)	Interest Rate	Start Date	Maturity Date	Lowest Long Term Rating	Historic Risk of Default
MMF LGIM	2,530,000	0.72%		MMF	AAA	0.000%
Lloyds Bank PLc (RFB)	3,000,000	0.95%		Call32	A+	0.005%
Santander UK Plc	1,000,000	0.75%		Call35	A	0.005%
Santander UK Plc	1,000,000	0.75%		Call35	A	0.005%
Lloyds Bank PLc (RFB)	1,000,000	1.10%		Call95	A+	0.014%
Borrower - Funds	**Principal (£)**	**Interest Rate**	**Start Date**	**Maturity Date**		
CCLA-LAPF	3,000,000					
Total Investments	**£11,530,000**					
Total Investments - excluding Funds	**£8,530,000**	**0.85%**				**0.004%**
Total Investments - Funds Only	**£3,000,000**					

West Lindsey District Council

Portfolio Composition by Link Asset Services' Suggested Lending Criteria





Portfolios weighted average risk number = 3.34

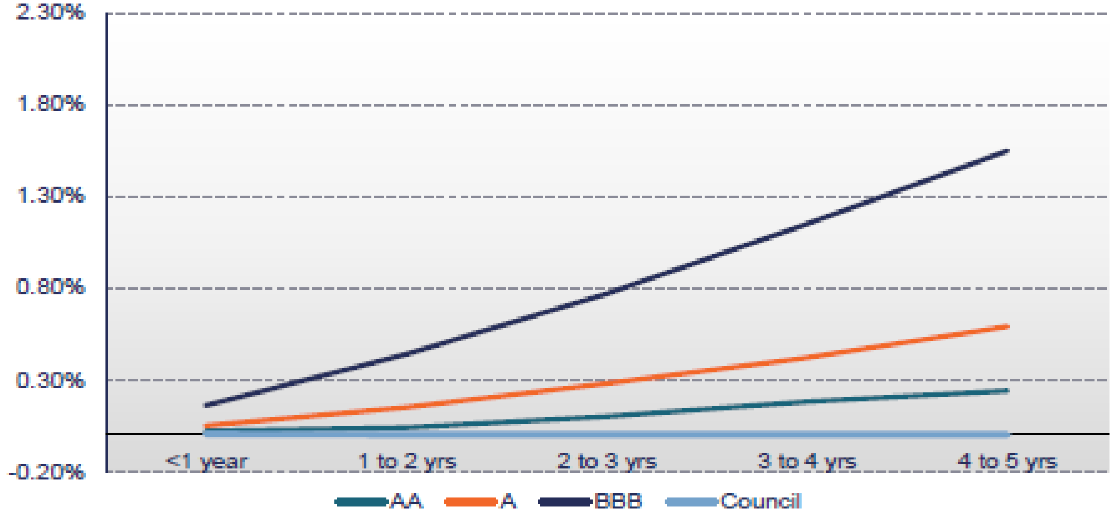
WARoR = Weighted Average Rate of Return
WAM = Weighted Average Time to Maturity

	% of Portfolio	Amount	% of Colour in Calls	Amount of Colour in Calls	% of Call in Portfolio	WARoR	WAM	WAM at Execution	Excluding Calls/MMFs/USDBFs WAM	Excluding Calls/MMFs/USDBFs WAM at Execution
Yellow	29.66%	£2,530,000	100.00%	£2,530,000	29.66%	0.72%	0	0	0	0
Pink1	0.00%	£0	0.00%	£0	0.00%	0.00%	0	0	0	0
Pink2	0.00%	£0	0.00%	£0	0.00%	0.00%	0	0	0	0
Purple	0.00%	£0	0.00%	£0	0.00%	0.00%	0	0	0	0
Blue	0.00%	£0	0.00%	£0	0.00%	0.00%	0	0	0	0
Orange	46.89%	£4,000,000	100.00%	£4,000,000	46.89%	0.99%	48	48	0	0
Red	23.45%	£2,000,000	100.00%	£2,000,000	23.45%	0.75%	35	35	0	0
Green	0.00%	£0	0.00%	£0	0.00%	0.00%	0	0	0	0
No Colour	0.00%	£0	0.00%	£0	0.00%	0.00%	0	0	0	0
	100.00%	**£8,530,000**	**100.00%**	**£8,530,000**	**100.00%**	**0.85%**	**31**	**31**	**0**	**0**

West Lindsey District Council

Investment Risk and Rating Exposure

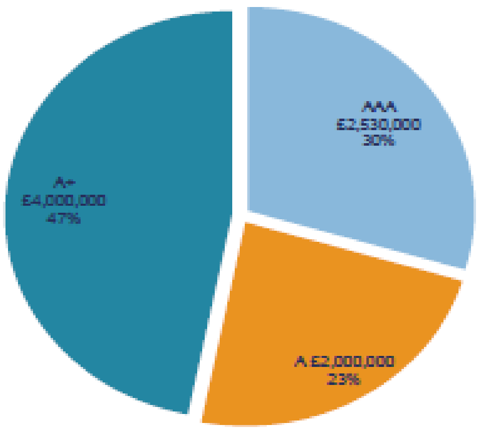
Investment Risk Vs. Rating Categories



Historic Risk of Default

Rating/Years	<1 year	1 to 2 yrs	2 to 3 yrs	3 to 4 yrs	4 to 5 yrs
AA	0.02%	0.04%	0.10%	0.18%	0.24%
A	0.05%	0.15%	0.28%	0.42%	0.59%
BBB	0.16%	0.44%	0.77%	1.15%	1.55%
Council	0.004%	0.000%	0.000%	0.000%	0.000%

Rating Exposure



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

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

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

West Lindsey District Council

Monthly Credit Rating Changes
FITCH

Date	Update Number	Institution	Country	Rating Action
06/12/2019	1708	HSBC UK Bank PLC (RFB)	United Kingdom	The Long Term Rating was downgraded to 'A+' from 'AA-'.
06/12/2019	1709	HSBC Bank PLC (NRFB)	United Kingdom	The Long Term Rating was downgraded to 'A+' from 'AA-'. At the same time the Viability Rating was downgraded to 'a' from 'a+'.
18/12/2019	1711	United Kingdom Sovereign	United Kingdom	The Sovereign Rating was removed from Negative Watch and placed on Negative Outlook.
20/12/2019	1714	Abbey National Treasury Services PLC	United Kingdom	The Long Term Rating was removed from Negative Watch and placed on Stable Outlook.
20/12/2019	1714	Bank of Scotland PLC (RFB)	United Kingdom	The Long Term Rating was removed from Negative Watch and placed on Stable Outlook.
20/12/2019	1714	Barclays Bank PLC (NRFB)	United Kingdom	The Long Term Rating was removed from Negative Watch and placed on Stable Outlook.
20/12/2019	1714	Barclays Bank UK PLC (RFB)	United Kingdom	The Long Term Rating was removed from Negative Watch and placed on Stable Outlook.
20/12/2019	1714	Close Brothers Ltd	United Kingdom	The Long Term Rating was removed from Negative Watch and placed on Stable Outlook.
20/12/2019	1714	Clydesdale Bank PLC	United Kingdom	The Long Term Rating was removed from Negative Watch and placed on Stable Outlook.
20/12/2019	1714	Co-operative Bank PLC (The)	United Kingdom	The Long Term Rating was removed from Negative Watch and placed on Stable Outlook.
20/12/2019	1714	HSBC Bank PLC (NRFB)	United Kingdom	The Long Term Rating was removed from Negative Watch and placed on Stable Outlook.
20/12/2019	1714	HSBC UK Bank PLC (RFB)	United Kingdom	The Long Term Rating was removed from Negative Watch and placed on Stable Outlook.
20/12/2019	1714	Lloyds Bank Corporate Markets PLC (NRFB)	United Kingdom	The Long Term Rating was removed from Negative Watch and placed on Stable Outlook.
20/12/2019	1714	Lloyds Bank PLC (RFB)	United Kingdom	The Long Term Rating was removed from Negative Watch and placed on Stable Outlook.
20/12/2019	1714	NatWest Markets PLC (NRFB)	United Kingdom	The Long Term Rating was removed from Negative Watch and placed on Stable Outlook.
20/12/2019	1714	Santander UK PLC	United Kingdom	The Long Term Rating was removed from Negative Watch and placed on Stable Outlook.
20/12/2019	1714	National Westminster Bank PLC (RFB)	United Kingdom	The Long Term Rating was removed from Negative Watch and placed on Stable Outlook.
20/12/2019	1714	The Royal Bank of Scotland PLC (RFB)	United Kingdom	The Long Term Rating was removed from Negative Watch and placed on Stable Outlook.

West Lindsey District Council

Monthly Credit Rating Changes
FITCH

Date	Update Number	Institution	Country	Rating Action
20/12/2019	1715	Coventry Building Society	United Kingdom	The Long Term Rating was removed from Negative Watch and placed on Stable Outlook.
20/12/2019	1715	Leeds Building Society	United Kingdom	The Long Term Rating was removed from Negative Watch and placed on Stable Outlook.
20/12/2019	1715	Nationwide Building Society	United Kingdom	The Long Term Rating was removed from Negative Watch and placed on Stable Outlook.
20/12/2019	1715	Principality Building Society	United Kingdom	The Long Term Rating was removed from Negative Watch and placed on Stable Outlook.
20/12/2019	1715	Skipton Building Society	United Kingdom	The Long Term Rating was removed from Negative Watch and placed on Stable Outlook.
20/12/2019	1715	Yorkshire Building Society	United Kingdom	The Long Term Rating was removed from Negative Watch and placed on Stable Outlook.

West Lindsey District Council

Monthly Credit Rating Changes
MOODY'S

Date	Update Number	Institution	Country	Rating Action
02/12/2019	1707	Credit Suisse AG	Switzerland	The Outlook on the Long Term Rating was changed to Positive from Stable.
18/12/2019	1713	HSBC Bank Plc (NRFB)	United Kingdom	The Outlook on the Long Term Rating was changed to Negative from Stable.

West Lindsey District Council

Monthly Credit Rating Changes
S&P

Date	Update Number	Institution	Country	Rating Action
11/12/2019	1710	Macquarie Bank Ltd.	Australia	The Long Term Rating was upgraded to 'A+' from 'A'. At the same time the Outlook on the Long Term Rating was changed to Stable from Positive.
18/12/2019	1712	United Kingdom Sovereign	United Kingdom	The Outlook on the Sovereign Rating was changed to Stable from Negative.

APPENDIX 1: Detailed economic commentary on developments during quarter ended 31 December 2019

During the quarter ended 31 December 2019 *(quarter 3 of 2019):*

- The Conservative Party secured a large majority in the general election;
- GDP rose by 0.4% q/q in Q3, but weakened at the start of Q4;
- The fundamentals that determine consumer spending softened a little, but remained healthy;
- Inflation remained below the Bank of England’s 2% target;
- There was a widespread rise in investors’ global interest rate expectations;
- The Monetary Policy Committee kept Bank Rate on hold at 0.75%, but struck a more dovish tone;
- Andrew Bailey was appointed to take over as Bank of England Governor, (from the March MPC meeting).

The economy posted a solid rise in activity in Q3 of 0.4% q/q, but that will probably be the highpoint as Q4 looks like it was much weaker. Indeed, much of the boost in Q3 reflected a faster recovery in exports than imports from a Brexit-deadline driven dip in Q2. This won’t be repeated. And the monthly data for October show that imports have now also recovered. What’s more, the timelier PMI surveys are pointing to a contraction in GDP in Q4 of around 0.2%. Admittedly, the surveys have been weaker than the official data recently so we are not expecting GDP to fall. But monthly GDP didn’t rise at all in October and we don’t expect it to do any better in November and December. Overall, we are expecting no GDP growth in Q4.

Indeed, the malaise in the manufacturing sector appears to have started to affect the services sector as well. Consumer spending growth fell from +0.5% q/q in Q2 to +0.3% q/q in Q3 and the fundamentals that determine consumer spending have started to soften. Consumer confidence has remained relatively weak and employment rose by just 24,000 in the three months to October. At least the unemployment rate is still at its 45 year low of 3.8% and the tightness in the labour market means that wage growth is still reasonably strong. Wage growth on the measure excluding bonuses was 3.5% in October. And with inflation having fallen to 1.5% in November, well below the Bank of England’s 2% target, real wage growth has remained close to its recent highs.

Indeed, **CPI inflation** stayed at 1.5% in November, depressed by a smaller rise in cigarette prices than in November 2018 and downward pressure from one or two core components, including hotel accommodation and clothing. Looking ahead to 2020, inflation is likely to spend more time below the 2% target than above it. After all, agricultural commodity prices point to a fall back in food price inflation to 0% by the middle of 2020. And the recent slide in wholesale electricity and gas prices suggest utility prices will pull down inflation again when the price cap is reviewed in April 2020.

Meanwhile, investors have revised up their **interest rate expectations**. At the start of October the market was pricing in more than one 25bps rate cut from 0.75% within a year and then for interest rates to stay close to 0.25%. Now, however, they are pricing in less than one rate cut over the next two years and then for interest rates to climb back to 0.75%. This is partly because of the strengthening in global interest rate expectations. And it’s partly because a large Conservative Party majority, a possible Brexit deal and a fiscal stimulus early next year should support GDP growth and could eventually lead to interest rate hikes. Indeed, the key reason most MPC members decided to keep interest rates on hold at December’s meeting appears to be to allow greater time to assess whether Brexit uncertainty is fading. The Bank noted that “there was no evidence yet about the extent to which policy uncertainties among companies and households had declined" and that "initial information would not become available until early next year."

That said, **the MPC** maintained its dovish stance, Michael Saunders and Jonathan Haskel both voted to cut rates immediately at the last two meetings. And there was no alteration to the guidance in the minutes that "if global growth fails to stabilise or if Brexit uncertainties remain entrenched, monetary policy may need to reinforce the expected recovery in GDP growth and inflation". As a result, a cut in the coming months is possible if the economic news fails to improve. So we think that the markets are right to price in a 22% or so chance of the MPC cutting rates from 0.75% to 0.50% by March.

The confirmation that **Andrew Bailey** will take over from Mark Carney as Governor of the Bank of England on 16th March 2020 doesn't change the outlook for monetary policy. As Bailey has never served on the MPC, we don't know whether he's a dove, a hawk or somewhere in between. Our first insight will be at his appearance in front of the Treasury Committee probably in January or February and his first MPC meeting will be 26th March 2020. (Carney will extend his term as Governor from 31st January to 15th March to fill the gap.) In any case, as it is very rare for new Governors to come in and change the dial on monetary policy on day one. Bailey's appointment doesn't change our forecast that monetary policy will remain unchanged until 2021.

Of course, how monetary policy evolves next year depends on how the economy performs. Even if a **Brexit** deal is passed by 31st January this probably won't unleash a tidal wave of business investment that leads to much faster GDP growth. That's because businesses will fear that the UK could end up trading with the EU on WTO terms after 31st December 2020, the immediate effects of which would be similar to those of a "no deal". After all, by pledging not to extend the transition period beyond December 2020, Prime Minister Johnson has left himself just 12 months to strike a new trade agreement with the EU – a feat that has taken others around four years. We suspect that if Johnson falls short he would extend the transition period at the last minute, but by then the damage will have been done and the lingering uncertainty will have kept some business investment on ice.

Admittedly, a boost to GDP growth of about 0.4% in the 2020/21 financial year is already in the bag due to the £13.4bn (0.6% of GDP) rise in **government spending** in September's Spending Round. And we expect that a £20bn (1% of GDP) rise in public investment in the next Budget will add an extra 0.25% to GDP growth in both 2020 and 2021. This may generate a gradual rise in the quarterly rate of GDP growth from 0.0% q/q in Q4 2019 to around 0.5% q/q by the end of 2020. But this won't show up in the average annual growth rate for the whole of 2020, which may ease from 1.3% in 2019 to 1.0%. Indeed, we think that growth won't pick up until 2021, when we expect it to rise to 1.8%.

Turning to the **financial markets,** in the immediate post-election aftermath the pound soared to around $1.35 and €1.21, its highest level since mid-2018. However, the election honeymoon period was especially short-lived for sterling. Indeed, Johnson's commitment not to extend the transition period beyond 2020 saw the pound give up all of its post-election gains and more. We think that sterling will struggle to get much above $1.35 as long as there is a risk of something like a no deal Brexit at the end of 2020.

By contrast, the post-election jump in **UK equities** could just be the start of a sustained rally. Concerns about Brexit and higher taxes under a Labour government has meant that UK equity indices have underperformed over the last few years. However, the removal of the "Labour" risk at least means there is plenty of room for UK equities to outperform their overseas equivalents, especially if there is a fiscal stimulus early next year.

Meanwhile, **10 year gilt yields** have been pushed up from 0.47% at the start of October to 0.87% at the end of December by the upward revision to global interest rates. But a fiscal boost and improved sentiment could eventually lead to tighter monetary policy and push up gilt yields even further. We think that the 10 year gilt yield could be 1.25% by the end of 2021.

Elsewhere, in the **US** the markets have revised up their expectations for interest rates from expecting two cuts over the next two years to giving up on the Fed doing much at all. We agree that interest rates are unlikely to go anywhere over the next few years but we are more optimistic on GDP growth over the next couple of years than the market.

Meanwhile, we think economic growth in **the euro-zone** will be sluggish until mid-2020 and then recover more gradually than the ECB, among others, assumes. The most reliable business surveys have stopped falling in the past few months, but still suggest that growth has more-or-less stalled. More fundamentally, the main components of demand are likely to be weak next year. Household consumption growth is slowing because employment is softening, and wage growth is also coming off the boil. Business investment also looks set to slow sharply. And fiscal policy will probably be only mildly expansionary.

APPENDIX 2: Detailed commentary on interest rate forecasts

Link Asset Services note: this section has been provided for clients who prefer a more detailed commentary on the background to interest rate forecasts than that provided in the main body of this template in section 2.

Our treasury management advisers, Link Asset Services provided us on 11 November with the following update to their interest rate forecasts. *(Note – some updating has been done.)*

Comparison of forecasts for Bank Rate today v. previous forecast

	Dec-19	Mar-20	Jun-20	Sep-20	Dec-20	Mar-21	Jun-21	Sep-21	Dec-21	Mar-22	Jun-22	Sep-22	Dec-22	Mar-23
11.11.19	0.75	0.75	0.75	0.75	0.75	1.00	1.00	1.00	1.00	1.00	1.25	1.25	1.25	1.25
5. 8 .19	0.75	0.75	0.75	0.75	1.00	1.00	1.00	1.00	1.00	1.25	n/a	n/a	n/a	n/a
change	0.00	0.00	0.00	0.00	-0.25	0.00	0.00	0.00	0.00	-0.25	n/a	n/a	n/a	n/a

- ***While the Bank of England and MPC went through the routine at the 7 November meeting week of producing another quarterly Inflation Report, (now renamed the Monetary Policy Report), it is very questionable how much all the writing and numbers are worth when faced with the uncertainties of where the UK would be after the general election on 12 December. In October, MPs approved an outline of a Brexit deal to enable the UK to leave the EU on 31 January; now that the Conservative Government has gained a large overall majority in the election, this departure date can now be progressed. However, there will still be much uncertainty as the terms of a trade deal that will need to be negotiated by the current end of the transition period in December 2020.***

- ***The Bank made a change in their Brexit assumptions to include a deal being eventually passed. Possibly the biggest message that is worth taking note of from the Monetary Policy Report, was an increase in concerns among MPC members around weak global economic growth and the potential for Brexit uncertainties to become entrenched and so delay UK economic recovery. The MPC voted 7-2 to maintain Bank Rate at 0.75% but two members were sufficiently concerned to vote for an immediate Bank Rate cut to 0.5%. The MPC warned that if global growth does not pick up or Brexit uncertainties intensify, then a rate cut was now more likely. Conversely, if risks do recede, then a more rapid recovery of growth will require gradual and limited rate rises. The speed of recovery will depend on the extent to which uncertainty dissipates over the final terms for trade between the UK and EU and by how much global growth rates pick up. Inflation forecasts were cut – to 1.25% in 2019, 1.5% in 2020, and 2.0% in 2021; hence inflation poses little concern.***

- ***The December MPC meeting again split 7-2 for no change in Bank Rate; the major comment was that it was unclear what impact the post-election Brexit circumstances would have on the economy so they will take no action until there is more clarity.***

- ***In the US, the Fed made three cuts in rates of 0.25% in the second half of 2019 in order to counter the slowdown in growth during the year. It is now unlikely that the US will be heading towards a recession.***

- ***The ECB is increasingly concerned by the headwinds facing the EZ economy as a whole, but especially the German and Italian economies. Germany is particularly***

exposed to a downturn in the world economy due to exports being a very important part of its economy. Italy just looks stuck in weak growth and successive governments have done little to face up to major issues that need dealing with. The ECB has therefore emphasised that while it can tinker at the edges with cuts in rates, and boosting liquidity in financial markets, the heavy lifting will have to be done by fiscal policy measures through national government action. Such siren noises have generally fallen on deaf ears in years gone by and Italy has again had a rap on its knuckles from the ECB for not doing enough to reduce its structural deficit.

- ***The US tariff war with China continues but optimistic noises have been made that a phase one deal will be signed in January.***

- ***China's growth rate has been cooling during 2019, partly as a result of the trade war, despite repeated interventions by the central bank to boost growth through monetary easing.***

- ***Japan is, as always for the last two decades, mired in a battle with trying to get inflation consistently up from near zero, and with weak economic growth. Despite massive monetary policy measures, quantitative easing, and fiscal measures by the government, it is achieving little despite having its foot flat on the floor of the accelerator pedal of measures to stimulate growth.***
- ***As for our forecasts for UK Bank Rate, there is little change apart from the two increases being moved back by one quarter and the 2022/23 financial year being added to our forecasts.***

- ***In order to make any forecast we have had to make one central assumption – a reasonable muddle through outcome to an agreed Brexit trade deal. If the facts change, our forecasts will also change. As events unfold it is possible we could see 25 – 50 bps movements in rates and yields at any time.***

- ***As for PWLB rates, the underlying trend in gilt yields had been on a general falling trend in 2019 until 100 bps were added to all PWLB rates in October. Since then, a rise in the underlying gilt yields has pushed PWLB rates up further.***

- ***Our key advice to clients in the midst of major uncertainties is to focus on managing risk, rather than making a bet on one outcome or the other.***
- ***A key issue facing all central banks, except the US Fed, is that they have very little ammunition, in terms of normal monetary policy measures, to take action to counter the next economic downturn. The Bank of England and the MPC will have an agenda to restock their ammunition as soon as possible by raising Bank Rate when that becomes feasible, and, at a later time, possibly unwinding quantitative easing.***

The balance of risks to the UK

- The overall balance of risks to economic growth in the UK is probably even, but dependent on a successful outcome of negotiations on a trade deal.
- The balance of risks to increases in Bank Rate and shorter term PWLB rates are broadly similarly to the downside.
- In the event that a Brexit deal is agreed with the EU and approved by Parliament, the balance of risks to economic growth and to increases in Bank Rate is likely to change to the upside.

One risk that is both an upside and downside risk, is that all central banks are now working in very different economic conditions than before the 2008 financial crash as there has been a major increase in consumer and other debt due to the exceptionally low levels of borrowing rates that have prevailed since 2008. This means that the neutral rate of interest in an economy, (i.e. the rate that is neither expansionary nor deflationary), is difficult to determine definitively in this new environment, although central banks have made statements that they expect it to be much lower than before 2008. Central banks could therefore either over or under do increases in central interest rates.

Downside risks to current forecasts for UK gilt yields and PWLB rates currently include:

- **Brexit** – if it were to cause significant economic disruption and a major downturn in the rate of growth.

- **Bank of England** takes action too quickly, or too far, over the next three years to raise Bank Rate and causes UK economic growth, and increases in inflation, to be weaker than we currently anticipate.

- A resurgence of the **Eurozone sovereign debt crisis.** In 2018, Italy was a major concern due to having a populist coalition government which made a lot of anti-austerity and anti-EU noise. However, in September 2019 there was a major change in the coalition governing Italy which has brought to power a much more EU friendly government; this has eased the pressure on Italian bonds. Only time will tell whether this new coalition based on an unlikely alliance of two very different parties will endure.

- Weak capitalisation of some **European banks**, particularly Italian banks.

- **German minority government.** In the German general election of September 2017, Angela Merkel's CDU party was left in a vulnerable minority position dependent on the fractious support of the SPD party, as a result of the rise in popularity of the anti-immigration AfD party. The CDU has done badly in recent state elections but the SPD has done particularly badly and this has raised a major question mark over continuing to support the CDU. Angela Merkel has stepped down from being the CDU party leader but she intends to remain as Chancellor until 2021.

- **Other minority EU governments.** Austria, Finland, Sweden, Spain, Portugal, Netherlands and Belgium also have vulnerable minority governments dependent on coalitions which could prove fragile.

- **Austria, the Czech Republic, Poland and Hungary** now form a strongly anti-immigration bloc within the EU. There has also been rising anti-immigration sentiment in Germany and France.

- In October 2019, the IMF issued a report on the World Economic Outlook which flagged up a synchronised slowdown in world growth. However, it also flagged up that there was **potential for a rerun of the 2008 financial crisis**, but this time centred on the huge debt binge accumulated by corporations during the decade of low interest rates. This now means that there are corporates who would be unable to cover basic interest costs on **some $19trn of corporate debt in major western economies,** if world growth was to dip further than just a minor cooling. This debt is mainly held by the shadow banking sector i.e. pension funds, insurers, hedge funds, asset managers etc., who, when there is $15trn of corporate and government debt now yielding negative interest rates, have been searching for higher returns in riskier assets. Much of this debt is only marginally above investment grade so any rating downgrade could force some holders into a fire sale, which would then depress prices further and so set off a spiral down. The IMF's answer is to suggest imposing higher capital charges on lending to corporates and for central banks to regulate the investment operations of the shadow banking sector. In October 2019, the deputy Governor of the Bank of England also flagged up the dangers of banks and the shadow banking sector lending to corporates, especially highly leveraged corporates, which had risen back up to near pre-2008 levels.

- **Geopolitical risks,** for example in North Korea, but also in Europe and the Middle East, which could lead to increasing safe haven flows.

Upside risks to current forecasts for UK gilt yields and PWLB rates

- **Brexit** – if agreement was reached all round that removed all threats of economic and political disruption between the EU and the UK.

- The **Bank of England is too slow** in its pace and strength of increases in Bank Rate and, therefore, allows inflationary pressures to build up too strongly within the UK economy, which then necessitates a later rapid series of increases in Bank Rate faster than we currently expect.

- **UK inflation,** whether domestically generated or imported, returning to sustained significantly higher levels causing an increase in the inflation premium inherent to gilt yields.

LINK ASSET SERVICES' FORECASTS

We do not currently think that the MPC would increase Bank Rate before agreement being reached on a reasonable UK/EU trade deal. We have moved back our forecast for the first increase from quarter 4 2020 to quarter 1 2021 and the second increase from quarter 1 2021 to quarter 2 2021.

Forecasts for average investment earnings beyond the three year time horizon will be heavily dependent on economic and political developments.

Gilt yields and PWLB rates

The general situation is for volatility in bond yields to endure as investor fears and confidence ebb and flow between favouring relatively more "risky" assets i.e. equities, or the "safe haven" of government bonds. The overall longer run trend is for gilt yields and PWLB rates to rise, albeit gently, although there are likely to also be periods of sharp volatility from time to time.

Our forecasts are also predicated on an assumption that there is no break-up of the Eurozone or EU, (apart from the departure of the UK), within our forecasting time period, despite the major challenges that are looming up, and that there are no major ructions in international relations, especially between the US and China / North Korea and Iran, which have a major impact on international trade and world GDP growth.

We would, as always, remind clients of the view that we have expressed in our previous interest rate revision newsflashes of just how volatile PWLB rates and bond yields are at present. Our revised forecasts are based on the Certainty Rate (minus 20 bps) which has been accessible to most authorities since 1st November 2012.

Link Asset Services Interest Rate View	Mar-20	Jun-20	Sep-20	Dec-20	Mar-21	Jun-21	Sep-21	Dec-21	Mar-22	Jun-22	Sep-22	Dec-22	Mar-23
Bank Rate View	0.75	0.75	0.75	0.75	1.00	1.00	1.00	1.00	1.00	1.25	1.25	1.25	1.25
3 Month LIBID	0.70	0.70	0.80	0.90	1.00	1.00	1.00	1.10	1.20	1.30	1.30	1.30	1.30
6 Month LIBID	0.80	0.80	0.90	1.00	1.10	1.10	1.20	1.30	1.40	1.50	1.50	1.50	1.50
12 Month LIBID	1.00	1.00	1.10	1.20	1.30	1.30	1.40	1.50	1.60	1.70	1.70	1.70	1.70
5yr PWLB Rate	2.40	2.40	2.50	2.50	2.60	2.70	2.80	2.90	2.90	3.00	3.10	3.20	3.20
10yr PWLB Rate	2.70	2.70	2.70	2.80	2.90	3.00	3.10	3.20	3.20	3.30	3.30	3.40	3.50
25yr PWLB Rate	3.30	3.40	3.40	3.50	3.60	3.70	3.70	3.80	3.90	4.00	4.00	4.10	4.10
50yr PWLB Rate	3.20	3.30	3.30	3.40	3.50	3.60	3.60	3.70	3.80	3.90	3.90	4.00	4.00

BANK RATE	now	previously
Q1 2020	0.75%	0.75%
Q1 2021	1.00%	1.00%
Q1 2022	1.00%	1.25%

Our target borrowing rates and the current PWLB (certainty) borrowing rates are set out below.

PWLB debt	Current borrowing rate as at 2.1.20	Target borrowing rate now Q1 2020	Target borrowing rate previous Q1 2020*
5 year	2.40%	2.40%	2.50%
10 year	2.55%	2.70%	2.80%
25 year	3.12%	3.30%	3.40%
50 year	2.98%	3.20%	3.30%

**an extra 1% has been added to allow for the change in PWLB margins on 9 October 2019 in order to produce comparable figures to the now target rates*

Borrowing advice: since November 2018, PWLB rates have fallen significantly up until 100 bps were added to all PWLB rates in October, since when they have been rising again. As our long term forecast for Bank Rate is 2.25%, and all PWLB certainty rates are above 2.25%, there is little value in borrowing from the PWLB. Accordingly, clients will need to reassess their risk appetite in terms of either seeking cheaper alternative sources of borrowing or switching to short term borrowing in the money markets until such time as the Government might possibly reconsider the margins charged over gilt yields. Please speak to your CRM to discuss alternative borrowing sources available.

Our suggested budgeted investment earnings rates for investments up to about three months' duration in each financial year for the next six years are as follows: -

Average earnings in each year	Now	Previously
2019/20	0.75%	0.75%
2020/21	0.75%	0.75%
2021/22	1.00%	1.00%
2022/23	1.25%	1.25%
2023/24	1.50%	1.50%
2024/25	1.75%	1.75%
Later years	2.25%	2.25%

As there are so many variables at this time, caution must be exercised in respect of all interest rate forecasts. The general expectation for an eventual trend of gently rising gilt yields and PWLB rates is unchanged. Negative, (or positive), developments could significantly impact safe haven flows of investor money into UK, US and German bonds and produce shorter term movements away from our central forecasts.

Our interest rate forecast for Bank Rate is in steps of 25 bps whereas PWLB forecasts have been rounded to the nearest 10 bps and are central forecasts within bands of + / - 25 bps.

Naturally, we continue to monitor events and will update our forecasts as and when appropriate.

APPENDIX 3: Approved countries for investments as at 31 December 2019

Clients may wish to inform members of changes to their approved list of countries for investments.

Based on lowest available rating

AAA

- Australia
- Canada
- Denmark
- Germany
- Luxembourg
- Netherlands
- Norway
- Singapore
- Sweden
- Switzerland

AA+

- Finland
- U.S.A.

AA

- Abu Dhabi (UAE)
- Hong Kong
- France
- U.K.

AA-

- Belgium
- Qatar

APPENDIX A

REVENUE CARRY FORWARDS - BASE BUDGET ALREADY APPROVED

Budget underspends to be carried forward into 2020/21 which have been approved during the year are provided below for information only.

*please note the figures quoted are forecast as at December 2019 out-turn monitoring. The final carry forward figures will reflect the actual out-turn position at year end.

BASE BUDGET C/FWDS APPROVED IN YEAR			Dec-19	
Committee	Cluster	Business Unit	£ 000	Purpose of Carry Forward
Prosperous Communities	Our People	Housing Strategy	31	Selective Licensing - to fund fixed term posts.
		TOTAL	31	

USE OF EARMARKED RESERVES			Dec-19	
Committee	Cluster	Business Unit	£ 000	Purpose of Carry Forward
Corporate Policy & Resources	Our Council	Customer Services	20	Vacancy in year to carry forward to fund post in 2020/21.
Corporate Policy & Resources	Our Council	Register of Electors	3	Spend on agency staff for 20/21.
		TOTAL	23	

APPENDIX A

REVENUE - PENDING APPROVAL BY MANAGEMENT TEAM

Bids for budget underspends to be carried forward into 2020/21 which require Management Team approval are as follows;

*please note the figures quoted are forecast as at December 2019 out-turn monitoring. The final carry forward figures will reflect the actual out-turn position at year end.

BASE BUDGET C/FWDS PENDING APPROVAL BY MT			Dec-19	
Committee	Cluster	Business Unit	£ 000	Purpose of Carry Forward
Corporate Policy & Resources	Our Council	Business Improvement & Commercial Dev	29	Project spend carry forward to resource new system implementation 20/21.
Corporate Policy & Resources	Our Council	Customer Services	11	Request to c/f full Alysium monies for CRM preparation.
Corporate Policy & Resources	Our Council	Financial Services	32	Towards cost of new finance system implementation 20/21.
Corporate Policy & Resources	Our Place	Operational Buildings	13	Towards cost of moving/clean up costs prior to moving to new operational services depot.
Corporate Policy & Resources	Our Place	Operational Buildings	64	£60k budget for health & safety work at current operational depot site. Carry forward to cover the cost of any reparation costs prior to leaving site for new depot (to be considered as part of wider Depot business case).
Prosperous Communities	Our People	Housing Strategy	22	Contribution towards revenue costs related to private sector enforcement work.
Prosperous Communities	Our People	Housing Strategy	20	Housing Stock Condition Survey - to be carried out 2020/21.
Prosperous Communities	Our People	Private Sector Housing Renewal	10	Approved corpporate training deferred until 20/21.
Prosperous Communities	Our Place	Cemeteries and Churchyards	10	Memorial testing - scheduled to take place Spring 2020.
Prosperous Communities	Our Place	Cemeteries and Churchyards	38	The majority of this budget will need to be slipped as the major works can't be undertaken in the Winter.
Prosperous Communities	Our Place	Culture & Heritage	110	Mayflower project spend to be spent on 4 events in 2020/21.
Prosperous Communities	Our Place	Economic Development	10	Ring fenced revenue spend related to 5-7 Market Place in 2020/21.
Prosperous Communities	Our Place	Economic Development	13	Unspent Place Board budget c/fwd to 2020/21.
Prosperous Communities	Our Place	Economic Development	17	Unspent Gainsborough Regeneration Programme budget to be spent in 2020/21.
		TOTAL	399	

Corporate Policy and Resources
Thursday, 13th February 2020

Subject: Corporate Policy and Resources Draft Budget 2020/21 and Estimates to 2024/25

Report by:	Tracey Bircumshaw Finance and Business Support Manager
Contact Officer:	Sue Leversedge Business Support Team Leader sue.leversedge@west-lindsey.gov.uk
Purpose / Summary:	The report sets out details of the overall Draft Revenue Budget 2020/21 including that of this Committee and those recommended by the Prosperous Communities Committee for the period 2020/21 and estimates to 2024/25 to be included in the Medium Term Financial Plan.

RECOMMENDATION(S):

a) That Members accept the Corporate Policy and Resources Committee budget 2020/21 and **recommend to Council** for inclusion in the overall Council budget 2020/21 with any minor changes delegated to the Chief Finance Officer.

b) That Members accept the Prosperous Communities Committee Budget 2020/21 and **recommend to Council** for inclusion in the overall Council budget for 2020/21.

c) That Members **recommend to Council** the 2021/22 – 2024/25 estimates for both this Committee and those of Prosperous Communities Committee for inclusion in the Medium Term Financial Plan 2020/21 – 2024/25.

d) That Members note the Progress and Delivery measures to be applied during 2020/21, as reported at Appendix H.

IMPLICATIONS

Legal:

The Council has a responsibility to set a balanced and legitimate budget and Council Tax requirement in compliance with statutory deadlines.

Local Authorities (Standing Orders) (England) (Amendment) Regs 2014 (SI 165) requires that once the budget is approved the minutes of the proceedings must record the names of the persons who case a vote for the decision, against the decision or abstained.

Financial : FIN/161/20/SL

The 2020/21 base budgets and variance to the 2019/20 base budget are explained in the body of this report.

After taking a robust approach to the estimations within the budget for this Committee the total cost of services for 2020/21 will be £4.883m (£5.653m 2019/20).

This has resulted in base budget decreases of £3.761m, and reduced income of £2.991m, resulting in a net movement of £0.77m.

Included within the movement of £0.77m is a budget reduction of £0.464m relating to Secondary Employer Pension Contribution payments (Pension Deficit Payment). Previously this budget has been held in one budget line within Corporate Policy & Resources. From 2020/21, the budget has been allocated across all services based on staffing levels (FTE) in order to accurately reflect the total cost of each service (see 1.8 within the report for more detail).

Summary of Pension Deficit Movement:	£m
Increase in Prosperous Communities budget	0.541
Decrease in Corporate Policy & Resources budget	(0.541)
Increase in Pension Deficit payable from 2019/20	0.077
Total Impact of Corporate Policy & Resources budget	**(0.464)**

In addition, £0.04m of budgets to support service investment projects have been included which are to be funded from Earmarked Reserves.

The overall impact is therefore a decrease of £0.345m, excluding allocation of Pension Deficit and use of Earmarked Reserves, details of which are contained within the report.

Summary of Movement from 19/20	**£m**
Expenditure Budget Reduction	(3.761)
Income Budget Reduction	2.991
Decrease in Net Expenditure	**(0.770)**
Less Use of Earmarked Reserves	(0.040)
Remove Allocation of Pension Deficit	0.464
Decrease in Net Expenditure	**(0.345)**

Staffing: None arising because of this report.

Equality and Diversity including Human Rights :

The Equality Act 2010 places a responsibility on Councils to assess their budget options before taking decisions on areas that could result in discrimination. Where appropriate assessments have been undertaken by the relevant service area.

Data Protection Implications : None

Climate Related Risks and Opportunities : None

Section 17 Crime and Disorder Considerations : None

Health Implications: None

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

The Chartered Institute of Public Finance and Accountancy – The Prudential Code for Capital Finance in Local Authorities (2018 Edition)

The Corporate Plan

The Capital Investment Strategy

The Fees and Charges Policy

The Asset Management Plan

The Acquisitions and Disposal Policy

Investment Policy – Land and Buildings

All documents are held within Financial Services at the Guildhall, Marshalls Yard, Gainsborough.

Risk Assessment : 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**	**X**

Key Decision:

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

Introduction

1.1 This report sets out the Corporate Policy and Resources Committee base budget position for 2020/21 – 2024/25, incorporating the medium term financial planning principals;

- The overarching principal is the commitment to achieve affordable investments over the longer term.
- To pursue all available external funding options and opportunities for leverage of external resources.
- Value for money investment over full life cycle.
- Robust financial implications and appraisals are included within all Business Cases and Invest to Save scheme proposals, and schemes are costed on a whole life basis.
- The development of partnerships, including the pursuit of shared services, joint ventures and community arrangements, where appropriate, to achieve the Council's investment aspirations and value for money.
- Monitoring and evaluation of approved schemes will form part of Progress and Delivery project monitoring reporting.
- Encourage community engagement by informing on priorities and consultation on proposals.

1.2 The process for the preparation of this budget has included the following;

- Meetings with Budget Managers to ensure resources align to the delivery of Corporate Priorities and to review budgets, identifying ongoing pressures/savings and horizon scanning for future issues, including political, economic or legislative implications.
- Business Planning reviews have been undertaken to identify further income generation opportunities and budget reduction proposals, which can be delivered to ensure a sustainable budget.
- A robust Fees and Charges review, which resulted in an increase in income budgets of £17.6k. Full Details of proposed fees and charges were presented to Policy and Resources Committee on the 7 November 2019.
- Regular updates have been provided to the Management Team who have also reviewed, challenged and proposed inclusion of the pressures and savings incorporated into this budget which have not already been approved by this Committee.

- Regular meetings have been held with the Chairs and Vice Chairs of Committees to ensure they are fully engaged in the process.

- Inclusion of the revenue implications of the DRAFT Capital Programme 2020/21 – 2024/25.

- Consultation with Parish Councils, residents and business ratepayers has been undertaken.

- The review of Earmarked Reserves and approved additional resources being funded from these reserves and/or external grant income (approved by CP&R 9th January 2020).

- Consideration of other Strategies i.e. Car Parking Strategy, Housing Strategy etc.

1.3 This Budget Preparation process has achieved a High Assurance rating from our Internal Auditors in September 2018.

1.4 Where additional expenditure and unavoidable costs have been identified, Business Units try to accommodate these extra costs by working more efficiently, generating extra income or reducing base budgets in non-priority areas. These items of additional expenditure and unavoidable costs, together with budget reductions are described below and have been built in to the base budgets.

1.5 **The Corporate Policy and Resources base budgets (Appendix A-B)** have been developed from the approved budget presented to Council in March 2019.

Service budgets have been aligned to the strategic focus for each of the Clusters outlined within the Corporate Plan 2019-2023, namely Our People, Our Place and Our Council.

To aid comparison capital charges and central support recharges have been omitted to present only controllable costs.

1.6 **The Corporate Policy and Resources Business Unit budgets (Appendix C)** provide a more detailed analysis.

1.7 No allowance has been made for price increases within general budgets for 2020/21 other than contractual obligations and utilities;

- Electricity 0%
- Gas 35%
- Water & Sewerage 2.9%

Pay budgets for 2020/21 have been increased by 2% as per the latest employers offer, and employer’s superannuation in line with that provided by the Actuary.

1.8 **Secondary Pension Contribution (Pension Deficit)** – the Lincolnshire Pension Fund's Actuary (Hymans Robertson LLP) carries out a tri-annual review of the pension scheme to establish the overall deficit and minimum employer contributions required by the Fund.

The results of the latest review were issued November 2019 and provided employer contribution rates for the years 2020/21 to 2022/23.

The Primary Pension Contribution is a percentage of pay (17.2% 2020/21 to 2022/23). The Secondary Pension Contribution (Pension Deficit) is a set annual amount, paid as a lump sum monthly to the Pension Fund.

Previously, the budget for the lump sum has been held against one budget line within Corporate Policy and Resources. With effect from 2020/21, this budget has been allocated across all services based on staffing levels (FTE's) in order to more accurately reflect the total cost of each service.

The budget movement across each Committee for 2020/21 is as follows:

Summary of Pension Deficit Movement:	£m
Increase in Prosperous Communities budget	0.541
Total Impact on Prosperous Communities budget	**0.541**
Decrease in Corporate Policy & Resources budget	(0.541)
increase in Pension Deficit payable for 2020/21	0.077
Total Impact on Corporate Policy & Resources budget	**(0.464)**
Total Impact across both Committee budgets	**0.077**

The overall movement in the Secondary Pension Contribution (Pension Deficit) is;

	Year	£m payable	£m increase
	2019/20	0.863	
Actuarial Review Nov 19	2020/21	0.940	0.077
	2021/22	1.028	0.088
	2022/23	1.119	0.091

£0.399m (42.4%) of the 2020/21 amount payable is attributable to services within Policy & Resources committee, allocated to services based on staffing levels (FTE).

£0.541m (57.6%) of the 2020/21 amount payable is attributable to services within Prosperous Communities committee, allocated to services based on staffing levels (FTE).

2. Significant Variations

When compared to the 2019/20 base budget the 2020/21 base budget shows a budget decrease of £0.345m (£0.048m 2019/20). The major variances to the 2019/20 base budget are detailed below;

2.1 **Housing Benefits –** reduction in expenditure (rent allowances) of £3.296m, reduction in income (HB Grant) of £3.26m.

Due to the impact of Universal Credit, the number of Housing Benefits claimants has reduced, resulting in a corresponding reduction in Housing Benefits grant. The budget for 20/21 is based on the mid-year estimate for 19/20, and may reduce further when the initial claim for 20/21 is submitted in March. However, this is unlikely to have a material impact as any reduction in expenditure is offset by a reduction in grant.

2.2 **Investment Properties –** increase in income from investment properties of £524.7k due to the successful acquisition of £21.666m of investment properties (£5.681m during 2019/20), and higher than anticipated rental yields. The costs of the schemes are held outside of this Committee, but result in a net budget of (£785k) surplus for 2020/21.

2.3 **Commercial Properties –** a reduction in rental income of £120k is forecast for 2020/21.

A tenancy of a previously long term vacant property was secured during 2019/20, with effect from 15th July 2019. A reduced rent has been agreed for 2 years from this date, resulting in a forecast loss of rental income of £50k for the year 2020/21.

The remaining income budget reduction of £70k relates to lease agreements across a number of properties.

2.4 **Corporate Management-Finance –** as detailed in this report at 1.8 the overall Secondary Pension Contribution has been increased by £77k following the Actuary tri-annual review of the pension scheme.

2.5 **Customer Services –** Costs relating to the income management system, and other software licences and renewals has resulted in an increase in budget of £36k.

2.6 **ICT Services –** Costs relating to ongoing software costs, as identified in the IT 15 year plan, have resulted in an increase in budget of £32.6k.

2.7 Approved changes to the establishment during the year have resulted in a net decrease in budget of £141k.

2.8 Remaining increase in budget of £55.1k consists of several small budgetary increases across services.

2.9 Other significant variances within individual Business Units are the result of budget movements within the Committee, and do not impact on the budget movement for the Committee overall.

3. The Prosperous Communities Base Budget (Appendix D –E)

3.1 The Prosperous Communities Committee considered their draft budget at their meeting on 28th January 2020. The Business Unit Budgets are attached at **Appendix F.**

3.2 When compared to the 2019/20 base budget the 2020/21 base budget shows a budget decrease of £0.124m (£0.149m 2019/20). The major variances to the 2019/20 base budget are detailed below;

3.3 **Green Waste Charging** – Additional income of £60k has been built into the MTFP from 20/21 based on the subscription base realised during the first two years of delivering the service. Maintaining the current charge of £35 per annum was approved by this Committee as part of the review of fees and charges 22nd October 2019.

3.4 **Leisure Management Contract** – the successful procurement of a 15-year contract (effective from 1st June 2018) for the provision of Leisure Management has resulted in a £125.8k increase in income for 2020/21. Assuming Market Rasen becomes operational during 2020, this will be supporting the investment of Market Rasen leisure centre.

3.5 **Crematorium** – the Crematorium is estimated to generate net income of £115.8k in the first full year of operation based on the business case. However, the costs of the scheme are held outside of this Committee. The bottom line impact on the overall budgets of the Council is currently forecast as zero, as we take a prudent approach pending the site becoming operational.

The actual costs and income generated will be monitored upon the opening of the facility.

3.6 **Trade Waste Service** – income has been increased by £22.5k for 20/21 to reflect a 2-year contract secured during 19/20, for the period 19/20 to 20/21.

3.7 **Grounds Maintenance –** Budget has been increased by £54.4k. This is due to the current Grounds Maintenance contract being extended by one year (to 31/01/21). This will allow the Council to carry out an options appraisal in light of increasing costs and the possible addition of the crematorium landscaping.

3.8 **Town Centre Markets –** a contract for Town Centre markets events has been extended for 2 years (20/21 and 21/22) at a cost of £38k pa.

3.9 Approved changes to the establishment during the year have resulted in a net increase in budget of £90k.

3.10 Remaining increase in budget of £17.7k consists of several small budgetary increases across services.

3.11 Other significant variances within individual Business Units are the result of budget movements within the Committee, and do not impact on the budget movement for the Committee overall.

4. Budget Consultation

A number of events were held with Parish Councils, businesses and the wider community during August 2019. To undertake this work it we used multiple routes to consult with our stakeholders and following on from feedback of previous years we made the consultation more interactive. The methods used were three events, an online survey and a paper survey, which were supported by a video.

Topics covered included;

Level of Council Tax
Service investment priorities
New Homes Bonus allocation

The process has provided constructive feedback on budget proposals. The full report is attached at **Appendix G** for information.

5. Recommendations

5.1 That Members' accept the Corporate Policy and Resources Committee budget 2020/21 and **recommend to Council** for inclusion in the overall Council budget 2020/21.

5.2 That Members' accept the Prosperous Communities Committee Budget 2020/21 and **recommend to Council** for inclusion in the overall Council budget for 2020/21.

5.3 That Members **recommend to Council** the 2021/22 – 2024/25 estimates for both this Committee and those of Prosperous Communities Committee for inclusion in the Medium Term Financial Plan 2020/21 – 2024/25.

5.4 That Members note the Progress and Delivery measures to be applied during 2020/21, as reported at Appendix H.

APPENDIX A

Policy and Resources Income and Expenditure Budgets
(Excluding Capital Charges and Recharges)

Policy and Resources	Base Budget 19/20 £	Proposed Budget 20/21 £	Forecast Budget 21/22 £	Forecast Budget 22/23 £	Forecast Budget 23/24 £	Forecast Budget 24/25 £
Income						
Customer and Client Receipts	(1,969,100)	(2,260,400)	(2,266,800)	(2,282,200)	(2,292,800)	(2,292,800)
Government Grants	(20,051,100)	(16,779,100)	(16,748,900)	(16,723,200)	(16,713,000)	(16,703,500)
Other Grants and Contributions	(618,300)	(608,300)	(609,500)	(610,700)	(611,900)	(611,900)
Total Income	**(22,638,500)**	**(19,647,800)**	**(19,625,200)**	**(19,616,100)**	**(19,617,700)**	**(19,608,200)**
Expenditure						
Employees	5,608,200	5,111,100	5,194,600	5,303,800	5,482,700	5,626,100
Premises	493,900	450,400	429,900	435,900	457,000	448,400
Supplies and Services	1,405,200	1,460,200	1,377,700	1,368,000	1,424,200	1,367,100
Third Party Payments	874,700	867,200	865,200	862,700	949,500	867,500
Transfer Payments	19,839,600	16,583,200	16,583,200	16,583,200	16,583,200	16,583,200
Transport	70,000	58,700	58,700	58,700	62,700	58,700
Total Expenditure	**28,291,600**	**24,530,800**	**24,509,300**	**24,612,300**	**24,959,300**	**24,951,000**
Net Total	**5,653,100**	**4,883,000**	**4,884,100**	**4,996,200**	**5,341,600**	**5,342,800**

APPENDIX B

Policy and Resources Base Budget – Cluster Analysis (Excluding Capital Charges and Recharges)

Cluster and Business Unit	Base Budget 19/20 £	Proposed Budget 20/21 £	Forecast Budget 21/22 £	Forecast Budget 22/23 £	Forecast Budget 23/24 £	Forecast Budget 24/25 £
Our People	**142,200**	**123,000**	**139,800**	**178,800**	**206,200**	**230,200**
Housing Benefits Admin	340,900	330,500	347,300	386,300	413,700	437,700
Housing Benefits Payments	(198,700)	(207,500)	(207,500)	(207,500)	(207,500)	(207,500)
Our Place	**211,100**	**232,800**	**199,500**	**202,200**	**205,400**	**208,400**
Commercial Development	70,400	77,900	63,100	64,800	67,000	68,900
Emergency Planning	16,000	21,400	21,800	22,200	22,600	23,000
Operational Buildings	74,000	77,100	57,700	57,800	57,900	58,000
Public Conveniences	50,700	56,400	56,900	57,400	57,900	58,500
Our Council	**6,394,900**	**6,151,900**	**6,169,500**	**6,239,900**	**6,554,600**	**6,528,100**
Admin Buildings	280,400	206,500	209,700	212,800	216,000	219,300
Business Improvement & Commercial Development	341,600	335,300	344,600	353,100	364,300	373,500
Chief Operating Officer	130,100	136,200	139,000	141,900	145,900	149,100
Commercial Director	126,700	136,000	138,800	141,700	145,700	148,900
Commercial Properties	(476,200)	(304,900)	(312,800)	(326,400)	(335,000)	(332,600)
Communications	146,300	165,300	171,400	176,800	182,600	187,300
Corporate Management - Apprentices	122,800	147,000	149,000	151,000	154,300	156,800
Corporate Management - Finance	1,461,300	647,200	672,400	673,300	673,900	674,600
Corporate Systems	69,500	118,900	42,500	42,500	42,500	42,500
Customer Services	618,800	700,400	679,000	680,900	704,400	724,000
Debtors	33,300	42,000	44,100	46,400	48,400	49,600
Democratic Representation	625,200	624,800	638,800	650,800	672,100	675,000
Director of Resources	129,000	138,700	141,500	144,400	148,400	151,600
Elections	99,000	0	0	0	160,000	0
Financial Services	695,100	764,700	793,200	770,600	793,000	811,900
Fraud	8,500	5,200	5,200	5,200	5,200	5,200
Human Resources	276,800	293,400	298,700	303,900	310,800	316,500
ICT Services	307,000	350,900	359,100	366,300	374,700	382,200
Legal Services	(18,000)	(8,000)	(8,000)	(8,000)	(8,000)	(8,000)
Local Tax Collection	266,700	312,800	330,000	346,600	363,700	376,900
Other Council Properties	(12,300)	(11,600)	(11,600)	(11,600)	(11,600)	(11,600)
Precepts	8,000	8,000	8,000	8,000	8,000	8,000
Property Services	324,200	374,300	376,300	402,700	415,900	425,400
Register of Electors	149,700	183,700	176,600	179,500	183,500	187,000
Support Services - Corporate	167,900	197,300	203,800	209,800	217,000	222,900
Systems Development	513,500	587,800	580,200	577,700	578,900	592,100
Investment Income - Property Portfolio	**(1,095,100)**	**(1,624,700)**	**(1,624,700)**	**(1,624,700)**	**(1,624,600)**	**(1,623,900)**
Investment Properties	(1,095,100)	(1,624,700)	(1,624,700)	(1,624,700)	(1,624,600)	(1,623,900)
Grand Total	**5,653,100**	**4,883,000**	**4,884,100**	**4,996,200**	**5,341,600**	**5,342,800**

APPENDIX C

Corporate Policy and Resources Committee

The following tables detail Business Unit Income and Expenditure Budgets

Admin Buildings	Base Budget 19/20 £	Proposed Budget 20/21 £	Forecast Budget 21/22 £	Forecast Budget 22/23 £	Forecast Budget 23/24 £	Forecast Budget 24/25 £
Expenditure						
Premises	232,700	158,900	161,600	164,700	167,900	171,200
Supplies and Services	47,700	47,600	48,100	48,100	48,100	48,100
Total Expenditure	**280,400**	**206,500**	**209,700**	**212,800**	**216,000**	**219,300**
Net Total	**280,400**	**206,500**	**209,700**	**212,800**	**216,000**	**219,300**

Business improvement & Commercial Development	Base Budget 19/20 £	Proposed Budget 20/21 £	Forecast Budget 21/22 £	Forecast Budget 22/23 £	Forecast Budget 23/24 £	Forecast Budget 24/25 £
Income						
Customer and Client Receipts	(1,500)	(1,200)	0	0	0	0
Total Income	**(1,500)**	**(1,200)**	**0**	**0**	**0**	**0**
Expenditure						
Employees	332,100	325,400	333,500	342,000	353,200	362,400
Supplies and Services	7,700	7,700	7,700	7,700	7,700	7,700
Third Party Payments	1,400	1,500	1,500	1,500	1,500	1,500
Transport	1,900	1,900	1,900	1,900	1,900	1,900
Total Expenditure	**343,100**	**336,500**	**344,600**	**353,100**	**364,300**	**373,500**
Net Total	**341,600**	**335,300**	**344,600**	**353,100**	**364,300**	**373,500**

Chief Operating Officer	Base Budget 19/20 £	Proposed Budget 20/21 £	Forecast Budget 21/22 £	Forecast Budget 22/23 £	Forecast Budget 23/24 £	Forecast Budget 24/25 £
Income						
Customer and Client Receipts	(1,800)	(1,800)	(1,800)	(1,800)	(1,800)	(1,800)
Total Income	**(1,800)**	**(1,800)**	**(1,800)**	**(1,800)**	**(1,800)**	**(1,800)**
Expenditure						
Employees	121,000	130,500	133,300	136,200	140,200	143,400
Premises	500	500	500	500	500	500
Supplies and Services	7,200	7,000	7,000	7,000	7,000	7,000
Transport	3,200	0	0	0	0	0
Total Expenditure	**131,900**	**138,000**	**140,800**	**143,700**	**147,700**	**150,900**
Net Total	**130,100**	**136,200**	**139,000**	**141,900**	**145,900**	**149,100**

APPENDIX C

Corporate Policy and Resources Committee

The following tables detail Business Unit Income and Expenditure Budgets

Commercial Development	Base Budget 19/20 £	Proposed Budget 20/21 £	Forecast Budget 21/22 £	Forecast Budget 22/23 £	Forecast Budget 23/24 £	Forecast Budget 24/25 £
Expenditure						
Employees	70,000	77,500	62,700	64,400	66,600	68,500
Transport	400	400	400	400	400	400
Total Expenditure	**70,400**	**77,900**	**63,100**	**64,800**	**67,000**	**68,900**
Net Total	**70,400**	**77,900**	**63,100**	**64,800**	**67,000**	**68,900**

Commercial Director	Base Budget 19/20 £	Proposed Budget 20/21 £	Forecast Budget 21/22 £	Forecast Budget 22/23 £	Forecast Budget 23/24 £	Forecast Budget 24/25 £
Expenditure						
Employees	120,700	130,200	133,000	135,900	139,900	143,100
Premises	1,000	1,000	1,000	1,000	1,000	1,000
Supplies and Services	2,900	2,800	2,800	2,800	2,800	2,800
Third Party Payments	100	0	0	0	0	0
Transport	2,000	2,000	2,000	2,000	2,000	2,000
Total Expenditure	**126,700**	**136,000**	**138,800**	**141,700**	**145,700**	**148,900**
Net Total	**126,700**	**136,000**	**138,800**	**141,700**	**145,700**	**148,900**

Commercial Properties	Base Budget 19/20 £	Proposed Budget 20/21 £	Forecast Budget 21/22 £	Forecast Budget 22/23 £	Forecast Budget 23/24 £	Forecast Budget 24/25 £
Income						
Customer and Client Receipts	(553,200)	(440,400)	(449,800)	(464,500)	(474,200)	(474,200)
Other Grants and Contributions	(37,700)	(38,800)	(40,000)	(41,200)	(42,400)	(42,400)
Total Income	**(590,900)**	**(479,200)**	**(489,800)**	**(505,700)**	**(516,600)**	**(516,600)**
Expenditure						
Premises	78,800	134,400	136,600	138,900	141,200	143,600
Supplies and Services	35,900	35,300	35,800	35,800	35,800	35,800
Third Party Payments	0	4,600	4,600	4,600	4,600	4,600
Total Expenditure	**114,700**	**174,300**	**177,000**	**179,300**	**181,600**	**184,000**
Net Total	**(476,200)**	**(304,900)**	**(312,800)**	**(326,400)**	**(335,000)**	**(332,600)**

APPENDIX C

Corporate Policy and Resources Committee

The following tables detail Business Unit Income and Expenditure Budgets

Communications	Base Budget 19/20 £	Proposed Budget 20/21 £	Forecast Budget 21/22 £	Forecast Budget 22/23 £	Forecast Budget 23/24 £	Forecast Budget 24/25 £
Expenditure						
Employees	137,800	155,000	161,100	166,500	172,300	177,000
Supplies and Services	7,500	9,700	9,700	9,700	9,700	9,700
Transport	1,000	600	600	600	600	600
Total Expenditure	**146,300**	**165,300**	**171,400**	**176,800**	**182,600**	**187,300**
Net Total	**146,300**	**165,300**	**171,400**	**176,800**	**182,600**	**187,300**

Corporate Management - Apprentices	Base Budget 19/20 £	Proposed Budget 20/21 £	Forecast Budget 21/22 £	Forecast Budget 22/23 £	Forecast Budget 23/24 £	Forecast Budget 24/25 £
Expenditure						
Employees	122,800	147,000	149,000	151,000	154,300	156,800
Total Expenditure	**122,800**	**147,000**	**149,000**	**151,000**	**154,300**	**156,800**
Net Total	**122,800**	**147,000**	**149,000**	**151,000**	**154,300**	**156,800**

Corporate Management - Finance	Base Budget 19/20 £	Proposed Budget 20/21 £	Forecast Budget 21/22 £	Forecast Budget 22/23 £	Forecast Budget 23/24 £	Forecast Budget 24/25 £
Income						
Customer and Client Receipts	(17,000)	(17,000)	(17,000)	(17,000)	(17,000)	(17,000)
Total Income	**(17,000)**	**(17,000)**	**(17,000)**	**(17,000)**	**(17,000)**	**(17,000)**
Expenditure						
Employees	1,021,000	160,400	161,000	161,500	162,100	162,800
Supplies and Services	83,900	92,200	97,000	97,000	97,000	97,000
Third Party Payments	373,400	411,600	431,400	431,800	431,800	431,800
Total Expenditure	**1,478,300**	**664,200**	**689,400**	**690,300**	**690,900**	**691,600**
Net Total	**1,461,300**	**647,200**	**672,400**	**673,300**	**673,900**	**674,600**

Corporate Systems	Base Budget 19/20 £	Proposed Budget 20/21 £	Forecast Budget 21/22 £	Forecast Budget 22/23 £	Forecast Budget 23/24 £	Forecast Budget 24/25 £
Expenditure						
Supplies and Services	69,500	118,900	42,500	42,500	42,500	42,500
Total Expenditure	**69,500**	**118,900**	**42,500**	**42,500**	**42,500**	**42,500**
Net Total	**69,500**	**118,900**	**42,500**	**42,500**	**42,500**	**42,500**

APPENDIX C

Corporate Policy and Resources Committee

The following tables detail Business Unit Income and Expenditure Budgets

Customer Services	Base Budget 19/20 £	Proposed Budget 20/21 £	Forecast Budget 21/22 £	Forecast Budget 22/23 £	Forecast Budget 23/24 £	Forecast Budget 24/25 £
Income						
Customer and Client Receipts	(5,900)	(2,500)	(2,300)	(2,300)	(2,300)	(2,300)
Other Grants and Contributions	(52,700)	(52,700)	(52,700)	(52,700)	(52,700)	(52,700)
Total Income	**(58,600)**	**(55,200)**	**(55,000)**	**(55,000)**	**(55,000)**	**(55,000)**
Expenditure						
Employees	566,900	600,900	594,300	599,800	623,300	642,900
Supplies and Services	97,600	129,800	131,800	130,200	130,200	130,200
Third Party Payments	10,000	22,000	5,000	3,000	3,000	3,000
Transport	2,900	2,900	2,900	2,900	2,900	2,900
Total Expenditure	**677,400**	**755,600**	**734,000**	**735,900**	**759,400**	**779,000**
Net Total	**618,800**	**700,400**	**679,000**	**680,900**	**704,400**	**724,000**

Debtors	Base Budget 19/20 £	Proposed Budget 20/21 £	Forecast Budget 21/22 £	Forecast Budget 22/23 £	Forecast Budget 23/24 £	Forecast Budget 24/25 £
Income						
Customer and Client Receipts	(500)	(500)	0	0	0	0
Total Income	**(500)**	**(500)**	**0**	**0**	**0**	**0**
Expenditure						
Employees	26,000	35,100	36,700	39,000	41,000	42,200
Supplies and Services	7,800	7,400	7,400	7,400	7,400	7,400
Total Expenditure	**33,800**	**42,500**	**44,100**	**46,400**	**48,400**	**49,600**
Net Total	**33,300**	**42,000**	**44,100**	**46,400**	**48,400**	**49,600**

Democratic Representation	Base Budget 19/20 £	Proposed Budget 20/21 £	Forecast Budget 21/22 £	Forecast Budget 22/23 £	Forecast Budget 23/24 £	Forecast Budget 24/25 £
Income						
Customer and Client Receipts	0	(6,300)	(6,300)	(6,300)	(6,300)	(6,300)
Total Income	**0**	**(6,300)**	**(6,300)**	**(6,300)**	**(6,300)**	**(6,300)**
Expenditure						
Employees	264,800	281,800	290,700	298,000	307,600	315,200
Supplies and Services	330,900	319,800	324,900	329,600	341,300	336,600
Third Party Payments	100	100	100	100	100	100
Transport	29,400	29,400	29,400	29,400	29,400	29,400
Total Expenditure	**625,200**	**631,100**	**645,100**	**657,100**	**678,400**	**681,300**
Net Total	**625,200**	**624,800**	**638,800**	**650,800**	**672,100**	**675,000**

APPENDIX C

Corporate Policy and Resources Committee

The following tables detail Business Unit Income and Expenditure Budgets

Director of Resources	Base Budget 19/20 £	Proposed Budget 20/21 £	Forecast Budget 21/22 £	Forecast Budget 22/23 £	Forecast Budget 23/24 £	Forecast Budget 24/25 £
Expenditure						
Employees	121,000	130,500	133,300	136,200	140,200	143,400
Supplies and Services	5,000	5,200	5,200	5,200	5,200	5,200
Transport	3,000	3,000	3,000	3,000	3,000	3,000
Total Expenditure	**129,000**	**138,700**	**141,500**	**144,400**	**148,400**	**151,600**
Net Total	**129,000**	**138,700**	**141,500**	**144,400**	**148,400**	**151,600**

Elections	Base Budget 19/20 £	Proposed Budget 20/21 £	Forecast Budget 21/22 £	Forecast Budget 22/23 £	Forecast Budget 23/24 £	Forecast Budget 24/25 £
Income						
Customer and Client Receipts	(70,500)	0	0	0	0	0
Total Income	**(70,500)**	**0**	**0**	**0**	**0**	**0**
Expenditure						
Premises	19,400	0	0	0	15,000	0
Supplies and Services	60,100	0	0	0	56,000	0
Third Party Payments	85,300	0	0	0	85,000	0
Transport	4,700	0	0	0	4,000	0
Total Expenditure	**169,500**	**0**	**0**	**0**	**160,000**	**0**
Net Total	**99,000**	**0**	**0**	**0**	**160,000**	**0**

Emergency Planning	Base Budget 19/20 £	Proposed Budget 20/21 £	Forecast Budget 21/22 £	Forecast Budget 22/23 £	Forecast Budget 23/24 £	Forecast Budget 24/25 £
Expenditure						
Supplies and Services	16,000	21,400	21,800	22,200	22,600	23,000
Total Expenditure	**16,000**	**21,400**	**21,800**	**22,200**	**22,600**	**23,000**
Net Total	**16,000**	**21,400**	**21,800**	**22,200**	**22,600**	**23,000**

APPENDIX C

Corporate Policy and Resources Committee

The following tables detail Business Unit Income and Expenditure Budgets

Financial Services	Base Budget 19/20 £	Proposed Budget 20/21 £	Forecast Budget 21/22 £	Forecast Budget 22/23 £	Forecast Budget 23/24 £	Forecast Budget 24/25 £
Income						
Customer and Client Receipts	(19,700)	(4,600)	(2,600)	(2,600)	(2,600)	(2,600)
Total Income	**(19,700)**	**(4,600)**	**(2,600)**	**(2,600)**	**(2,600)**	**(2,600)**
Expenditure						
Employees	534,900	593,000	612,100	590,400	611,000	626,900
Supplies and Services	55,900	53,100	53,100	53,100	53,100	53,100
Third Party Payments	120,700	119,900	127,300	126,400	128,200	131,200
Transport	3,300	3,300	3,300	3,300	3,300	3,300
Total Expenditure	**714,800**	**769,300**	**795,800**	**773,200**	**795,600**	**814,500**
Net Total	**695,100**	**764,700**	**793,200**	**770,600**	**793,000**	**811,900**

Fraud	Base Budget 19/20 £	Proposed Budget 20/21 £	Forecast Budget 21/22 £	Forecast Budget 22/23 £	Forecast Budget 23/24 £	Forecast Budget 24/25 £
Expenditure						
Supplies and Services	8,500	2,200	2,200	2,200	2,200	2,200
Third Party Payments	0	3,000	3,000	3,000	3,000	3,000
Total Expenditure	**8,500**	**5,200**	**5,200**	**5,200**	**5,200**	**5,200**
Net Total	**8,500**	**5,200**	**5,200**	**5,200**	**5,200**	**5,200**

Housing Benefits Admin	Base Budget 19/20 £	Proposed Budget 20/21 £	Forecast Budget 21/22 £	Forecast Budget 22/23 £	Forecast Budget 23/24 £	Forecast Budget 24/25 £
Income						
Government Grants	(253,900)	(211,500)	(171,300)	(145,600)	(135,400)	(125,900)
Total Income	**(253,900)**	**(211,500)**	**(171,300)**	**(145,600)**	**(135,400)**	**(125,900)**
Expenditure						
Employees	529,100	487,700	464,300	477,600	494,800	509,300
Supplies and Services	41,200	31,900	31,900	31,900	31,900	31,900
Third Party Payments	18,800	18,800	18,800	18,800	18,800	18,800
Transport	5,700	3,600	3,600	3,600	3,600	3,600
Total Expenditure	**594,800**	**542,000**	**518,600**	**531,900**	**549,100**	**563,600**
Net Total	**340,900**	**330,500**	**347,300**	**386,300**	**413,700**	**437,700**

APPENDIX C

Corporate Policy and Resources Committee

The following tables detail Business Unit Income and Expenditure Budgets

Housing Benefits Payments	Base Budget 19/20 £	Proposed Budget 20/21 £	Forecast Budget 21/22 £	Forecast Budget 22/23 £	Forecast Budget 23/24 £	Forecast Budget 24/25 £
Income						
Government Grants	(19,682,200)	(16,462,600)	(16,462,600)	(16,462,600)	(16,462,600)	(16,462,600)
Other Grants and Contributions	(343,400)	(315,400)	(315,400)	(315,400)	(315,400)	(315,400)
Total Income	**(20,025,600)**	**(16,778,000)**	**(16,778,000)**	**(16,778,000)**	**(16,778,000)**	**(16,778,000)**
Expenditure						
Transfer Payments	19,826,900	16,570,500	16,570,500	16,570,500	16,570,500	16,570,500
Total Expenditure	**19,826,900**	**16,570,500**	**16,570,500**	**16,570,500**	**16,570,500**	**16,570,500**
Net Total	**(198,700)**	**(207,500)**	**(207,500)**	**(207,500)**	**(207,500)**	**(207,500)**

Human Resources	Base Budget 19/20 £	Proposed Budget 20/21 £	Forecast Budget 21/22 £	Forecast Budget 22/23 £	Forecast Budget 23/24 £	Forecast Budget 24/25 £
Expenditure						
Employees	243,400	261,400	266,300	271,100	277,600	282,900
Supplies and Services	9,800	9,100	9,500	9,900	10,300	10,700
Third Party Payments	20,700	20,200	20,200	20,200	20,200	20,200
Transfer Payments	1,700	1,700	1,700	1,700	1,700	1,700
Transport	1,200	1,000	1,000	1,000	1,000	1,000
Total Expenditure	**276,800**	**293,400**	**298,700**	**303,900**	**310,800**	**316,500**
Net Total	**276,800**	**293,400**	**298,700**	**303,900**	**310,800**	**316,500**

ICT Services	Base Budget 19/20 £	Proposed Budget 20/21 £	Forecast Budget 21/22 £	Forecast Budget 22/23 £	Forecast Budget 23/24 £	Forecast Budget 24/25 £
Income						
Customer and Client Receipts	(4,000)	(2,500)	(2,500)	(2,500)	(2,500)	(2,500)
Total Income	**(4,000)**	**(2,500)**	**(2,500)**	**(2,500)**	**(2,500)**	**(2,500)**
Expenditure						
Employees	149,200	165,500	169,600	174,100	179,800	184,500
Supplies and Services	114,400	139,900	142,900	145,600	148,300	151,100
Third Party Payments	47,000	47,600	48,700	48,700	48,700	48,700
Transport	400	400	400	400	400	400
Total Expenditure	**311,000**	**353,400**	**361,600**	**368,800**	**377,200**	**384,700**
Net Total	**307,000**	**350,900**	**359,100**	**366,300**	**374,700**	**382,200**

APPENDIX C

Corporate Policy and Resources Committee

The following tables detail Business Unit Income and Expenditure Budgets

Investment Properties	Base Budget 19/20 £	Proposed Budget 20/21 £	Forecast Budget 21/22 £	Forecast Budget 22/23 £	Forecast Budget 23/24 £	Forecast Budget 24/25 £
Income						
Customer and Client Receipts	(1,162,800)	(1,662,300)	(1,663,100)	(1,663,800)	(1,664,600)	(1,664,600)
Other Grants and Contributions	0	(17,400)	(17,400)	(17,400)	(17,400)	(17,400)
Total Income	**(1,162,800)**	**(1,679,700)**	**(1,680,500)**	**(1,681,200)**	**(1,682,000)**	**(1,682,000)**
Expenditure						
Employees	33,600	34,400	35,200	35,900	36,800	37,500
Premises	34,100	18,100	18,100	18,100	18,100	18,100
Third Party Payments	0	2,500	2,500	2,500	2,500	2,500
Total Expenditure	**67,700**	**55,000**	**55,800**	**56,500**	**57,400**	**58,100**
Net Total	**(1,095,100)**	**(1,624,700)**	**(1,624,700)**	**(1,624,700)**	**(1,624,600)**	**(1,623,900)**

Legal Services	Base Budget 19/20 £	Proposed Budget 20/21 £	Forecast Budget 21/22 £	Forecast Budget 22/23 £	Forecast Budget 23/24 £	Forecast Budget 24/25 £
Income						
Customer and Client Receipts	(30,000)	(20,000)	(20,000)	(20,000)	(20,000)	(20,000)
Total Income	**(30,000)**	**(20,000)**	**(20,000)**	**(20,000)**	**(20,000)**	**(20,000)**
Expenditure						
Supplies and Services	4,000	4,000	4,000	4,000	4,000	4,000
Third Party Payments	8,000	8,000	8,000	8,000	8,000	8,000
Total Expenditure	**12,000**	**12,000**	**12,000**	**12,000**	**12,000**	**12,000**
Net Total	**(18,000)**	**(8,000)**	**(8,000)**	**(8,000)**	**(8,000)**	**(8,000)**

Local Tax Collection	Base Budget 19/20 £	Proposed Budget 20/21 £	Forecast Budget 21/22 £	Forecast Budget 22/23 £	Forecast Budget 23/24 £	Forecast Budget 24/25 £
Income						
Government Grants	(105,000)	(105,000)	(105,000)	(105,000)	(105,000)	(105,000)
Other Grants and Contributions	(184,500)	(184,500)	(184,500)	(184,500)	(184,500)	(184,500)
Total Income	**(289,500)**	**(289,500)**	**(289,500)**	**(289,500)**	**(289,500)**	**(289,500)**
Expenditure						
Employees	373,400	418,500	435,700	452,300	469,400	482,600
Supplies and Services	98,500	95,500	95,500	95,500	95,500	95,500
Third Party Payments	78,700	82,700	82,700	82,700	82,700	82,700
Transfer Payments	3,000	3,000	3,000	3,000	3,000	3,000
Transport	2,600	2,600	2,600	2,600	2,600	2,600
Total Expenditure	**556,200**	**602,300**	**619,500**	**636,100**	**653,200**	**666,400**
Net Total	**266,700**	**312,800**	**330,000**	**346,600**	**363,700**	**376,900**

APPENDIX C

Corporate Policy and Resources Committee

The following tables detail Business Unit Income and Expenditure Budgets

Operational Buildings	Base Budget 19/20 £	Proposed Budget 20/21 £	Forecast Budget 21/22 £	Forecast Budget 22/23 £	Forecast Budget 23/24 £	Forecast Budget 24/25 £
Expenditure						
Premises	70,100	72,700	46,800	46,900	47,000	47,100
Supplies and Services	3,900	4,400	4,200	4,200	4,200	4,200
Third Party Payments	0	0	6,700	6,700	6,700	6,700
Total Expenditure	**74,000**	**77,100**	**57,700**	**57,800**	**57,900**	**58,000**
Net Total	**74,000**	**77,100**	**57,700**	**57,800**	**57,900**	**58,000**

Other Council Properties	Base Budget 19/20 £	Proposed Budget 20/21 £	Forecast Budget 21/22 £	Forecast Budget 22/23 £	Forecast Budget 23/24 £	Forecast Budget 24/25 £
Income						
Customer and Client Receipts	(19,300)	(20,300)	(20,300)	(20,300)	(20,300)	(20,300)
Total Income	**(19,300)**	**(20,300)**	**(20,300)**	**(20,300)**	**(20,300)**	**(20,300)**
Expenditure						
Premises	7,000	8,700	8,700	8,700	8,700	8,700
Total Expenditure	**7,000**	**8,700**	**8,700**	**8,700**	**8,700**	**8,700**
Net Total	**(12,300)**	**(11,600)**	**(11,600)**	**(11,600)**	**(11,600)**	**(11,600)**

Precepts	Base Budget 19/20 £	Proposed Budget 20/21 £	Forecast Budget 21/22 £	Forecast Budget 22/23 £	Forecast Budget 23/24 £	Forecast Budget 24/25 £
Expenditure						
Transfer Payments	8,000	8,000	8,000	8,000	8,000	8,000
Total Expenditure	**8,000**	**8,000**	**8,000**	**8,000**	**8,000**	**8,000**
Net Total	**8,000**	**8,000**	**8,000**	**8,000**	**8,000**	**8,000**

Property Services	Base Budget 19/20 £	Proposed Budget 20/21 £	Forecast Budget 21/22 £	Forecast Budget 22/23 £	Forecast Budget 23/24 £	Forecast Budget 24/25 £
Expenditure						
Employees	236,500	272,000	294,000	320,400	333,600	343,100
Supplies and Services	17,100	17,200	17,200	17,200	17,200	17,200
Third Party Payments	65,200	79,400	59,400	59,400	59,400	59,400
Transport	5,400	5,700	5,700	5,700	5,700	5,700
Total Expenditure	**324,200**	**374,300**	**376,300**	**402,700**	**415,900**	**425,400**
Net Total	**324,200**	**374,300**	**376,300**	**402,700**	**415,900**	**425,400**

APPENDIX C

Corporate Policy and Resources Committee

The following tables detail Business Unit Income and Expenditure Budgets

Public Conveniences	Base Budget 19/20 £	Proposed Budget 20/21 £	Forecast Budget 21/22 £	Forecast Budget 22/23 £	Forecast Budget 23/24 £	Forecast Budget 24/25 £
Expenditure						
Premises	50,300	56,100	56,600	57,100	57,600	58,200
Supplies and Services	400	300	300	300	300	300
Total Expenditure	**50,700**	**56,400**	**56,900**	**57,400**	**57,900**	**58,500**
Net Total	**50,700**	**56,400**	**56,900**	**57,400**	**57,900**	**58,500**

Register Of Electors	Base Budget 19/20 £	Proposed Budget 20/21 £	Forecast Budget 21/22 £	Forecast Budget 22/23 £	Forecast Budget 23/24 £	Forecast Budget 24/25 £
Income						
Customer and Client Receipts	(1,800)	(1,800)	(1,800)	(1,800)	(1,800)	(1,800)
Government Grants	(10,000)	0	(10,000)	(10,000)	(10,000)	(10,000)
Total Income	**(11,800)**	**(1,800)**	**(11,800)**	**(11,800)**	**(11,800)**	**(11,800)**
Expenditure						
Employees	84,500	108,800	111,700	114,600	118,600	122,100
Supplies and Services	32,500	32,200	32,200	32,200	32,200	32,200
Third Party Payments	43,900	43,900	43,900	43,900	43,900	43,900
Transport	600	600	600	600	600	600
Total Expenditure	**161,500**	**185,500**	**188,400**	**191,300**	**195,300**	**198,800**
Net Total	**149,700**	**183,700**	**176,600**	**179,500**	**183,500**	**187,000**

Support Services - Admin	Base Budget 19/20 £	Proposed Budget 20/21 £	Forecast Budget 21/22 £	Forecast Budget 22/23 £	Forecast Budget 23/24 £	Forecast Budget 24/25 £
Income						
Customer and Client Receipts	(58,000)	(49,600)	(49,600)	(49,600)	(49,600)	(49,600)
Total Income	**(58,000)**	**(49,600)**	**(49,600)**	**(49,600)**	**(49,600)**	**(49,600)**
Expenditure						
Supplies and Services	56,600	48,200	48,200	48,200	48,200	48,200
Third Party Payments	1,400	1,400	1,400	1,400	1,400	1,400
Total Expenditure	**58,000**	**49,600**	**49,600**	**49,600**	**49,600**	**49,600**
Net Total	**0**	**0**	**0**	**0**	**0**	**0**

APPENDIX C

Corporate Policy and Resources Committee

The following tables detail Business Unit Income and Expenditure Budgets

Support Services - Corporate	Base Budget 19/20 £	Proposed Budget 20/21 £	Forecast Budget 21/22 £	Forecast Budget 22/23 £	Forecast Budget 23/24 £	Forecast Budget 24/25 £
Expenditure						
Employees	164,600	194,100	200,600	206,600	213,800	219,700
Supplies and Services	2,600	2,500	2,500	2,500	2,500	2,500
Transport	700	700	700	700	700	700
Total Expenditure	**167,900**	**197,300**	**203,800**	**209,800**	**217,000**	**222,900**
Net Total	**167,900**	**197,300**	**203,800**	**209,800**	**217,000**	**222,900**

Systems Development	Base Budget 19/20 £	Proposed Budget 20/21 £	Forecast Budget 21/22 £	Forecast Budget 22/23 £	Forecast Budget 23/24 £	Forecast Budget 24/25 £
Income						
Customer and Client Receipts	(23,100)	(29,600)	(29,700)	(29,700)	(29,800)	(29,800)
Total Income	**(23,100)**	**(29,600)**	**(29,700)**	**(29,700)**	**(29,800)**	**(29,800)**
Expenditure						
Employees	354,900	401,400	416,500	430,300	446,600	459,800
Supplies and Services	180,100	215,400	192,800	176,500	161,500	161,500
Transport	1,600	600	600	600	600	600
Total Expenditure	**536,600**	**617,400**	**609,900**	**607,400**	**608,700**	**621,900**
Net Total	**513,500**	**587,800**	**580,200**	**577,700**	**578,900**	**592,100**

APPENDIX D

Prosperous Communities Income and Expenditure Budgets (Excluding Capital Charges and Recharges)

Prosperous Communities	Base Budget 19/20 £	Proposed Budget 20/21 £	Forecast Budget 21/22 £	Forecast Budget 22/23 £	Forecast Budget 23/24 £	Forecast Budget 24/25 £
Income						
Customer and Client Receipts	(4,106,700)	(4,578,700)	(4,584,000)	(4,647,100)	(4,210,000)	(4,224,600)
Government Grants	(153,000)	(85,900)	(157,000)	(153,300)	(154,300)	(154,300)
Other Grants and Contributions	(180,900)	(303,600)	(307,300)	(306,900)	(331,900)	(331,900)
Total Income	**(4,440,600)**	**(4,968,200)**	**(5,048,300)**	**(5,107,300)**	**(4,696,200)**	**(4,710,800)**
Expenditure						
Employees	5,664,100	6,462,900	6,414,200	6,556,600	6,371,600	6,553,700
Premises	352,700	481,800	483,500	490,300	497,200	505,800
Supplies and Services	994,100	882,600	891,400	852,800	834,900	855,900
Third Party Payments	552,300	766,200	607,700	602,000	601,700	606,700
Transfer Payments	187,700	157,400	157,400	157,400	68,600	68,600
Transport	811,600	843,400	880,100	890,500	850,500	858,300
Total Expenditure	**8,562,500**	**9,594,300**	**9,434,300**	**9,549,600**	**9,224,500**	**9,449,000**
Net Total	**4,121,900**	**4,626,100**	**4,386,000**	**4,442,300**	**4,528,300**	**4,738,200**

APPENDIX E

Prosperous Communities Base Budget – Cluster Analysis (Excluding Capital Charges and Recharges)

Cluster and Business Unit	Base Budget 19/20 £	Proposed Budget 20/21 £	Forecast Budget 21/22 £	Forecast Budget 22/23 £	Forecast Budget 23/24 £	Forecast Budget 24/25 £
Our People	**1,226,200**	**1,390,200**	**1,129,300**	**1,142,500**	**1,115,400**	**1,164,600**
Community Action	152,300	327,300	272,700	280,300	263,200	270,800
General Grants etc	501,400	292,700	288,700	288,700	188,700	188,700
Health & Wellbeing	19,000	(73,500)	(70,700)	(66,000)	(85,300)	(80,000)
Homelessness & Housing Advice	339,200	490,500	351,100	355,300	364,900	373,500
Housing Strategy	133,500	168,900	174,300	178,900	185,200	210,300
Parish Lighting	55,700	49,700	50,600	51,500	52,400	53,300
Parks & Open Spaces	49,400	66,400	65,600	65,600	65,600	65,600
Private Sector Housing Renewal	63,800	156,300	77,300	78,800	80,700	82,400
Wellbeing	(88,100)	(88,100)	(80,300)	(90,600)	0	0
Our Place	**3,159,600**	**3,482,800**	**3,478,900**	**3,579,800**	**3,722,100**	**3,864,100**
Building Control	56,600	97,800	90,100	99,800	110,000	119,200
Car Parks	(140,900)	(113,500)	(125,500)	(146,700)	(144,100)	(141,700)
Cemeteries and Churchyards	75,100	93,400	74,200	74,500	74,800	79,100
Community Safety	134,700	154,500	159,900	140,500	139,300	143,300
Culture & Heritage	37,300	7,200	7,000	7,000	7,000	7,000
Development Management	107,200	124,500	144,000	169,500	202,000	227,600
Economic Development	357,800	354,900	350,500	363,300	374,600	384,800
Environmental Initiatives	60,600	60,700	60,800	60,900	61,000	61,100
Food Safety	148,200	213,100	220,700	227,600	235,000	241,100
Industrial Estates	(11,400)	(10,600)	(10,600)	(10,600)	(10,600)	(10,600)
Licences - Community	9,100	30,500	17,800	24,700	36,200	31,300
Neighbourhood Planning & Local Plans	62,300	47,300	48,200	49,100	50,500	51,500
Other Council Properties-Housing	(19,000)	(18,300)	(18,200)	(18,200)	(18,200)	(18,200)
Pest and Dog Control	24,300	24,500	24,500	24,500	24,500	24,600
Planning Policy - Forward Planning	64,500	97,200	99,500	101,800	105,100	107,500
Pollution Control	149,500	157,300	161,200	165,000	170,100	179,500
Property Services-Town Centre Management	2,900	2,800	2,800	2,800	2,800	2,800
Strategic Manager-Services	25,800	37,300	38,100	39,000	40,200	41,100
Street Cleansing	531,400	614,500	611,800	627,200	646,400	663,200
Visitor Economy	32,600	27,300	17,900	18,300	18,700	19,100
Waste Management	1,451,000	1,480,400	1,504,200	1,559,800	1,596,800	1,650,800
Our Council	**(263,900)**	**(246,900)**	**(222,200)**	**(280,000)**	**(309,200)**	**(290,500)**
Commercial Waste Services	(336,500)	(255,100)	(224,800)	(214,000)	(209,600)	(200,000)
Crematorium	(37,800)	(142,000)	(151,600)	(186,500)	(225,100)	(219,700)
Health & Safety	65,900	65,100	66,600	68,000	70,000	71,600
Land Charges	11,600	9,300	10,700	12,400	13,900	14,600
Other Council Properties	(500)	(500)	(500)	(500)	(500)	(400)
Town Centre Markets	33,400	76,300	77,400	40,600	42,100	43,400
Grand Total	**4,121,900**	**4,626,100**	**4,386,000**	**4,442,300**	**4,528,300**	**4,738,200**

APPENDIX F

Prosperous Communities Committee

The following tables detail Business Unit Income and Expenditure Budgets

Building Control	Base Budget 19/20 £	Proposed Budget 20/21 £	Forecast Budget 21/22 £	Forecast Budget 22/23 £	Forecast Budget 23/24 £	Forecast Budget 24/25 £
Income						
Customer and Client Receipts	(245,100)	(223,100)	(239,400)	(239,400)	(239,400)	(239,400)
Total Income	**(245,100)**	**(223,100)**	**(239,400)**	**(239,400)**	**(239,400)**	**(239,400)**
Expenditure						
Employees	255,500	274,600	283,200	292,900	303,100	312,300
Premises	15,000	15,000	15,000	15,000	15,000	15,000
Supplies and Services	15,700	14,800	14,800	14,800	14,800	14,800
Third Party Payments	200	0	0	0	0	0
Transport	15,300	16,500	16,500	16,500	16,500	16,500
Total Expenditure	**301,700**	**320,900**	**329,500**	**339,200**	**349,400**	**358,600**
Net Total	**56,600**	**97,800**	**90,100**	**99,800**	**110,000**	**119,200**

Car Parks	Base Budget 19/20 £	Proposed Budget 20/21 £	Forecast Budget 21/22 £	Forecast Budget 22/23 £	Forecast Budget 23/24 £	Forecast Budget 24/25 £
Income						
Customer and Client Receipts	(308,300)	(294,900)	(294,900)	(294,900)	(294,900)	(294,900)
Total Income	**(308,300)**	**(294,900)**	**(294,900)**	**(294,900)**	**(294,900)**	**(294,900)**
Expenditure						
Employees	59,900	66,800	53,800	31,400	32,700	33,800
Premises	55,800	56,900	57,900	59,100	60,400	61,700
Supplies and Services	4,300	6,100	6,100	6,100	6,100	6,100
Third Party Payments	46,400	50,400	50,400	50,400	50,400	50,400
Transport	1,000	1,200	1,200	1,200	1,200	1,200
Total Expenditure	**167,400**	**181,400**	**169,400**	**148,200**	**150,800**	**153,200**
Net Total	**(140,900)**	**(113,500)**	**(125,500)**	**(146,700)**	**(144,100)**	**(141,700)**

Cemeteries and Churchyards	Base Budget 19/20 £	Proposed Budget 20/21 £	Forecast Budget 21/22 £	Forecast Budget 22/23 £	Forecast Budget 23/24 £	Forecast Budget 24/25 £
Income						
Customer and Client Receipts	(7,800)	(5,900)	(6,100)	(6,200)	(6,300)	(6,300)
Total Income	**(7,800)**	**(5,900)**	**(6,100)**	**(6,200)**	**(6,300)**	**(6,300)**
Expenditure						
Employees	7,800	14,300	14,800	15,200	15,600	15,900
Premises	74,700	84,600	65,100	65,100	65,100	69,100
Supplies and Services	400	400	400	400	400	400
Total Expenditure	**82,900**	**99,300**	**80,300**	**80,700**	**81,100**	**85,400**
Net Total	**75,100**	**93,400**	**74,200**	**74,500**	**74,800**	**79,100**

APPENDIX F

Prosperous Communities Committee

The following tables detail Business Unit Income and Expenditure Budgets

Commercial Waste Services	**Base Budget 19/20 £**	**Proposed Budget 20/21 £**	**Forecast Budget 21/22 £**	**Forecast Budget 22/23 £**	**Forecast Budget 23/24 £**	**Forecast Budget 24/25 £**
Income						
Customer and Client Receipts	(1,231,500)	(1,379,900)	(1,354,200)	(1,356,500)	(1,355,700)	(1,356,600)
Total Income	**(1,231,500)**	**(1,379,900)**	**(1,354,200)**	**(1,356,500)**	**(1,355,700)**	**(1,356,600)**
Expenditure						
Employees	496,800	600,500	596,200	603,400	611,500	618,200
Supplies and Services	192,700	207,800	205,100	205,100	205,100	205,100
Third Party Payments	1,000	0	0	0	0	0
Transport	204,500	316,500	328,100	334,000	329,500	333,300
Total Expenditure	**895,000**	**1,124,800**	**1,129,400**	**1,142,500**	**1,146,100**	**1,156,600**
Net Total	**(336,500)**	**(255,100)**	**(224,800)**	**(214,000)**	**(209,600)**	**(200,000)**

Community Action	**Base Budget 19/20 £**	**Proposed Budget 20/21 £**	**Forecast Budget 21/22 £**	**Forecast Budget 22/23 £**	**Forecast Budget 23/24 £**	**Forecast Budget 24/25 £**
Income						
Customer and Client Receipts	(8,200)	(15,300)	0	0	0	0
Other Grants and Contributions	(14,100)	0	0	0	0	0
Total Income	**(22,300)**	**(15,300)**	**0**	**0**	**0**	**0**
Expenditure						
Employees	161,100	253,700	262,800	270,400	253,300	260,900
Supplies and Services	3,600	3,700	3,700	3,700	3,700	3,700
Third Party Payments	4,800	79,700	700	700	700	700
Transport	5,100	5,500	5,500	5,500	5,500	5,500
Total Expenditure	**174,600**	**342,600**	**272,700**	**280,300**	**263,200**	**270,800**
Net Total	**152,300**	**327,300**	**272,700**	**280,300**	**263,200**	**270,800**

Community Safety	**Base Budget 19/20 £**	**Proposed Budget 20/21 £**	**Forecast Budget 21/22 £**	**Forecast Budget 22/23 £**	**Forecast Budget 23/24 £**	**Forecast Budget 24/25 £**
Income						
Customer and Client Receipts	(24,300)	(49,400)	(49,900)	(50,400)	(50,900)	(51,400)
Other Grants and Contributions	(1,000)	0	0	0	0	0
Total Income	**(25,300)**	**(49,400)**	**(49,900)**	**(50,400)**	**(50,900)**	**(51,400)**
Expenditure						
Employees	126,100	170,300	176,200	157,300	156,600	161,100
Premises	200	200	200	200	200	200
Supplies and Services	27,100	28,000	28,000	28,000	28,000	28,000
Third Party Payments	0	400	400	400	400	400
Transfer Payments	1,500	1,500	1,500	1,500	1,500	1,500
Transport	5,100	3,500	3,500	3,500	3,500	3,500
Total Expenditure	**160,000**	**203,900**	**209,800**	**190,900**	**190,200**	**194,700**
Net Total	**134,700**	**154,500**	**159,900**	**140,500**	**139,300**	**143,300**

APPENDIX F

Prosperous Communities Committee

The following tables detail Business Unit Income and Expenditure Budgets

Crematorium	Base Budget 19/20 £	Proposed Budget 20/21 £	Forecast Budget 21/22 £	Forecast Budget 22/23 £	Forecast Budget 23/24 £	Forecast Budget 24/25 £
Income						
Customer and Client Receipts	(108,200)	(467,900)	(507,400)	(553,700)	(597,300)	(598,200)
Total Income	**(108,200)**	**(467,900)**	**(507,400)**	**(553,700)**	**(597,300)**	**(598,200)**
Expenditure						
Employees	20,300	122,600	124,900	128,200	132,700	136,200
Premises	30,000	119,800	147,500	151,700	155,900	157,800
Supplies and Services	19,500	77,100	77,000	80,900	77,200	78,100
Third Party Payments	0	4,100	4,100	4,100	4,100	4,100
Transport	600	2,300	2,300	2,300	2,300	2,300
Total Expenditure	**70,400**	**325,900**	**355,800**	**367,200**	**372,200**	**378,500**
Net Total	**(37,800)**	**(142,000)**	**(151,600)**	**(186,500)**	**(225,100)**	**(219,700)**

Culture & Heritage	Base Budget 19/20 £	Proposed Budget 20/21 £	Forecast Budget 21/22 £	Forecast Budget 22/23 £	Forecast Budget 23/24 £	Forecast Budget 24/25 £
Income						
Customer and Client Receipts	(17,200)	(6,600)	0	0	0	0
Total Income	**(17,200)**	**(6,600)**	**0**	**0**	**0**	**0**
Expenditure						
Employees	16,900	6,800	0	0	0	0
Third Party Payments	30,600	0	0	0	0	0
Transfer Payments	7,000	7,000	7,000	7,000	7,000	7,000
Total Expenditure	**54,500**	**13,800**	**7,000**	**7,000**	**7,000**	**7,000**
Net Total	**37,300**	**7,200**	**7,000**	**7,000**	**7,000**	**7,000**

Development Management	Base Budget 19/20 £	Proposed Budget 20/21 £	Forecast Budget 21/22 £	Forecast Budget 22/23 £	Forecast Budget 23/24 £	Forecast Budget 24/25 £
Income						
Customer and Client Receipts	(1,019,400)	(1,011,800)	(1,013,000)	(1,013,400)	(1,014,700)	(1,016,000)
Government Grants	(33,000)	(17,700)	(100)	0	0	0
Other Grants and Contributions	(9,600)	(11,800)	(12,000)	(12,200)	(12,200)	(12,200)
Total Income	**(1,062,000)**	**(1,041,300)**	**(1,025,100)**	**(1,025,600)**	**(1,026,900)**	**(1,028,200)**
Expenditure						
Employees	910,700	921,000	924,300	950,300	981,400	1,008,300
Premises	5,000	4,000	4,000	4,000	4,000	4,000
Supplies and Services	62,600	65,700	65,700	65,700	65,700	65,700
Third Party Payments	174,300	156,500	156,500	156,500	159,200	159,200
Transfer Payments	300	300	300	300	300	300
Transport	16,300	18,300	18,300	18,300	18,300	18,300
Total Expenditure	**1,169,200**	**1,165,800**	**1,169,100**	**1,195,100**	**1,228,900**	**1,255,800**
Net Total	**107,200**	**124,500**	**144,000**	**169,500**	**202,000**	**227,600**

APPENDIX F

Prosperous Communities Committee

The following tables detail Business Unit Income and Expenditure Budgets

Economic Development	Base Budget 19/20 £	Proposed Budget 20/21 £	Forecast Budget 21/22 £	Forecast Budget 22/23 £	Forecast Budget 23/24 £	Forecast Budget 24/25 £
Income						
Government Grants	(63,100)	(65,000)	(51,900)	(48,300)	(49,300)	(49,300)
Total Income	**(63,100)**	**(65,000)**	**(51,900)**	**(48,300)**	**(49,300)**	**(49,300)**
Expenditure						
Employees	400,400	394,400	376,900	386,100	398,400	408,600
Supplies and Services	1,700	1,100	1,100	1,100	1,100	1,100
Third Party Payments	3,600	7,000	7,000	7,000	7,000	7,000
Transfer Payments	11,900	11,900	11,900	11,900	11,900	11,900
Transport	3,300	5,500	5,500	5,500	5,500	5,500
Total Expenditure	**420,900**	**419,900**	**402,400**	**411,600**	**423,900**	**434,100**
Net Total	**357,800**	**354,900**	**350,500**	**363,300**	**374,600**	**384,800**

Environmental Initiatives	Base Budget 19/20 £	Proposed Budget 20/21 £	Forecast Budget 21/22 £	Forecast Budget 22/23 £	Forecast Budget 23/24 £	Forecast Budget 24/25 £
Expenditure						
Supplies and Services	5,700	5,800	5,900	6,000	6,100	6,200
Third Party Payments	37,000	37,000	37,000	37,000	37,000	37,000
Transfer Payments	17,900	17,900	17,900	17,900	17,900	17,900
Total Expenditure	**60,600**	**60,700**	**60,800**	**60,900**	**61,000**	**61,100**
Net Total	**60,600**	**60,700**	**60,800**	**60,900**	**61,000**	**61,100**

Food Safety	Base Budget 19/20 £	Proposed Budget 20/21 £	Forecast Budget 21/22 £	Forecast Budget 22/23 £	Forecast Budget 23/24 £	Forecast Budget 24/25 £
Income						
Customer and Client Receipts	(700)	(6,700)	(6,700)	(6,700)	(6,700)	(6,700)
Total Income	**(700)**	**(6,700)**	**(6,700)**	**(6,700)**	**(6,700)**	**(6,700)**
Expenditure						
Employees	139,000	209,000	216,600	223,500	230,900	237,000
Supplies and Services	800	1,700	1,700	1,700	1,700	1,700
Transport	9,100	9,100	9,100	9,100	9,100	9,100
Total Expenditure	**148,900**	**219,800**	**227,400**	**234,300**	**241,700**	**247,800**
Net Total	**148,200**	**213,100**	**220,700**	**227,600**	**235,000**	**241,100**

APPENDIX F

Prosperous Communities Committee

The following tables detail Business Unit Income and Expenditure Budgets

General Grants etc	Base Budget 19/20 £	Proposed Budget 20/21 £	Forecast Budget 21/22 £	Forecast Budget 22/23 £	Forecast Budget 23/24 £	Forecast Budget 24/25 £
Expenditure						
Supplies and Services	248,100	79,700	80,700	80,700	69,500	69,500
Third Party Payments	134,200	124,200	119,200	119,200	119,200	119,200
Transfer Payments	119,100	88,800	88,800	88,800	0	0
Total Expenditure	**501,400**	**292,700**	**288,700**	**288,700**	**188,700**	**188,700**
Net Total	**501,400**	**292,700**	**288,700**	**288,700**	**188,700**	**188,700**

Health & Safety	Base Budget 19/20 £	Proposed Budget 20/21 £	Forecast Budget 21/22 £	Forecast Budget 22/23 £	Forecast Budget 23/24 £	Forecast Budget 24/25 £
Expenditure						
Employees	64,700	64,000	65,500	66,900	68,900	70,500
Supplies and Services	400	300	300	300	300	300
Transport	800	800	800	800	800	800
Total Expenditure	**65,900**	**65,100**	**66,600**	**68,000**	**70,000**	**71,600**
Net Total	**65,900**	**65,100**	**66,600**	**68,000**	**70,000**	**71,600**

Health & Wellbeing	Base Budget 19/20 £	Proposed Budget 20/21 £	Forecast Budget 21/22 £	Forecast Budget 22/23 £	Forecast Budget 23/24 £	Forecast Budget 24/25 £
Income						
Customer and Client Receipts	(180,900)	(186,100)	(186,100)	(186,100)	(186,100)	(186,100)
Other Grants and Contributions	(134,200)	(272,200)	(272,200)	(272,200)	(297,200)	(297,200)
Total Income	**(315,100)**	**(458,300)**	**(458,300)**	**(458,300)**	**(483,300)**	**(483,300)**
Expenditure						
Employees	129,900	150,100	155,200	159,500	164,800	169,700
Premises	56,100	78,000	75,700	76,100	76,500	76,900
Supplies and Services	140,800	144,900	144,900	144,900	144,900	144,900
Third Party Payments	6,700	11,200	11,200	11,200	11,200	11,200
Transport	600	600	600	600	600	600
Total Expenditure	**334,100**	**384,800**	**387,600**	**392,300**	**398,000**	**403,300**
Net Total	**19,000**	**(73,500)**	**(70,700)**	**(66,000)**	**(85,300)**	**(80,000)**

APPENDIX F

Prosperous Communities Committee

The following tables detail Business Unit Income and Expenditure Budgets

Homelessness & Housing Advice	Base Budget 19/20 £	Proposed Budget 20/21 £	Forecast Budget 21/22 £	Forecast Budget 22/23 £	Forecast Budget 23/24 £	Forecast Budget 24/25 £
Income						
Customer and Client Receipts	(15,400)	(15,400)	(15,400)	(15,400)	(15,400)	(15,400)
Total Income	**(15,400)**	**(15,400)**	**(15,400)**	**(15,400)**	**(15,400)**	**(15,400)**
Expenditure						
Employees	285,800	296,200	292,600	302,500	312,400	321,000
Supplies and Services	15,100	14,600	14,600	14,600	14,600	14,600
Third Party Payments	49,000	190,400	54,600	48,900	48,600	48,600
Transport	4,700	4,700	4,700	4,700	4,700	4,700
Total Expenditure	**354,600**	**505,900**	**366,500**	**370,700**	**380,300**	**388,900**
Net Total	**339,200**	**490,500**	**351,100**	**355,300**	**364,900**	**373,500**

Housing Strategy	Base Budget 19/20 £	Proposed Budget 20/21 £	Forecast Budget 21/22 £	Forecast Budget 22/23 £	Forecast Budget 23/24 £	Forecast Budget 24/25 £
Income						
Customer and Client Receipts	(41,900)	(36,400)	(21,000)	(21,000)	(21,000)	(21,000)
Total Income	**(41,900)**	**(36,400)**	**(21,000)**	**(21,000)**	**(21,000)**	**(21,000)**
Expenditure						
Employees	145,000	191,900	181,900	186,500	192,800	197,900
Supplies and Services	24,200	4,700	4,700	4,700	4,700	24,700
Third Party Payments	2,300	4,800	4,800	4,800	4,800	4,800
Transport	3,900	3,900	3,900	3,900	3,900	3,900
Total Expenditure	**175,400**	**205,300**	**195,300**	**199,900**	**206,200**	**231,300**
Net Total	**133,500**	**168,900**	**174,300**	**178,900**	**185,200**	**210,300**

Industrial Estates	Base Budget 19/20 £	Proposed Budget 20/21 £	Forecast Budget 21/22 £	Forecast Budget 22/23 £	Forecast Budget 23/24 £	Forecast Budget 24/25 £
Income						
Customer and Client Receipts	(19,300)	(19,300)	(19,300)	(19,300)	(19,300)	(19,300)
Total Income	**(19,300)**	**(19,300)**	**(19,300)**	**(19,300)**	**(19,300)**	**(19,300)**
Expenditure						
Premises	7,900	7,900	7,900	7,900	7,900	7,900
Third Party Payments	0	800	800	800	800	800
Total Expenditure	**7,900**	**8,700**	**8,700**	**8,700**	**8,700**	**8,700**
Net Total	**(11,400)**	**(10,600)**	**(10,600)**	**(10,600)**	**(10,600)**	**(10,600)**

APPENDIX F

Prosperous Communities Committee

The following tables detail Business Unit Income and Expenditure Budgets

Land Charges	Base Budget 19/20 £	Proposed Budget 20/21 £	Forecast Budget 21/22 £	Forecast Budget 22/23 £	Forecast Budget 23/24 £	Forecast Budget 24/25 £
Income						
Customer and Client Receipts	(125,600)	(135,700)	(138,400)	(141,200)	(144,000)	(146,900)
Total Income	**(125,600)**	**(135,700)**	**(138,400)**	**(141,200)**	**(144,000)**	**(146,900)**
Expenditure						
Employees	105,800	113,500	117,600	122,100	126,400	130,000
Supplies and Services	3,700	3,600	3,600	3,600	3,600	3,600
Third Party Payments	27,500	27,600	27,600	27,600	27,600	27,600
Transport	200	300	300	300	300	300
Total Expenditure	**137,200**	**145,000**	**149,100**	**153,600**	**157,900**	**161,500**
Net Total	**11,600**	**9,300**	**10,700**	**12,400**	**13,900**	**14,600**

Licences - Community	Base Budget 19/20 £	Proposed Budget 20/21 £	Forecast Budget 21/22 £	Forecast Budget 22/23 £	Forecast Budget 23/24 £	Forecast Budget 24/25 £
Income						
Customer and Client Receipts	(118,700)	(115,300)	(128,100)	(130,200)	(122,900)	(131,000)
Other Grants and Contributions	(3,200)	(300)	(3,800)	(3,200)	(3,200)	(3,200)
Total Income	**(121,900)**	**(115,600)**	**(131,900)**	**(133,400)**	**(126,100)**	**(134,200)**
Expenditure						
Employees	105,800	116,000	119,100	122,100	126,300	129,500
Supplies and Services	20,100	23,800	24,300	29,700	29,700	29,700
Third Party Payments	2,100	3,300	3,300	3,300	3,300	3,300
Transport	3,000	3,000	3,000	3,000	3,000	3,000
Total Expenditure	**131,000**	**146,100**	**149,700**	**158,100**	**162,300**	**165,500**
Net Total	**9,100**	**30,500**	**17,800**	**24,700**	**36,200**	**31,300**

Neighbourhood Planning & Local Plans	Base Budget 19/20 £	Proposed Budget 20/21 £	Forecast Budget 21/22 £	Forecast Budget 22/23 £	Forecast Budget 23/24 £	Forecast Budget 24/25 £
Expenditure						
Employees	62,200	47,200	48,100	49,000	50,400	51,400
Supplies and Services	100	100	100	100	100	100
Total Expenditure	**62,300**	**47,300**	**48,200**	**49,100**	**50,500**	**51,500**
Net Total	**62,300**	**47,300**	**48,200**	**49,100**	**50,500**	**51,500**

APPENDIX F

Prosperous Communities Committee

The following tables detail Business Unit Income and Expenditure Budgets

Other Council Properties	Base Budget 19/20 £	Proposed Budget 20/21 £	Forecast Budget 21/22 £	Forecast Budget 22/23 £	Forecast Budget 23/24 £	Forecast Budget 24/25 £
Income						
Customer and Client Receipts	(4,500)	(4,600)	(4,700)	(4,800)	(4,900)	(4,900)
Total Income	**(4,500)**	**(4,600)**	**(4,700)**	**(4,800)**	**(4,900)**	**(4,900)**
Expenditure						
Premises	4,000	4,100	4,200	4,300	4,400	4,500
Total Expenditure	**4,000**	**4,100**	**4,200**	**4,300**	**4,400**	**4,500**
Net Total	**(500)**	**(500)**	**(500)**	**(500)**	**(500)**	**(400)**

Other Council Properties- Housing	Base Budget 19/20 £	Proposed Budget 20/21 £	Forecast Budget 21/22 £	Forecast Budget 22/23 £	Forecast Budget 23/24 £	Forecast Budget 24/25 £
Income						
Customer and Client Receipts	(58,600)	(56,600)	(56,600)	(56,600)	(56,600)	(56,600)
Total Income	**(58,600)**	**(56,600)**	**(56,600)**	**(56,600)**	**(56,600)**	**(56,600)**
Expenditure						
Premises	12,100	13,000	13,100	13,100	13,100	13,100
Supplies and Services	27,500	25,300	25,300	25,300	25,300	25,300
Total Expenditure	**39,600**	**38,300**	**38,400**	**38,400**	**38,400**	**38,400**
Net Total	**(19,000)**	**(18,300)**	**(18,200)**	**(18,200)**	**(18,200)**	**(18,200)**

Parish Lighting	Base Budget 19/20 £	Proposed Budget 20/21 £	Forecast Budget 21/22 £	Forecast Budget 22/23 £	Forecast Budget 23/24 £	Forecast Budget 24/25 £
Expenditure						
Premises	35,500	29,500	30,400	31,300	32,200	33,100
Transfer Payments	20,200	20,200	20,200	20,200	20,200	20,200
Total Expenditure	**55,700**	**49,700**	**50,600**	**51,500**	**52,400**	**53,300**
Net Total	**55,700**	**49,700**	**50,600**	**51,500**	**52,400**	**53,300**

APPENDIX F

Prosperous Communities Committee

The following tables detail Business Unit Income and Expenditure Budgets

Parks & Open Spaces	Base Budget 19/20 £	Proposed Budget 20/21 £	Forecast Budget 21/22 £	Forecast Budget 22/23 £	Forecast Budget 23/24 £	Forecast Budget 24/25 £
Income						
Customer and Client Receipts	(8,100)	(9,500)	(2,000)	(2,000)	(2,000)	(2,000)
Total Income	**(8,100)**	**(9,500)**	**(2,000)**	**(2,000)**	**(2,000)**	**(2,000)**
Expenditure						
Premises	41,400	59,800	51,500	51,500	51,500	51,500
Supplies and Services	16,100	16,100	16,100	16,100	16,100	16,100
Total Expenditure	**57,500**	**75,900**	**67,600**	**67,600**	**67,600**	**67,600**
Net Total	**49,400**	**66,400**	**65,600**	**65,600**	**65,600**	**65,600**

Pest and Dog Control	Base Budget 19/20 £	Proposed Budget 20/21 £	Forecast Budget 21/22 £	Forecast Budget 22/23 £	Forecast Budget 23/24 £	Forecast Budget 24/25 £
Income						
Customer and Client Receipts	(2,000)	(1,000)	(1,000)	(1,000)	(1,000)	(1,000)
Total Income	**(2,000)**	**(1,000)**	**(1,000)**	**(1,000)**	**(1,000)**	**(1,000)**
Expenditure						
Employees	1,400	1,600	1,600	1,600	1,600	1,700
Supplies and Services	24,900	23,900	23,900	23,900	23,900	23,900
Total Expenditure	**26,300**	**25,500**	**25,500**	**25,500**	**25,500**	**25,600**
Net Total	**24,300**	**24,500**	**24,500**	**24,500**	**24,500**	**24,600**

Planning Policy - Forward Planning	Base Budget 19/20 £	Proposed Budget 20/21 £	Forecast Budget 21/22 £	Forecast Budget 22/23 £	Forecast Budget 23/24 £	Forecast Budget 24/25 £
Expenditure						
Employees	61,600	93,300	95,600	97,900	101,200	103,600
Supplies and Services	800	800	800	800	800	800
Transport	2,100	3,100	3,100	3,100	3,100	3,100
Total Expenditure	**64,500**	**97,200**	**99,500**	**101,800**	**105,100**	**107,500**
Net Total	**64,500**	**97,200**	**99,500**	**101,800**	**105,100**	**107,500**

APPENDIX F

Prosperous Communities Committee

The following tables detail Business Unit Income and Expenditure Budgets

Pollution Control	Base Budget 19/20 £	Proposed Budget 20/21 £	Forecast Budget 21/22 £	Forecast Budget 22/23 £	Forecast Budget 23/24 £	Forecast Budget 24/25 £
Income						
Customer and Client Receipts	(5,700)	(6,700)	(6,700)	(6,700)	(6,700)	(6,700)
Other Grants and Contributions	0	(500)	(500)	(500)	(500)	(500)
Total Income	**(5,700)**	**(7,200)**	**(7,200)**	**(7,200)**	**(7,200)**	**(7,200)**
Expenditure						
Employees	129,000	145,200	149,100	152,900	158,000	162,400
Premises	500	500	500	500	500	500
Supplies and Services	3,400	3,200	3,200	3,200	3,200	3,200
Third Party Payments	16,700	9,400	9,400	9,400	9,400	14,400
Transport	5,600	6,200	6,200	6,200	6,200	6,200
Total Expenditure	**155,200**	**164,500**	**168,400**	**172,200**	**177,300**	**186,700**
Net Total	**149,500**	**157,300**	**161,200**	**165,000**	**170,100**	**179,500**

Private Sector Housing Renewal	Base Budget 19/20 £	Proposed Budget 20/21 £	Forecast Budget 21/22 £	Forecast Budget 22/23 £	Forecast Budget 23/24 £	Forecast Budget 24/25 £
Income						
Government Grants	(56,900)	(3,200)	(105,000)	(105,000)	(105,000)	(105,000)
Total Income	**(56,900)**	**(3,200)**	**(105,000)**	**(105,000)**	**(105,000)**	**(105,000)**
Expenditure						
Employees	98,500	99,400	60,900	62,400	64,300	66,000
Premises	6,000	0	0	0	0	0
Supplies and Services	1,000	1,400	1,400	1,400	1,400	1,400
Third Party Payments	12,800	56,300	117,600	117,600	117,600	117,600
Transport	2,400	2,400	2,400	2,400	2,400	2,400
Total Expenditure	**120,700**	**159,500**	**182,300**	**183,800**	**185,700**	**187,400**
Net Total	**63,800**	**156,300**	**77,300**	**78,800**	**80,700**	**82,400**

Property Services-Town Centre Management	Base Budget 19/20 £	Proposed Budget 20/21 £	Forecast Budget 21/22 £	Forecast Budget 22/23 £	Forecast Budget 23/24 £	Forecast Budget 24/25 £
Expenditure						
Premises	2,900	2,800	2,800	2,800	2,800	2,800
Total Expenditure	**2,900**	**2,800**	**2,800**	**2,800**	**2,800**	**2,800**
Net Total	**2,900**	**2,800**	**2,800**	**2,800**	**2,800**	**2,800**

APPENDIX F

Prosperous Communities Committee

The following tables detail Business Unit Income and Expenditure Budgets

Strategic Manager-Services	Base Budget 19/20 £	Proposed Budget 20/21 £	Forecast Budget 21/22 £	Forecast Budget 22/23 £	Forecast Budget 23/24 £	Forecast Budget 24/25 £
Expenditure						
Employees	24,700	36,200	37,000	37,900	39,100	40,000
Transport	1,100	1,100	1,100	1,100	1,100	1,100
Total Expenditure	**25,800**	**37,300**	**38,100**	**39,000**	**40,200**	**41,100**
Net Total	**25,800**	**37,300**	**38,100**	**39,000**	**40,200**	**41,100**

Street Cleansing	Base Budget 19/20 £	Proposed Budget 20/21 £	Forecast Budget 21/22 £	Forecast Budget 22/23 £	Forecast Budget 23/24 £	Forecast Budget 24/25 £
Income						
Customer and Client Receipts	(33,600)	(31,900)	(26,200)	(26,200)	(26,200)	(26,200)
Other Grants and Contributions	(18,800)	(18,800)	(18,800)	(18,800)	(18,800)	(18,800)
Total Income	**(52,400)**	**(50,700)**	**(45,000)**	**(45,000)**	**(45,000)**	**(45,000)**
Expenditure						
Employees	406,200	481,300	490,100	504,700	523,200	539,300
Premises	2,500	2,500	2,500	2,500	2,500	2,500
Supplies and Services	32,000	32,300	32,300	32,300	32,300	32,300
Transport	143,100	149,100	131,900	132,700	133,400	134,100
Total Expenditure	**583,800**	**665,200**	**656,800**	**672,200**	**691,400**	**708,200**
Net Total	**531,400**	**614,500**	**611,800**	**627,200**	**646,400**	**663,200**

Town Centre Markets	Base Budget 19/20 £	Proposed Budget 20/21 £	Forecast Budget 21/22 £	Forecast Budget 22/23 £	Forecast Budget 23/24 £	Forecast Budget 24/25 £
Income						
Customer and Client Receipts	(36,300)	(36,300)	(36,300)	(36,300)	(36,300)	(36,300)
Total Income	**(36,300)**	**(36,300)**	**(36,300)**	**(36,300)**	**(36,300)**	**(36,300)**
Expenditure						
Employees	45,900	48,100	49,000	50,000	51,300	52,400
Premises	3,100	3,200	3,200	3,200	3,200	3,200
Supplies and Services	16,800	54,900	54,900	16,900	16,900	16,900
Third Party Payments	0	400	400	400	400	400
Transport	3,900	6,000	6,200	6,400	6,600	6,800
Total Expenditure	**69,700**	**112,600**	**113,700**	**76,900**	**78,400**	**79,700**
Net Total	**33,400**	**76,300**	**77,400**	**40,600**	**42,100**	**43,400**

APPENDIX F

Prosperous Communities Committee

The following tables detail Business Unit Income and Expenditure Budgets

Visitor Economy	Base Budget 19/20 £	Proposed Budget 20/21 £	Forecast Budget 21/22 £	Forecast Budget 22/23 £	Forecast Budget 23/24 £	Forecast Budget 24/25 £
Expenditure						
Employees	19,100	13,500	4,100	4,500	4,900	5,300
Supplies and Services	2,400	2,700	2,700	2,700	2,700	2,700
Transfer Payments	9,800	9,800	9,800	9,800	9,800	9,800
Transport	1,300	1,300	1,300	1,300	1,300	1,300
Total Expenditure	**32,600**	**27,300**	**17,900**	**18,300**	**18,700**	**19,100**
Net Total	**32,600**	**27,300**	**17,900**	**18,300**	**18,700**	**19,100**

Waste Management	Base Budget 19/20 £	Proposed Budget 20/21 £	Forecast Budget 21/22 £	Forecast Budget 22/23 £	Forecast Budget 23/24 £	Forecast Budget 24/25 £
Income						
Customer and Client Receipts	(2,500)	(1,700)	(1,700)	(1,700)	(1,700)	(1,700)
Total Income	**(2,500)**	**(1,700)**	**(1,700)**	**(1,700)**	**(1,700)**	**(1,700)**
Expenditure						
Employees	1,037,400	1,178,000	1,156,700	1,209,800	1,269,800	1,320,700
Premises	0	0	2,000	2,000	2,000	2,000
Supplies and Services	49,300	36,500	37,500	36,500	35,000	35,000
Third Party Payments	3,100	0	0	0	0	0
Transport	363,700	267,600	309,700	313,200	291,700	294,800
Total Expenditure	**1,453,500**	**1,482,100**	**1,505,900**	**1,561,500**	**1,598,500**	**1,652,500**
Net Total	**1,451,000**	**1,480,400**	**1,504,200**	**1,559,800**	**1,596,800**	**1,650,800**

Wellbeing	Base Budget 19/20 £	Proposed Budget 20/21 £	Forecast Budget 21/22 £	Forecast Budget 22/23 £	Forecast Budget 23/24 £	Forecast Budget 24/25 £
Income						
Customer and Client Receipts	(482,900)	(460,700)	(468,900)	(477,400)	0	0
Total Income	**(482,900)**	**(460,700)**	**(468,900)**	**(477,400)**	**0**	**0**
Expenditure						
Employees	346,600	353,400	360,400	367,600	0	0
Supplies and Services	33,300	1,600	10,600	1,600	0	0
Third Party Payments	0	2,700	2,700	2,700	0	0
Transport	14,900	14,900	14,900	14,900	0	0
Total Expenditure	**394,800**	**372,600**	**388,600**	**386,800**	**0**	**0**
Net Total	**(88,100)**	**(88,100)**	**(80,300)**	**(90,600)**	**0**	**0**

Corporate Governance Service

Budget Consultation 2019

Table of Contents

Table of Tables

Table of Figures

Table of Maps

1 Introduction

1.1 Background and introduction

With reduced grants from central government, it is critical that we direct our resources in a way that benefits our communities and meets their needs and priorities.

Each year a consultation is undertaken on the following year's budget prior to it being set. Although there is no legal requirement to undertake this we have a legal requirement under the Local Government Act 1992 section 65 to consult ratepayers who are persons or bodies appearing to be representative of persons subject to non-domestic rates within the district and must be about the authority's proposals for expenditure.

This report summarises the views of residents that completed the budget allocator tool online, attended a budget consultation event or completed a paper survey. West Lindsey residents, Parish Councillors, West Lindsey District Council Members and West Lindsey businesses were invited through either a direct invite, word of mouth or by visiting the website.

The objectives of this engagement were to:

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

1.2 Methods

To undertake this work it we used multiple routes to consult with our stakeholders and following on from feedback of previous years we made the consultation more interactive. The methods used were 3 events, an online survey and a paper survey which were supported by a video.

Video

Following on from feedback from last years budget consultation the decision was made to produce a video which would help give more people the same message. Previously the message has only been available at the events with a presentation available online. This video was published online, shown at the events and links distributed through social media. The video had 3,458 views collectively through the different means such as through the website, Facebook and YouTube.

Events

To ensure that as many people as possible were able to take part in the consultation a number of events were held in 3 different locations in either the afternoon or evening. The locations for 2019 were the Arts and Heritage Centre - Caistor, the Guildhall - Gainsborough and Old School Hall - Nettleham.

Surveys

All 1609 members of the West Lindsey Citizen Panel received a copy of the survey. This was split with 1039 being sent via email and 570 by post. As a district which is rural and has some broadband issues there are a number of residents who are on the West Lindsey Citizen Panel who receive a paper copy of each survey. Both versions of the survey had the same content and a copy of the survey distributed can be found at Appendix A.

1.3 Response

All current members of the Citizens' Panel were sent an invite as well as Parish Councils and Parish Meeting Members and West Lindsey District Council Councillors. Three events were held across the district with a total of 64 attendees while the survey had 531 responses. The breakdown of these responses are:

	Survey	Gainsborough Event	Nettleham Event	Caistor Event	Total
Citizen Panel Member	401	19	15	9	444
Resident	512	25	21	14	572
Town or Parish Councillor	9	1	4	3	17
West Lindsey Councillor	2	1	1	1	5
Business	1	0	0	0	1
No response	12	1	1	0	14

Table 1: Breakdown of respondents

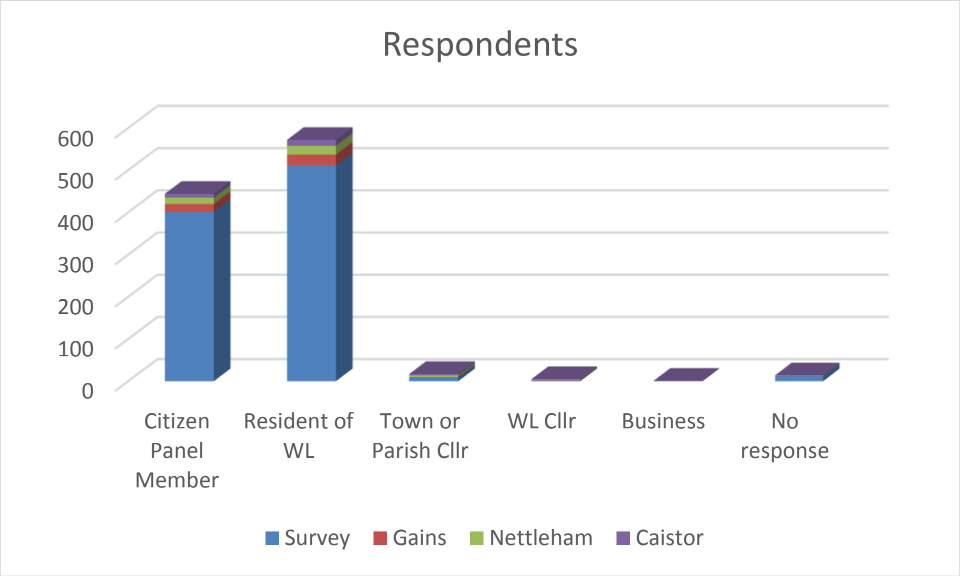


Figure 1: Breakdown of respondents

Total response – 595

1.4 Citizen Panel data

To look into the type and location of the data those who responded as part of the citizen panel and submitted their panel reference number (373) have been broken down into gender, age, disability and location.

Gender

Out of the 373 who are part of the Citizen Panel, 197 (53%) of those are Male and 176 (47%) are Female.

Age

To take part in the Citizen Panel it is a requirement that they need to be 16 or over. Age data is available for the 373 members who took part and the ages are grouped as:

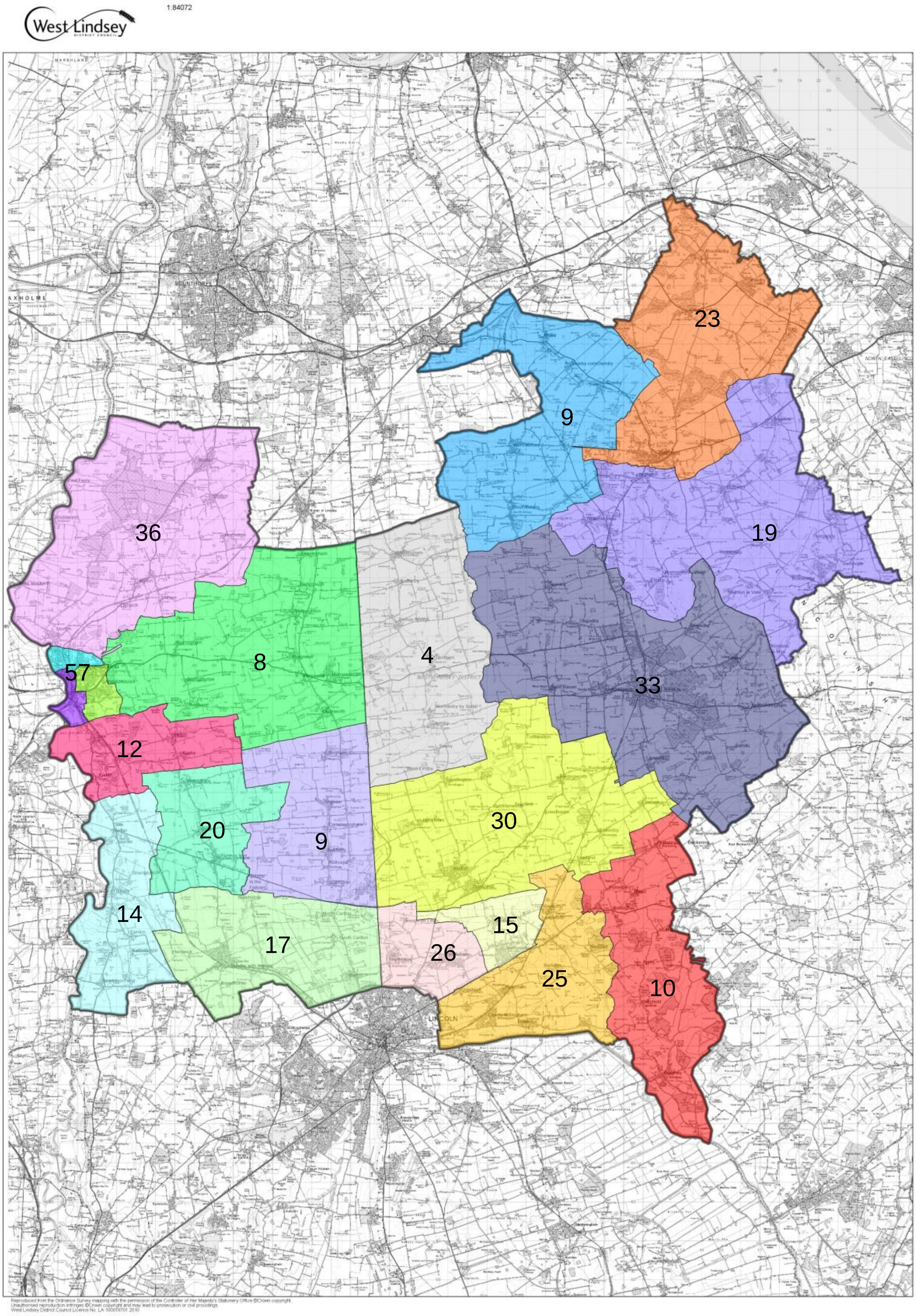
Age range	Number	Percent
16-29	3	1%
30-39	13	3%
40-49	25	7%
50-59	57	15%
60-69	125	34%
70+	150	40%

Disability

Out of those who took part, citizen panel data is available for 371. 304 (82%) of those classify themselves as having a long term illness, health problem or disability which limits their daily activity or work that they do and 67 (18%) do not.

Location

Out of those who took part there is citizen panel data on location for 367 and they have been mapped into ward areas. These can be seen on Map 1. This does outline that all wards had some representation. The 3 wards which make up Gainsborough have been grouped together.



Map 1: Citizen Panel responses

2 Results

2.1 Council Tax level

The results relating to the level of council tax were as follows:

Option	Survey	Events	Total	Last years total
0% change	127	0	127 (21.3%)	N/A
1% increase	142	2	144 (24.2%)	124 (33.8%)
2% increase	147	8	155 (26.1%)	113 (30.8%)
3% increase	93	46	139 (23.4%)	130 (35.4%)
No response	22	8	30 (5.0%)	N/A
Total	531	64	595	367

Table 2: Council Tax data

These figures show the favourite option is a 2% increase although the difference between the 4 options is not significant. This can also be seen in figure 2.

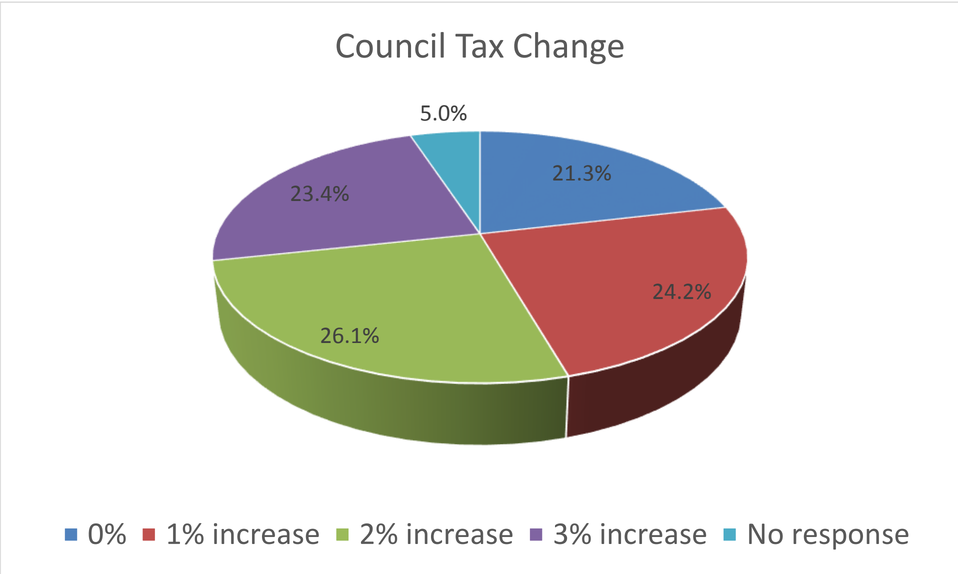


Figure 2: Council Tax change

A number of comments were received and these are:

- Option for 1.5% should be included.
- Council tax increase/decrease should be tied into the amount of inflation.
- Council Tax should be linked to value for money. For an increase to be made, better services should be applied.
- An audit should be undertaken for the Police on where they spend their proportion of the Council Tax bill.
- Why is there no option for a decrease?
- Every penny counts for some in the district and the council should be aware that for council tax to increase this may stop a household from buying food.
- Council Tax discounts should be reviewed more often.

2.2 Corporate Plan Priorities

The Corporate Plan is a key document for West Lindsey as it outlines the priorities and objectives for the council and the district over the next four years. Within this document 3 themes have been identified of which each has a set of focal points. This section asked respondents to highlight which of the focal points from each theme would be a priority for them.

Corporate Plan – Our People

The Our People theme has 3 focal points. These focal points are:

- Health and Well-being – to reduce health inequalities and promote well-being 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 wider economy.

	Survey	Gainsborough	Nettleham	Caistor	Total	%
Health & Well-being	201	1	1	4	207	35%
Vulnerable Groups	210	11	1	6	228	38%
Education & Skills	114	14	19	4	151	25%
No response	6	1	1	1	9	2%

Table 3: Corporate Plan - Our People

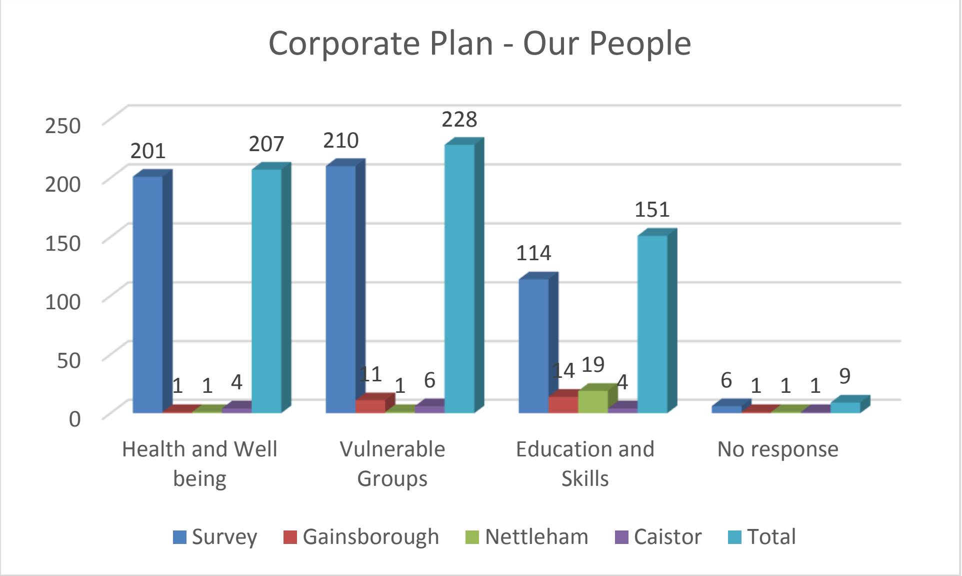


Figure 3: Corporate Plan - Our People

The respondents voted for the vulnerable groups to be the priority with 38%, however the health and well-being came a close second with 35%.

A number of comments were received and these are:

- Sports venue needed
- Focus on vulnerable groups which in turn would support other areas
- Digital age and need to support such locations as academies to utilise local facilities
- The phrase "self-reliant communities" was liked as people can do more for themselves
- By starting with the younger generation then once educated may stay within the district
- Invest in wellbeing as a holistic approach

Corporate Plan – Our Place

The Our Place theme has 3 focal points. These focal points are:

- 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.

	Survey	Gainsborough	Nettleham	Caistor	Total	%
Economy	251	20	16	9	296	50%
Housing Growth	53	2	3	1	59	10%
Public Safety & Environment	222	4	2	4	232	39%
No response	5	1	1	1	8	1%

Table 4: Corporate Plan - Our Place

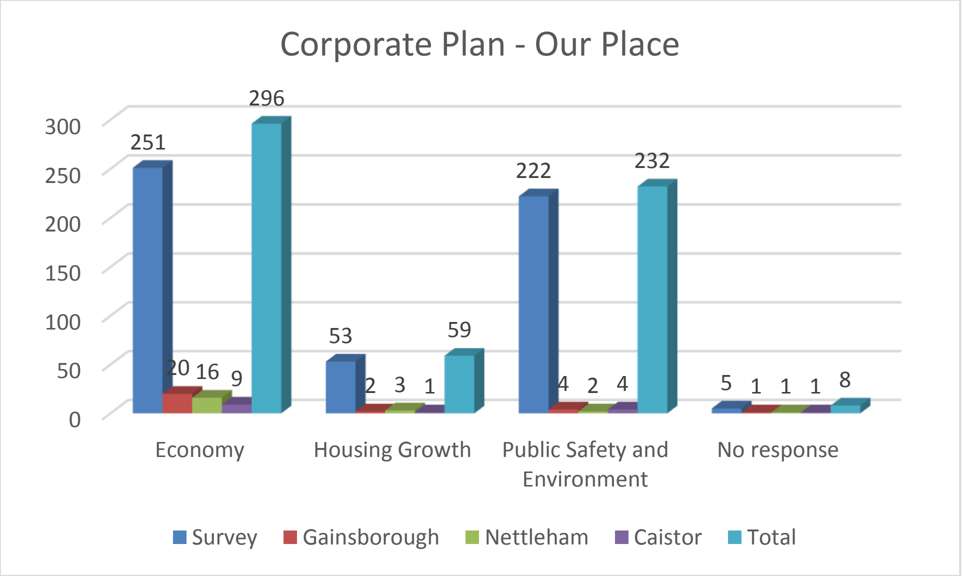


Figure 4: Corporate Plan - Our Place

The respondents voted for the economy to be the priority with 50%, with Public Safety and Environment being second with 39%.

A number of comments were received and these are:

- More is needed in Caistor to gain fairness compared to Gainsborough
- Too much reliance on volunteers in the rural locations
- Tourist attractions will bring in more investment

- Affordable housing for the young is needed
- Encourage businesses with incentives

Corporate Plan – Our Council

The Our Council theme has 3 focal points. These focal points are:

- 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.

	Survey	Gainsborough	Nettleham	Caistor	Total	%
Finances	246	8	8	6	268	45%
Customer	228	13	0	5	246	41%
Staff & Member	49	5	5	3	62	10%
No response	8	1	9	1	19	3%

Table 5: Corporate Plan - Our Council

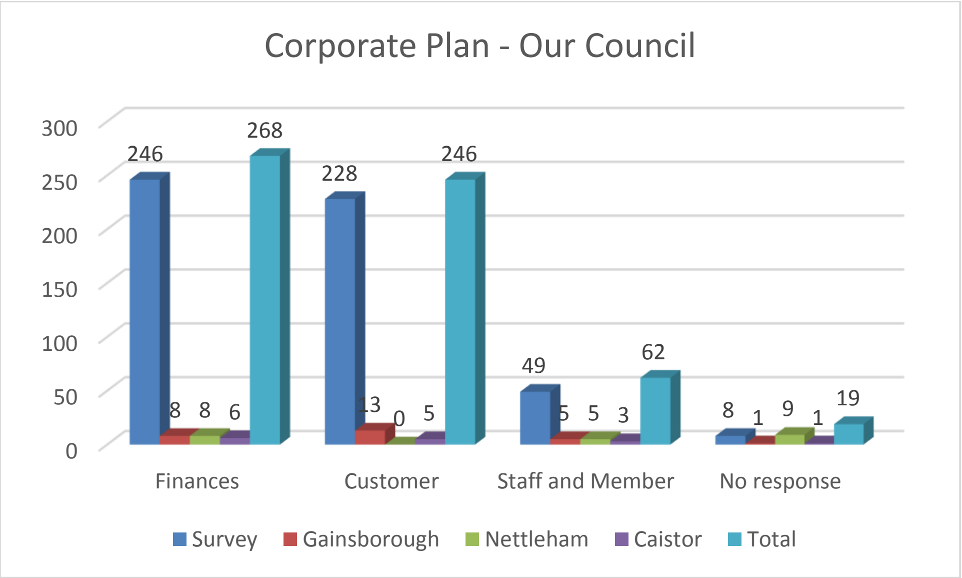


Figure 5: Corporate Plan - Our Council

The respondents voted for the Finances to be the priority with 45%, however the Customer came a close second with 41%.

A number of comments were received and these are:

- Resident not customer
- All options should be important

2.3 Executive Business Plan Priorities

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 have been split into the same 3 themes used in the Corporate Plan. This section asked respondents to highlight which of the actions from each theme would be a priority for them.

Business Plan – Our People

The Our People theme has 5 focal points. These focal points are:

- 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.

	Survey	Gainsborough	Nettleham	Caistor	Total	%
Customer First Programme	157	6	4	4	171	29%
Review of Waste Depot facilities	23	0	0	3	26	4%
Food waste & dry recycling collections	103	6	12	4	125	21%
Charging for food safety re-inspections	35	0	4	0	39	7%
CCTV	205	14	0	2	221	37%

No response	8	1	2	2	13	2%

Table 6: Business Plan - Our People

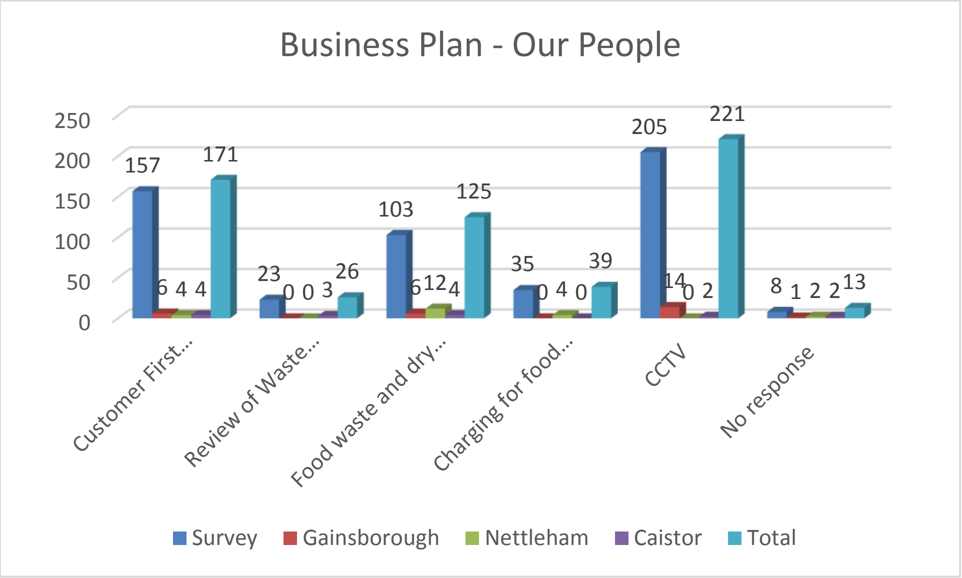


Figure 6: Business Plan - Our People

The respondents voted for CCTV to be the priority with 37%, however the Customer First Programme came second with 29%.

A number of comments were received and these are:

- Worry over the amount of CCTV
- Re-inspections should be done quickly without any additional charge as important for health and safety

Business Plan – Our Place

The Our Place theme has 3 focal points. These focal points are:

- 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.

	Survey	Gainsborough	Nettleham	Caistor	Total	%
Housing & Social regeneration	151	1	3	6	161	27%
Growth agenda	211	15	7	3	236	40%
Commercial projects	160	10	8	4	182	31%
No response	9	1	4	2	16	3%

Table 7: Business Plan - Our Place

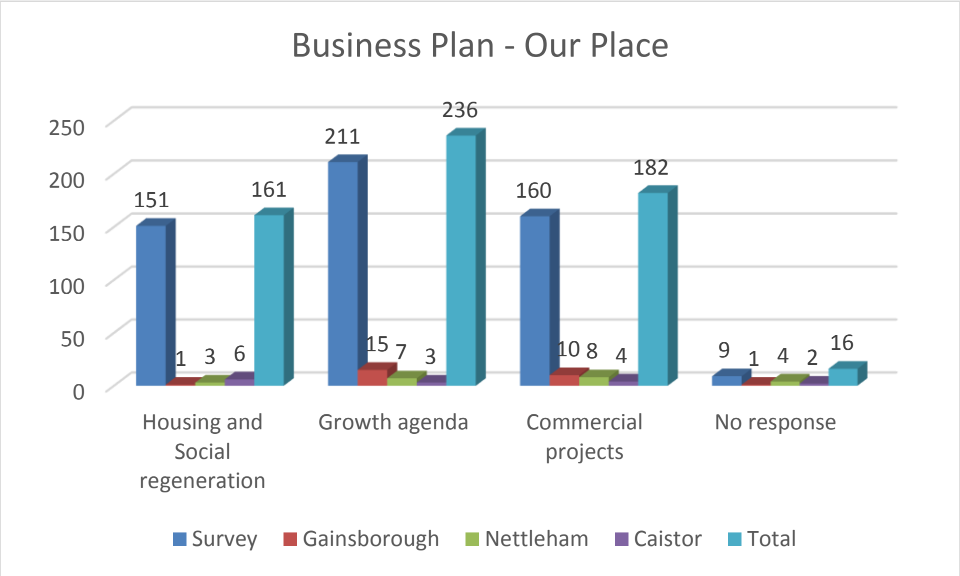


Figure 7: Business Plan - Our Place

The respondents voted for the Growth agenda to be the priority with 40%, however the Commercial projects came second with 31%.

A number of comments were received and these are:

- Sustainable infrastructure needed
- Rents are too high
- Too many council properties stood empty
- Trinity Street and Bridge Street need care

Business Plan – Our Council

The Our Council theme has 5 focal points. These focal points are:

- 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.

	Survey	Gainsborough	Nettleham	Caistor	Total	%
Finance	192	10	4	4	210	35%
Performance & Programme Management	74	3	7	1	85	14%
Governance & Policy	114	11	0	7	132	22%
People & Organisational Development	107	0	0	0	107	18%
ICT	33	1	7	1	42	7%
No response	11	2	4	2	19	3%

Table 8: Business Plan - Our Council

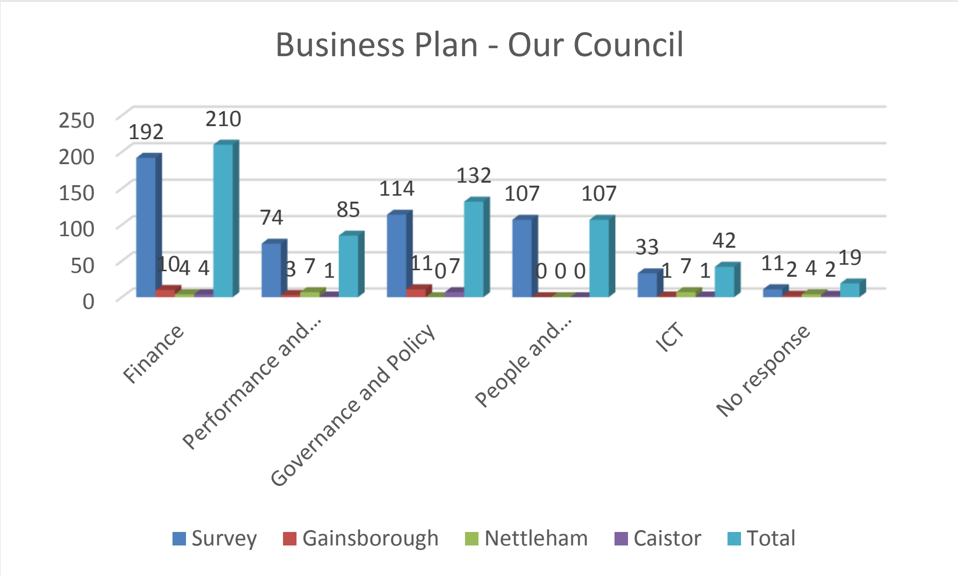


Figure 8: Business Plan - Our Council

The respondents voted for Finance to be the priority with 35%, however the Governance and Policy came second with 22%.

A number of comments were received and these are:

- Market Rasen council office needed
- Staff morale – equipment needs to be fit for purpose

2.4 New Homes Bonus

Respondents were asked how the New Homes Bonus should be utilised in West Lindsey. Currently this is used to support growth and regeneration across West Lindsey.

The results were:

Option	Events	Surveys	Total	Last years total
Provide an allocation based on number of new properties in their parish	21	152	173 (29.1%)	105 (27.6%)
Provide an allocation through a communities grant funding scheme in which they can all bid for local schemes	18	106	124 (20.8%)	89 (23.4%)

Use all NHB to support growth and regeneration across West Lindsey	20	261	281 (47.2%)	187 (49.1%)
No Response	5	12	17 (2.9%)	N/A
Total	64	531	595	381

Table 9: New Homes data

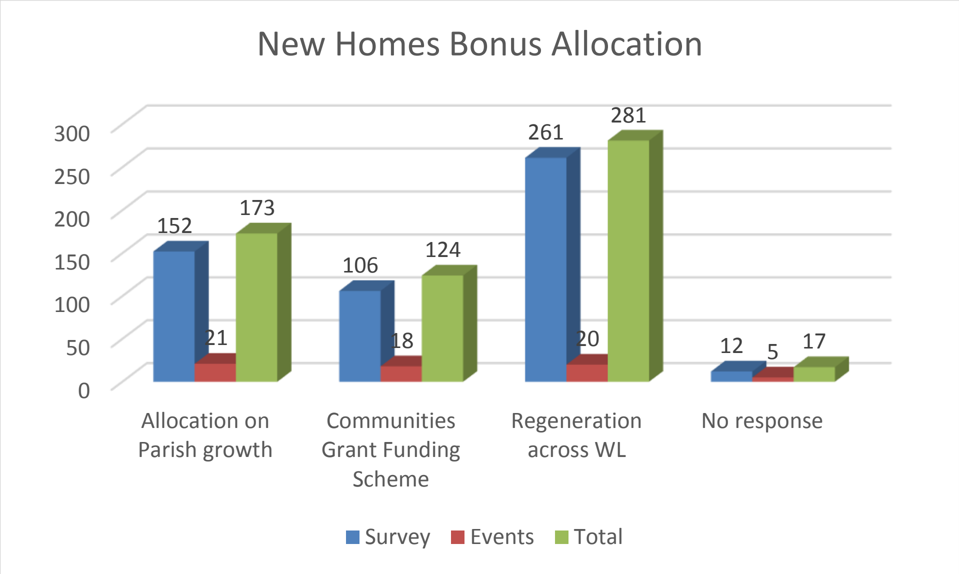


Figure 9: New Homes Bonus Allocation

These results show that the respondents are happy to continue with the allocation to be used across the district to support growth and regeneration.

Respondents were then asked if the NHB should be used to support West Lindsey's revenue budget. From the results below it is seen that more than half of those who responded to the survey feel it should not be used to support the revenue budget.

Option	Events	Surveys	Total	Last years total
Yes	1	229	230 (38.7%)	110 (43.1%)
No	47	281	328 (55.1%)	145 (56.9%)
No Response	16	21	37 (6.2%)	N/A
Total	64	531	595	255

Table 10: NHB Support to Revenue Budget

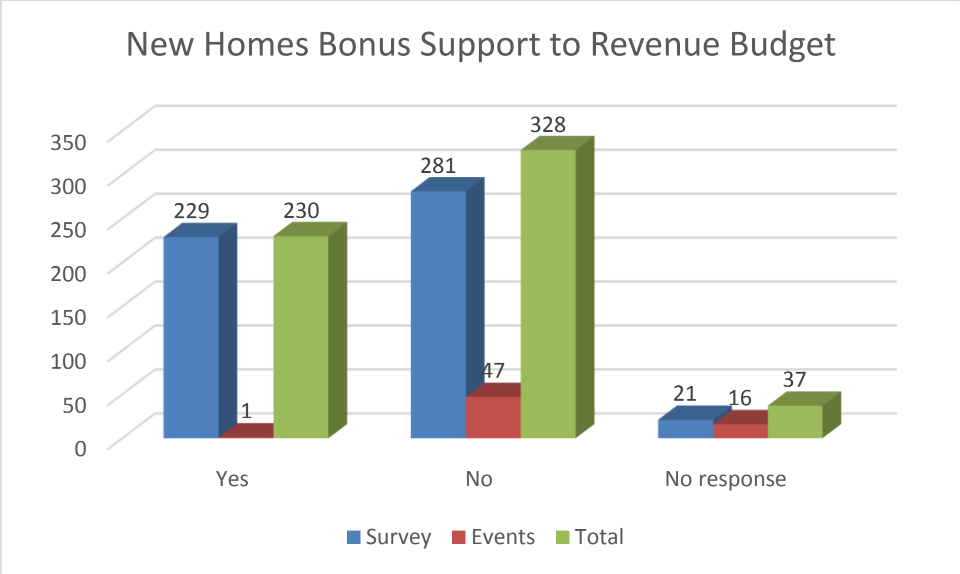


Figure 10: NHB Support to Revenue Budget

Comments received in this section include:

- If used for Revenue budget it needs to be ring fenced
- Use this to give back free parking or a reduced rate
- NHS Dentist needed in Caistor
- Needs to be district wide and not just Gainsborough

2.5 Other Services

To ensure we keep supplying the services to the residents, businesses and visitors to West Lindsey that they need and require we asked if there were any services which West Lindsey do not currently supply that should be provided. The responses to this were:

- A swimming pool at Market Rasen leisure facility
- Garden Waste to be extended to cover more of the year
- Defibrillators should be at every village hall
- Educational services on recycling and then fine those that don't recycle once educated
- Dog Warden
- Food waste recycling
- Secure facilities for bicycles
- Skip or rubbish collection centres in villages
- More play areas/facilities for children

- Additional bridge over the Trent
- Payroll Services
- Vehicle maintenance
- Rural transport
- Support for food banks
- Accessible services for deaf people
- Bigger penalties for littering
- Free car parking in all town centres
- Reinstate area offices
- Road clearing in bad weather for villages not just main roads and towns
- Topping of very tall trees around houses
- Indoor bowls facilities
- Public conveniences
- Drain and gutter cleaning
- Council houses
- Planning enforcement
- Marketing of tourism
- Wellbeing provision to help people remain active
- Community Lottery
- Work with RAF around decommissioning of RAF Scampton
- Proper homes needed for the homeless. Could empty commercial properties be changed into homes for them?

2.6 Comments

At the end of the events and surveys there was an option for respondents to add any additional comments. The summary of comments received are:

- A reduction in Council Tax
- A swimming pool at Market Rasen is needed
- Thank you, a useful exercise
- Unable to attend meetings due to lack of public transport
- Better Public Transport provision needed
- Need to advertise the consultation more
- More focus needed away from Gainsborough
- Support for disabled and carers needs to be improved

- Increased verge cutting
- Granted planning applications only to areas which can cope
- What is WLDC doing about climate change?
- We are residents not customers!
- Stop speculative business ventures/investments
- Listen to customers
- Stop being Gainsborough focused
- West Lindsey does well with the money it has
- Attendance allowance and mileage for all staff and councillors should be scrapped.
- Effective use should be made of council vehicles
- Concerned about the closure of small businesses in the district
- WLDC should administer setting up volunteer litter picking groups
- More should be made of the Trent Bank in Gainsborough
- Keep Council Tax as low as possible
- Broadband is poor and needs improving
- Tourism needs developing
- A large open woodland would benefit WL
- Advertise what WLDC can do to help the residents
- Friendly crew of road sweepers who do an excellent job
- Citizen Panel needs more publicity
- Doctors surgery is a major issue in Gainsborough
- Work being carried out on the crematorium is excellent
- Need to say no to any more cuts

There were a number of comments which focused on the responsibilities under Lincolnshire County Council which included:

- Social care needs more support
- Pot holes to be focused on
- Street Lights need to be turned back on
- More police needed
- Police should give feedback to WL on what the money is spent on which WL collects on their behalf

3 Conclusion

3.1 Response rates

Response rates this year were higher than 2018 by 186. There was an increase this year in both the number of attendees to the events (64 in 2019 compared to 49 in 2018 and 44 in 2017) as well as completing the survey (531 in 2019 compared to 360 in 2018 and 324 in 2017).

3.2 Council Tax Level

The response to the Council Tax level show the favourite option is a 2% increase at 26.1% although the difference between the 4 options is not significant.

3.3 Corporate Plan Priorities

The top results from each section were:

- Our People – Vulnerable Groups and Communities (to create strong and self-reliant communities and promote positive life choices for disadvantaged residents) with 38%
- Our Place – Economy (to ensure that economic regeneration in West Lindsey is sustainable and benefits all of our communities) with 50%
- Our Council – Finances (to remain financially sustainable) with 45%

3.4 Business Plan Priorities

The top results from each section were:

- Our People – CCTV (continue with use of technology for anti-social behaviour/enforcement and CCTV which ensures safer communities, higher detection rates and a bigger deterrent) with 37%
- Our Place – 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) with 40%
- Our Council – 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) with 35%

3.5 New Homes Bonus

Nearly half of the respondents (47.2%) felt that the new homes bonus should be used to support growth and regeneration across the whole of West Lindsey and 55.1% felt that it should not be used to support the revenue budget for the council.

3.6 Feedback

There was a great number of comments received on all sections of the consultation. It is worth noting that it highlighted to respondents the difficultly the council has in ensuring a balanced budget is achieved. The comments also raised on numerous occasions the number of respondents who do not understand the split between the responsibilities of services for West Lindsey compared to Lincolnshire County Council.

3.7 Next Steps

The following actions are recommended for 2020 budget consultation:

- To continue with the use of the video as those which took part agreed it was a positive way to give the same message to more residents.
- Undertake the consultation earlier in the year to miss school holidays and allow integration into the following year's budget.

4 Appendices

Appendix A: Questionnaire

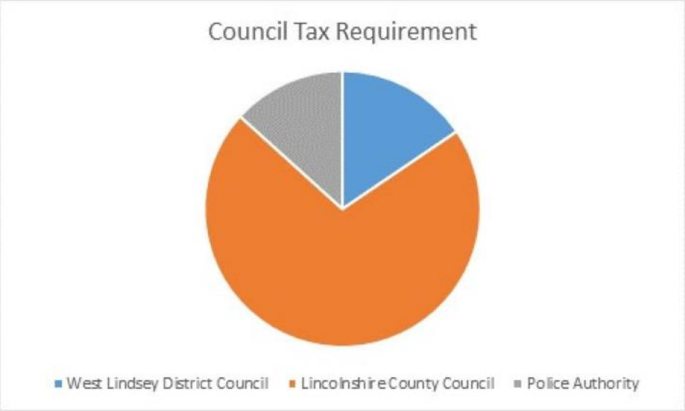
West Lindsey District Council Budget Consultation 2019

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.

If you would like a copy of this in large, clear print, audio, Braille or in another language, please telephone

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West Lindsey
DISTRICT COUNCIL
The Entrepreneurial Council

Appendix – Financial Progress and Delivery Measures for 2020/2021

At the meeting of Corporate Policy and Resources Committee on 9th January 2020, Members requested that the financial Progress and Delivery targets for 2020/2021 be appended to this report for information. A full list is included below. For further information, please contact the Senior Performance Officer at ellen.king@west-lindsey.gov.uk

Service Area	Indicator	Target (2020/21)
Asset and Facilities Management	Cost of service per head of population	£14.80
Building Control	Cost of service per head of population	£0.95
	Cost of delivering the service to the Council	£90,000
CCTV	Cost of delivering the service per head of population	£0.60
Communities	Cost of delivering the service per head of population	£7.65
Customer Services	Cost of delivering the service per head of population	£6.81
Finance and Business Support	Cost of delivering the service per head of population	£7.88
Democratic Services	Cost of delivering the service per head of population	£6.89
Development Management	Cost of delivering the service per head of population	£0.98
Enforcement	Cost of delivering the service per head of population	£1.00
Garden Waste	Cost of delivering the service per head of population	£1.00
	Total amount of income generated	£881,900
Home Choices	Cost of delivering the service per head of population	£5.07
Housing Benefit and Council Tax Support	Cost of delivering the service per head of population	£6.58
Human Resources	Cost of delivering the service per head of population	£3.05
ICT	Cost of delivering the service per head of population	£4.51
Licensing	Cost of delivering the service per head of population	£0.24
Local Land Charges	Cost of delivering the service per head of population	£0.06
Performance and Programmes	Cost of delivering the service per head of population	£1.86
Street Cleansing	Cost of delivering the service per head of population	£6.34
Systems Development	Cost of delivering the service per head of population	£6.14
Trinity Arts Centre	Cost of delivering the service to the Council	£1,408,000
Waste Services	Cost of delivering the service per head of population	£15.00
	Cost of delivering the service per household	£33

Corporate Policy and Resources Committee	
Thursday, 13 February 2020	

Subject: DRAFT Executive Business Plan and Medium Term Financial Plan 2020/21 - 2024-25

Report by:	Chief Executive
Contact Officer:	Tracey Bircumshaw Strategic Finance and Business Support Manager tracey.bircumshaw@west-lindsey.gov.uk
Purpose / Summary:	The purpose of the Executive Business Plan is to set out the actions the Executive will undertake to deliver the Corporate Plan over the next 3 years. The Purpose of the Medium Term Financial Plan (MTFP) is to set a robust overall framework for the Council's spending plans over the next 5 years in supporting delivery of the Corporate Plan and underpinned by the delivery of the Financial Strategy. The report therefore outlines the Council's revised financial plans having taken into account the within the Financial Analysis for changes in Government funding, the economic environment, local engagement and the priorities for the Council. The plan reflects the revisions to previous estimates and covers the period 2020/21 to 2024/25 The Financial Analysis includes the draft budget for 2020/21 for scrutiny and consideration prior to recommending to Council.

RECOMMENDATION(S):

1) **That Members recommend to Council the approval of the DRAFT: Executive Business Plan and Medium Term Financial Plan 2020/21 to 2024/25.**

2) **That Members approve the use of and contributions to Reserves.**

3) **That Members accept the Statement of the Chief Finance Officer on the Robustness of Estimates and Adequacy of Reserves**

4) **Members consider and recommend to Council the Revenue Budget 2020/21.**

5) **That Members consider and recommend to Council the Capital Investment Programme 2020/21 to 2024/25.**

6) **That Members delegate any housekeeping changes to the Draft Executive Business Plan and the Draft Medium Term Financial Plan to the Chief Executive in consultation with the Chairman of the Corporate Policy and Resources Committee prior to the final consideration by Council on 2 March 2020.**

IMPLICATIONS

Legal: The Council has a responsibility to determine a legitimate balanced budget and Council Tax requirement in compliance with statutory deadlines.

Local Authorities (Standing Orders) (England) (Amendment) Regs 2014 (SI 165) requires that once the budget is approved the minutes of the proceedings must record the names of the persons who cast a vote for the decision, against the decision or abstained.

The Local Government Act 2003 introduced the requirement to comply with the Prudential Code and approve an Annual Treasury Management Strategy. Under the Act, Councils have the freedom to determine the level of borrowing they wish to undertake to deliver their capital programme, subject to it being affordable and sustainable.

Financial : FIN/178/20/TJB

The report presents a balanced budget for 2020/21 without the requirement to support it with funds from the General Fund balance. It addresses the financial implications arising from the recommended revisions to the MTFP and the requirement to determine the Council Tax for 2020/21 taking into account the approved Council Tax Surplus of £215,436.

The Provisional Settlement was announced on 20 December 2019 and has been incorporated into this report, the grants are in line with expectations for a one year settlement.

The 2020/21 Net Budget Requirement is made up of the following;

Gross Expenditure	£37,588,500
Gross Income	(£24,866,300)
Net Contributions to Reserves	£1,623,900
NET BUDGET REQUIREMENT	**£14,346,100**

Funded from:

Business Rates	£4,121,000
Council Taxes incl precepts	£8,867,900
Other Government Grants	£1,357,200
TOTAL FUNDING	**£14,346,100**

Staffing :

The Medium Term Financial Analysis includes budget provision for all approved posts, some of which are funded from grant, capital or reserves.

Equality and Diversity including Human Rights :

The Equality Act 2010 places a responsibility on Councils to assess their budget options before taking decisions on areas that could result in discrimination. Where appropriate assessments have been undertaken by the relevant service area

Data Protection Implications : None directly from this Report

Climate Related Risks and Opportunities : The MTFP includes provision for investment in schemes designed to contribute to a reduction in our carbon emissions.

Section 17 Crime and Disorder Considerations : The budget provides resources to reduce anti-social behaviour.

Health Implications: The budget provides resources to support the health and wellbeing of our residents.

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

The Corporate Plan

The Capital Investment Strategy

The Fees and Charges Policy

The Strategic Asset Management Plan

The Acquisitions and Disposal Policy

Investment Policy – Land and Buildings

All documents are held within Financial Services at the Guildhall, Marshalls Yard, Gainsborough and on the council's website www.west-lindsey.gov.uk

Risk Assessment :

The Local Government Act 2003 requires the Chief Finance Officer to report on the adequacy of reserves and provisions and the robustness of budget estimates as part of the annual budget setting process.

An analysis of possible budget risks and comment on the level of reserves are included at Appendix B of the Medium Term Financial Plan.

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

1.1 Presented below is the Executive Business Plan and Medium Term Financial Plan 2020/21 – 2024/25 (which includes the Financial Strategy and Medium Term Financial Analysis). An Executive Summary is contained therein.

1.2 The documents are central to our financial planning and play a key role in the budget setting process to ensure that resources are aligned to the Corporate Plan priorities through the setting of the Revenue Budget and Capital Programme. Their impact and risks are considered in the Treasury Management Strategy (recommended to Council by the Governance and Audit Committee).

The Executive Business Plan - The purpose of the Executive Business Plan is to set out the actions to be taken by the Executive to deliver the Corporate Plan over the next three years

The Medium Term Financial Plan – Aims to deliver an annual balanced and sustainable budget whilst considering the context of the National and Local funding settlement and its impact over the 5 year plan. It ensures that our resources are directed towards delivery of the Council's corporate priorities, and provides includes the Financial Strategy and Medium Term Financial Analysis.

Financial Strategy sets out through the establishment of objectives, the strategies to deliver the Corporate Priorities whilst ensuring future sustainability of the Council, and to establish the principles on which financial decisions will be made within available resources.

The Medium Term Financial Analysis (Appendix 1) details, in monetary terms, the specific elements of the budget, our assumptions and estimates in developing a plan which covers a 5 year period. It is reviewed annually as part of the budget setting process, taking into consideration investment proposals, in year decisions impacting future years, forward planning, service and business planning and availability of resources, ensuring we can set a balanced budget for the current year and identifying any funding gaps for future years. A 10 year estimate has also been undertaken, which incorporates the impact of those projects with longer term financial benefits.

The General Fund Revenue Budget 2020/21 reflects a balanced budget and a Net Budget Requirement of £14,346,100.

Future estimates are included at Appendix 1 of the Medium Term Financial Analysis (which covers a period of five financial years).

Members should be aware; the budget is based on the provisional one year financial settlement announced in December by the Minister for Communities, Housing and Local Government, Rt. Hon Robert Jenrick MP.

The proposal to increase Council Tax by 2.00% in 2020/21 is within the Government's referendum limit of upto 2% or £5 (whichever is the greater).

(The Medium Term Financial Analysis assumes a 3% increase annually.)

The Revenue Budget is detailed below and is analysed by our Service Clusters;

Our People – Strategic Focus: Health & Wellbeing, Education & Skills, Vulnerable Groups & Communities i.e. Benefits, Homelessness and Housing, Community Grants, Employment & Skills Partnership, Arts & Leisure

Our Place – Strategic Focus: Economy, Housing Growth, Public Safety & Environment i.e. Building Control, Licensing, Food Safety, Car Parks, Asset Management, CCTV, Domestic Waste Collections, Development Control, Economic Development

Our Council – Strategic Focus: Customer, Finances, Staff & Members i.e. Finance, Human Resources, Committee Administration, ICT, Business Improvements, Elections, Corporate Fraud, Debtors, Local Tax Collection, Local Land Charges, Crematorium, Commercial Properties, Customer Relations, Green Waste Service, Bulky Waste Collections, Trade Waste, Markets

Other elements of operating expenditure and movements in reserves are also detailed within the table below and result in a £14.346m Budget requirement.

Cluster	Proposed Budget 2020/21 £
Our Council	5,905,000
Our People	1,513,200
Our Place	3,715,600
Cluster Total	**11,133,800**
Other Operating Expenditure	**1,832,100**
Net Revenue Expenditure	**12,965,900**
Transfer to/(from) General Fund	927,500
Transfer to/(from) Earmarked Reserves	452,700
Amount to be met from Government Grant or Council Tax	**14,346,100**
Funding Income	
Revenue Support Grant	(65,000)
Business Rate Retention Scheme	4,186,000
Council Tax Freeze Grant	0
Collection Fund Surplus - Council Tax	215,400
Parish Councils Tax Requirement	2,142,300
New Homes Bonus	736,300
Other Government Grants	620,900
Council Tax Requirement	**6,510,200**
TOTAL FUNDING	**14,346,100**
Balanced Budget/Funding Target	**0**

1.4 Contributions to Reserves 2020/21

Due to uncertainty around future funding it is proposed that the 2020/21 surplus of £0.942m transferred to the General Fund Balance to mitigate any future budget risk.

Movement on General Fund Balance	2020/21
Bal Bfwd	3,646,241
Enforcement Officer (2 years ext)	(7,200)
To Election Reserve	(7,000)
2020/21 Surplus	941,700
Balance Carried Forward	**4,573,741**

In respect of the contributions to and use of Earmarked Reserves, these are detailed in the tables below;

CONTRIBUTION TO RESERVES	2020/21
Maintenance of Facilities Reserve	102,900
ICT Reserve	91,000
Replacement Bins Reserve	19,300
Elections Reserve	40,000
Vehicle Replacement Reserve	338,800
TOTAL CONTRIBUTION TO RESERVES	**592,000**

USE OF RESERVES FOR REVENUE	2020/21
Maintenance of Facilities	(20,000)
Grants Unapplied	(265,800)
Replacement Bins	(20,000)
Project Investment	(127,000)
Feasibility Reserve - Investment for Growth	(91,500)
Supporting Vulnerable Communities	(33,800)
TOTAL USE OF RESERVES FOR REVENUE	**(558,100)**

USE OF RESERVES FOR CAPITAL	2020/21
IT Upgrades/Refresh	(97,000)
Maintenance of Facilities	(170,000)
Property Asset Fund	(150,000)
Investment for Growth Fund	(4,600,800)
Project Investment	(519,400)
Total Use of Earmarked Reserves	**(5,537,200)**

1.5 The Capital Investment Strategy (Appendix 3)

The Capital Investment Strategy forms a key part of the Council's overall corporate planning framework. It provides a mechanism by which the Council's capital investment and financing decisions can be aligned with the Council's over-arching corporate priorities and objectives over a medium term (five year) planning horizon. Providing a framework to enable both revenue and capital investment decisions which contribute to the achievement of the Council's priorities and objectives as set out in the Corporate Plan.

1.6 The Capital Investment Programme (Appendix 4)

The Capital Programme 2020/21 to 2024/25 provides a plan of future capital investments, this is reviewed annually and may result in significant changes as business cases for schemes are developed or schemes re-profiled over financial years due to external factors.

Service Cluster	Estimate 2020/21 £	Estimate 2021/22 £	Estimate 2022/23 £	Estimate 2023/24 £	Estimate 2024/25 £	TOTAL CAPITAL PROGRAMME £
Our People	1300631	693547	595000	595000	595000	3,779,178
Our Places	14,990,588	7,889,559	1,180,775	509,775	402,000	24,972,697
Our Council	826,400	300,000	485,000	129,000	275,000	2,015,400
Investment	7,000,000					7,000,000
Grand Total	**24,117,619**	**8,883,106**	**2,260,775**	**1,233,775**	**1,272,000**	**37,767,275**

The overall Capital Investment Programme totals £37.767m however, £10.752m relates to the approved Capital Budgets (Stage 3 and Business as usual) with the remainder of £13.366m being pipeline projects. Only approved Capital Budgets will be monitored throughout the financial year.

The 4 levels of the Programme are detailed below;

- Pre-Stage 1 – Business Case in preparation
- Stage 1 – Budget approved – requires full business case
- Stage 2 – Business case approved in principal or awaiting funding
- Stage 3 and Business as Usual (BAU) – Approved to spend and funding secured

Stage	2020/21	2021/22	2022/23	2023/24	2024/25	TOTAL
	£	£	£	£	£	£
BAU	1,030,631	1,158,000	1,503,000	901,000	1,272,000	**5,864,631**
Pre-Stage 1	3,520,513	3,000,000	225,000	0	0	**6,745,513**
Stage 1	602,300	1,900,000	0	0	0	**2,502,300**
Stage 2	9,242,775	2,726,559	532,775	332,775	0	**12,834,884**
Stage 3	9,721,400	98,547	0	0	0	**9,819,947**
Grand Total	**24,117,619**	**8,883,106**	**2,260,775**	**1,233,775**	**1,272,000**	**37,767,275**

There are a number of significant programmes of work, which at this time have not been the subject of a full financial appraisal, and to that end Members should be aware that the estimates within this programme could go up and/or down by 50%.

The Capital Investment Programme is funded from;

	Estimate 2020/21	Estimate 2021/22	Estimate 2022/23	Estimate 2023/24	Estimate 2024/25	TOTAL
CAPITAL FINANCING	**£**	**£**	**£**	**£**	**£**	**£**
Grants & Contributions etc	-6,228,119	-4,621,559	-927,775	-927,775	-595,000	-13,300,228
Revenue Financing	-5,537,200	-2,361,547	-1,333,000	-306,000	-677,000	-10,214,747
Useable Capital Receipts	-2,152,300	0	0	0	0	-2,152,300
Prudential Borrowing	-10,200,000	-1,900,000	0	0	0	-12,100,000
Total Capital Programme Funding	**-24,117,619**	**-8,883,106**	**-2,260,775**	**-1,233,775**	**-1,272,000**	**-37,767,275**

The detailed Capital Investment Programme is attached at Appendix 4 for consideration and recommendation to Council.

1.7 Robustness of Estimates and Adequacy of Reserves

In accordance with Section 25 of the Local Government Act 2003, the Council's Chief Finance Officer is required to report on the robustness of estimates, the adequacy of reserves and the prudence of capital investment decisions. This information enables a longer-term view of the overall position to be taken.

It is the professional opinion of the Chief Finance Officer that the overall adequacy of the total level of reserves and the robustness of estimates is integral to the sign off of the overall agreed budget. The Chief Finance Officer having taken into consideration risks, sensitivity analysis, benchmarking and resilience information, can confirm that the budget estimates are robust, the adequacy of reserves is satisfactory and the capital programme is affordable; further detail is included within the Medium Term Financial Analysis (paragraph 4)

The Executive Business Plan and Medium Term Financial Plan are provided below.

EXECUTIVE BUSINESS PLAN
AND
MEDIUM TERM FINANCIAL STRATEGY

CONTENTS:

EXECUTIVE BUSINESS PLAN

1 Executive Business Plan

1.1 Introduction

1.2 The purpose of the Council's Executive Business Plan is to outline and consider the impacts of the national, regional and local environment the Council operates in and to also set out key activity for the next three years. The background against which the Council operates is forever and seemingly more rapidly changing, with rising levels of uncertainty, so it is critical to appraise both current and possible future scenarios.

1.3 The supporting financial strategy as set out in Medium Term Financial Plan, details how key activity and projects will be funded. It takes a medium term perspective while also looking further ahead to consider actions that will have an impact beyond the medium term horizon.

1.4 The Council's Corporate Plan (2019-2023), is the organisation's primary strategic document. It sets out the Council's strategic objectives and desired outcomes for the period of its timeframe. This Executive Business Plan complements the Corporate Plan by setting out annually a rolling three year programme of deliverables designed to achieve the required objectives. It reflects short, medium and longer term goals with diminishing accuracy, but acts as a guide for the Council's Senior Leadership Team, managers and staff and Members, of current and future decisions and activity.

2. National Context

2.1 Following the General Election in December 2019, the Government is working towards leaving the European Union by 31st January 2020 and securing a trade deal with Europe by the end of 2020. The potential for a no deal scenario also remains a possibility. At present therefore, much uncertainty continues to exist over both the future political landscape and the economic relationships the UK will forge with its former EU partners and wider trading blocs.

2.2 The Government has guaranteed an extension to the European Structured Investment Funds to address poor productivity and deprivation. In the form of the UK Shared Prosperity Fund (UKSPF), monies are to be made available from the end of 2020 to provide local areas with new ways to manage their economies. Commentators have called for the fund to at least match the £2.4 billion per year currently allocated through the EU structural funds and there is an urgent need for additional information, as delays in launching the fund are causing greater uncertainty across local government.

2.3 The Government's Industrial Strategy is emphasised as key to achieving the objectives of the UKSPF. The aim of the Industrial Strategy (building a Britain fit for the future), is to boost productivity by backing businesses to create good jobs and increase the earning power of people throughout the UK with investment in skills, industries and infrastructure. It is intended to boost productivity and earning power across the country by focusing on five foundations:

- ideas
- people
- infrastructure
- business environment
- places

2.4 Aligned to the UK's Industrial Strategy are a number of regional industrial strategies setting out how regions and government will work together to maximise their contribution to UK productivity and ultimately lead to better living standards and a better quality of life for residents. In a West Lindsey context, the 'Midlands Engine' partnership brings together public sector partners and businesses to complement the activity of local and combined authorities, Local Enterprise Partnerships, universities, businesses and others. Its focus is on generating added value for the whole of the Midlands, its communities and the wider UK.

2.5 In March 2019, a government fund of £2.6bn was launched under the guise of Stronger Towns Funding. The total value of the fund has since been increased to £3.6bn with the incorporation of £1bn of funding previously assigned to the Future High Streets Fund. These monies are targeted at places that have not shared in the proceeds of growth in the same way as more prosperous parts of the country. Of the new fund, £1bn will be allocated using a needs-based formula, with the remaining monies being available through a competitive process. Of the total sum, £110m has been allocated for the East Midlands. The formula is based on a combination of productivity, income, skills, deprivation metrics and proportion of the population living in towns. This targets funding at those places with economies that are performing relatively less well to the England average, whose residents are living on lower incomes, and where larger proportions of the population have low skill attainment.

2.6 One hundred towns have now been invited to develop proposals for a new generation of multi-million-pound Town Deals and will work with the Government to develop innovative regeneration plans. Analysis of the places selected suggests that the criteria for selection does not accurately reflect the needs-based formula approach that was originally set out. Unfortunately no places in West Lindsey were selected.

2.7 The climate change agenda has achieved great attention over the course of the past 12 months, with groups such as Extinction Rebellion highlighting climate related issues. In response to the seriousness of the situation, Governments globally have publically declared their intentions to reduce greenhouse gas emissions. In May 2019, the UK Government declared a climate emergency and due to the Climate Change Act has committed to reduce emissions by 100% by 2050. According to the Committee on Climate Change, the UK can cut its carbon emissions down to near zero and so become carbon neutral, at no extra cost if done gradually from 2019 to 2050. Following suit, many local authorities have declared ‘climate emergencies’ or passed other climate related motions, committing to make Council activities net-zero carbon by 2050, in line with the UK Government’s target. West Lindsey District Council is aligned with this position.

2.8 During 2019, calls have strengthened for the Government to produce a Rural Strategy. The Rural Services Network (RSN), comprised of over 120 representatives of rural local authorities and other rural service providers and countryside groups, is lobbying hard to ensure that, “No-one should be disadvantaged by where they live.” Such a strategy should address:

- the additional costs borne out of providing services in rural areas
- rural public transport issues
- sustainable economic development in rural areas which provides both employment and housing opportunities for the young
- the adverse effects loneliness has on health and wellbeing, in particular amongst the elderly living in rural areas
- infrastructure issues including the provision and coverage of superfast broadband

2.9 The Government continues to work towards its five year Homes England Strategic Plan 2018/19 – 2022/23. Its purpose is to improve housing affordability, helping more people access better homes in areas where they are needed most. The plan outlines a new mission and the steps to be taken in partnership with all parts of the housing industry sector, to respond to the long-term housing challenges facing the country. However, the impact of the decision made by the Public Works Loans Board (PWLB) to raise interest rates by one per cent has led the Local Government Association (LGA) to comment:

“This 1 per cent PWLB rate increase could cost councils an extra £70 million a year for borrowing to be undertaken in the next year. It presents a real risk that capital schemes, including vital council house building projects, will cease to be affordable and may have to be cancelled as a result.”

2.10 As referenced in last year’s Executive Business Plan, in 2018 the Government published the ‘Civil Society Strategy – Building a Future that Works for Everyone.’ Funds, created from dormant accounts, totalling £1.1bn were announced to support the Strategy. The Government proposed to look at five foundations of social value: people, places, the social sector, the private sector and the public sector in order to help communities thrive.

2.11 Despite some progress being made (funding streams made available to encourage more people to get involved in local issues and to expand training programmes for charities to improve digital skills), impetus appears to have stalled. Commentators bemoan a lack of progress and suggest therefore that more needs to be done to support civil society in tackling some of the greatest challenges ahead and enable it to develop new solutions.

3. Finance

3.1 For some time the Government has been consulting on a number of proposals as part of the reform of local government funding, including a Fairer Funding methodology, Business Rates Retention of 75% (rather than the current 50%) and a Business Rates Rest; all expected to be implemented by 2020/21. With the Government's focus being on delivering Brexit, the Government's Settlement Proposal for 2020/21 has stated that the new funding regime will be deferred until 2021/22.

3.2 The proposed settlement for 2020/21 announced in December 2019, estimated a real terms rise in local government funding of 4.3%; an increase of £2.9bn. With £1.5bn directed towards Adult and Social Care, £700m towards schools and colleges, for second tier authorities the resulting settlement would be made on a similar basis to that of 2019/20.

- £700m for New Homes Bonus 2020/21
- Rural Service Delivery Grant will remain as 2019/20
- Council Tax to be capped at 2% (currently 3%)

Local Government Secretary Rt Hon Robert Jenrick MP said

"This year's settlement sets the sector on a strong and sustainable footing for the future as we look to next year's Spending Review and a fresh multi-year settlement."

3.3 However, further financial pressures on local government are anticipated following an announcement from the Chancellor calling for all cabinet ministers to identify cuts of at least 5 per cent to their Whitehall department budgets, telling them to consider axing programmes that do not improve health, fight crime or tackle regional inequalities. As a result, the Treasury's public spending team is expected to have robust conversations across Whitehall in the coming months.

4. Regional and Local Context

4.1 At a regional level The Greater Lincolnshire Local Enterprise Partnership (GLLEP) covers the Lincolnshire county and North Lincolnshire and North East Lincolnshire unitary authorities. It works with Government to improve the economic climate across Lincolnshire, North Lincolnshire and North East Lincolnshire and is a partnership between the private and public sector led by the private sector. Its aim is to improve infrastructure and the conditions for doing business. The organisation works across a diverse range of industries, from ports, logistics and farming to tourism and engineering. Working to its Strategic Economic Plan, by 2030 the GLLEP intends to have created 13,000 new jobs, delivered 100,000 new homes, supported 22,000 businesses and increased the value of the Greater Lincolnshire economy by £3.2bn.

4.2 Currently in draft form, the Greater Lincolnshire Local Enterprise Partnership (GLLEP) has produced a Local Industrial Strategy (LIS), covering the priority sectors of:

- Manufacturing
- Agri-food
- Visitor Economy
- Low Carbon
- Health & Care
- Ports & Logistics

4.3 It is considered that these sectors offer competitive advantage for Greater Lincolnshire and therefore the possibility for real growth and greater productivity. West Lindsey District Council has contributed meaningfully to the LIS, ensuring that West Lindsey and Gainsborough are prominent within it and the District's evidence base, priorities, opportunities and challenges are all accurately reflected.

4.4 Media reports and briefings suggest however that the Government intends to play down the role that LISs will play in boosting economic development at a regional level.

4.5 The impacts of Brexit at a regional or local level have yet to play out. The GLLEP is supporting business through this period of uncertainty and scenario planning continues. In terms of impacts on recruitment and staffing at the Council, few issues are expected in the short-term. However, any longer-term shift in the general recruitment pool may create difficulties as vacancies arise.

4.6 As detailed above, a number of funding streams have been announced by government to support local economies and town centres. However, the criteria for applying seem to currently preclude the Council from bidding as the District is neither sufficiently deprived nor does Gainsborough have sufficient population to meet eligibility tests.

4.7 At a regional level the Central Lincolnshire Local Plan (CLLP) is under review. This commits to building 4,435 new homes in Gainsborough alone; a 40% increase in the residential base of the town. The review will assess progress made since the CLLP was instigated and evaluate current and future influencers on development. It is vital that the Council ensures that its interests are fully represented and reflected during the review process.

5. The Corporate Plan

5.1 Following the Council elections in May 2019, the new administration took ownership of the Council's Corporate Plan 2019-2023. The Plan's vision is:

"West Lindsey is a great place to be where people, businesses and communities can thrive and reach their potential."

5.2 The Plan is built around three themes; Our Council; Our People; Our Place and each contains a number of areas of focus.

Focus
1. Health & Wellbeing
2. Vulnerable Groups & Communities
3. Education & Skills

Focus
1. Finances
2. Customer
3. Staff & Members

Focus
1. Economy
2. Housing Growth
3. Public Safety & Environment

5.3 Each theme also sets out its strategic aims and the desired outcomes to be achieved for each area of focus. To ensure that the Corporate Plan remains 'live', progress against its aims and intentions is reported annually to Members and other stakeholders.

5.4 While a focus remains on supporting growth across the District, the Plan also emphasises the need for social regeneration to address deprivation, vulnerability and other social issues faced by communities.

6. Business Plan Deliverables 2020-21

6.1 On an annual basis, the Council's service areas undertake a business planning exercise. The purpose is two-pronged, with the objectives being to identify over a three year time frame potential initiatives and projects that could be implemented in support of the Corporate Plan and to also offer suggestions that would achieve greater value for money or efficiency, new or increased income streams, improved performance or customer satisfaction. The suggestions put forward are analysed to evaluate the potential financial benefits, investment requirements and the likelihood of successful implementation. Each year a set of initiatives are approved for implementation, with the financial impacts reflected within the MTFP and capital programme and delivery monitored via the relevant Programme Board.

6.2 This Executive Business Plan provides details of the work to be carried out over the next three years to deliver against Corporate Plan objectives. It includes work currently in progress that will be completed within the three year timeframe and new initiatives that will be commenced during 2020/21. All of the 'deliverables' have been aligned to the Corporate Plan theme that they most readily support.

6.3 Our People

- Delivery of the Council's Customer First Programme; with the aim of improving the customers' experience and delivering efficiencies and improvements in service delivery, through service redesign, the use of technology and both cultural and organisational development
- Delivery of new waste service depot by Spring 2021
- Evaluation of food waste collection pilot project carried out in Lincolnshire
- Completion of Market Rasen dry-side leisure facility by June 2020
- Redraft of the Council's Vulnerable Communities Strategy
- Completion of the Council's Housing & Wellbeing Strategies

6.4 **Our Place**

- Active participation in the review of the Central Lincolnshire Local Plan
- Work with partners considering extension to the Lincolnshire Wolds Area of Outstanding Natural Beauty
- Active promotion of the visitor economy using Mayflower 400 events as a driver to support the ‘Discover West Lindsey’ initiative
- Work to develop an Environment & Sustainability Strategy for adoption by May 2021
- Develop a social enterprise structure with the aid of Access Funding
- Continued development of Gainsborough town centre, with emphasis on the night time economy, town centre living and National Lottery Heritage Funding to preserve the heritage of the town centre
- Commence a review of the conservation areas across the District
- For Trinity Arts Centre to maintain progress towards achievement of financial self-sufficiency
- Continued support for rural communities connectivity, including broadband services

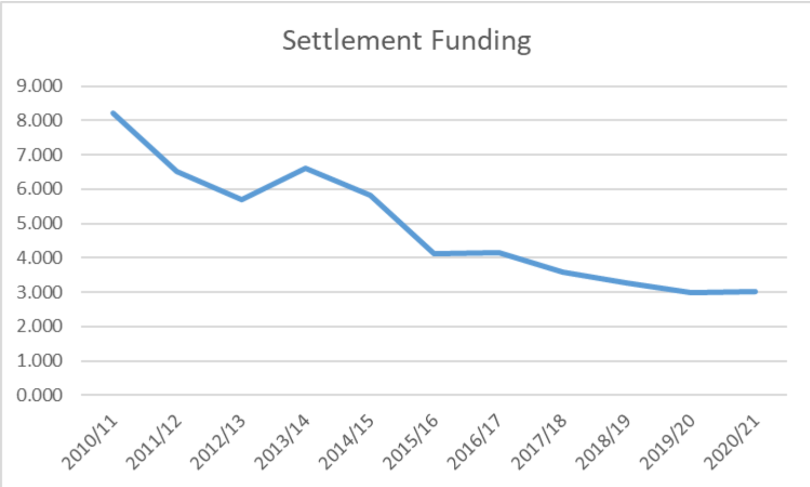
6.5 **Our Council**

- Conduct a review of 4th tier of government governance arrangements
- Implement recommendations emanating from the Corporate Peer Challenge
- Establish capacity to effectively support ‘change management’
- Review process of handling Members’ standard complaints
- Review the Council’s petition scheme
- Implement a new Parish Charter
- Determine and implement second tier management structure to support Chief Executive
- Monitor and evaluate progress against the Crematorium business plan and ensure excellence in customer service
- Undertake annual review of The Constitution
- Commence a rolling programme of reviews of Council Tax Single Person Discounts
- Procure and implement a new Financial Management System with a view to extending this to an Enterprise Resource Platform in due course

2 The Council's Financial Position

2.1 Introduction

Since the commencement of government funding cuts in 2010/11 the Council has effectively managed a reduction of £4.8m in Settlement Funding. This has been achieved through sound financial management and its Financial Strategy initiatives to reduce expenditure, increase income and generate new income streams. In addition to benefitting from New Homes Bonus, a reward grant to reflect our growth in housing.



The Council's aim over this period was to become non-reliant on Government Grant Funding as the Revenue Support Grant ceased in 2019/20. Our income from taxes now reflects 91% of the Budget Requirement (46.6% 2010/11)

Income from Customer and Client receipts is 18% of revenue expenditure, and reflects the success of the Fees and Charges Strategy and the Commercial Plan 2015-2020 over achieving its £1m target with a contribution of £1.7m.

The Council is proud to have continued to deliver award winning services for our residents during a prolonged period of austerity.
Our budget setting process has been given the accolade of a High Assurance rating by our internal auditors and our Statement of Accounts and Value for Money assessments receive Unqualified Audit Opinions, confirming that our financial management is sound and statements provide a true and fair view of the organisation's financial standing.

2.2 National Context

The draft financial settlement for Local Government 2020/21 was announced on 20th December 2019 by the Secretary of State for Housing, Communities and Local Government, The Rt Hon Robert Jenrick MP.

The main points affecting District Councils were;

- 4.4% real-terms increase in core spending power to £49.1bn
- The extra resources directed to adult and children's social care
- This is a one year settlement for Local Government (with Fairer Funding Review delayed until 2021/22)
- A change to Council Tax referendum limit – down to 2% (from 3%) or £5, whichever the greater
- New Homes Bonus will continue for a further year with no legacy payments for the 2020/21 allocation.
- Rural Service Delivery Grant will remain at a national level of £81m and there will be no change to the methodology for distribution
- There will be no further distribution of Business Rates Levy surplus (distributed in 2019/20 on a needs basis)

The table below shows the change in 2020/21 Core Spending Power figures compared to the 2019/20 Final Settlement

	2019-20	2020-21	Change
	£m	£m	£m
Settlement Funding Assessment	14,560	14,797	237
Under-indexing business rates multiplier	400	500	100
Council Tax	27,768	29,370	1,602
Improved Better Care Fund	1,837	2,077	240
New Homes Bonus	918	907	(11)
Rural Services Delivery Grant	81	81	-
Winter pressures Grant	240	-	(240)
Social Care Support Grant	410	1,410	1,000
Core Spending Power	**46,213**	**49,142**	**2,929**

2.3 Local Context

With the uncertainty around the future funding of Local Government the Council has been pro-active in ensuring that we prepare for any reductions by taking a prudent approach to setting the Medium Term Financial Plan forecasts. We assumed that our settlement funding would be decreased significantly to reflect the Business Rates reset proposal and will be benefitting from this one year settlement.

We have been increasing the General Fund Working Balance to mitigate any budget risks from other aspects of the review and continue to assume that we will make contributions to Earmarked Reserves for specific projects, future service improvements and significant risk areas.

The table below shows the Core Spending Power for West Lindsey DC based on the Local Government Settlement 2020/21.

'Core Spending Power' is a headline figure used by MHCLG to represent the key revenue resources available to local authorities, including an estimate of actual and potential council tax.

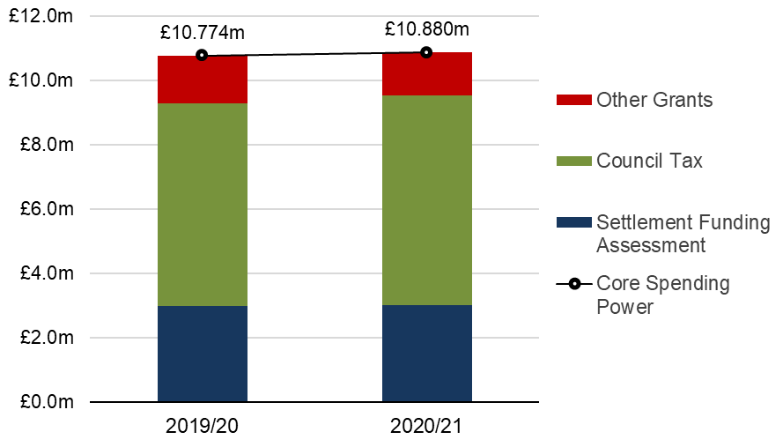


Table 1 - Core Spending Power (£m)

	2019/20	2020/21	Change
Core Spending Power	**10.774**	**10.880**	**1.0%**
Of which:			
Settlement Funding Assessment	2.974	3.023	1.6%
Assumed Council Tax	6.304	6.526	3.5%
Other Grants	1.495	1.332	-10.9%

The impact on our own Settlement Funding Assessment reflects an inflationary increase and new relief rates for Business Rates. In relation to Council Tax, there is an assumed 1.5% increase in the tax base and a 2% increase on the Council Tax charge. Other Grants reflect the reduction in New Homes Bonus as the legacy funding from previous years expires (£0.494m) and the one of payment for 2020/21 is added (£0.307m) in addition to a slight increase in the Local Council Tax Scheme Grant of £0.024m.

2.4 General Fund Balances

The Council maintains a sound financial position with the General Fund Balance being forecast to be £17.5m by the end of 2019/20. This includes £3.6m of Working Balance and £13.9m of Earmarked Reserves.

It is the Council’s policy to retain as a minimum a General Fund working balance of 10% of Net Revenue Expenditure or £2.5m. This is to mitigate any in-year budget risks above any contingency provisions and also to support any shortfall in future funding once the review of Local Government Funding has been concluded and our resources clarified for 2021/22 onwards.

2.5 Earmarked Reserves

The Council holds £13.9m of Earmarked Reserves for a number of purposes;

- Future significant project investment

- Service investment including repairs and renewals
- Contingencies ie Insurance, Valuation Volatility in Business Rates and Commercial investments
- Budget Smoothing

Earmarked Reserves are a finite resource, as such we assess projects in accordance with our Capital Investment Strategy, and based on sound business cases and in consideration of the wider benefits, ie economic and social impact, inward investment and the ability to secure funding from grant providers.

2.6 Resilience

There has been much publicity around the resilience of Local Government after the S114 noticed issued by Northamptonshire County Council, which highlighted that they were likely to exceed resources available to meet its funding need, therefore we have set a number of resilience indicators, applied over the Medium Term to gauge our sustainability and resilience to future financial challenges.

The indicators below reflect that we are in good position to effectively manage our finances over the coming years, our reserves are in excess of our annual budget and which help to support internal borrowing, Council Tax is expected to grow as new housing is delivered and borrowing is undertaken on an affordable and sustainable basis against the value of assets. At this time Business Rates is assumed to reduce back to the Baseline of 2013/14 but will be refined once the wider review of local government funding for 2021/22 is known.

RESILIENCE INDICATORS	2020/21	2024/25
Useable Reserves as % of Net Revenue Budget	101.59%	82.32%
Council Tax as a % of Net Revenue Budget	44.04%	51.25%
Business Rates as a % of Net Revenue Budget	28.32%	22.59%
Exposure of Customer and Client Receipts as % of Net Revenue Budget	47.67%	44.25%
Borrowing as a % of Fixed Assets	63.62%	64.98%
Investments as a % of Useable Reserves	65.19%	69.68%

2.7 How We Compare

The Chartered Institute of Public Finance and Accountants (CIPFA) has undertaken to prepare a national resilience index. This tool illustrates our standing compared to our Nearest Neighbours in 2018/19 and whilst it does not rank authorities it does reflect our risk exposure to financial stress.

Results Breakdown

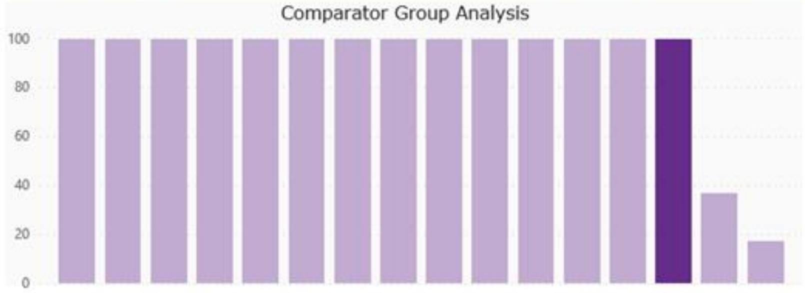
Indicator	Min	Indicator Value	Max
Reserves Sustainability Measure	17.52	100.00	100.00
Level of Reserves	67.11%	188.42%	196.15%
Change In Reserves	-14.62%	26.05%	164.32%
Interest Payable/ Net Revenue Expenditure	0.00%	7.59%	46.33%
Gross External Debt	£0k	£11,000k	£150,846k
Fees & Charges to Service Expenditure Ratio	13.17%	18.35%	64.73%
Council Tax Requirement / Net Revenue Expenditure	44.88%	67.85%	100.00%
Growth Above Baseline	41.00%	48.00%	100.00%

Auditors VfM Assessment

Unqualified

Individual Analysis

Reserves Sustainability Measure

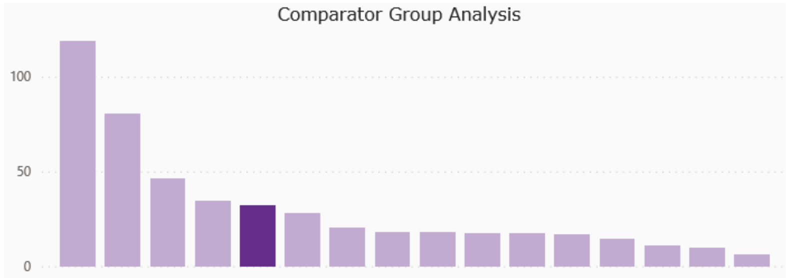


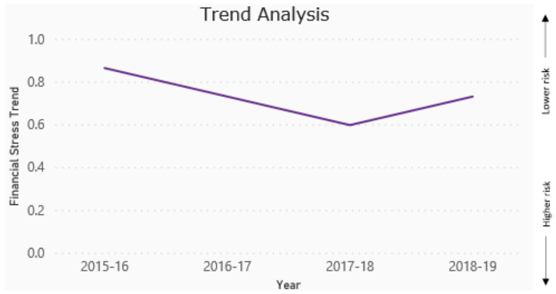
Results Breakdown

Indicator	Min	Indicator Value	Max
Unallocated Reserves	6.78%	32.69%	119.11%
Earmarked Reserves	28.27%	155.72%	185.10%
Change in Unallocated Reserves	-68.79%	3.62%	94.51%
Change in Earmarked Reserves	-28.34%	32.05%	232.37%
Change in HRA Reserves	-2.69%	na	754.70%

Individual Analysis

Unallocated Reserves





1. Introduction

The Medium Term Financial Plan (MTFP) is the primary strategic financial document for this Council and is a key part of the Council's Policy and Budget Framework and financial planning process.

This document will support the national and local context as set out in the Executive Business Plan, the commitments of the Council to achieve objectives, deliver services, invest in capital development and establish the principles on which financial decisions will be made within available resources.

2. Governance

This document meets a number of regulatory requirements and good practice:

- The requirement for the local Authority to agree a balanced budget for each financial year prior to the start of that year.

- The requirement for the local Authority to establish the level of Council Tax for the coming year on the basis of that budget.

- Meet best practice (supported by CIPFA) by setting out the coming year's budget in addition to a 5 year MTFP.

In October 2018 the Chartered Institute of Public Finance and Accountancy (CIPFA) published a Financial Management Code (FM Code) which has been developed to provide a framework to support designed to support good and sustainable financial management throughout the full financial planning cycle, budget planning, setting, monitoring, reporting and statutory reporting.

The framework sets explicit standards of financial management, complying with these standards will be the responsibility of elected Members, the Chief Finance Officer and the Management Team.

The framework will provide assurance in the prudent use of public resource, effective management of those resources, adherence to legislative requirements for which we are responsible and provide evidence of good governance.

1 The Medium Term Financial Strategy

1.1 Introduction

Our MTFP provides a five year time horizon for West Lindsey District Council and sets out a high level financial strategy and where possible proposals being considered to deliver a sustainable budget position. In addition the MTFP attempts to reflect the longer term impact of the decisions of the Council and shows how some of our major projects will contribute in the years beyond the five year time horizon.

The MTFP is designed to complement the values set out in the Corporate Plan and deliver the key priorities of the Council by supporting the following values and approach

The Corporate Plan details the values which guide our working:

1. To put the customer at the centre of everything we do
2. To act as One Council
3. To be business smart, to act on evidence and take advantage of opportunities, thinking creatively and getting things done
4. To communicate effectively with all stakeholders
5. To have integrity in everything we do

Our MTFP supports these values and the Executive Business Plan objectives with the following principles:

- To focus on achieving outcomes
- to drive a robust and sustainable financial position
- to support growth and service delivery, utilising the Council's resources
- to ensure financial decision making is based on robust, risk assessed business cases that clearly match our ambitions

The MTFP will deliver against these objectives and principles by:

- Explaining the financial context, over the medium term, and within an uncertain economic and funding environment in which the Council is set to operate.
- Helping to ensure that the Council's financial resources are directed to support delivery of the Corporate Plan priorities and value for money.
- Providing a medium term forecast of resources and expenditure and to illustrate the financial effects of existing financial commitments, both revenue and capital, over the medium term, and to inform transformational and commercial strategies necessary to achieve a balanced budget.
- Maximising the Council's financial resilience and management of risk and volatility, including maintaining adequate risk reserves.
- Managing effectively the Council's land and property assets by undertaking a prudent level of capital investment in addition to maximising returns on new investments.

- Establishing a robust, stable and sustainable budget capable of withstanding future financial pressures.

This MTFP provides a five year time horizon for West Lindsey District Council and sets out a high level financial strategy and where possible proposals being considered to deliver a sustainable budget position.

1.2 Value for Money

The Council has limited resources. It is therefore vital these resources are deployed in the most efficient and effective way to secure excellent services for the residents of West Lindsey. This is ever more important as WLDC has had to deal with austerity and contribute towards the Public Sector spending reductions. Now more than ever it is vital that the Council seeks to achieve the most possible benefit in terms of Value for Money from the ongoing process of optimising the relationship between resources and outcomes. This is achieved through a focus on;

- **Economy**: minimising the cost of resources used or required: reducing inputs for the same outputs
- **Efficiency**: producing the same or better outputs by doing things differently and reducing the inputs required
- **Effectiveness**: deploying resources to meet objectives

Our strategy is to embed Value for Money throughout the organisation for all activities, business processes and business planning.

The Council has responded to the financial challenges in a systematic approach to achieving value for money and by embedding the right culture throughout the organisation by;

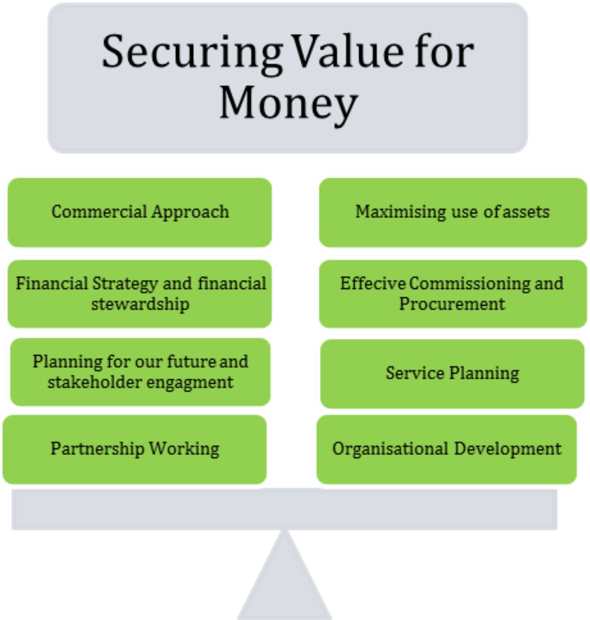
- Investing in communities (to help themselves and others)
- A more commercial council – to generate additional income and identifying opportunities that align with residents needs.
- Modern, innovative and collaborative – utilising the best technology and commissioning delivery to achieve outcomes.

This has resulted in WLDC maintaining a strong track record of identifying and delivering savings and efficiencies whilst protecting priority services.

In addition the Council has procured CFO Insights for assistance in benchmarking. It is a tool developed by Grant Thornton in conjunction with CIPFA which uses national data sets such as the Government financial returns. West Lindsey have been developing the use of the tool as a means of delivering VFM through a selection of services in the following ways:

- Helping performance improvement and transformation planning
- Locating potential income generating opportunities
- Supporting budgeting and spending decision making
- Provide transparency in relation to scrutiny questions

The diagram below illustrates the framework West Lindsey has in place to ensure the delivery of Value for Money, which is underpinned by a robust approach to decision making;



- To understand the financial returns on investments
- To understand the absolute and relative cost of providing services through benchmarking our costs and performance
- To assess business case proposals for VFM
- To monitor and scrutinise on-going performance measured against business plans
- Managing our customer needs and demands and understanding how that impacts on services
- Appropriate procurement procedures
- Reviewing and measuring outcomes

1.3 Commercial Approach

West Lindsey takes a commercial approach to the delivery of all services.

In addition we will consider capital investment as a means in which to generate revenue returns.

Decisions are made in line with existing policies and as a result of a compelling business cases, which are fully supported by cost benefit analysis to inform financial viability, in addition we undertake extensive due diligence. West Lindsey uses a 5 case Business Model ensuring Financial, Legal, Operational, Strategic and Commercial implications are considered and all risks assessed to enable informed choices.

1.4 Partnership Working

West Lindsey District Council aspires to be a good partner for service delivery and has a successful enabling role in encouraging collective responsibility in our Communities. By working in partnership with other agencies, Councils, Parish Councils, other public sector organisation, voluntary groups and community groups in addition to the private sector, has secured better outcomes in the form of inward investment, pooled resources, cohesion and engagement with residents and built effective relationships.

1.5 Asset Management Plan

West Lindsey's Strategic Asset Management Strategy will demonstrate that we have in place an effective management framework, which actively maximises the value for money achieved from existing assets and provides a strategic context for future investments and to achieve the best possible outcomes. Condition surveys are undertaken on our properties to ascertain the extent of works to be undertaken, which subsequently informs the MTFP.

1.6 Organisational Development

In order to deliver an ambitious Corporate Plan against finite resources, the Council needs people who have the skills, knowledge, attitude and flexibility which support this. We will look to embed a Value for Money culture where staff are empowered to deliver against Council values and to encourage them to challenge inefficiencies and waste. Team leaders and managers are responsible for delivering services 'right first time' and ensure VFM exists in the day to day management of their services.

We are committed to investing in our greatest asset 'our staff' to ensure continued professional development, opportunities for development and growth and robust succession planning to ensure we remain fit for the future.

The Council as a learning organisation approves the Workforce Development Plan in addition to a Member Development plan which is in place to support elected members.

1.7 Business Planning

The business planning process focuses services in identifying opportunities for cost reduction, income generation and alternative methods of service delivery such as partnership working. Where appropriate these opportunities will be pursued over the medium term with further opportunities being identified and undertaken over the life of the MTFP. These plans are then translated into business cases, projects and ultimately individual work plans.

Annuals service plans are used to monitor service and individual performance and are part of the Golden Thread to how services will contribute to achieving our corporate objectives.

1.8 Commissioning and Procurement

We will seek to deliver value for money to the local taxpayer by maximising best value on every pound spent on commissioning and procurement. We will be commercially aware, provide clarity on our expectations to our supply chain, continuously review and ensure our procedures are efficient and seek to achieve maximum benefits from our systems.

The Council manages its contracts carefully and reviews them regularly, which not only delivers significant savings in year, but also identifies further opportunities to reduce operating costs and better achieve the Council's outcome.

An example of this is our Contract with SLM Ltd, our Leisure Management Company which has enabled the construction of a new Dry Leisure Centre at Market Rasen a much needed facility for the community.

1.9 Capital Investment Strategy (Appendix 3) and Capital Investment Programme (Appendix 4/5)

The Council invests significant sums in a wide range of projects. At this stage the Capital Programme can only be estimated as the costs, levels of grant funding and other funding sources are yet to be confirmed. Schemes and projects are subject of future reports to the Corporate Policy and Resources Committee for approval to spend on an individual basis. Projects include;

- regeneration and housing schemes, which bring inward investment from the private sector and the opportunity for significant grant funding, in turn generating additional income for the Council and economic and social benefit for the wider economy.
- Investment in technology, to achieve efficiencies and cost savings
- Investment in our own property assets to ensure fit for purpose facilities for service delivery
- Commercial investments to generate income supporting ongoing costs of service delivery

1.10 The Treasury Management Strategy (Appendix 6)

The Strategy has been scrutinised and recommended to full Council by the Governance and Audit Committee.

The Treasury Management Strategy will ensure that the primary principles governing the Council's investment criteria are the security of its investments and the availability of cash when required (liquidity). The yield or return on the investment is the final principle for consideration. The Council will ensure it has sufficient liquidity in its investments and that it maintains a policy covering categories of investment types it will invest in, criteria for choosing investment counterparties with adequate security, and monitoring of their security.

The Council invests money in a wide range of financial institutions and the investment interest earned is used to support the budget. The major issue for treasury management over the MTFP will be the significant difference between investment rates and borrowing rates, where the cost of carry of borrowing will exceed investment interest. Therefore cash flow management and monitoring of interest rate forecasts will be a key focus.

Emphasis continues to be placed, in line with the Treasury Management Strategy, on mitigating counterparty risk by giving preference to security and liquidity. This has resulted in greater use of investments with higher security and increased liquidity. The Strategy supports a policy of limiting the need for external borrowing by the utilisation of internal funds.

The Minimum Revenue Provision (MRP) Policy provides options on what is considered prudent provision for the repayment of debt.

1.11 Borrowing for Capital Investment

For the Council to achieve its corporate priorities, reduce cost and increase revenue income streams, it is expected that a significant amount of capital investment will be required, funded from Prudential Borrowing.

Borrowing from external sources will only be undertaken after consideration of our cash flow requirements. In addition any external borrowing will be prudent, affordable and sustainable and as such will be informed by robust business cases and in the main have no impact on the council tax payer.

Where borrowing is to fund a commercial project the return on investment will also be taken into account when drawing down funds.

Any external borrowing is usually undertaken to maturity, ie repayable at the end of the borrowing term.

1.12 Financial Sustainability

The sustainability of our plans are underpinned by ensuring a good working relationship with the private and community sectors which develops trust and encourages collaboration where possible. The use of grants and enabling funds to support both sectors will create a future infrastructure that will continue to support district communities beyond the initial investment/contribution.

These opportunities will not come without risk, however the approach will always be to mitigate risk where possible and ensure that decisions are evidence based and transparent on inherent risks.

In providing a forecast for the five years on a sustainable basis there are a number of assumptions that have been made.

The key assumptions are:

- that we will be able to borrow for self-funding capital investments and generate financial benefits that at least equal to the cost of borrowing including the minimum revenue provision (MRP), a regulatory requirement on Local Authorities.

- we assume that we will generate significant revenue from new income streams from investment in assets ie Crematorium, property etc
- We will generate efficiencies through the implementation of digital strategies for the benefit of our customers.

1.13 The Pay Policy Statement (Appendix 7)

Under Section 40 of the Localism Act the Council must approve and publish a Pay Policy Statement for each financial year. Pay policies can be amended during the financial year and full Council or a meeting of Members must be offered the opportunity to vote before large (£100k or above) salary packages are offered.

The purpose of the Pay Policy Statement is to ensure transparency and accountability with regard to our approach to setting pay.

The Pay Policy Statement identifies;

- The level and elements of remuneration for each chief officer
- The remuneration of the lowest paid employees
- The relationship between the remuneration of chief officer and other officers; and
- Other specific aspects of chief officer remuneration and other discretionary payments

Remuneration in this context is defined widely to include not just pay but also charges, fees, allowances, benefits in kind, enhancements of pension entitlements and termination payments.

2. The Medium Term Financial Analysis

2.1 Introduction

The Medium Term Financial Analysis provides a 5 year estimation of our Net Revenue Expenditure and highlights the level of resources required to set a balanced budget in future years.

For 2020/21 the Budget has been based on the approved budgets for each Committee and in line with the 2020/21 Local Government Financial Settlement.

Future years are difficult to predict due to uncertainty in relation to the outcome of the review of Local Government Funding, which includes a number of elements including the overall financial settlement, the Fairer Funding Review, the Business Rates Reset and the Business Rates Retention Scheme. We have therefore taken a prudent approach by removing Business Rates Growth, to put us back to Baseline funding. In addition we have assumed that there will be some element of funding to reflect rurality.

The Government has indicated that the outcome of these reviews will be implemented for 2021/22 and will provide a 4 year settlement to enable financial planning. These unknown impacts and the level of financial risk that the Council may be exposed to will require regular monitoring and a mid-year update will provide some indication of likely outcomes as the consequences become clear.

Prudently the Council is setting aside additional funds into the General Fund Working Balance to mitigate any future year shortfalls to balance the budget over the short term.

2.2 The Budget Planning Cycle

The Budget planning process has achieved a High Assurance Rating from our Internal Auditors and includes the following actions;

- Meetings with Budget Managers to ensure resources align to the delivery of Corporate Priorities and to review budgets, identifying ongoing pressures/savings and horizon scanning for future issues, including political, economic or legislative implications.

- Business Planning reviews have been undertaken to identify further income generation opportunities and budget reduction proposals, which can be delivered to ensure a sustainable budget.

- A robust Fees and Charges review, which resulted in an increase in income budgets of £17.6k. Full Details of proposed fees and charges were presented to Policy and Resources Committee on the 7 November 2019.

- Regular updates have been provided to the Management Team who have also reviewed, challenged and proposed inclusion of the pressures and savings incorporated into this budget which have not already been approved by this Committee.

- Regular meetings have been held with the Chairs and Vice Chairs of Committees to ensure they are fully engaged in the process.

- Inclusion of the revenue implications of the DRAFT Capital Programme 2020/21 – 2024/25.

- Consultation with Parish Councils, residents and business ratepayers has been undertaken.

- The review of Earmarked Reserves and approved additional resources being funded from these reserves and/or external grant income (approved by CP&R 9th January 2020).

- Consideration of other Strategies i.e. Car Parking Strategy, Housing Strategy etc.

2.3 Budget Assumptions

There are a number of other assumptions which contribute to the financial estimates provided, the major assumptions include;

- Employees - Pay Award 2% per annum
- Pensions – 1% annual increase (includes employers contribution and deficit reduction payment) as estimated by the Actuary
- Council Tax increases of 3% from 2021/22 onwards and annual tax base growth of 0.75%
- NNDR and reversion to Baseline from 2021/22 onwards.
- Contractual inflation applied only to service expenditure budgets
- New Homes Bonus no new allocations from 2021/22 and legacy funding for 2018/19 and 2019/20 only
- Utilities - Electricity 0%, Gas 35%, Water 2.9%
- Capital Programme is based on best estimates of total investment; total borrowing; use of reserves; impact on revenue

2.4 Council Tax

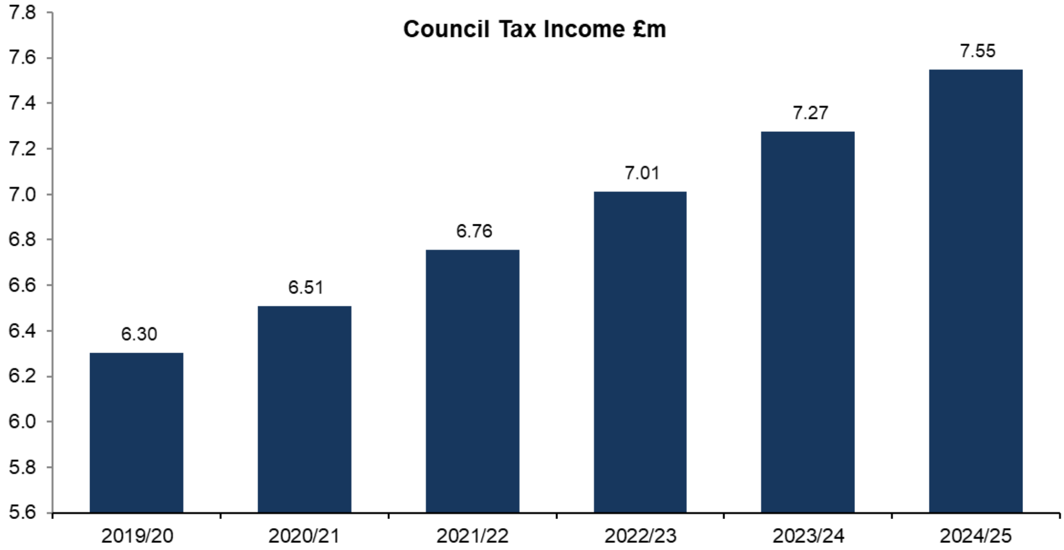
The latest population estimates for West Lindsey in 2019 is 96,100. It is estimated that over the life of the MTFP this will have increased by 4% to 99,600. This increase will impact on the demand for housing and with the Council enabling significant Housing Growth over the longer term this will therefore increase the Council's Tax Base and which will generate additional Council Tax income.

The Tax Base for 2020/21 has been approved at 29,986.98 (29,532.83) reflecting growth of 1.54% (1.07% 2019/20). Average growth over past 3 years has been 0.74%. The MTFP includes an annual growth rate of 0.75%

In terms of actual Council Tax, the Council's current strategy is to increase Council Tax to the Governments maximum capping levels (Assumed 2% for 2020/21 and 3% ongoing), this strategy helps to support future sustainability. As a guide a 1% annual increase results in an additional £0.064m in the first year increasing to £0.464m by year 5. This strategy has been implemented after taking into consideration the views of residents, who have a preference for annual gradual Council Tax increases of between 2%-3%.

The Council Tax increase for 2020/21 is proposed at 2% (3% 2019/20) giving a Band D equivalent Council Tax of £217.74, (£213.47 2019/20).

Within the Medium Term Financial Analysis below we have assumed a 3% increase for all future years and a collection rate of 98.3% which is also the National Average.

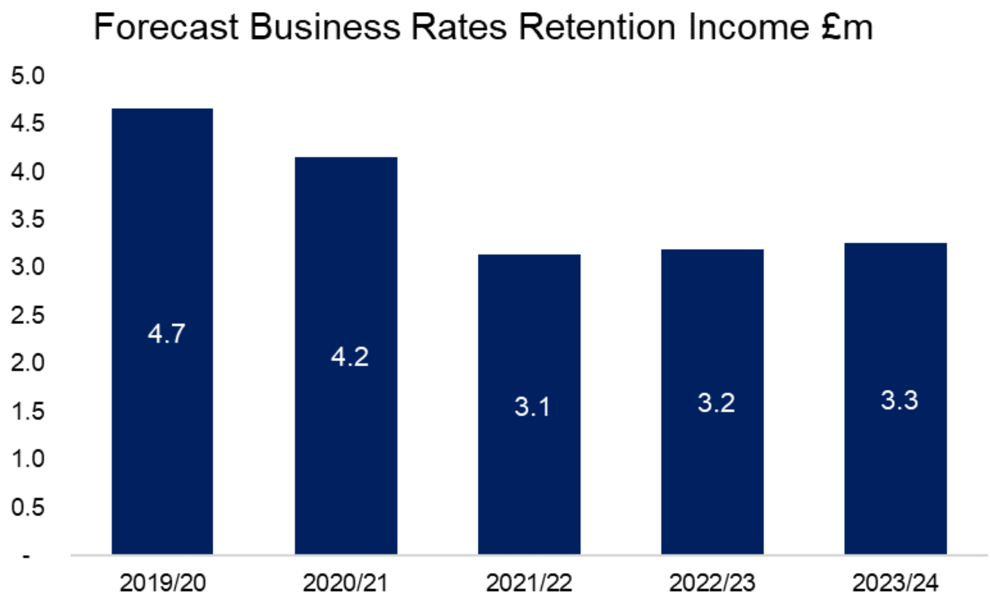


2.5 Business Rates

The one year settlement for 2020/21 is estimated to provide business rates income of £3.9m. However, the benefit of continuing to be a part of the Lincolnshire Business Rates Pool, provides an additional benefit of £0.505 being 60% of the levy which would have been payable to the Government, bringing the overall retained income to £4.186m.

For future years, with the impending review of the Business Rates Retention Scheme to a 75% rather than 50% retention model and in addition to a full reset, where we are likely to see a reset back to our baseline level in 2013/14 of £3.1m, thus removing all benefits of growth during that period.

Whilst full details of the scheme are not yet known and there will be the impact of the Fairer Funding Review, both of which are currently expected to be implemented by 2021/22, we have taken a prudent approach to our forecasts and are estimating income from Retained Business Rates over the medium term is detailed below;



2.6 New Homes Bonus

The New Homes Bonus was introduced in 2011/12 by Central Government and payable to local councils to reflect and incentivise housing growth in their area. It is based on the amount of extra Council Tax revenue raised for new-build homes, conversions and bringing long term empty properties back into use. There is also an extra payment for providing affordable homes.

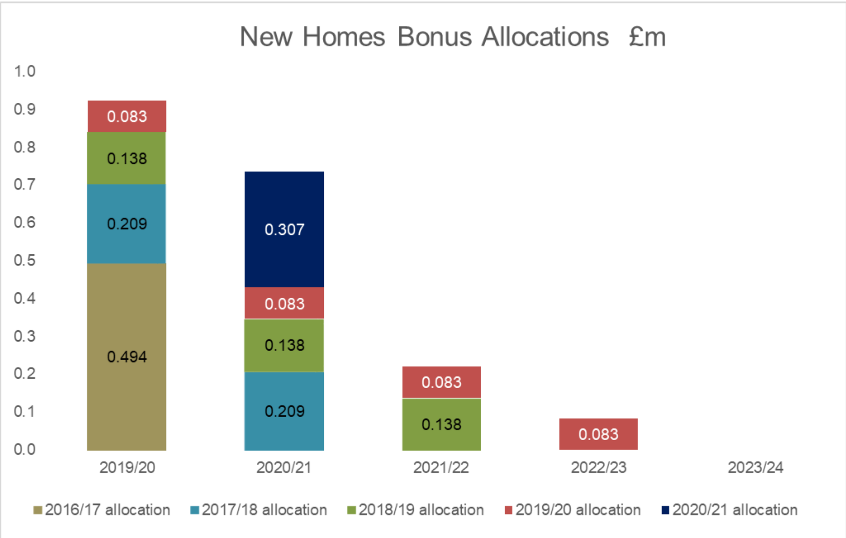
Since 2011 the Council has seen an increase in chargeable properties of 3,366 to its current level of 42,748. We have received £12.45m of New Homes Bonus Grant which has been earmarked and used to support investment in growth and regeneration.

The Scheme is currently under review and therefore for 2020/21 an allocation has been made for one year only of £0.307m. There is a forecast that the balance of monies remaining circa £40m will be returned nationally, with our proportion being circa £0.011m.

It has been assumed that there will be no new allocations beyond 2020/21, with only the 2018/19 and 2019/20 legacy payments made in future years.

The overall New Homes Bonus allocation for 2020/21 is £0.736m

Our strategy is to use New Homes Bonus for future investment in regeneration and growth, as such it will be transferred to the Investment for Growth Reserve. This strategy is supported by a representative 47.2% of residents.



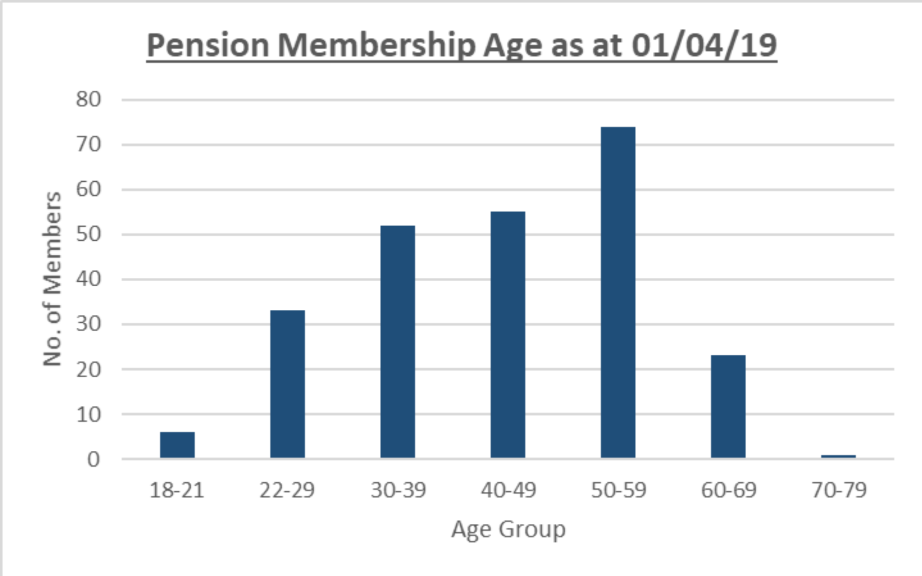
2.7 Pension Contributions

As an employer within the Lincolnshire Pension Fund, we are required to make contributions to the fund for current employees and to reduce any pension fund deficit in accordance with amounts provided by the Actuary of the scheme, Hymans Robertson.

The employers contribution rate for the year has been determined at 17.2% (16.2% 2019/20).

In relation to the pension deficit, currently £42.609m, our strategy is to contribute an appropriate amount with the aim of removing the deficit over a 20 year period. The payment for 2020/21 is £0.940m (£0.863m 2019/20).

Age Profile of 244 Members of the Superannuation Scheme as at 1.4.2019 is show in the graph below;



2.8 Reserves

The level of the General Fund Working Balance will be set, as a minimum at £2.5m. This minimum balance will represent funds available to mitigate risks the Council is facing in any one year and which will depend upon the robustness of the estimates within the budgets, the adequacy of budgetary control and external factors such as inflation and interest rates. In addition such risks may also include changes in Government policy, further funding reductions post 2020/21 and other market factors.

The level of general reserves will continue to be closely monitored during the period of this MTFP in the context of protecting the Council from existing and future liabilities. This is extremely important given the uncertainty around future funding levels. Reserves will continue to be maintained at a prudent level.

Earmarked reserves will be reviewed annually to ensure they are utilised to their best effect to support both revenue and capital projects and investment aligned to Corporate Plan priorities and to ensure that adequate reserves are held for longer term investment need.

Reserves held are invested in accordance with the Treasury Management Strategy. They are used to support internal borrowing thus saving interest payable with any interest received from their investment supporting the Councils revenue budget.

The table below illustrates the projected Reserve Balances over the MTFP;

RESERVE	YEAR END 2019/20	MTFP 2020/21	2021/22	2022/23	2023/24	2024/25
General Fund Working Balance	3,636,582	4,110,882	3,901,882	3,694,882	3,646,882	3,582,882
Earmarked Reserves	13,857,690	8,773,190	7,070,190	6,341,590	6,351,890	6,151,190
Capital Receipts	2,822,729	2,138,729	2,204,729	2,270,729	2,336,999	2,397,590
TOTAL	**20,317,001**	**15,022,801**	**13,176,801**	**12,307,201**	**12,335,771**	**12,131,662**

EARMARKED RESERVES	YEAR END 2019/20	MTFP 2020/21	2021/22	2022/23	2023/24	2024/25
Budget Smoothing	1,974,917	1,921,817	2,034,717	1,962,617	1,901,517	1,854,417
Capital Funding Total	481,513	820,313	696,113	168,613	310,713	227,813
Risk/Insurance Reserves	1,648,930	1,648,930	1,648,930	1,648,930	1,648,930	1,648,930
Economic Regeneration	7,693,023	3,142,823	1,444,323	1,344,323	1,344,323	1,344,323
Invest to Save	1,359,337	839,637	882,537	860,537	790,537	720,537
Service Investment Total	699,970	399,670	363,570	356,570	355,870	355,170
Grand Total	**13,857,690**	**8,773,190**	**7,070,190**	**6,341,590**	**6,351,890**	**6,151,190**

2.9 Medium Term Financial Analysis (Appendix 1)

The 5 year Medium Term Financial Plan 2019/20 has been updated during the budget process and reflects the total Funding Gap from 2020/21 to 2024/25, in the table below.

	2020/21 £'000	2021/22 £'000	2022/23 £'000	2023/24 £'000	2024/25 £'000
MTFP - FUNDING GAP B/FWD	**367**	**508**	**455**	**485**	**458**
Total Pressures	588	496	396	473	503
Total Savings	(198)	46	155	151	157
Total Additional Income	(162)	(141)	(142)	(143)	(149)
Total Capital Financing Costs	(351)	(63)	14	(30)	(30)
Contribution to Reserves	1,202	0	0	0	0
Movement in Funding:					
Council Tax	16	(1)	(18)	(37)	(57)
Business Rates	(1,086)	50	114	142	185
Council Tax Surplus	(115)	0	0	0	0
New Homes Bonus	(287)	0	0	0	0
Contribution to Reserves	26	(2)	0	0	0
MTFP - FUNDING GAP	**0**	**893**	**974**	**1,041**	**1,067**

2.10 The Chief Finance Officer Statement on the Robustness of Estimates, the Adequacy of Reserves and the affordability of capital investments

In accordance with Section 25 of the Local Government Act 2003, the Council's Chief Finance Officer is required to report on the robustness of estimates, the adequacy of proposed reserves and the prudence of capital investment decisions. This information enables a longer-term view of the overall position to be taken.

Key factors in ensuring the robustness of estimates include the initial challenge process to establish budget options, essential project management for the proposals, monitoring and reporting arrangements and utilisation of key, skilled finance staff in drawing up detailed estimates and monitoring proposals going forward. Cross cutting and sound key assumptions are also vital to ensuring proper estimates. The key assumptions, i.e. pay awards, inflation, Council Tax, Business Rates, Government Grant and pension contributions are detailed within this report. It is essential that in order to secure a balanced budget the base estimates are considered robust.

Budget changes have been built on amounts approved by the Corporate Policy and Resources Committee throughout the year, and changes approved under delegation. Changes to the base budget have been reported to both Prosperous Communities Committee and Corporate Policy and Resources Committee in February 2020.

Budget monitoring will be presented to management on a monthly basis and to Corporate Policy and Resources Committee quarterly throughout the financial year (or by exception).

The balance of General Reserves are considered to be adequate to cover risks, peaks and troughs and the investments proposed. A minimum General Fund Balance has been set at £2.5m or 10% of Net Operating Expenditure and is forecast to exceed this target over the MTFP.

This represents;

- 100% of MTFP total 2 year deficit (£1.866m)
- 63% of MTFP total funding gap (£3.973m)
- 17.4% of budget requirement
- 17 days of average gross expenditure cover (£0.144m per day)

The earmarked reserves as set aside by the Council at the year-end are independently verified by the external auditor.

A review of reserves was undertaken and approved by the Corporate Policy and Resources Committee at its January meeting.

The prudential borrowing regime places a duty on the Chief Finance Officer to ensure that the financial impact of decisions to incur borrowing are affordable both in the immediate and over the longer term.

Consideration of all new capital schemes and their revenue impact is undertaken alongside other revenue issues to ensure resources are appropriately allocated and impacts are reflected in the Prudential Indicators within the Treasury Management Strategy.

Despite the current economic uncertainty and issues around Local Government reform the Council remains in a stable financial position, with adequate reserves to deal with any economic impacts and work will continue to be undertaken to ensure that the Council is in a sound position to manage its budget within the anticipated funding reductions.

The professional opinion of the Chief Finance Officer on the overall adequacy of the total level of reserves and the robustness of estimates is integral to the sign off of the overall agreed budget. The Chief Finance Officer therefore confirms that the budget estimates are robust, the adequacy of reserves is satisfactory and the capital programme is affordable.

The movement on the previous year MTFP and the level of pressures and savings identified since that time are shown in the table below;

2.11 Risk Analysis (Appendix 2)

The Council maintains a Risk Aware strategy to decision making and maintains Strategic and Service Risk Registers as well as considering risk in all Business Cases and Committee reports.

We will continually assess financial risks associated with activities and mitigate these risk by the creation and utilisation of provisions, earmarked reserves and general reserves.

We will review and report on internal controls and governance arrangements and will address any significant issues.

We will report to the Governance and Audit Committee who will monitor the effectiveness of risk management and governance arrangements.

In terms of Budget risks these include;

RISK	**MITIGATION**
Future Funding Levels	10% or £2m minimum General Fund Working Balance set. Which can be used to support a balanced budget should it be required giving the Council time to manage the implications of future settlement funding
Inflation under estimated	General Fund Working Balance
Borrowing Interest Rates under estimated	We budget at 100% borrowing need. In reality as we utilise our own cash reserves for some element of this borrowing (internal borrowing) sav on interest costs. It is therefore highly unlikely that there would be a budget impact. General Fund Working Balance
Changes to Grant Funding	Initiatives and Projects would cease/reduce in line with Grant levels
Demand for services reduces level of income receivable	Commercial Contingency Budget of £0.2m in base budget and General Fund Working Balance £2m
Unforeseen events/emergencies/ budget overspend	Unexpected costs or income pressures General Fund Working Balance of £2m
Savings not achieved	General Fund Working Balance of £2m

2.12 Sensitivity Analysis

Within the MTFP in relation to assumptions and risks, the table below shows the effect of change on the main assumptions;

Impact of +/-	Equates to +/-
1% Pay award	£0.079m
1% Council Tax	£0.065m
1% Business Rates	£0.042m
1% Non-Pay Budget	£0.058m
1% Interest on balances	£0.133m
1% on Borrowing	£0.382m
1% on Fees and Charges	£0.037m

3 The 2020/21 Revenue Budget

3.1 Introduction

The Council presents a Balanced Revenue Budget for 2020/21, and is represented over our Service Clusters;

Our People – Strategic Focus: Health & Wellbeing, Education & Skills, Vulnerable Groups & Communities i.e. Benefits, Homelessness and Housing, Community Grants, Employment & Skills Partnership, Arts & Leisure

Our Place – Strategic Focus: Economy, Housing Growth, Public Safety & Environment i.e. Building Control, Licensing, Food Safety, Car Parks, Asset Management, CCTV, Domestic Waste Collections, Development Control, Economic Development

Our Council – Strategic Focus: Customer, Finances, Staff & Members i.e. Finance, Human Resources, Committee Administration, ICT, Business Improvements, Elections, Corporate Fraud, Debtors, Local Tax Collection, Local Land Charges, Crematorium, Commercial Properties, Customer Relations, Green Waste Service, Bulky Waste Collections, Trade Waste, Markets

3.2 Settlement Funding

The Settlement Funding Assessment determines our local share of Business Rates. Whilst the final settlement funding has yet to be announced, this draft budget has been prepared based on the Provisional Settlement issued in December 2019, we are not expecting any significant changes.

The announcement for West Lindsey included;

Baseline Funding - An amount fixed as at 2013/14 upon the implementation of the Business Rates Retention Scheme, and considered to be our funding need.

NDR Baseline – The expected level of Business Rates to be collected

Tariff - The amount of NDR Baseline above Baseline Funding, which is payable to the Government for national redistribution.

Safety Net - The Safety Net protects local authorities from any negative impact on business rates income, with the Government meeting any amount below this amount.

	2019/20 £m	2020/21 £m
Settlement Funding Allocation	2.974	3.023
Modified SFA		
NDR Baseline	6.499	6.605
Baseline funding	2.974	3.023
Top Up / Tariff	-3.525	-3.583
Safety Net Level	2.751	2.796

3.3 Revenue Income and Expenditure

Cluster	Proposed Budget 2020/21 £
Our Council	5,905,000
Our People	1,513,200
Our Place	3,715,600
Cluster Total	**11,133,800**
Other Operating Expenditure	**1,832,100**
Net Revenue Expenditure	**12,965,900**
Transfer to / (from) General Fund	927,500
Transfer to / (from) Earmarked Reserves	452,700
Amount to be met from Government Grant or Council Tax	**14,346,100**
Funding Income	
Revenue Support Grant	(65,000)

Business Rate Retention Scheme	4,186,000
Council Tax Freeze Grant	0
Collection Fund Surplus - Council Tax	215,400
Parish Councils Tax Requirement	2,142,300
New Homes Bonus	736,300
Other Government Grants	620,900
Council Tax Requirement	**6,510,200**
TOTAL FUNDING	**14,346,100**
Balanced Budget/Funding Target	**0**

3.4 Base budget movements

The Budget of £14,346,100 (£14,782,600 2019/20) is proposed for approval and reflects a reduction of £436,500. The significant movements are detailed below;

3.4.1 Pressures

£0.139m Contracts
£0.077m Pension Deficit contribution
£0.120m General properties rental income
£0.020m Building Control Income
£0.130m Various
£0.234m Minium Revenue Provision (MRP)
£0.720m

3.4.2 Savings/additional Income

£0.060m Green waste income in excess of assumptions
£0.125m Leisure Management Contract
£0.116m new service provision, crematorium net income
£0.222m net income from Investment Property Portfolio
£0.051m staffing budget (net of pay award)
£0.574m

In addition there is a reduction of £0.578m in relation to the net use of reserves.

4The Capital Investment Programme and Financing (Appendix 4/5)

4.1 Introduction

The draft Capital Programme 2020/21 to 2024/25 provides a plan of future capital investments, this is reviewed annually and may result in significant change as business cases for schemes are developed or schemes re-profiled over financial years due to external factors.

4.2 Asset Management Plan

The Capital Programme takes account of the objectives of the Asset Management Plan and the resources required to achieve these objectives are detailed below;

Initiative	2020/21	2021/22	Delivery Year 2022/23	2023/24	2024/25
Strategic & Operational Plans	11,750	0	0	0	0
Physical Assets (Fit for Purpose)	60,000	0	0	0	30,000
Risk Management (Physical Estate)	6,500	0	0	0	0
Operations & Maintenance	144,000	200,000	115,000	275,000	185,000
Physical Assets	0	10,000	0	0	0
Capital Works Planning	270,000	150,000	30,000	150,000	0
Total	**492,250**	**360,000**	**145,000**	**425,000**	**215,000**

4.3 The Summary Capital Programme

Corporate Plan Themes	Estimate 2020/21	Estimate 2021/22	Estimate 2022/23	Estimate 2023/24	Estimate 2024/25	TOTAL CAPITAL PROGRAMME
Our People	1,300,631	693,547	595,000	595,000	595,000	3,779,178
Our Places	14,990,588	7,889,559	1,180,775	509,775	402,000	24,972,697
Our Council	826,400	300,000	485,000	129,000	275,000	2,015,400
Investment Properties	7,000,000	0	0	0	0	7,000,000
Grand Total	**24,117,619**	**8,883,106**	**2,260,775**	**1,233,775**	**1,272,000**	**37,767,275**

The overall Capital Investment Programme totals £37.767m, however, £15.685m relates to the approved Capital Budgets (Stage 3 and Business as usual (BAU)). The remaining £22.082m being pipeline projects (Stage 2 and below).

The four levels of the Programme are detailed below;

Pre-Stage 1:	Business Case in Preparation
Stage 1:	Budget Approved – requires full business case
Stage 2:	Business Case approved in principal or awaiting Funding
Stage 3/BAU	Approved to Spend and funding secured

The detail below details the Capital Investment Programme by stage of the term of the financial plan.

Stage	2020/21	2021/22	2022/23	2023/24	2024/25	Total
BAU	1,030,631	1,158,000	1,503,000	901,000	1,272,000	**5,864,631**
Pre-Stage 1	3,520,513	3,000,000	225,000	0	0	**6,745,513**

Stage 1	602,300	1,900,000	0	0	0	**2,502,300**
Stage 2	9,242,775	2,726,559	532,775	332,775	0	**12,834,884**
Stage 3	9,721,400	98,547	0	0	0	**9,819,947**
Grand Total	**24,117,619**	**8,883,106**	**2,260,775**	**1,233,775**	**1,272,000**	**37,767,275**

There are a number of significant programmes of work, which at this time have not been subject to a full financial appraisal, and to that end Members should be aware that the estimates within this programme could vary significantly.

The detailed Capital Investment Programme is attached at Appendix D for consideration and recommendation to Council.

4.4 Capital Investment Financing

The proposed funding for the Capital Programme 2020/21 – 2024/25 is analysed below;

Analysis of Capital Financing						
Source	**Estimate 2020/21**	**Estimate 2021/22**	**Estimate 2022/23**	**Estimate 2023/24**	**Estimate 2024/25**	**TOTAL**
	£	**£**	**£**	**£**	**£**	**£**
Use of Capital Receipts	-2,152,300	0	0	0	0	-2,152,300
Total Use of Grants	-6,228,119	-4,621,559	-927,775	-927,775	-595,000	-13,300,228
Total Use of Earmarked Reserves	-5,537,200	-2,161,547	-1,133,000	-306,000	-677,000	-9,814,747
General Fund	0	-200,000	-200,000	0	0	-400,000
Prudential Borrowing	-10,200,000	-1,900,000	0	0	0	-12,100,000
Capital Financing Total	**-24,117,619**	**-8,883,106**	**-2,260,775**	**-1,233,775**	**-1,272,000**	**-37,767,275**

4.5 New Bids

Members should be aware that the Capital Investment Programme has five new bids.

1. IT Software Defined Wider Area Network (SDWAN)
2. Bus Station Refurbishment
3. Riverside Gateway redevelopment project
4. Development of surplus land asset

5. Treasury Management 2020/21 (Appendix 6)

5.1 The full Treasury Management Strategy, Minimum Revenue Provision Policy and Investment Strategy is attached at Appendix 6.

Taking into account both the revenue and capital budget implications as detailed above, the following table reflects our forecast treasury position.

The Capital Financing Requirement reflects the level of overall approved borrowing for capital purposes, net of any Minimum Revenue Provision (MRP) which is an annual amount charged to the tax payer reflecting repayment of the borrowing over the life of the asset.

£m	2020/21 Estimate
Investments	
Average Investment	13.321
Borrowing	
Actual external borrowing at 31 March	38.189
Internal Borrowing	11.468
The Capital Financing Requirement	**50.307**
Internal Borrowing %	**22.80**

6. Human Resources Statement (Appendix 8)

The Human Resource Statement details the budgeted full time equivalents of 288.77 (282.14 2020/21) by Cluster and Business Unit.

APPENDIX 1

Revenue Budget Summary 2020/21 - 2024/25

Excluding Recharges and Capital

Cluster	Proposed Budget 2020/21 £	Forecast Budget 2021/22 £	Forecast Budget 2022/23 £	Forecast Budget 2023/24 £	Forecast Budget 2024/25 £
Our Council	5,905,000	5,947,300	5,959,900	6,245,400	6,237,600
Our People	1,513,200	1,269,100	1,321,300	1,321,600	1,394,800
Our Place	3,715,600	3,678,400	3,782,000	3,927,500	4,072,500
Cluster Total	**11,133,800**	**10,894,800**	**11,063,200**	**11,494,500**	**11,704,900**
Other Operating Expenditure	**1,832,100**	**2,479,600**	**2,602,400**	**2,606,600**	**2,612,800**
Net Revenue Expenditure	**12,965,900**	**13,374,400**	**13,665,600**	**14,101,100**	**14,317,700**
Transfer to / (from) General Fund	927,500	(9,000)	(7,000)	(48,000)	(64,000)
Transfer to / (from) Earmarked Reserves	452,700	458,500	404,400	316,300	476,300
Amount to be met from Government Grant or Council Tax	**14,346,100**	**13,823,900**	**14,063,000**	**14,369,400**	**14,730,000**
Funding Income					
Revenue Support Grant	(65,000)	(65,000)	(65,000)	(65,000)	(65,000)
Business Rate Retention Scheme	4,186,000	3,160,000	3,207,000	3,268,000	3,327,000
Council Tax Freeze Grant	0	0	0	0	0
Collection Fund Surplus - Council Tax	215,400	100,000	100,000	100,000	100,000
Parish Councils Tax Requirement	2,142,300	2,142,300	2,142,300	2,142,300	2,142,300
New Homes Bonus	736,300	221,000	83,000	0	0
Other Government Grants	620,900	616,600	612,400	608,400	609,400
Council Tax Requirement	**6,510,200**	**6,755,800**	**7,010,700**	**7,275,200**	**7,549,600**
TOTAL FUNDING	**14,346,100**	**12,930,700**	**13,090,400**	**13,328,900**	**13,663,300**
Balanced Budget/Funding Target	**0**	**893,200**	**972,600**	**1,040,500**	**1,066,700**

APPENDIX 1

Summary of WLDC Medium Term Financial Plan 2020/21 - 2024/25

Net Revenue Operating Expenditure

	Proposed Budget 2020/21 £	Forecast Budget 2021/22 £	Forecast Budget 2022/23 £	Forecast Budget 2023/24 £	Forecast Budget 2024/25 £
Expenditure	**37,588,500**	**37,643,400**	**37,899,700**	**37,936,400**	**38,160,700**
Employees	11,574,000	11,608,800	11,860,400	11,854,300	12,179,800
Estimated Capital Implications	(32,800)	(118,100)	(118,100)	(118,100)	(118,100)
Interest Payable	983,000	1,295,800	1,325,800	1,325,800	1,325,800
Other Operating Expenditure-Drainage Board Levies	370,900	379,800	387,800	402,600	410,700
Other Operating Expenditure-Parish Precepts	2,142,300	2,142,300	2,142,300	2,142,300	2,142,300
Premises	932,200	913,400	926,200	954,200	954,200
Supplies and Services	2,342,800	2,269,100	2,220,800	2,259,100	2,223,000
Third Party Payments	1,633,400	1,472,900	1,464,700	1,551,200	1,474,200
Transfer Payments	16,740,600	16,740,600	16,740,600	16,651,800	16,651,800
Transport	902,100	938,800	949,200	913,200	917,000
Income	**(24,866,300)**	**(24,798,100)**	**(24,810,700)**	**(24,411,900)**	**(24,419,600)**
Customer and Client Receipts	(6,839,100)	(6,850,800)	(6,929,300)	(6,502,800)	(6,517,400)
Government Grants	(16,865,000)	(16,905,900)	(16,876,500)	(16,867,300)	(16,857,800)
Interest Receivable	(250,300)	(124,600)	(87,300)	(98,000)	(100,600)
Other Grants and Contributions	(911,900)	(916,800)	(917,600)	(943,800)	(943,800)
Transfers To / (From) Reserves	**1,623,900**	**978,600**	**974,000**	**844,900**	**988,900**
Transfer to / (from) General Fund	927,500	(9,000)	(7,000)	(48,000)	(64,000)
Transfer to / (from) Earmarked Reserves	452,700	458,500	404,400	316,300	476,300
Statutory MRP	243,700	529,100	576,600	576,600	576,600
Amount to be met from Government Grant or Council Tax	**14,346,100**	**13,823,900**	**14,063,000**	**14,369,400**	**14,730,000**
FUNDED BY:					
Revenue Support Grant	(65,000)	(65,000)	(65,000)	(65,000)	(65,000)
Business Rate Retention Scheme	4,186,000	3,160,000	3,207,000	3,268,000	3,327,000
Collection Fund Surplus - Council Tax	215,400	100,000	100,000	100,000	100,000
Parish Council Tax Requirement	2,142,300	2,142,300	2,142,300	2,142,300	2,142,300
New Homes Bonus	736,300	221,000	83,000	0	0
Other Government Grants	620,900	616,600	612,400	608,400	609,400
Council Tax Requirement	**6,510,200**	**6,755,800**	**7,010,700**	**7,275,200**	**7,549,600**
Grand Total	**14,346,100**	**12,930,700**	**13,090,400**	**13,328,900**	**13,663,300**
Balanced Budget/Cumulative Savings Target	**0**	**893,200**	**972,600**	**1,040,500**	**1,066,700**

	Likelihood	Impact	Mitigation
Future available resources less than assumed	**Likely**	**High**	Annual review of reserves. General Fund Working Balance increased Volatility/Contingency earmarked reserves in place. Planning for future reductions above those assumed in the MTFP would be implemented. However the GFB can support any medium term shortfall.
Commercial Projects do not deliver anticipated benefits	**Possible**	**Medium**	Project management and monitoring. Risk Register for each project Appropriate and robust due diligence. Commercial contingency of £200k in base budget
Council is unable to provide a balanced budget in future years.	**Unlikely**	**Medium**	The Council has an adequate level of General Fund Reserves to support balancing the budget over the MTFP should it be required.
Volatility of Business Rates	**Possible**	**Medium**	Volatility of funding stream outside of Council control but impact mitigated by establishment of contributions to an earmarked reserves.
Pay and price increases above budgeted assumptions	**Possible**	**Medium**	Assumption of 2% pay increase annually built into MTFP. Contractual inflation is included in budget. Average utilities % applied. Improved commissioning and procurement expected
Future spending plans	**Possible**	**Low**	All Services carry out effective horizon scanning with profile of service demands (past and future). This informs the MTFP budget modelling throughout the year. Pressures are dealt with as they arise. Contingencies and risk reserves in place.
Anticipated savings/ efficiencies not achieved.	**Possible**	**High**	Impact on longer term financial planning. Regular monitoring and reporting take place. Future funding unknown post 2020/21 but the size of the funding cuts increase the likelihood of this risk. Non achievement of savings would require compensating reductions in planned spending within services. A principle is

			in place to maintain General Reserve at a minimum of 10% of Net Operating Expenditure or £2m represents circa 14%
Income targets not achieved.	**Possible**	**Medium**	Current economic climate likely to impact. Regular monitoring and reporting is undertaken with a full review of fees and charges annually which incorporates trend analysis and future demand estimations. Commercial trading monitor volumes and pricing. Appropriate due diligence for commercial investments undertaken.
Revenue implications of capital programmes not fully anticipated	**Possible**	**Low**	Capital bid approval identifies revenue implications and links to Council priorities. Full analysis of revenue implications assessed and considered in scenario planning and in business case development.
Loss of principal investments	**Unlikely**	**Medium**	Limited by the controls in the Treasury Management Strategy which prioritise security of deposit over returns on a risk based approach. Impact limited due to the strategy of a diverse portfolio with high rated institutions..
New duties imposed by Government	**Likely**	**Low**	It has already been stated that new duties will be transferred to districts, however this will be considered in line with the retention of NNDR. Proactive preparation will be undertaken to engage early and influence the outcome. The availability of general reserves will also help smooth any initial financial impact, pending any reallocation of resources. In the event of new requirements being imposed 'new burdens' funding would also be sought.
Review of NNDR Retention Scheme	**Likely**	**Medium**	Government proposals for 75% of NNDR retention locally will have an impact on the resourcing of WLDC it is not yet known what future income levels will be, although it is assumed that we will revert to a 2013/14 baseline, therefore no growth since this period will be awarded. There will still be a need for government to distribute resources through a Top Up

			and Tariff system. MTFP assumes baseline funding as per 2013/14 from 2021/22 onwards
The cultural change and capability required to deliver against the Council's aspiration may not be realised as quickly as the financial cuts, as changes in business models can take large organisations a number of years to realise regardless of the sector.	**Possible**	**Low**	Programme Board will ensure that the project management framework is effective and that robust business cases are developed prior to approval of projects and that projects are monitored, with issues being raised and escalated at an early stage for consideration.
The assumptions contained within the MTFP are not realised.	**Likely**	**Low**	Prudent assumptions are included in MTFP. A contingency budget in addition to a significant amount of reserves are held to mitigate any in year financial risks or volatility relating to income, or increases in expenditure, and which can be utilised in the event of variations to the assumptions made
Recruitment and Retention of skilled staff	**Likely**	**High**	The increased use of agency/consultants brought in to do the right jobs.

APPENDIX 3

CAPITAL INVESTMENT STRATEGY 2020/21 – 2024/25

1. Introduction

The Council is required to approve a Capital Investment Strategy in accordance with the Prudential Code for Capital Finance In Local Authorities.

The Capital Investment Strategy provides a high level overview of how capital investment, capital financing and treasury management activity supports the provisions of services. It considers associated risks and how they are managed and ensures that future financial implications are identified to inform future years budgets and financial sustainability.

The Strategy forms part of the Council's overall Corporate Planning Framework. It provides a mechanism by which the Council's capital investment and financing decisions can be aligned with the Council's corporate priorities and objectives over a medium term (five year) planning horizon and ensures that the revenue implications of investments are both affordable and sustainable.

The strategy provides a framework for determining the relative importance of individual capital projects. It defines how the capital programme is to be formulated, and it identifies issues and options that influence revenue and capital spending, and sets out how the resources will be managed.

Key elements of the strategy;

- Ensures investments meet our Corporate Plan objectives
- Incorporates the requirements of the Asset Management Plan
- Enables the development of an Capital Investment Programme over the medium term (5 years)
- A framework which will identify priorities for the use of resources for investment.
- Decisions are based on sound business cases.
- Risks are identified and mitigated where possible
- Directly links to the Treasury Management Strategy ensuring an affordable and sustainable Capital Investment Programme in adherence to legislation and the Prudential Code.
- Informs the Medium Term Financial Plan by identifying the revenue impacts of investment decisions.
- Incorporates an annual review to ensure the programme still meets our priorities.
- Considers innovative solutions to funding.

2. Principles Supporting the Capital Investment Strategy

a) Strategy Principles

- The investment programme will support the Council's strategic priorities, therefore, the capital investment programme will link to all key strategic planning documents: specifically the Corporate Plan, Executive Business Plan, Medium Term Financial Plan and the Asset Management Plan.
- Schemes within the programme will be prioritised on an authority wide basis and the process of assessing investments, against specific criteria, will optimise the benefit and relative importance of potential schemes.
- **Responsible Investing (RI) -** investing in opportunities that seek to generate both financial value and sustainable growth*,*
- **Socially responsible investing** (**SRI**), also known as sustainable, socially conscious, "green" or ethical investing, as well as any investment strategy which seeks to consider both financial return and social good.

b) Capital Investment Policy

The Capital Investment Strategy will be underpinned by a Land and Property Investment Policy. The policy ***does not describe detailed operational investment activity but does describe the framework, and principal [underlying] considerations, which the Council will follow when reviewing and subsequently agreeing investment opportunities.*** It is designed to support the goals and objectives as outlined in the Corporate Plan, the general objectives of a UK public sector service provider and the very specific aims; goals and aspirations of the Council members; executive officers and their teams.

c) Finance Principles

- The overarching principal is the commitment to achieve affordable capital investments over the longer term.
- To pursue all available external funding options and opportunities for leverage of external resources.
- Ensure evaluation for value for money investments by whole life costing (where applicable) and by having robust Business Cases with full financial modelling, and appropriate due diligence in estimates in order to inform the full financial implications
- To develop partnerships, including the pursuit of shared services, joint ventures and community arrangements, where appropriate, to achieve the Council's investment aspirations and value for money.

- Monitoring and evaluation of approved budgets will form part of the quarterly budget monitoring reports.
- Monitoring and evaluation of approved Programmes and projects will form part of Performance Management.
- Encourage community engagement by informing on priorities and consultation on proposals.
- To invest in non-treasury activities to support ongoing sustainability in the delivery of services.
- Regularly review Business Cases as schemes are developed and update financial models to inform future budget impacts.

d) Asset Management Principles

The Asset Management Policy ensures that;

- We will take all reasonable and practical steps to ensure the health, safety and wellbeing of staff, visitors and contractors who use or visit our buildings, land or property and who use or are in contact with supporting asset infrastructure.
- We will ensure that all our buildings and land and property assets are fully compliant with current legal requirements, are fit for purpose and managed and maintained in accordance with best practice.
- We will ensure that infrastructure supporting our physical assets is safe and fully compliant with relevant legislative and regulatory requirements.
- All activity on our assets will be carried out in compliance with relevant legislative and statutory requirements.
- We will assess asset related risks and manage such risk in accordance with our corporate risk management policy or in accordance with procedures relevant to the specific asset, its use and function.
- We will retain and/or acquire physical assets which are appropriate to our business and function and dispose of those assets which are not fit for purpose or which cannot support our business or investment criteria.
- We shall continue to actively develop our asset management systems; processes and procedures in a way which is appropriate; efficient; transparent and sustainable and which supports the best management outcomes for our physical assets.

- We shall continue to train and develop staff across the asset management discipline and apply technology and innovation where practical.

- We shall seek continual improvement of our management capability and activities to ensure value for money for all stakeholders.

3. Capital Investment Priorities

The Council's proposed Capital Investment Programme 2019/20 will support the Corporate Plan's key themes;

- Our People – Health and Wellbeing, Leisure, Skills, Vulnerable Groups and Communities, Education and Skills
- Our Place – Economy, Housing Growth, Public Safety and Enviroment
- Our Council – Finance, Customer, Staff and Members

The Council's financial planning process ensures that the decisions about the allocation of capital and revenue resources are taken to achieve a corporate and consistent approach. The key corporate documents and relevant linkages with this strategy include;

The Corporate Plan – priorities for the medium term
The Medium Term Financial Plan - incorporates the Financial Strategy, revenue budget financial impacts of capital investment decisions.
The Reserves Strategy- prioritises the use of reserves for capital and revenue purposes.
The Treasury Management Strategy (including Investment Strategy) informs the affordability and sustainability of prudent investment decisions.
The Commercial Portfolio Strategy – informs how acquisitions of investment properties will be made on a risk based approach
The Value for Money Strategy – Ensuring VFM is achieved from investment decisions.
The Housing Strategy – Supporting housing growth and regeneration within the district.
The Strategic Asset Management Plan – Investment needs of our own land and property holdings
Service Improvement Plans – Investment need for delivery of quality services

4. The Capital Investment Strategy Process

The strategic approach to revenue and capital investment decisions needs to be formalised to ensure that our resources are directed to the most appropriate schemes which both deliver our corporate priorities and which are based on sound business cases. Assessment and prioritisation of capital investments schemes are based on uniform criteria.

Therefore the Capital Investment Strategy Process has been developed which will ensure that prioritisation of investments are directed to deliver Corporate Objectives and delivery of the Executive Business Plan and Service Improvement Plans in addition to generating returns to support delivery of core services.

The process for includes:

- Review existing Capital Programme, timing, budget requirements etc.
- Annual review of existing Projects
- Asset Management Plan – detailed costs of required investment in property portfolio and property assets to be disposed.
- Review of asset replacement programmes
- Consideration of financing availability i.e. Earmarked Reserves, Grant funding, Capital Receipts and Prudential Borrowing
- Business Planning – identifying new schemes and projects for evaluation both capital and revenue.
- Evaluation of all proposed schemes against scoring matrix.
- Consider core service funding requirements and opportunities to invest in non-Treasury assets to generate returns

The final approved Capital Investment Programme and its financial implications, are included within the Medium Term Financial Plan, submitted to the Council annually in March for approval.

Fully costed and appraised business cases for each scheme will be presented to a relevant Board for consideration prior to any decision being made.

The Capital Programme consists of 4 levels of activity;

Pre-Stage 1 – Business Case in preparation
Stage 1 – Budget approved – requires full business case
Stage 2 – Business case approved in principal or awaiting funding
Stage 3 and Business as Usual (BAU) – Approved to spend and funding secured

The investment and the ongoing revenue implications of each scheme are ascertained from the financial implications and appraisals within the business case.

The Capital Investment Value is assessed against the capital definition, and deminimis limits (£10k).

Revenue Implications – include the impact on revenue budgets for running costs/additional staffing etc. and the impact of the cost of borrowing or loss of investment interest if capital receipts and revenue reserves are to be utilised

5. Governance of the Capital Investment Programme

In accordance with the Constitution and governance arrangements, the Council reviews its capital requirements and determines its Capital Programme within the framework of the MTFP and as part of the annual budget process. Resource constraints mean the Council continually needs to priorities expenditure in light of its aims and priorities and considers alternative solutions.

To ensure that available resources are allocated optimally, capital programme planning is determined in parallel with service and revenue budget planning process within the frame work of the MTFP.

New programmes of expenditure will be appraised following a clearly defined Business Case gateway process.

The Council will approve in principal the Capital Investment Programme, and will approve the release of funding for replacement and renewal programmes, this is undertaken annually in March as part of budget setting and the approval of the Medium Term Financial Plan.

The Governance and Audit Committee will provide assurance on this Capital Investment Strategy.

Corporate Policy and Resources Committee will be responsible for approving release of funding for the Capital Investment Programme and will therefore receive reports for each scheme detailing the business case, cost, proposed funding and revenue implications.

Corporate Policy and Resources Committee will receive quarterly monitoring an update reports which may include details of;

- new capital investment schemes
- slippage in programme delivery
- programmes removed or reduced
- virements between schemes
- revisions in spend profile
- overspending
- capital acquisitions and disposals
- loan advances and outstanding loan balances

Progress on specific programmes will also be monitored in relation to projects through the Performance Monitoring reporting framework.

The Programme Board will receive monthly highlight reports

The Management Team will receive quarterly monitoring reports and any exception reporting.

Budget Managers will receive monthly monitoring reports.

6. Capital Financing

The funding of Capital schemes can come from a number of resources, the use of external resources will take precedent ;

- Prudential borrowing
- Revenue contributions and Earmarked Reserves
- Capital Receipts
- External grants and contributions (including S106 and Community Infrastructure Levies (CiL))
- Leasing
- Other sources – i.e. partnerships or private sector involvement

This strategy, the outcomes of which will inform the MTFP, is intended to consider all potential funding options available to the Council and to maximise the financial resources available for investment in corporate priorities and service provision and improvement.

To deliver our strategic objectives, especially in relation to economic and housing growth, regeneration, in addition to investment in commercial property which is designed to provide a revenue return, significant levels of investment will be required, which will result in a borrowing need.

Prudential Borrowing

The Council has discretion to undertake Prudential Borrowing to fund capital projects and acquisitions with the full cost of that borrowing (interest and minimum revenue provision) being funded from Council revenue resources and/or capital receipts. This discretion is subject to complying with the Code's regulatory framework which essentially requires any such borrowing to be prudent, affordable and sustainable. Prudential Borrowing provides an option for funding additional capital development however it has to be funded each year from within the revenue budget and by generating additional ongoing income streams from the investment.

Given the pressure on the Council's revenue budget in future years, prudent use will be made of this discretion in cases and only where there is a clear financial benefit, such as "invest to save", "invest to earn". Consideration will only be given to commercial investments where returns are expected to be higher than the revenue costs of the debt, provision of loans where principal repayments will be utilised as proxy for MRP, borrowing or major regeneration schemes which do not increase revenue expenditure levels in the longer term but provide a beneficial economic and or social impact.

The Council will remain cautious and prudent in the extent of prudential borrowing undertaken to fund new capital investment.

Where prudential borrowing is utilised to fund Capital Investment, financial implication considerations will be provided including the risks and opportunities of the investment over both the payback period and over the repayment period of any debt taken out.

Revenue Contributions and Earmarked Reserves

Our continued prudent approach is to set aside revenue resources to fund capital replacement programmes and asset management funding.

New Homes Bonus Grant will continue to be set aside for the purpose of investment in growth and regeneration (economic and housing) and this strategy has been included in the MTFP.

We will consider future Earmarking of Reserves for service investment needs, invest to save and invest to earn projects and enhancements to our own property assets, in addition to consideration of revenue contingencies, volatility and budget smoothing.

Our own resources will therefore be utilised to fund those schemes which provide a SRI, invest to save schemes which achieve efficiencies, and investment in our operational service asset needs.

Capital Receipts

Capital receipts generated from the following sources and where appropriate utilised as detailed.

- Loans principal repayments – used to repay prudential borrowing
- Receipts from Asset Disposal (operational property assets or surplus land)
- Commercial Portfolio Properties – repayment of borrowing
- Share of RTB Housing Transfer Agreement – future investment
- Insurance settlements – replacement of asset

External Grants and contributions (incl S106 and Community Infrastructure Levy (CiL))

The Council will actively pursue grants and contributions and other innovative solutions to funding of capital investment schemes. This funding will be utilised in the first instance.

Leasing

The use of leasing will be undertaken where alternative funding is not available for vehicles or minor equipment and the revenue budget does not allow for a full capital repayment. Where there is a robust business case then the option of leasing may be considered.

Other Sources of Funding

There are a range of other potential funding sources which may be generated locally either by the Council itself or in partnership with others ie a growing number of private organisations are showing interest where clear joint benefits exist. Each case will be subject to specific financial appraisals and appropriate governance arrangements.

7. Investment in Commercial Properties (Non Treasury Investments)

Any acquisition of Commercial Properties will be in accordance with the Commercial Portfolio Strategy and are being acquired to support delivery of services in a financially sustainable organisation. Up to £30m has been approved for investment in Commercial Property in support and protection of Council Services.

Appropriate experts are engaged as required.

All assets will be assessed against a set criteria and the Chief Finance Officer and Chair of Corporate Policy and Resources will have delegated Authority to complete on the acquisition of assets which score 50 or more out of 70. Any asset which falls below this threshold or registers a zero against any criteria may still be considered but specific justification will need to be provided and the decision to proceed taken to the Corporate Policy and Resources Committee for approval.

An annual review will be undertaken of the Commercial Property Portfolio to ascertain whether its fair value is sufficient to provide security against loss against the capital investment, and therefore adequate to meet the cost of outstanding borrowing.

Under the Minimum Revenue Provision (MRP) Policy, there will be no annual MRP charge for borrowing undertaken to finance Commercial Properties. However voluntary MRP will be considered if appropriate.

A Valuation Volatility Earmarked Reserve has been created with a target balance of 5% of purchase price of the portfolio. This will help mitigate any financial loss of investment upon the sale of an asset should there be any shortfall against outstanding debt. A proportion of the annual revenue income generated from the investment will be allocated for risk provision.

A Commercial Contingency revenue base budget is also included within the MTFP to mitigate the risk of not achieving the desired level of yield from the Portfolio in year.

These investment assets are not deemed to be liquid over the short term but are likely to be held for the medium term of 5-10 years.

A number of prudential indicators in relation to these investments are contained within the Treasury Management Strategy and will be monitored throughout the year.

8. Risk

All capital projects have a risk register, with all risks affecting the project considered. A specific risk of capital investment is the impact on the Council's VAT partial exemption (recovery of exempt VAT upto 5% of overall VAT). If exempt VAT exceeds 5% the whole amount is then irrecoverable. Each scheme is therefore assessed for its impact

9. Conclusion

The Capital Investment Strategy is a working document, which enables the Council to make informed rational capital investment decisions to achieve its corporate priorities and objectives. It provides a framework for determining the relative importance of individual projects.

The strategy will be reviewed annually to ensure that it remains relevant and effective.

Version March 2020
Reviewed Annually
Reviewer Tracey Bircumshaw, Finance and Business Support Manager

Capital Investment Programme 2020/21 - 2024/25

Capital Financing	Estimate 2020/21	Estimate 2021/22	Estimate 2022/23	Estimate 2023/24	Estimate 2024/25	TOTAL CAPITAL INVESTMENT
Grants & Contributions etc	-6,228,119	-4,621,559	-927,775	-927,775	-595,000	-13,300,228
Revenue Financing	-5,537,200	-2,361,547	-1,333,000	-306,000	-677,000	-10,214,747
Useable Capital Receipts	-2,152,300	0	0	0	0	-2,152,300
Prudential Borrowing	-10,200,000	-1,900,000	0	0	0	-12,100,000
Total Capital Programme Funding	**-24,117,619**	**-8,883,106**	**-2,260,775**	**-1,233,775**	**-1,272,000**	**-37,767,275**

TREASURY MANAGEMENT STRATEGY
Minimum Revenue Provision Policy and Annual Investment Strategy

INDEX

1. INTRODUCTION

1.1 Background

The Council is required to operate a balanced budget, which broadly means that cash raised during the year will meet cash expenditure. Part of the treasury management operation is to ensure that this cash flow is adequately planned, with cash being available when it is needed. Surplus monies are invested in low risk counterparties or instruments commensurate with the Council's low risk appetite, providing adequate liquidity initially before considering investment return.

The second main function of the treasury management service is the funding of the Council's capital plans. A 5 year Capital Programme is therefore developed to provide a guide to the borrowing need of the Council after taking into account the availability of other sources of funding, i.e. external grant, earmarked reserves, capital receipts, revenue and capital resources. The management of longer-term cash may involve arranging long or short-term loans (external borrowing), or using longer-term cash flow surpluses in lieu of external borrowing (internal borrowing). On occasion, when it is prudent and economic, any debt previously drawn may be restructured to meet Council risk or cost objectives.

The Council's Corporate Plan identifies the Corporate Objectives of the Council and which then informs capital investment requirements. The 2020/21 to 2024/25 Capital Programme therefore includes significant capital investment which will require resourcing, from revenue, earmarked reserves, capital receipts, grant income, and borrowing.

The contribution the treasury management function makes to the authority is critical, as the balance of debt and investment operations ensure liquidity or the ability to meet spending commitments as they fall due, either on day-to-day revenue or for larger capital projects. The treasury operations will see a balance of the interest costs of debt and the investment income arising from cash deposits affecting the available budget. Since cash balances generally result from reserves and balances, it is paramount to ensure adequate security of the sums invested, as a loss of principal will in effect result in a loss to the General Fund Balance.

Whilst any commercial initiatives or loans to third parties will impact on the treasury function, these activities are generally classed as non-treasury activities, (arising usually from capital expenditure),and are separate from the day to day treasury management activities.

The Chartered Institute of Public Finance and Accountancy (CIPFA) defines treasury management as;

"The management of the local authority's borrowing, investments and cash flows, its banking, money market and capital market transactions; the effective control of the risks associated with those activities; and the pursuit of optimum performance consistent with those risks."

The treasury management activity involves substantial sums of money, which it borrows and invests. This exposes the Council to potential large financial risk, which can include the loss of invested funds, or the revenue consequence of changes in interest rates. Therefore the successful identification, control and monitoring of risk are integral to this function and include credit and counterparty risk, liquidity risk, market or interest rate risk, refinancing risk and legal and regulatory risk.

1.2 Reporting requirements

1.2.1 Capital Investment Strategy

The CIPFA 2017 Prudential and Treasury Management Codes require all Local Authorities to prepare a capital strategy report, which will provide the following:

- a high-level long term overview of how capital expenditure, capital financing and treasury management activity contribute to the provision of services
- an overview of how the associated risk is managed
- the implications for future financial sustainability

The aim of this capital strategy is to ensure that all elected members on the full council fully understand the overall long-term policy objectives and resulting capital strategy requirements, governance procedures and risk appetite.

This capital strategy is reported separately from the Treasury Management Strategy Statement; non-treasury investments will be reported through the former. This ensures the separation of the core treasury function under security, liquidity and yield principles, and the policy and commercialism investments usually driven by expenditure on an asset. The capital strategy will show:

- The corporate governance arrangements for these types of activities;
- Any service objectives relating to the investments;
- The expected income, costs and resulting contribution;
- The debt related to the activity and the associated interest costs;
- The payback period (MRP policy);
- For non-loan type investments, the cost against the current market value;
- The risks associated with each activity.

Where a physical asset is being bought, details of market research, advisers used, (and their monitoring), ongoing costs and investment requirements and any credit information will be disclosed, including the ability to sell the asset and realise the investment cash.

Where the Council has borrowed to fund any non-treasury investment, there should also be an explanation of why borrowing was required and why the Ministry of Housing, Communities and Local Government (MHCLG) Investment Guidance and CIPFA Prudential Code have not been adhered to.

If any non-treasury investment sustains a loss during the final accounts and audit process, the strategy and revenue implications will be reported through the same procedure as the capital strategy.

To demonstrate the proportionality between the treasury operations and the non-treasury operation, high-level comparators are shown throughout this report.

1.2.2 Treasury Management reporting

The Council is required to receive and approve, as a minimum, three main reports each year, which incorporate a variety of policies, estimates and actuals.

Prudential and treasury indicators and treasury strategy (this report) - The first and most important report is forward looking and covers:

- the capital plans (including prudential indicators);
- a Minimum Revenue Provision (MRP) policy (how residual capital expenditure is charged to revenue over time);
- the Treasury Management Strategy (how the investments and borrowings are to be organised) including treasury indicators; and
- an Investment Strategy (the parameters on how investments are to be managed).

A mid-year treasury management report – This will update members with the progress of the capital position, amending prudential indicators as necessary, and whether any policies require revision. In addition, the Corporate Policy and Resources Committee will receive quarterly update reports.

An annual treasury report – This is a backward looking review documents and provides details of a selection of actual prudential and treasury indicators and actual treasury operations compared to the estimates within the strategy.

Scrutiny

The above reports are required to be adequately scrutinised before being recommended to the Council. This role is undertaken by the Governance and Audit Committee.

1.3 Treasury Management Strategy for 2020/21

The strategy for 2020/21 covers two main areas:

Capital issues

- the capital expenditure plans and the associated prudential indicators;
- the Minimum Revenue Provision (MRP) policy.

Treasury management issues

- the current treasury position;
- treasury indicators which limit the treasury risk and activities of the Council;
- prospects for interest rates;
- the borrowing strategy;
- policy on borrowing in advance of need;
- debt rescheduling;
- the investment strategy;
- creditworthiness policy; and
- the policy on use of external service providers.

These elements cover the requirements of the Local Government Act 2003, the CIPFA Prudential Code, MHCLG MRP Guidance, the CIPFA Treasury Management Code and MHCLG Investment Guidance.

1.4 Training

The CIPFA Code requires the responsible officer to ensure that members with responsibility for treasury management receive adequate training in treasury management. This especially applies to members responsible for scrutiny. This is mandatory training for the Governance and Audit Committee and is delivered annually. This training was undertaken on 14 January 2020. Further training will be arranged as required. The training needs of treasury management officers are periodically reviewed.

1.5 Treasury management consultants

The Council uses Link Asset Services, Treasury solutions as its external treasury management advisors.

The Council recognises that responsibility for treasury management decisions remains with the organisation at all times and will ensure that undue reliance is not placed upon our external service providers. All decisions will be undertaken with regards to all available information, including, but not solely, our treasury advisers.

It also recognises that there is value in employing external providers of treasury management services in order to acquire access to specialist skills and resources. The Council will ensure that the terms of their appointment and the methods by which their value will be assessed are properly agreed and documented, and subjected to regular review.

The scope of investments within the Council's operations now includes both conventional treasury investments, (the placing of residual cash from the Council's functions), and more commercial type investments, such as investment properties. The commercial type investments require specialist advisers, and the Council currently uses Cushman and Wakefield in relation to this activity.

2. THE CAPITAL PRUDENTIAL INDICATORS 2020/21 – 2022/23

The Council's capital expenditure plans are the key driver of treasury management activity. The output of the capital expenditure plans is reflected in the prudential indicators, which are designed to assist members' overview and confirm capital expenditure plans.

1.1 Capital expenditure

This prudential indicator is a summary of the Council's capital expenditure plans which are included in the approved Capital Programme and which are the key drivers to treasury management activity. The output of the programme is reflected in the Council's prudential indicators, which are designed to provide Members with an overview and Members are asked to approve the capital expenditure forecasts:

Capital Expenditure By Cluster £m	2018/19 Actual	2019/20 Estimate	2020/21 Estimate	2021/22 Estimate	2022/23 Estimate
Our People	1.258	1.870	1.301	0.694	0.595
Our Place	6.132	13.438	14.991	7.890	1.181
Our Council	0.195	0.332	0.826	0.300	0.485
Investment	13.494	7.015	7.000	0.000	0.000
Total	**21.079**	**22.655**	**24.118**	**8.883**	**2.261**

Capital expenditure can be financed from a range of external and internal sources. External sources include private sector contributions ie S106 developer agreements, as well as government grants. Internal sources include capital receipts, earmarked reserves, and revenue contributions.

The table below summarises the above capital expenditure plans and how these plans are being financed by capital or revenue resources. Any shortfall of resources results in a financing need ie borrowing.

Financing of capital expenditure £m	2018/19 Actual	2019/20 Estimate	2020/21 Estimate	2021/22 Estimate	2022/23 Estimate
Capital receipts	0.000	0.435	2.152	0.000	0.000
External Grants	1.578	1.322	5.728	4.622	0.928
S106	0	0.360	0.500	0.000	0.000
Earmarked Reserves	1.053	2.954	5.538	2.161	1.133
Revenue Resources	0	0.185	0	0.200	0.200
Net financing need for the year	**18.448**	**17.399**	**10.200**	**1.900**	**0.00**

Other long-term liabilities. The above financing need excludes other long term liabilities, such as leasing arrangements which already include borrowing instruments**.**

The forecast of Revenue and Capital Reserves after taking into account contributions to and from these reserves for both capital and revenue purposes are detailed in the table below;

Year End Resources £m	2018/19 Actual	2019/20 Estimate	2020/21 Estimate	2021/22 Estimate	2022/23 Estimate
General Fund Balance	3.850	3.646	4.114	3.905	3.651
Earmarked Reserves	15.834	9.440	4.378	2.895	2.761
Total Revenue Reserves	**19.684**	**13.086**	**8.492**	**6.800**	**6.412**
Capital receipts	3.360	2.823	2.139	2.205	2.271
Capital Grants Unapplied	0.587	0.000	0.000	0.000	0.000
Total Capital Reserves	**3.947**	**2.823**	**2.139**	**2.205**	**2.271**
Total Useable Reserves	**23.631**	**15.909**	**10,361**	**9.005**	**8.683**

1.2 The Council’s borrowing need (the Capital Financing Requirement)

The second prudential indicator is the Council’s Capital Financing Requirement (CFR). The CFR is simply the total historic outstanding capital expenditure which has not yet been paid for from either revenue or capital resources. It is essentially a measure of the Council’s indebtedness and its underlying borrowing need. Any capital expenditure above, which has not immediately been paid for through a revenue or capital resource, will increase the CFR.

The CFR does not increase indefinitely, as the minimum revenue provision (MRP) is a statutory annual revenue charge which broadly reduces the indebtedness in line with each asset's life, and so charges the economic consumption of capital assets as they are used.

The CFR includes any other long-term liabilities (e.g. finance leases). Whilst these increase the CFR, and therefore the Council's borrowing requirement, these types of scheme include a borrowing facility by the lease provider and so the Council is not required to separately borrow for these schemes. The Council is asked to approve the CFR projections below:

£m	**2018/19 Actual**	**2019/20 Estimate**	**2020/21 Estimate**	**2021/22 Estimate**	**2022/23 Estimate**
Capital Financing Requirement					
Accounting Adj	1.065	1.065	1.065	1.065	1.065
Finance Leases	0.000	0.000	0.000	0.000	0.000
Prudential Borrowing	22.016	39.305	49.242	50.592	49.220
Total CFR	**23.081**	**40.370**	**50.307**	**51.657**	**50.285**
Of which: Commercial Investment Property	**15.921**	**22.999**	**30.000**	**30.000**	**30.000**
Movement in CFR	**18.367**	**17.289**	**9.937**	**1.350**	**-1.372**

Movement in CFR represented by					
Net financing need for the year (above)	18.403	17.399	10.200	1.900	0.000
Less MRP and other financing movements	-0.036	-0.110	-0.263	-0.550	-1.372
Movement in CFR	**18.367**	**17.289**	**9.937**	**1.350**	**-1.372**

Note:

1. *In 2018/19 the MRP includes finance lease annual principal payments*

A key aspect of the regulatory and professional guidance is that elected members are aware of the size and scope of any commercial activity in relation to the authority's overall financial position. The capital expenditure figures shown in 2.1 and the details above demonstrate the scope of this activity and, by approving these figures, consider the scale proportionate to the Authority's remaining activity.

3. BORROWING

The capital expenditure plans set out in Section 2 provide details of the service activity of the Council. The treasury management function ensures that the Council's cash is organised in accordance with the relevant professional codes, so that sufficient cash is available to meet this service activity and the Council's capital strategy. This will involve both the organisation of the cash flow and, where capital plans require, the organisation of appropriate borrowing facilities. The strategy covers the relevant treasury / prudential indicators, the current and projected debt positions and the annual investment strategy.

3.1 Core funds and expected investment balances

The application of resources (capital receipts, reserves etc.) to either finance capital expenditure or other budget decisions to support the revenue budget will have an ongoing impact on investments unless resources are supplemented each year from new sources (asset sales etc.). Detailed below are estimates of the year-end balances for each resource and anticipated day-to-day cash flow balances.

Year End Resources £m	**2018/19 Actual**	**2019/20 Estimate**	**2020/21 Estimate**	**2021/22 Estimate**	**2022/23 Estimate**
CFR	23.082	40.371	50.307	51.657	50.285
Less Leases	0.000	0.000	0.000	0.000	0.000
Borrowing CFR	**23.082**	**40.371**	**50.307**	**51.657**	**50.285**
Less PWLB Borrowing	11.000	28.189	38.189	44.089	44.089
Over(-)/Under Borrowing	**12.082**	**12.182**	**12.118**	**7.568**	**6.196**
General Fund Balance	-3.850	-3.340	-4.276	-4.069	-3.862
Earmarked Reserves	-15.834	-13.858	-8.773	-7.070	-6.342
Capital receipts	-3.360	-2.823	-2.139	-2.205	-2.271
Capital Grants Unapplied	-0.587	0.000	0.000	0.000	0.000
Provisions	-1.000	-1.000	-1.000	-1.000	-1.000
Working capital*	1.235	1.235	1.235	1.235	1.235
Expected investments (-) /Borrowing	**-11.314**	**-7.604**	**-2.835**	**-5.541**	**-6.044**

*Working capital balances shown are estimated year-end; these may be higher mid-year

3.2 Current portfolio position

The Council's forward projections for borrowing are summarised below. The table shows the actual external debt (the treasury management operations), against the underlying capital borrowing need (the Capital Financing Requirement - CFR), and internal borrowing as a percentage of the CFR.

£m	2018/19 Actual	2019/20 Estimate	2020/21 Estimate	2021/22 Estimate	2022/23 Estimate
External Debt					
Debt at 1 April	0	11.000	28.189	38.189	44.089
Expected change in Debt	11.000	17.189	10.000	5.900	0.000
Other long-term liabilities (OLTL)	0.027	0.000	0.000	0.000	0.000
Expected change in OLTL	-0.027	0.000	0.000	0.000	0.000
Gross external debt at 31 March	**11.000**	**28.189**	**38.189**	**44.089**	**44.089**
Internal Borrowing (at 31 March)	11.058	11.268	11.468	7.468	7.468
The Capital Financing Requirement	**23.081**	**40.370**	**50.307**	**51.657**	**50.285**
Internal Borrowing %	**47.91**	**27.91**	**22.80**	**14.46**	**14.85**

Within the prudential indicators there are a number of key indicators to ensure that the Council operates its activities within well-defined limits. One of these is that the Council needs to ensure that its gross debt does not, except in the short term, exceed the total of the CFR in the preceding year plus the estimates of any additional CFR for 2019/20 and the following two financial years. This allows some flexibility for limited early borrowing for future years, but ensures that borrowing is not undertaken for revenue or speculative purposes.

The Executive Director of Resources reports that the Council complied with this prudential indicator in the current year and does not envisage difficulties for the future. This view takes into account current commitments, existing plans, and the proposals in this budget report.

3.3 Treasury Indicators: limits to borrowing activity

The operational boundary. This is the limit beyond which external debt is not normally expected to be exceeded. In most cases, this would be a similar figure to the CFR, but may be lower or higher depending on the levels of actual debt and the ability to fund under-borrowing by other cash resources.

Operational boundary £m	2019/20 Estimate	2020/21 Estimate	2021/22 Estimate	2022/23 Estimate
External Debt	40.588	44.089	44.089	44.089
Operational Boundary	**40.588**	**44.089**	**44.089**	**44.089**

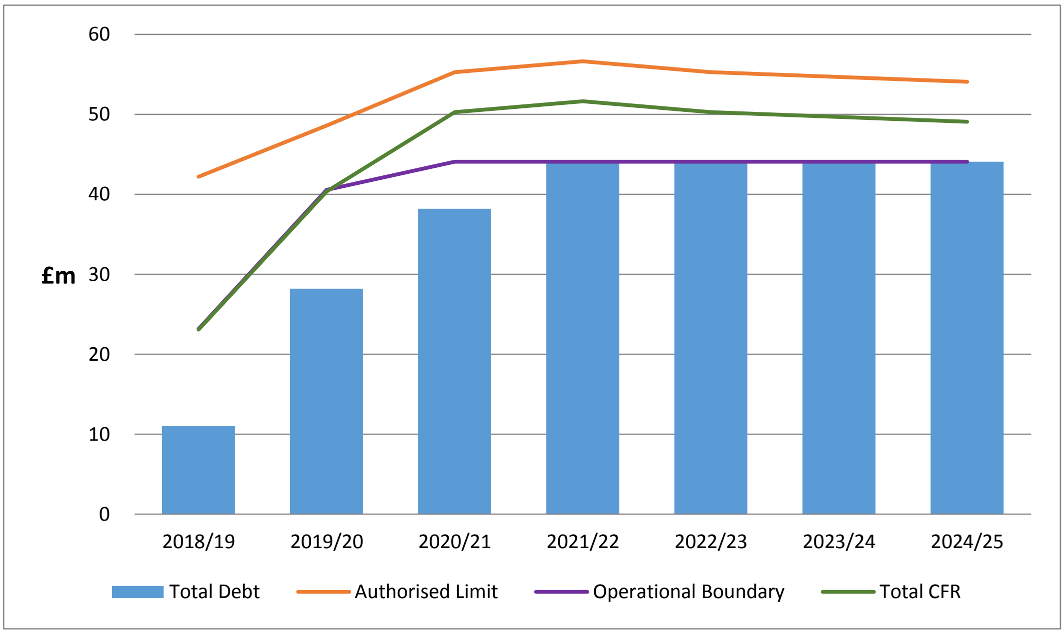
The authorised limit for external debt. A further key prudential indicator represents a control on the maximum level of borrowing. This represents a limit beyond which external debt is prohibited, and this limit needs to be set or revised by the full Council. It reflects the level of external debt which, while not desired, could be afforded in the short term, but is not sustainable in the longer term.

1. This is the statutory limit determined under section 3 (1) of the Local Government Act 2003. The Government retains an option to control either the total of all councils' plans, or those of a specific council, although this power has not yet been exercised.
2. The Council is asked to approve the following authorised limit:

Authorised limit £m	2019/20 Estimate	2020/21 Estimate	2021/22 Estimate	2022/23 Estimate
Gross Debt*	48.589	55.307	56.657	55.285
Authorised Limit	**48.589**	**55.307**	**56.657**	**55.285**

**Gross debt estimates allow for external borrowing in advance of need for up to a maximum of two years and includes additional headroom of £5m for unexpected cashflow movements.*

The graph below shows our projections of CFR and borrowing;



3.4 Prospects for interest rates

The Council has appointed Link Asset Services as its treasury advisor and part of their service is to assist the Council to formulate a view on interest rates. The following table gives our central view.

Link Asset Services Interest Rate View	Dec-19	Mar-20	Jun-20	Sep-20	Dec-20	Mar-21	Jun-21	Sep-21	Dec-21	Mar-22	Jun-22	Sep-22	Dec-22	Mar-23
Bank Rate View	0.75	0.75	0.75	0.75	0.75	1.00	1.00	1.00	1.00	1.00	1.25	1.25	1.25	1.25
3 Month LIBID	0.70	0.70	0.70	0.80	0.90	1.00	1.00	1.00	1.10	1.20	1.30	1.30	1.30	1.30
6 Month LIBID	0.80	0.80	0.80	0.90	1.00	1.10	1.10	1.20	1.30	1.40	1.50	1.50	1.50	1.50
12 Month LIBID	1.00	1.00	1.00	1.10	1.20	1.30	1.30	1.40	1.50	1.60	1.70	1.70	1.70	1.70
5yr PWLB Rate	2.30	2.40	2.40	2.50	2.50	2.60	2.70	2.80	2.90	2.90	3.00	3.10	3.20	3.20
10yr PWLB Rate	2.60	2.70	2.70	2.70	2.80	2.90	3.00	3.10	3.20	3.20	3.30	3.30	3.40	3.50
25yr PWLB Rate	3.20	3.30	3.40	3.40	3.50	3.60	3.70	3.70	3.80	3.90	4.00	4.00	4.10	4.10
50yr PWLB Rate	3.10	3.20	3.30	3.30	3.40	3.50	3.60	3.60	3.70	3.80	3.90	3.90	4.00	4.00

(A more detailed interest rate forecast and economic commentary are set out in appendices B and C)

The above forecasts have been based on an assumption that there is an agreed deal on Brexit, including agreement on the terms of trade between the UK and EU, at some point in time. The result of the general election has removed much uncertainty around this major assumption. However, it does not remove uncertainty around whether agreement can be reached with the EU on a trade deal within the short time to December 2020, as the prime minister has pledged.

It has been little surprise that the Monetary Policy Committee (MPC) has left Bank Rate unchanged at 0.75% so far in 2019 due to the ongoing uncertainty over Brexit and more recently, due to the impending general election. In its meeting on 7 November, the MPC became more dovish due to increased concerns over the outlook for the domestic economy if Brexit uncertainties were to become more entrenched, and for weak global economic growth: if those uncertainties were to materialise, then it is likely the MPC would cut Bank Rate. However, if they were both to dissipate, then rates would need to rise at a "gradual pace and to a limited extent". Brexit uncertainty has had a dampening effect on UK GDP growth in 2019, especially around mid-year. There is still some residual risk that the MPC could cut Bank Rate as the UK economy is still likely to only grow weakly in 2020 due to continuing uncertainty over whether there could effectively be a no deal Brexit in December 2020 if agreement on a trade deal is not reached with the EU. Until that major uncertainty is removed, or the period for agreeing a deal is extended, it is unlikely that the MPC would raise Bank Rate.

Investment and borrowing rates

- Investment returns are likely to remain low during 2020/21 with little increase in the following two years. However, if major progress was made with an agreed Brexit, then there is upside potential for earnings.

- Borrowing interest rates were on a major falling trend during the first half of 2019-20 but then jumped up by 100 bps on 9.10.19. The policy of avoiding new borrowing by running down spare cash balances has served local authorities well over the last few years. However, the unexpected increase of 100 bps in PWLB rates requires a major rethink of local authority treasury management strategy and risk management.

- While this authority will not be able to avoid borrowing to finance new capital expenditure, to replace maturing debt and the rundown of reserves, there will be a cost of carry, (the difference between higher borrowing costs and lower investment returns), to any new short or medium-term borrowing that causes a temporary increase in cash balances as this position will, most likely, incur a revenue cost.

3.5 Borrowing strategy

The Borrowing Strategy covers the relevant prudential and treasury indicators, and the current and projected debt positions as detailed above.

The key objectives of the Council's Borrowing Strategy are;

- To ensure that future external debt is affordable and sustainable within the long term within the revenue budget constraints.
- to borrow to support commercial aspirations, where returns can meet the cost of borrowing.
- to support schemes with a socio-economic value ie for the regeneration and growth of the District.
- to support significant service investment where the cost of borrowing will be offset by efficiencies and/or cost savings
- to potentially borrow in advance of need so that external debt (fixed rate funding) is arranged whilst interest rates are lower than they are projected to be over the next few years; and
- all external debt undertaken will be repaid on loan maturities

The Council is currently maintaining an under-borrowed position. This means that the capital borrowing need (the Capital Financing Requirement), has not been fully funded with external loan debt as cash supporting the Council's reserves, balances and cash flow has been used as a temporary measure. This strategy is prudent as investment returns are low and counterparty risk is still an issue that needs to be considered.

Against this background and the risks within the economic forecast, caution will be adopted with the 2020/21 treasury operations. The Executive Director of Resources will monitor interest rates in financial markets and adopt a pragmatic approach to changing circumstances:

* *if it was felt that there was a significant risk of a sharp FALL in long and short term rates,* (e.g. due to a marked increase of risks around relapse into recession or of risks of deflation), then long term borrowings will be postponed, and potential rescheduling from fixed rate funding into short term borrowing will be considered.

* *if it was felt that there was a significant risk of a much sharper RISE in long and short term rates than that currently forecast,* perhaps arising from an acceleration in the rate of increase in central rates in the USA and UK, an increase in world economic activity, or a sudden increase in inflation risks, then the portfolio position will be re-appraised. Most likely, fixed rate funding will be drawn whilst interest rates are lower than they are projected to be in the next few years.

Any decisions will be reported to the appropriate decision making body at the next available opportunity.

3.6 Policy on borrowing in advance of need

The Council will not borrow more than or in advance of its needs purely in order to profit from the investment of the extra sums borrowed. Any decision to borrow in advance will be within forward approved Capital Financing Requirement estimates, and will be considered carefully to ensure that value for money can be demonstrated and that the Council can ensure the security of such funds.

Risks associated with any borrowing in advance activity will be subject to prior appraisal and subsequent reporting through the mid-year or annual reporting mechanism.

3.7 Debt Rescheduling

Rescheduling of current borrowing in our debt portfolio is unlikely to occur as the 100 bps increase in PWLB rates only applied to new borrowing rates and not to premature debt repayment rates.

If rescheduling was done, it will be reported to the Council, at the earliest meeting following its action.

3.8 New financial institutions as a source of borrowing

Following the decision by the PWLB on 9 October 2019 to increase their margin over gilt yields by 100 bps to 180 basis points on loans lent to local authorities, consideration will also need to be given to sourcing funding at cheaper rates from the following:

- Local authorities (primarily shorter dated maturities)
- Financial institutions (primarily insurance companies and pension funds but also some banks, out of spot or forward dates)

- Municipal Bonds Agency (no issuance at present but there is potential)

The degree which any of these options proves cheaper than PWLB Certainty Rate is still evolving at the time of writing but our advisors will keep us informed.

3.9 Approved sources of Long and Short Term Borrowing

The table below details approved sources of Long and Short term borrowing and the percentage limit (if applicable) of the Council's total borrowing that can be utilised for each source.

On Balance Sheet	Fixed	Variable
PWLB	Unlimited	25%
Municipal bond agency	Unlimited	0
Local authorities	Unlimited	0
Banks	25%	10%
Market (long-term)	25%	10%
Market (temporary)	25%	10%
Local authorities temporary	25%	N/A
Local Bonds	25%	10%
Overdraft (notified in advance)		£1m
Internal (capital receipts & revenue balances)	50%	N/A
Finance leases	Unlimited	N/A

4.0 ANNUAL INVESTMENT STRATEGY

4.1 Investment policy – management of risk

The MHCLG and CIPFA have extended the meaning of 'investments' to include both financial and non-financial investments. This report deals solely with financial investments, (as managed by the treasury management team). Non-financial investments, essentially the purchase of income yielding assets, are covered in the Capital Strategy.

The Council's investment policy has regard to the following:

- MHCLG's Guidance on Local Government Investments ("the Guidance")
- CIPFA Treasury Management in Public Services Code of Practice and Cross Sectoral Guidance Notes ("the CIPFA TM Code") 2017.
- CIPFA Treasury Management Guidance Notes 2018

The Council's investment priorities will be security first, liquidity second, then yield (return).

In accordance with the above guidance from the MHCLG and CIPFA, and in order to minimise the risk to investments, the Council applies minimum acceptable credit criteria in order to generate a list of highly creditworthy counterparties which also enables diversification and thus avoidance of concentration risk. The key ratings used to monitor counterparties are the Short Term and Long Term ratings.

Ratings will not be the sole determinant of the quality of an institution; it is important to continually assess and monitor the financial sector on both a micro and macro basis and in relation to the economic and political environments in which institutions operate. The assessment will also take account of information that reflects the opinion of the markets. To achieve this consideration the Council will engage with its advisors to maintain a monitor on market pricing such as “credit default swaps” and overlay that information on top of the credit ratings.

Other information sources used will include the financial press, share price and other such information pertaining to the banking sector in order to establish the most robust scrutiny process on the suitability of potential investment counterparties.

Investment instruments identified for use in the financial year are listed in Appendix D under the ‘specified’ and ‘non-specified’ investments categories. Counterparty limits will be as set through the Council’s treasury management practices – schedules.

As a result of the change in accounting standards for 2019/20 under **IFRS 9,** this authority will consider the implications of investment instruments which could result in an adverse movement in the value of the amount invested and resultant charges at the end of the year to the General Fund. (In November 2018, the Ministry of Housing, Communities and Local Government, [MHCLG], concluded a consultation for a temporary override to allow English local authorities time to adjust their portfolio of all pooled investments by announcing a statutory override to delay implementation of IFRS 9 for five years commencing from 1.4.18.)

4.2 Creditworthiness policy

This Council applies the creditworthiness service provided by Link Asset Services. This service employs a sophisticated modelling approach utilising credit ratings from the three main credit rating agencies - Fitch, Moody’s and Standard & Poor’s. The credit ratings of counterparties are supplemented with the following overlays:

- credit watches and credit outlooks from credit rating agencies;
- CDS spreads to give early warning of likely changes in credit ratings;
- sovereign ratings to select counterparties from only the most creditworthy countries.

This modelling approach combines credit ratings, credit Watches and credit Outlooks in a weighted scoring system which is then combined with an overlay of CDS spreads for which the end product is a series of colour coded bands which indicate the relative creditworthiness of counterparties. These colour codes are used by the Council to determine the suggested duration for investments. The Council will therefore use counterparties within the following durational bands:

- Yellow 5 years
- Dark pink 5 years for Ultra-Short Dated Bond Funds with a credit score of 1.25
- Light pink 5 years for Ultra-Short Dated Bond Funds with a credit score of 1.5
- Purple 2 years
- Blue 1 year (only applies to nationalised or semi nationalised UK Banks)
- Orange 1 year
- Red 6 months
- Green 100 days
- No colour not to be used

Y	Pi1	Pi2	P	B	O	R	G	N/C
1	1.25	1.5	2	3	4	5	6	7
Up to 5yrs	Up to 5yrs	Up to 5yrs	Up to 2yrs	Up to 1yr	Up to 1yr	Up to 6mths	Up to 100days	No Colour

The Link Asset Services' creditworthiness service uses a wider array of information other than just primary ratings. Furthermore, by using a risk weighted scoring system, it does not give undue preponderance to just one agency's ratings.

Typically the minimum credit ratings criteria the Council use will be a Short Term rating (Fitch or equivalents) of F1 and a Long Term rating of A-. There may be occasions when the counterparty ratings from one rating agency are marginally lower than these ratings but may still be used. In these instances consideration will be given to the whole range of ratings available, or other topical market information, to support their use.

All credit ratings will be monitored weekly. The Council is alerted to changes to ratings of all three agencies through its use of the Link Asset Services' creditworthiness service.

- if a downgrade results in the counterparty / investment scheme no longer meeting the Council's minimum criteria, its further use as a new investment will be withdrawn immediately.
- in addition to the use of credit ratings the Council will be advised of information in movements in credit default swap spreads against the iTraxx benchmark and other market data on a daily basis via its Passport website, provided exclusively to it by Link Asset Services. Extreme market movements may result in downgrade of an institution or removal from the Council's lending list.

Sole reliance will not be placed on the use of this external service. In addition this Council will also use market data and market information, information on any external support for banks to help support its decision making process.

The primary principle covering the Council's investment criteria is the security of it's investments, although the yield or return on the investment is also a key consideration. After this main principle, the Council will ensure that:

- It maintains a policy covering both the categories of investment types it will invest in, criteria for choosing the investment counterparties with adequate security and monitoring their security. This is set out in the specified and non-specified investment sections below; and

- It has sufficient liquidity in its investments. For this purpose it will set out procedures for determining the maximum periods for which funds may be prudently committed. These procedures also apply to the Council's prudential indicators covering the maximum principal sums invested.

The Executive Director of Resources will maintain a counterparty list in compliance with the following criteria and will revise the criteria and submit them to Council for approval as necessary. These criteria are separate to that which determines which types of investment instrument are either specified or non-specified as it provides an overall pool of counterparties considered high quality which the Council may use, rather than defining what types of investment instruments are to be used.

Credit rating information is supplied by Link Asset Services, our treasury consultants, on all active counterparties that comply with the criteria below. Any counterparty failing to meet the criteria would be omitted from the counterparty (dealing) list. Any rating changes, rating Watches (notification of a likely change), rating Outlooks (notification of possible longer term change) are provided to officers almost immediately after they occur and this information is considered before dealing.

The criteria for providing a pool of high quality investment counterparties (both specified and non specified investments) is:

- Banks 1 – good credit quality – the Council will only use banks which:
  i. Are UK banks; and/or
  ii. Are non-UK and domiciled in a country which has a minimum sovereign Long Term rating of AA

  And have, as a minimum the following Fitch, Moody's and Standard & Poors credit ratings (where rated):

  i. Short Term – F1
  ii. Long Term – A

- Banks 2 – Part nationalised UK bank, can be used provided the bank continues to be part nationalised or it meets the ratings in Banks 1 above.

- Banks 3 – The Council's own banker for transactional purposes if the bank falls below the above criteria, although in this case the balances will be minimised in both monetary size and time invested.
- Bank subsidiary and treasury operation – The Council will use these where the parent bank has provided an appropriate guarantee or has the necessary ratings outlined above.
- Building Societies – The Council will use all societies which:

i. Meet the ratings for banks outlined above;

- Money Market Funds (MMFs) – AAA
- Enhanced Money Market Funds (EMMFs) – AAA
- UK Government (including gilts, treasury bonds and the DMADF)
- Local Authorities, parish councils etc
- Supernational institutions
- Local Authority Property Asset Fund (CCLA)
- Corporate Bond Funds
- Covered Bonds

Use of additional information other than credit ratings. Additional requirements under the Code require the Council to supplement credit rating information. Whilst the above criteria relies primarily on the application of credit ratings to provide a pool of appropriate counterparties for officers to use, additional operational market information will be applied before making any specific investment decision from the agreed pool of counterparties. This additional market information (for example Credit Default Swaps, negative rating Watches/Outlooks) will be applied to compare the relative security of differing investment counterparties.

Time and monetary limits applying to investments. The time and monetary limits for institutions on the Council's counterparty list are as follows (these will cover both specified and non-specified investments). It should be noted that in the case of Lloyds Bank, our current bankers, that as well as allowing £5m fixed term investment in that one institution that there is flexibility to hold, in current account balances at Lloyds Bank, up to £1m 'cash' on any one day:

	Fitch	Moody's	Standard & Poors	Money Limit	Time Limit
Banks 1 – up to 1 year	**F1**	**P1**	**A1**	**£5m per counterparty at Group level**	**1 year**
Banks 1 – over 1 year	**AA**	**Aa2**	**AA**	**£2m maximum exposure**	**1 year to 5 years**
Banks 2 – UK part nationalised				**£5m per counterparty at Group Level**	**1 year**
Banks 3 – Council's own				**£1m**	**1 Day**

bank if not covered by 1 or 2					
Other Local Authorities				**£5m per counterparty**	**5 years**
Housing Associations				**£1m maximum exposure**	**6 mths**
Bank of England DMADF				**No limit**	**6 mths**
Gilts/Treasury Bills – where no loss of principal if held to maturity				**£5m maximum exposure**	**5 years**
Supranational				**£5m per counterparty**	**1 year**
Quality Corporate Bonds Funds				**£2m**	**5 years**
Local Authority Property Asset Funds				**£4m**	**5 years**
Certificates of Deposit				**£2m**	**5 years**
Covered Bonds				**£1m**	**5 years**
	Fund rating			**Money and/or % Limit**	**Time Limit**
Money market funds	**AAA**			**£5m per counterparty**	**Overnight**
Enhanced money market funds	**AAA**			**£5m**	**5 years**

UK banks – ring fencing

The largest UK banks, (those with more than £25bn of retail / Small and Medium-sized Enterprise (SME) deposits), are required, by UK law, to separate core retail banking services from their investment and international banking activities by 1st January 2019. This is known as "ring-fencing". Whilst smaller banks with less than £25bn in deposits are exempt, they can choose to opt up. Several banks are very close to the threshold already and so may come into scope in the future regardless.

Ring-fencing is a regulatory initiative created in response to the global financial crisis. It mandates the separation of retail and SME deposits from investment banking, in order to improve the resilience and resolvability of banks by changing their structure. In general, simpler, activities offered from within a ring-fenced bank, (RFB), will be focused on lower risk, day-to-day core transactions, whilst more complex and "riskier" activities are required to be housed in a separate entity, a non-ring-fenced bank, (NRFB). This is intended to ensure that an entity's core activities are not adversely affected by the acts or omissions of other members of its group.

While the structure of the banks included within this process may have changed, the fundamentals of credit assessment have not. The Council will continue to assess the new-formed entities in the same way that it does others and those with sufficiently high ratings, (and any other metrics considered), will be considered for investment purposes.

4.3 Country limits

The Council has determined that it will only use approved counterparties from countries with a minimum sovereign credit rating of AA from Fitch. The list of countries that qualify using this credit criteria as at the date of this report are shown in Appendix E. This list will be added to, or deducted from, by officers should ratings change in accordance with this policy.

In addition

- No more than £2m will be placed with any non-UK country at any time;
- Limits in place above will apply to a group of companies;
- Sector limits will be monitored regularly for appropriateness

4.4 Investment strategy

In-house funds. Investments will be made with reference to the core balance and cash flow requirements and the outlook for short-term interest rates (i.e. rates for investments up to 12 months). Longer term investment will be undertaken where it is anticipated that levels of reserves and cashflows are adequate over the medium term.

- If it is thought that Bank Rate is likely to rise significantly within the time horizon being considered, then consideration will be given to keeping most investments as being short term or variable.

- Conversely, if it is thought that Bank Rate is likely to fall within that time period, consideration will be given to locking in higher rates currently obtainable, for longer periods.

Investment returns expectations.

On the assumption that the UK and EU agree a Brexit deal by the end of 2019 or soon after, then Bank Rate is forecast to increase only slowly over the next few years to reach 1.00% by quarter 1 2023. Bank Rate forecasts for financial year ends (March) are:

- Q1 2021 0.75%
- Q1 2022 1.00%
- Q1 2023 1.00%

The suggested budgeted investment earnings rates for returns on investments placed for periods up to about three months during each financial year are as follows:

2019/20	0.75%
2020/21	0.75%
2021/22	1.00%
2022/23	1.25%
2023/24	1.50%
2024/25	1.75%
Later years	2.25%

- The overall balance of risks to economic growth in the UK is probably to the downside due to the weight of all the uncertainties over Brexit, as well as a softening global economic picture.
- The balance of risks to increases in Bank Rate and shorter term PWLB rates are broadly similarly to the downside.
- In the event that a Brexit deal is agreed with the EU and approved by Parliament, the balance of risks to economic growth and to increases in Bank Rate is likely to change to the upside.

The Council is expecting to have an average investment portfolio of £13.312m throughout 2020/21 and expects to receive investment income totalling £0.251m as shown below:

Treasury Investment Portfolio	Average Portfolio £m	Interest Rate %	Interest £m
Liquidity Investments	9.790	0.89	0.087
Other Investments	1.022	3.82	0.039
Long Term Investments	2.500	4.99	0.125
Total Investment Income (2020/2021)			**0.251**

Investment treasury indicator and limit - total principal funds invested for greater than 365 days. These limits are set with regard to the

Council's liquidity requirements and to reduce the need for early sale of an investment, and are based on the availability of funds after each year-end.

The Council is asked to approve the treasury indicator and limit:

Maximum principal sums invested > 364 & 365 days			
£m	**2020/21**	**2021/22**	**2022/23**
Principal sums invested > 365 days	£6m	£6m	£6m

For its cash flow generated balances, the Council will seek to utilise its business reserve instant access and notice accounts, money market funds and short-dated deposits (overnight to 100 days) in order to benefit from the compounding of interest.

4.5 Investment risk benchmarking

These benchmarks are simple guides to maximum risk, so they may be breached from time to time, depending on movements in interest rates and counterparty criteria. The purpose of the benchmark is that officers will monitor the current and trend position and amend the operational strategy to manage risk as conditions change. Any breach of the benchmarks will be reported, with supporting reasons in the mid-year or Annual Report.

Security - The Council's maximum security risk benchmark for the current portfolio, when compared to these historic default tables, is:

- 0.06% historic risk of default when compared to the whole portfolio**.**

Liquidity – in respect of this area the Council seeks to maintain:

- Liquid short term deposits of at least £4m available with a week's notice.
- Weighted average life benchmark is expected to be 0.25 years, with a maximum of 1 years.

Yield - local measures of yield benchmarks are;

- Investments – internal returns above the 7 day LIBID rate

And in addition that the security benchmark for each individual year is:

	1 year	2 years	3 years	4 years	5 years
Maximum	**0.07%**	**0.19%**	**0.36%**	**0.55%**	**0.77%**

Note: This benchmark is an average risk of default measure, and would not constitute an expectation of loss against a particular investment.

4.6 End of year investment report

At the end of the financial year, the Council will report on its investment activity as part of its Annual Treasury Report.

4.7 Non-Treasury Investments (Commercial Property)

As part of the Capital Programme 2016/17 – 2020-21 approved in March 2016 the Council planned to invest £20m to create a Commercial Property portfolio, to generate a revenue return to support the future sustainability of the Council and therefore protecting the services of the Council. The net return was estimated to be £600k p.a based on the approved £20m investment limit. The first acquisition was made in October 2017. The Council's portfolio currently consists of 6 properties, with £21.666m having been spent on these acquisitions (includes costs) up to the end of October 2019.

The Commercial Property Strategy included the following principles;

The objective is for WLDC to increase the size of this portfolio by making a further investment of £8m in commercial property over the next 3 years to generate a target net income of £500,000 - £600,000 per annum. In May 2018 the Corporate Policy and Resources Committee agreed to increase the total investment figure to £30m. This was on the basis that the individual target lot size should be increase to a maximum of £10m to take advantage of a segment of the market which was less competitive. The increase in total spend was required to maintain a risk managed portfolio at the higher value lot size.

Strategy

Working with the commercial property consultant, Cushman & Wakefield, officers have developed an investment strategy for the Council that aims to balance risk across the portfolio whilst achieving the target returns required.

The strategy will include;

1. To acquire an investment portfolio of commercial property assets in lot sizes of £1.0m to £10.0m, targeting an average lot size of circa £3.5m to £4m across the portfolio and total investment of £30.0m.

2. Authority to complete on acquisitions should be delegated to the Executive Director of Resources in consultation with the Leader of the Council, provided that the purchase is within agreed criteria. All assets will be assessed against these criteria and the Executive Director of Resources will have delegated Authority to complete on the acquisition of assets which score 50 or more out of 70. Any asset which falls below this threshold or registers a zero against any criteria may still be

considered but specific justification will need to be provided and the decision to proceed taken to the Corporate Policy and Resources Committee for approval. An example of how this scoring criteria will be applied is provided at Appendix D of the attached report.

3. A combination of reserves and borrowing will be used to fund acquisitions. Business case modelling will be developed using an opportunity cost of capital based on debt funded through Prudential Borrowing. The business case will be made on the basis of borrowing the full amount each time to ensure that resources are able to be recycled.

4. All assets will be acquired against a target hold period of 5 to 10 years with consideration given to asset management to enhance/protect value over the period of ownership (and any additional resource required/expected in this respect) and risks relating to disposal after the proposed hold period. A proportion of the income will be allocated for risk provision. Further returns would depend on investment performance relative to target and might be achieved through release of the risk provision and/or capital returns.

5. The financial position will be thoroughly monitored throughout the hold period and adequate response made to any change in market conditions and portfolio performance. Decisions regarding the funding of acquisitions will be made by the Executive Director of Resources/ s.151 officer and will be based on:
   - An analysis of disposal value risk after an assumed hold period
   - The expectation that the asset will generate a capital return that tracks inflation or better with a provision for risk should this not be achieved

6. Access to suitably qualified/experienced resource is essential for successful delivery and management of the risks involved. Resources should be identified and ring-fenced to the activity. The property and asset team has been restructured to ensure that sufficient resources available to manage the existing assets and the new additions that would be acquired in line with this strategy.

4.8 Capital Investment Strategy

The Capital Investment Strategy forms a key part of the Council's overall Corporate Planning Framework. It provides a mechanism by which the Council's capital investment and financing decisions can be aligned with the Council's over-arching corporate priorities and objectives over a medium term (five year) planning horizon. The Strategy has direct links to the Treasury Management Strategy and it is therefore appropriate that the Governance and Audit Committee scrutinise and provide assurance to Council on both policies. **The Capital Investment Strategy is attached at Appendix H.**

5 APPENDICES to the Treasury Management Strategy

A Prudential and treasury indicators and MRP statement

B Interest rate forecasts

C Economic background

D Treasury management practice 1 – credit and counterparty risk management

E Approved countries for investments

F Treasury management scheme of delegation

G The treasury management role of the section 151 officer

H The Capital Investment Strategy

APPENDIX A

THE CAPITAL PRUDENTIAL AND TREASURY INDICATORS 2019/20 – 2022/23 AND MRP STATEMENT

The Council's capital expenditure plans are the key driver of treasury management activity. The output of the capital expenditure plans is reflected in the prudential indicators, which are designed to assist members' overview and confirm capital expenditure plans

Capital Expenditure

Capital Expenditure By Cluster £m	2018/19 Actual	2019/20 Estimate	2020/21 Estimate	2021/22 Estimate	2022/23 Estimate
Our People	1.258	1.850	1.301	0.694	0.595
Our Place	6.132	13.438	14.991	7.890	1.181
Our Council	0.195	0.332	0.826	0.300	0.485
Investment	13.494	7.015	7.000	0.000	0.000
Total	**21.079**	**22.655**	**24.118**	**8.883**	**2.261**

Minimum revenue provision (MRP) policy statement

The Council is required to pay off an element of the accumulated General Fund capital spend funded from borrowing (the CFR) each year through a revenue charge (the minimum revenue provision - MRP), although it is also allowed to undertake additional voluntary payments if required (voluntary revenue provision - VRP).

MHCLG regulations have been issued which require the full Council to approve **an MRP Statement** in advance of each year. A variety of options are provided to councils, so long as there is a prudent provision. The Council is recommended to approve the following MRP Statement;

From 1 April 2008 for all unsupported borrowing (including PFI and finance leases) the MRP policy will be*:*

- **Asset life method** – MRP will be charged, and therefore debt repaid over the expected useful life of the asset financed from borrowing based on the estimated life of the assets, in accordance with the regulations (this option must be applied for any expenditure capitalised under a Capitalisation Direction) (option 3);

- **Asset life method – Annuity Method**
  Under this approach the debt is repaid over the expected useful life of the asset financed from borrowing. For, regeneration schemes or administrative projects, where revenue benefits are only realised in future years or increase in future years, and will be based on an appropriate rate.

- **Loan Principal repayment as proxy for MRP**
  The council considers that where borrowing has funded loan advances, the loan principal repaid (or in the event of default the realisation of security) as a capital receipt will be utilised to repay the borrowing and therefore negates the requirement to set aside an annual MRP charge.

- **Borrowing for Non-Treasury Investments**
  Where the Council borrows and anticipates a capital receipt will be realised within the short/medium term, ie for the acquisition of Commercial Investment Properties funded from borrowing, where the asset is to be held for a set period, and a capital receipt is expected to be realised at the end of this period, then the requirement to set aside a MRP to repay the debt will be considered on a case by case basis and in such cases, and with the agreement of the Auditor, MRP may not be applied subject to taking into account any risks, project profiles and revenue income streams from the investment.

  This is considered a prudent charge as the assets will be held for medium term period and the debt will be repaid upon sale of the asset.

  To mitigate the risk of loss of capital upon sale of any Commercial Investment Property, should the capital receipt not meeting outstanding debt, a Valuation Volatility Reserve has been created to fund any shortfall.

- **Finance Leases**
  Repayment of principal included in finance lease repayments are applied as MRP**.**

Voluntary MRP Overpayments – The Council has the ability to repay additional amounts for MRP as voluntary contributions as it considers appropriate.

These options provide for a reduction in the borrowing need over approximately the asset's life.

Affordability prudential indicators

The previous sections cover the overall capital and control of borrowing prudential indicators, but within this framework prudential indicators are required to assess the affordability of the capital investment plans. These provide an indication of the impact of the capital investment plans on the Council's overall finances. The Council is asked to approve the following indicators:

a. Ratio of financing costs to 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.

%	2019/20 Estimate	2020/21 Estimate	2021/22 Estimate	2022/23 Estimate
Net Revenue Expenditure £m	**14.158**	**12.941**	**13.690**	**13.924**
Interest Payable £m	0.391	1.263	1.296	1.326
Interest Receivable (-) £m	-0.234	-0.250	-0.125	-0.087
MRP £m	0.110	0.264	0.550	1.372
Capital Financing Charges	**0.267**	**1.277**	**1.721**	**2.611**
% Ratio	**1.89%**	**9.87%**	**12.57%**	**18.75%**

The estimates of financing costs include current commitments and the proposals in this budget report.

Interest receivable excludes interest from loans.

b. Incremental impact of capital investment decisions on council tax

This indicator identifies the revenue costs associated with proposed changes to the three year capital programme recommended in this budget report compared to the Council's existing approved commitments and current plans. The assumptions are based on the budget, but will invariably include some estimates, such as the level of Government support, which are not published over a three year period.

Incremental impact of capital investment decisions on the band D council tax

£	2019/20 Estimate	2020/21 Estimate	2021/22 Estimate	2022/23 Estimate	2023/24 Estimate	2024/25 Estimate
Council tax - band D	-6.33	1.25	6.28	7.21	6.43	6.61

Treasury indicators for debt

There are three debt related treasury activity limits. The purpose of these are to restrain the activity of the treasury function within certain limits, thereby managing risk and reducing the impact of any adverse movement in interest rates. However, if these are set to be too restrictive they will impair the opportunities to reduce costs / improve performance. The indicators are:

- Upper limits on variable interest rate exposure. This identifies a maximum limit for variable interest rates based upon the debt position net of investments
- Upper limits on fixed interest rate exposure. This is similar to the previous indicator and covers a maximum limit on fixed interest rates;
- Maturity structure of borrowing. These gross limits are set to reduce the Council's exposure to large fixed rate sums falling due for refinancing, and are required for upper and lower limits. The Council is asked to approve the following treasury indicators and limits:

£m	2020/21	2021/22	2022/23
Interest rate exposures			
	Upper	**Upper**	**Upper**
Limits on fixed interest rates: • **Debt only** • **Investments only**	100% 75%	100% 75%	100% 75%
Limits on variable interest rates • **Debt only** • **Investments only**	25% 100%	25% 100%	20% 100%
Maturity structure of fixed interest rate borrowing 2020/21			
		Lower	**Upper**
Under 12 months		0%	100%
12 months to 2 years		0%	100%
2 years to 5 years		0%	100%
5 years to 10 years		0%	100%
10 years to 20 years		0%	100%
20 years to 30 years		0%	100%
30 years to 40 years		0%	100%
40 years to 50 years		0%	50%
Maturity structure of variable interest rate borrowing 2020/21			
		Lower	Upper
Under 12 months		0%	100%
12 months to 2 years		0%	100%
2 years to 5 years		0%	0%
5 years to 10 years		0%	0%
10 years to 20 years		0%	0%
20 years to 30 years		0%	0%
30 years to 40 years		0%	0%
40 years to 50 years		0%	0%

APPENDIX B

Interest Rate Forecasts 2019-2022

The Council has appointed Link Asset Services as its treasury advisor and part of their service is to assist the Council to formulate a view on interest rates. The following table gives our central view.

Link Asset Services Interest Rate View	Dec-19	Mar-20	Jun-20	Sep-20	Dec-20	Mar-21	Jun-21	Sep-21	Dec-21	Mar-22	Jun-22	Sep-22	Dec-22	Mar-23
Bank Rate View	0.75	0.75	0.75	0.75	0.75	1.00	1.00	1.00	1.00	1.00	1.25	1.25	1.25	1.25
3 Month LIBID	0.70	0.70	0.70	0.80	0.90	1.00	1.00	1.00	1.10	1.20	1.30	1.30	1.30	1.30
6 Month LIBID	0.80	0.80	0.80	0.90	1.00	1.10	1.10	1.20	1.30	1.40	1.50	1.50	1.50	1.50
12 Month LIBID	1.00	1.00	1.00	1.10	1.20	1.30	1.30	1.40	1.50	1.60	1.70	1.70	1.70	1.70
5yr PWLB Rate	2.30	2.40	2.40	2.50	2.50	2.60	2.70	2.80	2.90	2.90	3.00	3.10	3.20	3.20
10yr PWLB Rate	2.60	2.70	2.70	2.70	2.80	2.90	3.00	3.10	3.20	3.20	3.30	3.30	3.40	3.50
25yr PWLB Rate	3.20	3.30	3.40	3.40	3.50	3.60	3.70	3.70	3.80	3.90	4.00	4.00	4.10	4.10
50yr PWLB Rate	3.10	3.20	3.30	3.30	3.40	3.50	3.60	3.60	3.70	3.80	3.90	3.90	4.00	4.00

The above forecasts have been based on an assumption that there is an agreed deal on Brexit, including agreement on the terms of trade between the UK and EU, at some point in time. The result of the general election has removed much uncertainty around this major assumption. However, it does not remove uncertainty around whether agreement can be reached with the EU on a trade deal within the short time to December 2020, as the prime minister has pledged.

It has been little surprise that the Monetary Policy Committee (MPC) has left Bank Rate unchanged at 0.75% so far in 2019 due to the ongoing uncertainty over Brexit and the outcome of the general election. In its meeting on 7 November, the MPC became more dovish due to increased concerns over the outlook for the domestic economy if Brexit uncertainties were to become more entrenched, and for weak global economic growth: if those uncertainties were to materialise, then the MPC were likely to cut Bank Rate. However, if they were both to dissipate, then rates would need to rise at a “gradual pace and to a limited extent”. Brexit uncertainty has had a dampening effect on UK GDP growth in 2019, especially around mid-year. There is still some residual risk that the MPC could cut Bank Rate as the UK economy is still likely to only grow weakly in 2020 due to continuing uncertainty over whether there could effectively be a no deal Brexit in December 2020 if agreement on a trade deal is not reached with the EU. Until that major uncertainty is removed, or the period for agreeing a deal is extended, it is unlikely that the MPC would raise Bank Rate.

Bond yields / PWLB rates. There has been much speculation during 2019 that the bond market has gone into a bubble, as evidenced by high bond prices and remarkably low yields. However, given the context that there have been heightened expectations that the US was heading for a recession in 2020, and a general background of a downturn in world economic growth, together with inflation generally at low levels in most countries and expected to remain subdued, conditions are ripe for low bond yields. While inflation targeting by the major central banks has been successful over the last thirty years in lowering inflation expectations, the real equilibrium rate for central rates has fallen considerably due to the high level of borrowing by consumers: this means that central banks do not need to raise rates as much now to have a major impact on consumer spending, inflation, etc. This has pulled down the overall level of interest rates and bond yields in financial markets over the last thirty years. We have therefore seen over the last year, many bond yields up to ten years in the Eurozone actually turn negative. In addition, there has, at times, been an inversion of bond yields in the US whereby ten-year yields have fallen below shorter-term yields. In the past, this has been a precursor of a recession. The other side of this coin is that bond prices are elevated, as investors would be expected to be moving out of riskier assets i.e. shares, in anticipation of a downturn in corporate earnings and so selling out of equities. However, stock markets are also currently at high levels as some investors have focused on chasing returns in the context of dismal ultra-low interest rates on cash deposits.

During the first half of 2019-20 to 30 September, gilt yields plunged and caused a near halving of longer term PWLB rates to completely unprecedented historic low levels. *(See paragraph 3.7 for comments on the increase in the PWLB rates margin over gilt yields of 100bps introduced on 9.10.19.)* There is though, an expectation that financial markets have gone too far in their fears about the degree of the downturn in US and world growth. If, as expected, the US only suffers a mild downturn in growth, bond markets in the US are likely to sell off and that would be expected to put upward pressure on bond yields, not only in the US, but also in the UK due to a correlation between US treasuries and UK gilts; at various times this correlation has been strong but at other times weak. However, forecasting the timing of this, and how strong the correlation is likely to be, is very difficult to forecast with any degree of confidence. Changes in UK Bank Rate will also impact on gilt yields.

One potential danger that may be lurking in investor minds is that Japan has become mired in a twenty-year bog of failing to get economic growth and inflation up off the floor, despite a combination of massive monetary and fiscal stimulus by both the central bank and government. Investors could be fretting that this condition might become contagious to other western economies.

Another danger is that unconventional monetary policy post 2008, (ultra-low interest rates plus quantitative easing), may end up doing more harm than good through prolonged use. Low interest rates have encouraged a debt-fuelled boom that now makes it harder for central banks to raise interest rates. Negative interest rates could damage the profitability of commercial banks and so impair their ability to lend and / or push them into riskier lending. Banks could also end up holding large amounts of their government's bonds and so create a potential doom loop. (A doom loop would occur where the credit rating of the debt of a nation was downgraded which would cause bond prices to fall, causing losses on debt portfolios held by banks and insurers, so reducing their capital and forcing them to sell bonds – which, in turn, would cause further falls in their prices etc.). In addition, the financial viability of pension funds could be damaged by low yields on holdings of bonds.

The overall longer run future trend is for gilt yields, and consequently PWLB rates, to rise, albeit gently. From time to time, gilt yields, and therefore PWLB rates, can be subject to exceptional levels of volatility due to geo-political, sovereign debt crisis, emerging market developments and sharp changes in investor sentiment. Such volatility could occur at any time during the forecast period.

In addition, PWLB rates are subject to ad hoc decisions by **H.M. Treasury** to change the margin over gilt yields charged in PWLB rates: such changes could be up or down. It is not clear that if gilt yields were to rise back up again by over 100bps within the next year or so, whether H M Treasury would remove the extra 100 bps margin implemented on 9.10.19.

Economic and interest rate forecasting remains difficult with so many influences weighing on UK gilt yields and PWLB rates. The above forecasts, (and MPC decisions), will be liable to further amendment depending on how economic data and developments in financial markets transpire over the next year. Geopolitical developments, especially in the EU, could also have a major impact. Forecasts for average investment earnings beyond the three-year time horizon will be heavily dependent on economic and political developments.

APPENDIX C

ECONOMIC BACKGROUND (as at December 2019)

UK. Brexit. 2019 has been a year of upheaval on the political front as Theresa May resigned as Prime Minister to be replaced by Boris Johnson on a platform of the UK leaving the EU on 31 October 2019, with or without a deal. However, MPs blocked leaving on that date and the EU agreed an extension to 31 January 2020. In late October, MPs approved an outline of a Brexit deal to enable the UK to leave the EU on 31 January. Now that the Conservative Government has gained a large overall majority in the **general election** on 12 December, this outline deal will be passed by Parliament by that date. However, there will still be much uncertainty as the detail of a trade deal will need to be negotiated by the current end of the transition period in December 2020, which the Prime Minister has pledged he will not extend. This could prove to be an unrealistically short timetable for such major negotiations that leaves open two possibilities; one, the need for an extension of negotiations, probably two years, or, a no deal Brexit in December 2020.

GDP growth has taken a hit from Brexit uncertainty during 2019; quarter three 2019 surprised on the upside by coming in at +0.4% q/q, +1.1% y/y. However, the peak of Brexit uncertainty during the final quarter appears to have suppressed quarterly growth to probably around zero. The economy is likely to tread water in 2020, with tepid growth around about 1% until there is more certainty after the trade deal deadline is passed.

While the Bank of England went through the routine of producing another **quarterly Inflation Report,** (now renamed the Monetary Policy Report), on 7 November, it is very questionable how much all the writing and numbers were worth when faced with the uncertainties of where the UK will be after the general election. The Bank made a change in their Brexit assumptions to now include a deal being eventually passed. Possibly the biggest message that was worth taking note of from the Monetary Policy Report, was an increase in concerns among MPC members around weak global economic growth and the potential for Brexit uncertainties to become entrenched and so delay UK economic recovery. Consequently, the MPC voted 7-2 to maintain Bank Rate at 0.75% but two members were sufficiently concerned to vote for an immediate Bank Rate cut to 0.5%. The MPC warned that if global growth does not pick up or Brexit uncertainties intensify, then a rate cut was now more likely. Conversely, if risks do recede, then a more rapid recovery of growth will require gradual and limited rate rises. The speed of recovery will depend on the extent to which uncertainty dissipates over the final terms for trade between the UK and EU and by how much global growth rates pick up. The Bank revised its inflation forecasts down – to 1.25% in 2019, 1.5% in 2020, and 2.0% in 2021; hence, the MPC views inflation as causing little concern in the near future.

The **MPC meeting of 19 December** repeated the previous month's vote of 7-2 to keep Bank Rate on hold. Their key view was that there was currently 'no evidence about the extent to which policy uncertainties among companies and households had declined' i.e. they were going to sit on their hands and see how the economy goes in the next few months. The two members who voted for a cut were concerned that the labour market was faltering. On the other hand, there was a clear warning in the minutes that the MPC were concerned that “domestic unit labour costs have continued to grow at rates above those consistent with meeting the inflation target in the medium term”.

If economic growth were to weaken considerably, the MPC has relatively little room to make a big impact with Bank Rate still only at 0.75%. It would therefore, probably suggest that it would be up to the Chancellor to provide help to support growth by way of a **fiscal boost** by e.g. tax cuts, increases in the annual expenditure budgets of government departments and services and expenditure on infrastructure projects, to boost the economy. The Government has already made moves in this direction and it made significant promises in its election manifesto to increase government spending by up to £20bn p.a., (this would add about 1% to GDP growth rates), by investing primarily in infrastructure. This is likely to be announced in the next Budget, probably in February 2020. The Chancellor has also amended the fiscal rules in November to allow for an increase in government expenditure.

As for **inflation** itself, CPI has been hovering around the Bank of England’s target of 2% during 2019, but fell again in both October and November to a three-year low of 1.5%. It is likely to remain close to or under 2% over the next two years and so, it does not pose any immediate concern to the MPC at the current time. However, if there was a hard or no deal Brexit, inflation could rise towards 4%, primarily because of imported inflation on the back of a weakening pound.

With regard to the **labour market,** growth in numbers employed has been quite resilient through 2019 until the three months to September where it fell by 58,000. However, there was an encouraging pick up again in the three months to October to growth of 24,000, which showed that the labour market was not about to head into a major downturn. The unemployment rate held steady at a 44-year low of 3.8% on the Independent Labour Organisation measure in October. Wage inflation has been steadily falling from a high point of 3.9% in July to 3.5% in October (3-month average regular pay, excluding bonuses). This meant that in real terms, (i.e. wage rates higher than CPI inflation), earnings grew by about 2.0%. As the UK economy is very much services sector driven, an increase in household spending power is likely to feed through into providing some support to the overall rate of economic growth in the coming months. The other message from the fall in wage growth is that employers are beginning to find it easier to hire suitable staff, indicating that supply pressure in the labour market is easing.

USA. President Trump’s massive easing of fiscal policy in 2018 fuelled a temporary boost in consumption in that year which generated an upturn in the rate of growth to a robust 2.9% y/y. **Growth** in 2019 has been falling after a strong start in quarter 1 at 3.1%, (annualised rate), to 2.0% in quarter 2 and then 2.1% in quarter 3. The economy looks likely to have maintained a growth rate similar to quarter 3 into quarter 4; fears of a recession have largely dissipated. The strong growth in employment numbers during 2018 has weakened during 2019, indicating that the economy had been cooling, while inflationary pressures were also weakening. However, CPI inflation rose from 1.8% to 2.1% in November, a one year high, but this was singularly caused by a rise in gasoline prices.

The Fed finished its series of increases in rates to 2.25 – 2.50% in December 2018. In July 2019, it cut rates by 0.25% as a 'midterm adjustment' but flagged up that this was not intended to be seen as the start of a series of cuts to ward off a downturn in growth. It also ended its programme of quantitative tightening in August, (reducing its holdings of treasuries etc.). It then cut rates by 0.25% again in September and by another 0.25% in its October meeting to 1.50 – 1.75%.. At its September meeting it also said it was going to **start buying Treasuries again**, although this was not to be seen as a resumption of quantitative easing but rather an exercise to relieve liquidity pressures in the repo market. Despite those protestations, this still means that the Fed is again expanding its balance sheet holdings of government debt. In the first month, it will buy $60bn, whereas it had been reducing its balance sheet by $50bn per month during 2019. As it will be buying only short-term (under 12 months) Treasury bills, it is technically correct that this is not quantitative easing (which is purchase of long term debt). The Fed left rates unchanged in December. However, the accompanying statement was more optimistic about the future course of the economy so this would indicate that further cuts are unlikely.

Investor confidence has been badly rattled by the progressive ramping up of increases in tariffs President Trump has made on Chinese imports and China has responded with increases in tariffs on American imports. This **trade war** is seen as depressing US, Chinese and world growth. In the EU, it is also particularly impacting Germany as exports of goods and services are equivalent to 46% of total GDP. It will also impact developing countries dependent on exporting commodities to China.
However, in November / December, progress has been made on agreeing a phase one deal between the US and China to roll back some of the tariffs; this gives some hope of resolving this dispute.

EUROZONE. Growth has been slowing from +1.8 % during 2018 to around half of that in 2019. Growth was +0.4% q/q (+1.2% y/y) in quarter 1, +0.2% q/q (+1.2% y/y) in quarter 2 and then +0.2% q/q, +1.1% in quarter 3; there appears to be little upside potential in the near future. German GDP growth has been struggling to stay in positive territory in 2019 and fell by -0.1% in quarter 2; industrial production was down 4% y/y in June with car production down 10% y/y. Germany would be particularly vulnerable to a no deal Brexit depressing exports further and if President Trump imposes tariffs on EU produced cars.

The European Central Bank (ECB) ended its programme of quantitative easing purchases of debt in December 2018, which then meant that the central banks in the US, UK and EU had all ended the phase of post financial crisis expansion of liquidity supporting world financial markets by quantitative easing purchases of debt. However, the downturn in EZ growth in the second half of 2018 and into 2019, together with inflation falling well under the upper limit of its target range of 0 to 2%, (but it aims to keep it near to 2%), has prompted the ECB to take new measures to stimulate growth. At its March meeting it said that it expected to leave interest rates at their present levels "at least through the end of 2019", but that was of little help to boosting growth in the near term. Consequently, it announced a **third round of TLTROs**; this provides banks with cheap borrowing every three months from September 2019 until March 2021 that means that, although they will have only a two-year maturity, the Bank was making funds available until 2023, two years later than under its previous policy. As with the last round, the new TLTROs will include an incentive to encourage bank lending, and they will be capped at 30% of a bank's eligible loans. However, since then, the downturn in EZ and world growth has gathered momentum; at its meeting on 12 September it cut its deposit rate further into negative territory, from -0.4% to -0.5%, and announced a **resumption of quantitative easing purchases of debt for an unlimited period.** At its October meeting it said these purchases would start in November at €20bn per month - a relatively small amount compared to the previous buying programme. It also increased the maturity of the third round of TLTROs from two to three years. However, it is doubtful whether this loosening of monetary policy will have much impact on growth and, unsurprisingly, the ECB stated that governments would need to help stimulate growth by 'growth friendly' fiscal policy.

There were no policy changes in the December meeting, which was chaired for the first time by the new President of the ECB, Christine Lagarde. However, the outlook continued to be down beat about the economy; this makes it likely there will be further monetary policy stimulus to come in 2020. She did also announce a thorough review of how the ECB conducts monetary policy, including the price stability target. This review is likely to take all of 2020.

On the political front, Austria, Spain and Italy have been in the throes of **forming coalition governments** with some unlikely combinations of parties i.e. this raises questions around their likely endurance. The latest results of German state elections has put further pressure on the frail German CDU/SDP coalition government and on the current leadership of the CDU. The results of the Spanish general election in November have not helped the prospects of forming a stable coalition.

CHINA. Economic growth has been weakening over successive years, despite repeated rounds of central bank stimulus; medium term risks are increasing. Major progress still needs to be made to eliminate excess industrial capacity and the stock of unsold property, and to address the level of non-performing loans in the banking and shadow banking systems. In addition, there still needs to be a greater switch from investment in industrial capacity, property construction and infrastructure to consumer goods production.

JAPAN - has been struggling to stimulate consistent significant GDP growth and to get inflation up to its target of 2%, despite huge monetary and fiscal stimulus. It is also making little progress on fundamental reform of the economy.

WORLD GROWTH. Until recent years, world growth has been boosted by increasing **globalisation** i.e. countries specialising in producing goods and commodities in which they have an economic advantage and which they then trade with the rest of the world. This has boosted worldwide productivity and growth, and, by lowering costs, has also depressed inflation. However, the rise of China as an economic superpower over the last thirty years, which now accounts for nearly 20% of total world GDP, has unbalanced the world economy. The Chinese government has targeted achieving major world positions in specific key sectors and products, especially high tech areas and production of rare earth minerals used in high tech products. It is achieving this by massive financial support, (i.e. subsidies), to state owned firms, government directions to other firms, technology theft, restrictions on market access by foreign firms and informal targets for the domestic market share of Chinese producers in the selected sectors. This is regarded as being unfair competition that is putting western firms at an unfair disadvantage or even putting some out of business. It is also regarded with suspicion on the political front as China is an authoritarian country that is not averse to using economic and military power for political advantage. The current trade war between the US and China therefore needs to be seen against that backdrop. It is, therefore, likely that we are heading into a period where there will be a **reversal of world globalisation and a decoupling of western countries** from dependence on China to supply products. This is likely to produce a backdrop in the coming years of weak global growth and so weak inflation. **Central banks are, therefore, likely to come under more pressure to support growth by looser monetary policy measures and this will militate against central banks increasing interest rates**.

The trade war between the US and China is a major concern to **financial markets** due to the synchronised general weakening of growth in the major economies of the world, compounded by fears that there could even be a recession looming up in the US, though this is probably overblown. These concerns resulted in **government bond yields** in the developed world falling significantly during 2019. If there were a major worldwide downturn in growth, central banks in most of the major economies will have limited ammunition available, in terms of monetary policy measures, when rates are already very low in most countries, (apart from the US). There are also concerns about how much distortion of financial markets has already occurred with the current levels of quantitative easing purchases of debt by central banks and the use of negative central bank rates in some countries. The latest PMI survey statistics of economic health for the US, UK, EU and China have all been predicting a downturn in growth; this confirms investor sentiment that the outlook for growth during the year ahead is weak.

INTEREST RATE FORECASTS

The interest rate forecasts provided by Link Asset Services in paragraph 3.4 are **predicated on an assumption of an agreement being reached on Brexit between the UK and the EU.** On this basis, while GDP growth is likely to be subdued in 2019 and 2020 due to all the uncertainties around Brexit depressing consumer and business confidence, an agreement on the detailed terms of a trade deal is likely to lead to a boost to the rate of growth in subsequent years. This could, in turn, increase inflationary pressures in the economy and so cause the Bank of England to resume a series of gentle increases in Bank Rate. Just how fast, and how far, those increases will occur and rise to, will be data dependent. The forecasts in this report assume a modest recovery in the rate and timing of stronger growth and in the corresponding response by the Bank in raising rates.

- In the event of an **orderly non-agreement exit in December 2020**, it is likely that the Bank of England would take action to cut Bank Rate from 0.75% in order to help economic growth deal with the adverse effects of this situation. This is also likely to cause short to medium term gilt yields to fall.
- If there were a **disorderly Brexit**, then any cut in Bank Rate would be likely to last for a longer period and also depress short and medium gilt yields correspondingly. Quantitative easing could also be restarted by the Bank of England. It is also possible that the government could act to protect economic growth by implementing fiscal stimulus.

The balance of risks to the UK

- The overall balance of risks to economic growth in the UK is probably even, but dependent on a successful outcome of negotiations on a trade deal.
- The balance of risks to increases in Bank Rate and shorter term PWLB rates are broadly similarly to the downside.
- In the event that a Brexit deal was agreed with the EU and approved by Parliament, the balance of risks to economic growth and to increases in Bank Rate is likely to change to the upside.

One risk that is both an upside and downside risk, is that all central banks are now working in very different economic conditions than before the 2008 financial crash as there has been a major increase in consumer and other debt due to the exceptionally low levels of borrowing rates that have prevailed since 2008. This means that the neutral rate of interest in an economy, (i.e. the rate that is neither expansionary nor deflationary), is difficult to determine definitively in this new environment, although central banks have made statements that they expect it to be much lower than before 2008. Central banks could therefore either over or under do increases in central interest rates.

Downside risks to current forecasts for UK gilt yields and PWLB rates currently include:

- **Brexit** – if it were to cause significant economic disruption and a major downturn in the rate of growth.
- **Bank of England** takes action too quickly, or too far, over the next three years to raise Bank Rate and causes UK economic growth, and increases in inflation, to be weaker than we currently anticipate.
- A resurgence of the **Eurozone sovereign debt crisis.** In 2018, Italy was a major concern due to having a populist coalition government which made a lot of anti-austerity and anti-EU noise. However, in September 2019 there was a major change in the coalition governing Italy which has brought to power a much more EU friendly government; this has eased the pressure on Italian bonds. Only time will tell whether this new coalition based on an unlikely alliance of two very different parties will endure.
- Weak capitalisation of some **European banks**, particularly Italian banks.

- **German minority government.** In the German general election of September 2017, Angela Merkel's CDU party was left in a vulnerable minority position dependent on the fractious support of the SPD party, as a result of the rise in popularity of the anti-immigration AfD party. The CDU has done badly in recent state elections but the SPD has done particularly badly and this has raised a major question mark over continuing to support the CDU. Angela Merkel has stepped down from being the CDU party leader but she intends to remain as Chancellor until 2021.
- **Other minority EU governments.** Austria, Finland, Sweden, Spain, Portugal, Netherlands and Belgium also have vulnerable minority governments dependent on coalitions which could prove fragile.
- **Austria, the Czech Republic, Poland and Hungary** now form a strongly anti-immigration bloc within the EU. There has also been rising anti-immigration sentiment in Germany and France.
- In October 2019, the IMF issued a report on the World Economic Outlook which flagged up a synchronised slowdown in world growth. However, it also flagged up that there was **potential for a rerun of the 2008 financial crisis**, but his time centred on the huge debt binge accumulated by corporations during the decade of low interest rates. This now means that there are corporates who would be unable to cover basic interest costs on **some $19trn of corporate debt in major western economies,** if world growth was to dip further than just a minor cooling. This debt is mainly held by the shadow banking sector i.e. pension funds, insurers, hedge funds, asset managers etc., who, when there is $15trn of corporate and government debt now yielding negative interest rates, have been searching for higher returns in riskier assets. Much of this debt is only marginally above investment grade so any rating downgrade could force some holders into a fire sale, which would then depress prices further and so set off a spiral down. The IMF's answer is to suggest imposing higher capital charges on lending to corporates and for central banks to regulate the investment operations of the shadow banking sector. In October 2019, the deputy Governor of the Bank of England also flagged up the dangers of banks and the shadow banking sector lending to corporates, especially highly leveraged corporates, which had risen back up to near pre-2008 levels.
- **Geopolitical risks,** for example in North Korea, but also in Europe and the Middle East, which could lead to increasing safe haven flows.

Upside risks to current forecasts for UK gilt yields and PWLB rates

- **Brexit** – if agreement was reached all round that removed all threats of economic and political disruption between the EU and the UK.
- The **Bank of England is too slow** in its pace and strength of increases in Bank Rate and, therefore, allows inflationary pressures to build up too strongly within the UK economy, which then necessitates a later rapid series of increases in Bank Rate faster than we currently expect.
- **UK inflation,** whether domestically generated or imported, returning to sustained significantly higher levels causing an increase in the inflation premium inherent to gilt yields.

APPENDIX D TREASURY MANAGEMENT PRACTICE (TMP1) – CREDIT AND COUNTERPARTY RISK MANAGEMENT

The MHCLG issued Investment Guidance in 2018, and this forms the structure of the Council's policy below. These guidelines do not apply to either trust funds or pension funds which operate under a different regulatory regime.

The key intention of the Guidance is to maintain the current requirement for councils to invest prudently, and that priority is given to security and liquidity before yield. In order to facilitate this objective the guidance requires this Council to have regard to the CIPFA publication Treasury Management in the Public Services: Code of Practice and Cross-Sectoral Guidance Notes. This Council adopted the code on 01/03/2010 and will apply its principles to all investment activity. In accordance with the Code, the Director of Finance has produced its treasury management practices (TMPs). This part, TMP 1 (1) covering investment counterparty policy requires approval each year.

Annual investment strategy – The key requirement of both the Code and investment guidance are to set an annual investment strategy, as part of its annual treasury strategy for the following year, covering the identification and approval of the following:

- The strategy guidelines for choosing and placing investments, particularly non-specified investments
- The principles to be used to determine the maximum periods for which funds can be committed.
- Specified investments that the Council will use. These are high security (i.e. high credit rating, although this is defined by the Council, and no guidelines are given), and high liquidity investments in sterling and with a maturity of no more than a year.
- Non-specified investments, clarifying the greater risk implications, identifying the general types of investment that may be used and a limit to the overall amount of various categories that can be held at any time.

The investment policy proposed for the Council is:

Strategy guidelines – The main strategy guidelines are contained in the body of the treasury strategy statement.

SPECIFIED INVESTMENTS: All such investments will be sterling denominated, with **maturities up to maximum of 1 year**, meeting the minimum 'high' quality criteria where applicable. These are considered low risk assets where the possibility of loss of principal or investment income is small. These would include sterling investments which would not be defined as capital expenditure with:

1) The UK Government (such as Debt Management Account deposit facility, UK Treasury Bills or a Gilt with less than one year to maturity).
2) Supranational bonds of less than one year's duration
3) A local authority, housing association, parish council or community council

4) Pooled investment vehicles (such as money market funds) that have been awarded a high credit rating by a credit rating agency. For category 4 this covers pooled investment vehicles, such as money market funds, rated AAA by Standard & Poors, Moody's and/or Fitch rating agencies

Within these bodies, and in accordance with the Code, the Council has set additional criteria to set the time and amount of monies which will be invested in these bodies. These criteria are set out in the main report.

NON-SPECIFIED INVESTMENTS: These are any investments which do not meet the specified investment criteria. The identification and rationale supporting the selection of these other investments and the maximum limits to be applied are set out below. Non specified investment would include any sterling investments with:

	Non Specified Investment Category	Limit £
A	**Gilt Edged Securities** with a maturity of greater than one year. These are Government Bonds and so provide the highest security of investment and the repayment of principal on maturity. Similar to category (a) above, the value of the bond may rise or fall before maturity and losses may accrue if the bond is sold before maturity.	£5m
B	**The Council's own banker** if it fails to meet the basic credit criteria. In this instance balances will be minimised as far as possible	£1m
C	**Any Bank or Building Society** that has a minimum long term credit rating of AA, for deposits with a maturity of greater than one year (including forward deals in excess of one year from inception to repayment).	£2m
D	Enhanced Money Market Funds AA rated	£2m
E	Corporate Bond Funds	£2m
F	Local Authority Property Asset Fund	£4m
G	Certificates of Deposit	£2m
H	Covered Bonds	£1m
I	Property Funds – The use of these instruments can be deemed to be capital expenditure, and as such will be an application (spending) of capital resources. This Authority will seek guidance on the status of any fund it may consider using	£4m

This Authority will seek further advice on the appropriateness and associated risks with investments in these categories.

The monitoring of investment counterparties – The credit rating of counterparties will be monitored regularly. The Council receives credit rating information (changes, rating watches and rating outlooks) from Link Asset Services as and when ratings change, and counterparties are checked promptly. On occasion ratings may be downgraded when an investment has already been made. The criteria used are such that a minor downgrading should not affect the full receipt of the principal and interest. Any counterparty failing to meet the criteria will be removed from the list immediately by the Director of Finance, and if required new counterparties which meet the criteria will be added to the list.

A variety of investment instruments will be used, subject to the credit quality of the institution, and depending on the type of investment made it will fall into one of the above categories.

Accounting treatment of investments. The accounting treatment may differ from the underlying cash transactions arising from investment decisions made by this Council. To ensure that the Council is protected from any adverse revenue impact, which may arise from these differences, we will review the accounting implications of new transactions before they are undertaken.

APPENDIX E

APPROVED COUNTRIES FOR INVESTMENTS (As at 23.12.2019)

This list is based on those countries which have sovereign ratings of AA- or higher, (we show the lowest rating from Fitch, Moody's and S&P) and also, (except - at the time of writing - for Hong Kong, Norway and Luxembourg), have banks operating in sterling markets which have credit ratings of green or above in the Link Asset Services credit worthiness service.

Based on lowest available rating

AAA

- Australia
- Canada
- Denmark
- Germany
- Luxembourg
- Netherlands
- Norway
- Singapore
- Sweden
- Switzerland

AA+

- Finland
- U.S.A.

AA

- Abu Dhabi (UAE)
- Hong Kong
- France
- U.K.

AA-

- Belgium
- Qatar

APPENDIX F

TREASURY MANAGEMENT SCHEME OF DELEGATION

(i) Full Council

- receiving and reviewing reports on treasury management policies, practices and activities;
- approval of annual Treasury Management Strategy and Mid Year Review Treasury Management Indicators.

(ii) Corporate Policy and Resources Committee

- approval of/amendments to the organisation's adopted clauses, treasury management policy statement and treasury management practices;
- approval of the division of responsibilities;
- receiving and reviewing regular monitoring reports and acting on recommendations;
- approving the selection of external service providers and agreeing terms of appointment.
- Mid Year Review of Treasury Management Indicators

(iii) Governance and Audit Committee

- review and scrutiny of the Treasury Management Strategy, policy and procedures and making recommendations to the full Council.

APPENDIX G

THE TREASURY MANAGEMENT ROLE OF THE SECTION 151 OFFICER

The S151 (responsible) officer

- recommending clauses, treasury management policy/practices for approval, reviewing the same regularly, and monitoring compliance;
- submitting regular treasury management policy reports;
- submitting budgets and budget variations;
- receiving and reviewing management information reports;
- reviewing the performance of the treasury management function;
- ensuring the adequacy of treasury management resources and skills, and the effective division of responsibilities within the treasury management function;
- ensuring the adequacy of internal audit, and liaising with external audit;
- recommending the appointment of external service providers.
- preparation of a capital strategy to include capital expenditure, capital financing, non-financial investments and treasury management, with a long term timeframe
- ensuring that the capital strategy is prudent, sustainable, affordable and prudent in the long term and provides value for money
- ensuring that due diligence has been carried out on all treasury and non-financial investments and is in accordance with the risk appetite of the authority
- ensure that the authority has appropriate legal powers to undertake expenditure on non-financial assets and their financing
- ensuring the proportionality of all investments so that the authority does not undertake a level of investing which exposes the authority to an excessive level of risk compared to its financial resources
- ensuring that an adequate governance process is in place for the approval, monitoring and ongoing risk management of all non-financial investments and long term liabilities
- provision to members of a schedule of all non-treasury investments including material investments in subsidiaries, joint ventures, loans and financial guarantees
- ensuring that members are adequately informed and understand the risk exposures taken on by an authority
- ensuring that the authority has adequate expertise, either in house or externally provided, to carry out the above
- creation of Treasury Management Practices which specifically deal with how non treasury investments will be carried out and managed, to include the following*: -*
    - *Risk management (TMP1 and schedules), including investment and risk management criteria for any material non-treasury investment portfolios;*

- *Performance measurement and management (TMP2 and schedules), including methodology and criteria for assessing the performance and success of non-treasury investments;*

- *Decision making, governance and organisation (TMP5 and schedules), including a statement of the governance requirements for decision making in relation to non-treasury investments; and arrangements to ensure that appropriate professional due diligence is carried out to support decision making;*

- *Reporting and management information (TMP6 and schedules), including where and how often monitoring reports are taken;*

- *Training and qualifications (TMP10 and schedules), including how the relevant knowledge and skills in relation to non-treasury investments will be arranged.*

APPENDIX H

CAPITAL INVESTMENT STRATEGY 2020/21 – 2024/25

1. Introduction

The Council is required to approve a Capital Investment Strategy in accordance with the Prudential Code for Capital Finance In Local Authorities.

The Capital Investment Strategy provides a high level overview of how capital investment, capital financing and treasury management activity supports the provisions of services. It considers associated risks and how they are managed and ensures that future financial implications are identified to inform future years budgets and financial sustainability.

The Strategy forms part of the Council's overall Corporate Planning Framework. It provides a mechanism by which the Council's capital investment and financing decisions can be aligned with the Council's corporate priorities and objectives over a medium term (five year) planning horizon and ensures that the revenue implications of investments are both affordable and sustainable.

The strategy provides a framework for determining the relative importance of individual capital projects. It defines how the capital programme is to be formulated, and it identifies issues and options that influence revenue and capital spending, and sets out how the resources will be managed.

Key elements of the strategy;

- Ensures investments meet our Corporate Plan objectives
- Incorporates the requirements of the Asset Management Plan
- Enables the development of an Capital Investment Programme over the medium term (5 years)
- A framework which will identify priorities for the use of resources for investment.
- Decisions are based on sound business cases.
- Risks are identified and mitigated where possible
- Directly links to the Treasury Management Strategy ensuring an affordable and sustainable Capital Investment Programme in adherence to legislation and the Prudential Code.
- Informs the Medium Term Financial Plan by identifying the revenue impacts of investment decisions.
- Incorporates an annual review to ensure the programme still meets our priorities.
- Considers innovative solutions to funding.

2. Principles Supporting the Capital Investment Strategy

a) Strategy Principles

- The investment programme will support the Council's strategic priorities, therefore, the capital investment programme will link to all key strategic planning documents: specifically the Corporate Plan, Executive Business Plan, Medium Term Financial Plan and the Asset Management Plan.

- Schemes within the programme will be prioritised on an authority wide basis and the process of assessing investments, against specific criteria, will optimise the benefit and relative importance of potential schemes.

- **Responsible Investing (RI)** - investing in opportunities that seek to generate both financial value and sustainable growth*,*

- **Socially responsible investing** (**SRI**), also known as sustainable, socially conscious, "green" or ethical investing, as well as any investment strategy which seeks to consider both financial return and social good.

b) Capital Investment Policy

The Capital Investment Strategy will be underpinned by a Land and Property Investment Policy. The policy ***does not describe detailed operational investment activity but does describe the framework, and principal [underlying] considerations, which the Council will follow when reviewing and subsequently agreeing investment opportunities.*** It is designed to support the goals and objectives as outlined in the Corporate Plan, the general objectives of a UK public sector service provider and the very specific aims; goals and aspirations of the Council members; executive officers and their teams.

c) Finance Principles

- The overarching principal is the commitment to achieve affordable capital investments over the longer term.

- To pursue all available external funding options and opportunities for leverage of external resources.

- Ensure evaluation for value for money investments by whole life costing (where applicable) and by having robust Business Cases with full financial modelling, and appropriate due diligence in estimates in order to inform the full financial implications

- To develop partnerships, including the pursuit of shared services, joint ventures and community arrangements, where appropriate, to achieve the Council's investment aspirations and value for money.

- Monitoring and evaluation of approved budgets will form part of the quarterly budget monitoring reports.

- Monitoring and evaluation of approved Programmes and projects will form part of Performance Management.

- Encourage community engagement by informing on priorities and consultation on proposals.

- To invest in non-treasury activities to support ongoing sustainability in the delivery of services.

- Regularly review Business Cases as schemes are developed and update financial models to inform future budget impacts.

d) Asset Management Principles

The Asset Management Policy ensures that;

- We will take all reasonable and practical steps to ensure the health, safety and wellbeing of staff, visitors and contractors who use or visit our buildings, land or property and who use or are in contact with supporting asset infrastructure.

- We will ensure that all our buildings and land and property assets are fully compliant with current legal requirements, are fit for purpose and managed and maintained in accordance with best practice.

- We will ensure that infrastructure supporting our physical assets is safe and fully compliant with relevant legislative and regulatory requirements.

- All activity on our assets will be carried out in compliance with relevant legislative and statutory requirements.

- We will assess asset related risks and manage such risk in accordance with our corporate risk management policy or in accordance with procedures relevant to the specific asset, its use and function.

- We will retain and/or acquire physical assets which are appropriate to our business and function and dispose of those assets which are not fit for purpose or which cannot support our business or investment criteria.

- We shall continue to actively develop our asset management systems; processes and procedures in a way which is appropriate; efficient; transparent and sustainable and which supports the best management outcomes for our physical assets.

- We shall continue to train and develop staff across the asset management discipline and apply technology and innovation where practical.

- We shall seek continual improvement of our management capability and activities to ensure value for money for all stakeholders.

3. Capital Investment Priorities

The Council's proposed Capital Investment Programme 2019/20 will support the Corporate Plan's key themes;

Our People – Health and Wellbeing, Leisure, Skills, Vulnerable Groups and Communities

- Our Place – Economic Growth, External Investment, Social Regeneration, Infrastructure, Enhanced Environment
- Our Council – Finances, Structures, Parternships, Policies, Governance

The Council's financial planning process ensures that the decisions about the allocation of capital and revenue resources are taken to achieve a corporate and consistent approach. The key corporate documents and relevant linkages with this strategy include;

The Corporate Plan – priorities for the medium term
The Medium Term Financial Plan - incorporates the Financial Strategy, revenue budget financial impacts of capital investment decisions.
The Reserves Strategy- prioritises the use of reserves for capital and revenue purposes.
The Treasury Management Strategy (including Investment Strategy) informs the affordability and sustainability of prudent investment decisions.
The Commercial Portfolio Strategy – informs how acquisitions of investment properties will be made on a risk based approach
The Value for Money Strategy – Ensuring VFM is achieved from investment decisions.
The Housing Strategy – Supporting housing growth and regeneration within the district.
The Land and Property Investment Strategy -
The Asset Management Policy – Investment needs of our own land and property holdings
Service Plans – Investment need for delivery of quality services

4. The Capital Investment Strategy Process

The strategic approach to revenue and capital investment decisions needs to be formalised to ensure that our resources are directed to the most appropriate schemes which both deliver our corporate priorities and which are based on sound business cases. Assessment and prioritisation of capital investments schemes are based on uniform criteria.

Therefore the Capital Investment Strategy Process has been developed which will ensure that prioritisation of investments are directed to deliver Corporate Objectives and delivery of the Executive Business Plan and Service Business Plans in addition to generating returns to support delivery of core services.

The process for includes:

- Review existing Capital Programme, timing, budget requirements etc.
- Annual review of existing Projects
- Asset Management Plan – detailed costs of required investment in property portfolio and property assets to be disposed.
- Review of asset replacement programmes
- Consideration of financing availability i.e. Earmarked Reserves, Grant funding, Capital Receipts and Prudential Borrowing
- Business Planning – identifying new schemes and projects for evaluation both capital and revenue.
- Evaluation of all proposed schemes against scoring matrix.
- Consider core service funding requirements and opportunities to invest in non-Treasury assets to generate returns

The final approved Capital Investment Programme and its financial implications, are included within the Medium Term Financial Plan, submitted to the Council annually in March for approval.

Fully costed and appraised business cases for each scheme will be presented to a relevant Board for consideration prior to any decision being made.

The Capital Programme consists of 4 levels of activity;

Pre-Stage 1 – Business Case in preparation
Stage 1 – Budget approved – requires full business case
Stage 2 – Business case approved in principal or awaiting funding
Stage 3 and Business as Usual (BAU) – Approved to spend and funding secured

The investment and the ongoing revenue implications of each scheme are ascertained from the financial implications and appraisals within the business case.

The Capital Investment Value is assessed against the capital definition, and deminimis limits (£10k).

Revenue Implications – include the impact on revenue budgets for running costs/additional staffing etc. and the impact of the cost of borrowing or loss of investment interest if capital receipts and revenue reserves are to be utilised

5. Governance of the Capital Investment Programme

In accordance with the Constitution and governance arrangements, the Council reviews its capital requirements and determines its Capital Programme within the framework of the MTFP and as part of the annual budget process. Resource constraints mean the Council continually needs to prioritise expenditure in light of its aims and priorities and considers alternative solutions.

To ensure that available resources are allocated optimally, capital programme planning is determined in parallel with service and revenue budget planning process within the frame work of the MTFP.

New programmes of expenditure will be appraised following a clearly defined Business Case gateway process.

The Council will approve in principal the Capital Investment Programme, and will approve the release of funding for replacement and renewal programmes, this is undertaken annually in March as part of budget setting and the approval of the Medium Term Financial Plan.

The Governance and Audit Committee will provide assurance on this Capital Investment Strategy.

Corporate Policy and Resources Committee will be responsible for approving release of funding for the Capital Investment Programme and will therefore receive reports for each scheme detailing the business case, cost, proposed funding and revenue implications.

Corporate Policy and Resources Committee will receive quarterly monitoring an update reports which may include details of;

- new capital investment schemes
- slippage in programme delivery
- programmes removed or reduced
- virements between schemes
- revisions in spend profile
- overspending
- capital acquisitions and disposals
- loan advances and outstanding loan balances

Progress on specific programmes will also be monitored in relation to projects through the Performance Monitoring reporting framework.

The Programme Board will receive monthly highlight reports

The Management Team will receive quarterly monitoring reports and any exception reporting.

Budget Managers will receive monthly monitoring reports.

6. Capital Financing

The funding of Capital schemes can come from a number of resources, the use of external resources will take precedent ;

- Prudential borrowing
- Revenue contributions and Earmarked Reserves
- Capital Receipts
- External grants and contributions (including S106 and Community Infrastructure Levies (CiL))
- Leasing
- Other sources – i.e. partnerships or private sector involvement

This strategy, the outcomes of which will inform the MTFP, is intended to consider all potential funding options available to the Council and to maximise the financial resources available for investment in corporate priorities and service provision and improvement.

To deliver our strategic objectives, especially in relation to economic and housing growth, regeneration, in addition to investment in commercial property which is designed to provide a revenue return, significant levels of investment will be required, which will result in a borrowing need.

Prudential Borrowing

The Council has discretion to undertake Prudential borrowing to fund capital projects with the full cost of that borrowing (interest and minimum revenue provision) being funded from Council revenue resources and/or capital receipts. This discretion is subject to complying with the Code's regulatory framework which essentially requires any such borrowing to be prudent, affordable and sustainable. Prudential borrowing provides an option for funding additional capital development however it has to be funded each year from within the revenue budget and by generating additional ongoing income streams from the investment.

Given the pressure on the Council's revenue budget in future years, prudent use will be made of this discretion in cases and only where there is a clear financial benefit, such as "invest to save", "invest to earn". Consideration will only be given to commercial investments where returns are expected to be higher than the revenue costs of the debt, provision of loans where principal repayments will be utilised as proxy for MRP, borrowing or major regeneration schemes which do not increase revenue expenditure levels in the longer term but provide a beneficial economic and or social impact.

The Council will remain cautious and prudent in the extent of prudential borrowing undertaken to fund new capital investment.

Where prudential borrowing is utilised to fund Capital Investment, financial implication considerations will be provided including the risks and opportunities of the investment over both the payback period and over the repayment period of any debt taken out.

Revenue Contributions and Earmarked Reserves

Our continued prudent approach is to set aside revenue resources to fund capital replacement programmes and asset management funding.

New Homes Bonus Grant will continue to be set aside for the purpose of investment in growth and regeneration (economic and housing) and this strategy has been included in the MTFP.

We will consider future Earmarking of Reserves for service investment needs, invest to save and invest to earn projects and enhancements to our own property assets, in addition to consideration of revenue contingencies, volatility and budget smoothing.

Our own resources will therefore be utilised to fund those schemes which provide a SRI, invest to save schemes which achieve efficiencies, and investment in our operational service asset needs.

Capital Receipts

Capital receipts generated from the following sources and where appropriate utilised as detailed.

- Loans principal repayments – used to repay prudential borrowing
- Receipts from Asset Disposal (operational property assets or surplus land)
- Commercial Portfolio Properties – repayment of borrowing
- Share of RTB Housing Transfer Agreement – future investment
- Insurance settlements – replacement of asset

External Grants and contributions (incl S106 and Community Infrastructure Levy (CiL))

The Council will actively pursue grants and contributions and other innovative solutions to funding of capital investment schemes. This funding will be utilised in the first instance.

Leasing

The use of leasing will be undertaken where alternative funding is not available for vehicles or minor equipment and the revenue budget does not allow for a full capital repayment. Where there is a robust business case then the option of leasing may be considered.

Other Sources of Funding

There are a range of other potential funding sources which may be generated locally either by the Council itself or in partnership with others ie a growing number of private organisations are showing interest where clear joint benefits exist. Each case will be subject to specific financial appraisals and appropriate governance arrangements.

7. Investment in Commercial Properties (Non Treasury Investments)

Any acquisition of Commercial Properties will be in accordance with the Commercial Portfolio Strategy and are being acquired to support delivery of services in a financially sustainable organisation. Up to £30m has been approved for investment in Commercial Property in support and protection of Council Services.

Appropriate experts are engaged as required.

All assets will be assessed against a set criteria and the Executive Director of Resources and Chair of Corporate Policy and Resources will have delegated Authority to complete on the acquisition of assets which score 50 or more out of 70. Any asset which falls below this threshold or registers a zero against any criteria may still be considered but specific justification will need to be provided and the decision to proceed taken to the Corporate Policy and Resources Committee for approval.

An annual review will be undertaken of the Commercial Property Portfolio to ascertain whether its fair value is sufficient to provide security against loss against the capital investment, and therefore adequate to meet the cost of outstanding borrowing.

Under the Minimum Revenue Provision (MRP) Policy, there will be no annual MRP charge for borrowing undertaken to finance Commercial Properties. However voluntary MRP will be considered if appropriate.

A Valuation Volatility Earmarked Reserve has been created with a target balance of 5% of purchase price of the portfolio. This will help mitigate any financial loss of investment upon the sale of an asset should there be any shortfall against outstanding debt. A proportion of the annual revenue income generated from the investment will be allocated for risk provision.

A Commercial Contingency revenue base budget is also included within the MTFP to mitigate the risk of not achieving the desired level of yield from the Portfolio in year.

These investment assets are not deemed to be liquid over the short term but are likely to be held for the medium term of 5-10 years.

A number of prudential indicators in relation to these investments are contained within the Treasury Management Strategy and will be monitored throughout the year.

8. Risk

All capital projects have a risk register, with all risks affecting the project considered.
A specific risk of capital investment is the impact on the Council's VAT partial exemption (recovery of exempt VAT upto 5% of overall VAT). If exempt VAT exceeds 5% the whole amount is then irrecoverable. Each scheme is therefore assessed for its impact

9. Conclusion

The Capital Investment Strategy is a working document, which enables the Council to make informed rational capital investment decisions to achieve its corporate priorities and objectives. It provides a framework for determining the relative importance of individual projects.

The strategy will be reviewed annually to ensure that it remains relevant and effective.

Pay Policy Statement 2020/21

Date: January 2020 **Reviewed annually**

Introduction

The Council recognises that, in the context of managing scarce public resources, remuneration at all levels needs to be adequate to secure and retain high quality employees dedicated to the service of the public, but at the same time needs to avoid being unnecessarily generous or otherwise excessive.

It is important that local authorities are able to determine their own pay structures in order to address local priorities and to compete in the local labour market.

In particular, it is recognised that senior management roles in local government are complex and diverse functions in a highly politicised environment where often national and local pressure conflict. The Council's ability to continue to attract and retain high calibre leaders capable of delivering this complex agenda, particularly during times of financial challenge, is crucial.

Legislation

Section 38/11 of the Localism Act 2011 requires local authorities to produce a Pay Policy Statement for 2013/2014 and for each financial year thereafter. This document comprises that Pay Policy Statement being recommended for adoption.

The Act and supporting statutory guidance provides details of matters that must be included in this statutory pay policy but also emphasises that each local authority has the autonomy to take its own decisions on pay and pay policies. The Pay Policy Statement must be approved formally by Full Council by the end of March each year, can be amended in year, must be published on the Council's website and must be complied with when setting the terms and conditions of chief officer employees.

The Council will comply with the National Living Wage legislation.

Context

This pay policy includes a policy on:-

- The level and elements of remuneration for each chief officer
- The remuneration of the lowest paid employees
- The relationship between the remuneration of chief officer and other officers; and
- Other specific aspects of chief officer remuneration and other discretionary payments

Remuneration in this context is defined widely to include not just pay but also charges, fees, allowances, benefits in kind, enhancements of pension entitlements and termination payments.

Senior Officer Pay

In this policy the senior pay group covers posts in the top tier of the organisation and any statutory officers i.e. Section 151 Officer or Monitoring Officer that are not included in the tier.

The council currently have the following number of posts at the chief officer level:-
1 x Chief Executive
1 x Monitoring Officer, at Assistant Director level

The policy for each group is as follows:-

Salaries in this policy are as at 1 March 2020.

Chief Executive

The salary for the above post has been established as a range of £112,000 to £125,000. This is a local grade established following an analysis of the degree of responsibility in the role, benchmarking with other comparators and the ability to recruit and retain exceptional candidates.

There are no other additional elements of remuneration in respect of overtime, flexi-time, bank holiday working, stand-by payments, bonuses etc., paid to the above senior officer, as they are expected to undertake duties outside their normal hours and working patterns without additional payment.

Monitoring Officer

The salary for this post is paid at a spot salary of £67,892 per annum plus an honorarium of £5,000 per annum to reflect the specific statutory responsibilities.

Chief Officer Pay Awards

Pay awards for Chief Officers are nationally determined in accordance with the Joint Negotiating Committee (JNC) for Chief Officers. The council applies the nationally negotiated pay settlement as agreed by JNC for Local Authority Chief Executives.

Chief Executive Recruitment

Recruitment to the post of Chief Executive is undertaken by a committee of councillors appointed by Council.

The Council's Chief Officer Employment Committee is responsible for, amongst other things, determining the remuneration of the Chief Executive.

Rules governing the recruitment of chief officers are set out in the Council's constitution, Part 5 Rules of Procedure, Officer Employment Procedure Rules.

Returning Officer Fees

Special fees are paid for Returning Officer duties which are not part of the post holder's substantive role. These fees are payable as required and can be made to any senior officer appointed to fulfil the statutory duties of this role. The Returning Officer for this Council is Alan Robinson who is appointed under representation of the People Act 1983. Whilst appointed by West Lindsey District Council, the role of the Returning Officer is one which involves and incurs personal responsibility and accountability and is statutorily separate from his/her duties as an employee of West Lindsey District Council. As Returning Officer a separate allowance is paid for each election for which the officer is responsible.

Lowest Paid Employees

The lowest paid staff within the Council's pay structure are on Band 3. For this reason we have chosen staff employed on Band 3 as our definition of the 'lowest paid' for the purposes of this policy.

Band 3 ranges from £18,065 to £18,426 per annum.

The terms and conditions of employment for Band 3 staff are in accordance with collective agreements, negotiated from time to time, by the National Joint Council for Local Government Services, as set out in the Scheme of Conditions of Service (commonly known as Green Book). These are supplemented by local collective agreements reached with the trade union recognised by the council and by the rules of the council.

All posts except that of the Chief Executive, Assistant Director and Strategic Leads are evaluated using the NJC job evaluation scheme, which is recognised by employers and trade unions nationally. This scheme allows for robust measurement against set criteria resulting in fair and objective evaluations and satisfies equal pay requirements.

Each salary other than that of the Senior Management Team is set within a pay band which is made up of spinal points, staff progress through these spinal points with length of service until they reach the top point in their pay band.

The Council applies the National Joint Conditions of Service for all employees, and any nationally agreed salary increases are applied.

Pay Supplements

From time to time it may be necessary to pay special allowances or supplements to individual employees as part of their employment contract where it can be justified in accordance with council policy. The council may use the following:

Market supplements – in order to attract and retain employees with particular experience, skills and capacity, for example when there are skills shortages locally or nationally.

Special payments – where an employee has taken on additional duties and responsibilities for a defined period of time, for example covering a vacancy or taking on a special project.

Apprentices

The council operates an apprenticeship scheme, apprentices are employed with the council as part of a training and development scheme for a minimum of a 12 month period.

Apprentices provide an additional staffing resource to the council, however they are not a substitute for established posts; the emphasis of the apprenticeship programme is learning and development.

The salary paid to all apprentices is based on the National Minimum Wage requirement and therefore is increased in line with Government recommendations.

Year	Apprentice
April 2019	£3.90

Apprentices are entitled to the apprentice rate if they're either:

- Aged under 19
- Aged 19 or over and in the first year of their apprenticeship

Payments/Charges and Contributions

All officers of the Council are entitled to join the Local Government Pension Scheme (LGPS). The LGPS is a contributory scheme; employees contribute 5.5%-12.5% (average 6.4%) of their own salaries to the scheme. Employers' contributions to the LGPS vary depending upon how much is needed to ensure benefits under the Scheme are properly funded, and are set independently. The rules governing the pension scheme are contained in regulations made by Parliament.

The Council makes employer's contributions into the scheme, which are reviewed each 3 years by the actuary. The current rate is 17.2% of pensionable pay, in addition the Council makes lump sum deficit payments to the local government pension fund which equate to approximately 13% of pensionable pay.

Multipliers

The idea of publishing the ratio of the pay of an organisation's top earner to that of its median earner has been recommended in order to support the principles of Fair Pay following the 2011 report on public sector pay and the transparency agenda.

The highest paid officer of the council is the Chief Executive at £112,000

The ratio between the highest and lowest salary pay point is 1:6.2

The median salary of all the Council staff is £24,313

The Council does not have a policy on maintaining or reaching a specific pay ratio between the lowest and highest paid staff.

Discretionary Payments

The policy for the award of any discretionary payments is the same for all staff regardless of their pay level. The following arrangements apply:

'Redundancy payments under regulation 5 of the Local Government (Early Termination of Employment) (Discretionary Compensation) (England & Wales) regulations 2006.'

The Council calculates redundancy payments by reference to an individual's actual week's pay, rather than the statutory maximum, where it is greater than the statutory maximum. This is payable to employees made redundant with 2 or more years local government service.

Severance payments under section 6

No severance payments: Employees aged 55 and over who are retiring early in the interests of efficiency will receive immediate payment of their pension benefits with no additional years service or compensatory payments. The capital cost of the early payment of pension benefits will be met by the Council but approval is subject to the cost being met by savings over a 3 year period.

Additional memberships for revision purposes under regulation 12 of the Local Government Pension Scheme (Benefits, Membership & Contributions) Regulations 2007. Additional payments under regulation 13 of the same legislation.

No discretionary additional membership or payment provisions are applied.

Any proposals with a severance package with a total value of over £100,000 will be reported to Full Council for decision.

Re-employment

The Council's recruitment and selection policy recognises the importance of making appointments on merit, and ensuring equality of opportunity. Consequently, as a general principal, individual applicants for employment will be considered in accordance with this policy and will not be denied employment purely on the basis of having previously been employed by the council.

However, an individual in receipt of a severance payment and/or early retirement pension will not normally be immediately re-employed or re-engaged by the Council, either under a contract of employment or a contract for services. It is expected that the Council, when agreeing severance arrangements, will do so in the context of anticipated future requirements and plan its resources accordingly.

It is, however, recognised that in some limited, exceptional circumstances re-employment would be in the council's interests, in which case approval may be given by the Chief Executive in consultation with the People & OD Manager.

Where an employee retires on the grounds of ill health and later applies for employment this will be considered carefully in the context of the Equality Act and advice from the occupational health advisor.

Disclosure

Upon approval by Full Council this Pay Policy statement will be published on the Council's website.

West Lindsey
District Council

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Appendix 8

Human Resources Statement 2020/21

Human Resources Statement 2020/21

Cluster	Business Units	Budgeted Full Time Equivalent
Corporate	Investment Properties	0.50
Corporate Total		0.50
Our Council	Business Improvements	3.25
	Civic Responsibilities	1.00
	Closer to the Customer	2.00
	Committee Administration	4.30
	Communications	3.95
	Corporate Governance - Developmental	8.55
	Corporate Governance-Developmental	1.00
	Corporate Services	0.20
	Corporate Support Services	5.25
	Crematorium	3.00
	Customer Relations	15.33
	Debtors	1.10
	Electoral Registration	2.86
	Executive Director of Economic & Commercial Growth	1.00
	Executive Director of Resources (S151 Officer)	1.00
	Executive Director Operations/Head of Paid Service	1.00
	Financial Services - Accountancy	11.57
	Green Waste Service	1.01
	Health & Safety At Work	1.15
	Human Resources	4.08
	IT & Contracts Team	3.34
	Local Land Charges	3.20
	Local Tax Collection	11.39
	Markets	1.03
	Members' Costs	0.50
	Policy & Governance	3.18
	Property Services	6.86
	Supplementary Services (Chargeable)	2.18
	Trade Waste	1.53
	WLDC - Apprentices	5.81
Our Council Total		111.61
Our People	Enterprising Communities	5.59
	Housing Advice & Homelessness	8.00
	Housing Benefit Administration	14.03
	Housing Renewal Activity	4.16
	Housing Standards	4.45
	Leisure Centre - Gainsborough	0.20
	Trinity Arts Centre	4.22

	Wellbeing Delivery	9.00
Our People Total		49.65
Our Place	Building Control - Commercial	0.00
	Building Regulations - Fee Earning	3.30
	Building Regulations - Non-Fee Earning	2.80
	Car Parks	1.09
	CCTV Service	3.00
	Cemeteries	0.35
	Civil Parking Enforcement	0.44
	Commercial Development	1.61
	Community Licences	2.65
	Community Safety	2.20
	Conservation & Listed Buildings	2.05
	Development Control	21.34
	Economic & Tourism	1.00
	Economic Regeneration	4.31
	Food Safety	4.54
	Gainsborough Heritage Regeneration - THI	0.60
	Housing Zone	1.81
	Mayflower 400	0.41
	Neighbourhood Planning	1.00
	Pest And Dog Control	0.03
	Planning Enforcement	2.10
	Pollution Reduction	3.55
	Strategic Manager-Services	0.60
	Street Cleansing	15.87
	Visitor Economy	1.00
	Waste Collection	48.37
	Waste Collection Vehicles	1.00
Our Place Total		127.00
Grand Total		288.77

CPR Workplan 5 February

Purpose:
This report provides a summary of items due at Committee over the coming months.

Recommendation:
1. That members note the plan.

Date	Title	Lead Officer	Purpose of the report	Date First Published
23 APRIL 2020				
23 Apr 2020	Caistor Southdale Development	Eve Fawcett-Moralee, Executive Director of Economic and Commercial Growth	To approve plans for GP and residential development	03 April 2019
23 Apr 2020	Budget and Treasury Monitoring Period 4 2019/20	Tracey Bircumshaw, Strategic Finance and Business Support Manager, Sue Leversedge, Business Support Team Leader	to report final outturn position 2019/20	03 April 2019
23 Apr 2020	Committee Timetable 2020-2021 and beyond	James Welbourn, Democratic and Civic Officer	To agree the timetable for 2020-2021 and to note the potential dates for 2021-2024	14 January 2020
11 JUNE 2020				
11 Jun 2020	Officer Code of Conduct	Emma Redwood, People and Organisational Development Manager	To review the officer code of conduct and update as required	17 July 2019
11 Jun 2020	Stress Management Policy	Emma Redwood, People and Organisational Development Manager	To review the council's stress management policy and update as required	17 July 2019

11 Jun 2020	Hemswell Cliff Managed Estate Contract	Shayleen Towns, Senior Community Action Officer	WLDC contract, which commenced July 2018, is due for review at 2.5 years. This report is to review options for the future of this work	19 November 2019
11 Jun 2020	Capability Policy	Emma Redwood, People and Organisational Development Manager	To review the council's capability policy and update	19 November 2019
11 Jun 2020	Progress and Delivery Report - Period 4 2019/20	Mark Sturgess, Executive Director of Operations	To present performance for 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.	19 November 2019

5 NOVEMBER 2020

5 Nov 2020	Progress and Delivery Report; April - September 2020/21	Ellen King, Senior Performance Officer	This report presents progress against the delivery of the Council's key performance measures for the period April - September 2020/2021.	

Document is Restricted