

## Public Document Pack



Please note that the following extract minutes from Performance Scrutiny Committee dated 22 May 2025 were published separately from the main agenda for this meeting of the Executive to be held on Tuesday, 3rd June 2025 at 6.00 pm in Committee Room 1, City Hall.

8. Treasury Management Stewardship and Actual Prudential Indicators Report 2024/25 (Pages 3 - 4)
9. Q4 2024/25 Operational Performance Report (Pages 5 - 6)
10. Financial Performance - Outturn 2024/25 (Pages 7 - 10)
11. Strategic Risk Register - Quarterly Review (Pages 11 - 12)

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**EXTRACT FROM COMMITTEE**

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**Performance Scrutiny Committee**

**22 May 2025**

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**4. Treasury Management Stewardship and Actual Prudential Indicators Report 2024/25 (Outturn)**

Laura Shipley, Financial Services Manager:

- a) presented a report to Performance Scrutiny Committee on the Council's treasury management activity and the actual prudential indicators for 2024/25
- b) explained that the Council held £19.127m of investments which was £1.584m higher than at 31 March 2024 as detailed within the investment profile at Appendix A, and section 4.3
- c) highlighted that the Council's total debt (including leases and lease-type arrangements) at 31 March 2025 was £107.286m as detailed within Appendix A, and section 4
- d) stated that Actual investment interest earned on balances was £1.131m compared to £661,000 estimated in the Medium Term Financial Strategy 2024-29 as outlined at Appendix A and section 9
- e) invited members' questions and comments.

RESOLVED that:

- a) The actual prudential indicators contained within appendices A and B be noted by the Performance Scrutiny Committee.
- b) The Annual Treasury Management report for 2024/25 also be noted.

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### Performance Scrutiny Committee

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#### 5. Quarter 4 2024/25 Operational Performance Report

The Business Intelligence Officer:

- a. presented an outturn performance summary report to Performance Scrutiny Committee of the Council's performance in Quarter 4 of 2024/25
- b. highlighted that out of the 87 performance measures monitored during the quarter, 64 had targets allocated to them, of these targeted measures 44 (68.7%) were within or exceeding the targets set
- c. reported that when read together, Appendices A and B aimed to enhance the range of performance information presented via the quarterly reporting process and make it easier to assess and scrutinise the performance of each priority/portfolio
- d. advised that as set out in section 3, Appendix A provided an overview of the Council's performance by Directorate and Vision 2025 theme. The highlight report detailed some of the positive work of the Council during the quarter, and the impact of this was also included in Appendix A
- e. advised of specific areas to monitor within each Directorate as outlined at item 5 of her report
- f. invited members' comments and questions.

**Question:** What parameters were being considered with regards to the Climate Change priority?

**Response:** The Business Intelligence Officer confirmed that she would liaise with the relevant officer and feedback the information to the Committee.

**Question:** Why hadn't appraisals been carried out for all staff?

**Response:** A new model had been introduced which required all staff to have had an appraisal between April and June. This allowed staff to monitor them more robustly. An extension had been given to Customer Services staff due to a higher number of employees in that area. The Quarter 1 report in August should show a healthy percentage as most appraisals would've been carried out by then.

**Question:** Was it possible to provide percentage figures for appraisals at future meetings going forward?

**Response:** The Assistant Director for Strategic Development confirmed that she would provide the figures at a future Performance Scrutiny Committee meeting.

The Business Intelligence Officer advised Members that it was important to note that only appraisals recorded on the I-Trent system were part of the Performance report.

**Question:** How had Destination Lincolnshire going into liquidation impacted the Council?

**Response:** It was confirmed that the funding for the 2025/26 Service Level Agreement had not been released and so the funds remained available to help market the city and its events through an alternate model, once it emerged. Further information on alternative arrangements for the events programme would be shared with Performance Scrutiny Committee at a future meeting.

**Question:** In relation to Leisure Centres and the new contract provider being announced, could more financial information be presented to members at future committees?

**Response:** Going forward, a review of the new contract would be carried out and more information could be fed into the system.

**Question:** What were the Nature Towns and Cities Funding staff employed to deliver?

**Response:** The Business Intelligence Officer confirmed that she would liaise with the relevant officer and feedback her findings to the Committee.

**Question:** Would the City of Lincoln Council continue to run the Greyfriars and Barbican buildings once refurbishment works are finished?

**Response:** Greyfriars was the Council's asset and would be leased to Heritage Trust Lincolnshire once works were complete, they were working in partnership with the Council on it. The Barbican wasn't an asset of the Council's, it belonged to the Co-op. The Council was the accountable body for the grant and once the project was complete, the lease would be obtained by the University.

**Question:** What was the reason behind the backlog of benefit requests? How could they be resolved?

**Response:** The Assistant Director for Strategic Development confirmed that she would liaise with the relevant officer and feedback the information to the Committee.

It was RESOLVED that:

- a. The Business Intelligence Officer to feedback to the Committee the parameters used for the Climate Change Priority.
- b. The Assistant Director for Strategic Development to provide the percentage of appraisals carried out at the next Quarterly Performance Scrutiny Committee.
- c. The Business Intelligence Officer to provide clarity on what the Nature and Towns funding staff were employed to deliver.
- d. The Assistant Director for Strategic Development to provide the Committee with clarity on the backlog of benefits requests.
- e. The contents of the Quarter 4 2024/25 Operational Performance Report, found at Appendices A and B, ahead of the report being presented to Executive on 2<sup>nd</sup> June 2025 be noted.
- f. Performance Scrutiny Committee confirmed that the format of the performance report continued to meet their requirements.

## EXTRACT FROM COMMITTEE

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### Performance Scrutiny Committee

22 May 2025

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### 3. Financial Performance - Outturn 2024/25

The Financial Services Manager:

a) presented a report to Performance Scrutiny Committee with the provisional 2024/25 financial outturn position on the Council's revenue and capital budgets, including:

- General Fund
- Housing Revenue Account
- Housing Repairs Service
- Capital Programmes

b) requested that Performance Scrutiny Committee note that the financial outturn was still subject to Audit by KPMG, the Council's external Auditors

c) provided information on the following:

- **General Fund Revenue Account** – for 2024/25 the Council's net General Fund Revenue Budget was set at £15,427,670, including a planned contribution to balances of £146,820 resulting in an estimated level of general balances at the year-end of £2,391,979. The finance performance quarterly monitoring report for quarter 3 predicted an underspend against the revised budget of £176,017 (before additional transfers to earmarked reserves and carry forward requests). The provisional outturn for 2024/25 now indicated an improvement of £604,852 (before additional transfers to earmarked reserves and carry forward requests) Based on this position, additional transfers to earmarked reserves, and carry forward requests, totalling £826,658 had been proposed which resulted in an overall budget underspend of £7. This represented a variance against the revised budget of less than 1%. Full details of the main variances were provided in Appendix B.
- **Housing Revenue Account** – for 2024/25 the Council's Housing Revenue Account (HRA) net revenue budget was set with a planned contribution from balances of £101,220, resulting in estimated general balances at year-end of £1,030,024 (after allowing for the 2023/24 outturn position). The financial performance quarterly report for quarter 3 predicted an underspend of £714,390. The provisional outturn for 2024/25 now indicated an overall budget underspend of £1,557,873 (before additional transfers to earmarked reserves and carry forward requests). Based on this position, additional earmarked reserves and carry forward requests totalling £1,404,580 had been proposed resulting in an overall budget underspend of £153,293. This would result in HRA balance as of 31<sup>st</sup> March 2025 of £1,183,317. Full details of the main variances were provided at Appendix D.

- **Housing Repairs Service** – For 2024/25 the Council's Housing Repairs Service (HRS) net budget was set at zero, which reflected its full cost recovery nature. The provisional outturn for 2024/25 showed the HRS had a surplus of £112,647 which was repatriated to the HRA. Full details of the main variances were provided at Appendix F.
- **General Investment Programme** – the revised General Investment Programme (GIP) for 2024/25 amounted to £22m following the quarter 3 report. At quarter 4 the programme had reduced by £3.06m to £18.97m as shown at paragraph 7.2. The overall spending on the General Investment Programme active schemes (including externally delivered schemes) for 2024/25 was £16.7m, which was 88.25% of the quarter 3 budget as detailed in Appendix I.
- **Housing Investment Programme** – the revised programme for 2024/25 amounted to £17.615m following the quarter 3 position. At quarter 4 the programme had decreased by £1.308m to £16.308m as shown at paragraph 7.10 of the report. The overall expenditure on the Housing Investment Programme for the final quarter was £16.508m, which was 93.66% of the budget as detailed at Appendix J of the report.

d) invited members' comments and questions.

**Question:** Were the Lincoln Town Deal Board projects ongoing? Could a list be provided of the projects that were still underway?

**Response:** The Financial Services Manager confirmed she would seek a list of ongoing Lincoln Town Deal Board Projects and circulate to the Committee for information.

**Question:** What was the Play Pitch Strategy?

**Response:** It was predominantly funding for leisure facilities with open spaces accessible to provide to the public.

**Question:** Would Members be involved in providing a steer on this?

**Response:** Yes, Members would be involved and a consultation would be submitted for it.

The Chair highlighted that the income generating streams for the Crematorium, Car Parking and Cornhill Market would need to be reviewed regularly going forward.

**Question:** Could the action plan for the Crematorium be shared with Members?

**Response:** The Directorate of Communities and Environment monitored income levels across all its service areas including Car Parks and the Crematorium on a monthly basis and made in year adjustments to encourage take up (in the case of services such as Car Parks, Green Waste Collections etc). The Action Plan for the Crematorium was derived from the issues that impacted in May 2024. Almost all of the actions had been completed, and a recent independent audit would be reported soon, after the police had completed their investigations which was anticipated to be very shortly. The Assistant Director for Strategic Development confirmed that the report would be brought to committee once it was released.



**Question:** With regards to complaints and reporting, how could the Council turn properties around quicker and avoid bringing contractors in?

**Response:** The Assistant Director for Strategic Development explained that a report on the Workforce Development Strategy would be brought to Performance Scrutiny in September.

RESOLVED that:

- a. The Financial Services Manager collate a list of current ongoing Lincoln Town Deal Board Projects and circulate to the Committee for information.
- b. The Action Plan for the Crematorium be brought to a future Performance Scrutiny Committee once released.
- c. The Workforce Development Strategy be brought to Performance Scrutiny Committee in September 2025.
- d. Performance Scrutiny Committee noted the provisional 2024/25 financial outturn for the General Fund, Housing Revenue Account, Housing Repairs Service and Capital Programmes as set out in sections 3 – 7 and, in particular the reasons for any variances.
- e. The new General Fund carry forward requests and transfers to earmarked reserves, as detailed in paragraph 3.10 and 3.11 prior to reporting to the Executive be reviewed and noted.
- f. The new HRA carry forward requests and transfers to earmarked reserves and the Major Repairs reserve detailed in paragraph 4.8 and 4.9 prior to reporting to the Executive be noted.
- g. The changes to the General Investment Programme and Housing Investment Programme as approved by the Chief Finance Officer as detailed in paragraphs 7.6 and 7.14 prior to reporting to the Executive be noted.
- h. The changes to the General Investment programme and the Housing Investment programme approved, or to be approved, by the Executive as detailed in paragraphs 7.3, 7.5, 7.11, 7.12 and 7.13, prior to reporting to the Executive be noted.
- i. The content of this report be noted and referred to the Executive for approval.

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## EXTRACT FROM COMMITTEE

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### Performance Scrutiny Committee

22 May 2025

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#### 9. Strategic Risk Register - Quarterly Review

The Financial Services Manager:

- a) presented Performance Scrutiny Committee with a status report of the Strategic Risk Register as at the end of the fourth quarter 2024/25
- b) stated that since the last report to Members in February, the Strategic Risk Register had been refreshed and updated by the Risk Owners and Corporate Management Team. This involved reviewing each risk in terms of the level of assessed risk, control measures in place and mitigating actions required and identifying that there had been some positive movement in the Risk Register. It also considered whether there were new risks that needed to be assessed.
- c) reported that the Strategic Risk Register currently contained fifteen risks as follows:
  - 1) Failure to engage and influence effectively with the Council's strategic partners, Council staff and all stakeholders to deliver against the Council's new Vision 2030.
  - 2) Failure to deliver a sustainable Medium-Term Financial Strategy that supported delivery of the Council's Vision (specifically in relation to the General Fund).
  - 3) Failure to deliver the Towards Financial Sustainability Programme.
  - 4) Failure to ensure compliance with existing and new statutory duties/functions.
  - 5) Failure to protect the local authority's long-term vision due to changing structures and relationships in local government and impact on size, scale and scope of the Council.
  - 6) Unable to meet the emerging changes required in the Council's culture, behaviour and skills to support the delivery of the Council's vision, transformational journey to One Council approach and service delivery.
  - 7) Insufficient levels of resilience and capacity exist in order to deliver key strategic projects & services within the Council.
  - 8) Decline in the economic prosperity within the City Centre.
  - 9) Failure to deliver key strategic projects.
  - 10) Failure of the Council's key contractors and partners to remain sustainable and continue to deliver value for money.

- 11) Failure to protect the vulnerable in relation to the Council's PREVENT and compliance with safeguarding and domestic abuse duties.
  - 12) Failure to mitigate against the risk of a successful cyber-attack against the Council.
  - 13) Impacts of uncertainty of Government policies on migration policy, asylum dispersal, early prison release etc. on the Council's service delivery, capacity and MTFS as well as the impacts on housing, communities and the economic vitality of the City Centre.
  - 14) Failure to deliver critical services in an emergency situation.
  - 15) Failure of service delivery leading to reputational impacts on the Council and adverse financial implications.
- d) provided an overview of how risks were measured and evaluated and while there had been some positive movements in terms of the implementation of control measures, there had also been some external factors which had resulted in a change to the assessed levels of likelihood and/or impact
- e) welcomed members comments and questions.

RESOLVED that the Council's strategic risks as at the end of Quarter 4 2024/25 be noted.