

Present: Councillor Gary Hewson (*in the Chair*),
Councillor Helena Mair, Councillor Thomas Dyer,
Councillor Rebecca Longbottom, Councillor Bill Mara,
Councillor Laura McWilliams, Councillor Lucinda Preston,
Councillor Pat Vaughan and Councillor Loraine Woolley

Apologies for Absence: None.

26. Confirmation of Minutes - 1 October 2020

RESOLVED that the minutes of the meeting held on 1 October 2020 be confirmed.

27. Housing Scrutiny Sub Committee Minutes - 12 October 2020

The minutes from the Housing Scrutiny Sub Committee meeting that took place on 12 October 2020 were noted.

28. Declarations of Interest

No declarations of interest were received.

29. Q1/2 Operational Performance Report

Heather Grover, Principal Policy Officer:

a) Presented a report to Performance Scrutiny Committee with a summary of the operational performance position for quarters one and two of the financial year 2020/21 (from April 2020 to September 2020)

b) explained performance in the following Directorates:

- **Chief Executive's Directorate** – quarter two saw a long list of positive results, with 8 out of 20 measures above their target. Just 4 of 20 measures were below target, and whilst 5 measures negatively changed direction, most of them remained above or within target
- **Directorate for Communities and Environment** – Out of 31 measures (of which two were annual measures), five reported above target, six were volumetric and therefore had no status, three were below target, six were reported as acceptable, with the remaining 11 measures reporting no data as a result of COVID-19. Eleven targeted measures positively changed direction, whilst just two changed in a negative direction.
- **Directorate for Housing and Investment** – there were 19 measures in total, with 5 of those 19 measures had reported as below target for quarter two, and two had reported above target. Three of these measures were volumetric and therefore do not return a status. Three measures reported as acceptable, with the remaining 6 having no data supplied for the reporting period.
- **Directorate for Major Developments** – there were no key operational performance measures but the directorate had

nevertheless made a significant contribution to the council's response to COVID-19.

c) Highlighted the following:

- Overall sickness absence rates had reduced since the COVID-19 pandemic and staff began working from home, health and wellbeing remained a priority with the HR team regularly providing a range of advice and guidance to support all staff with their physical and mental wellbeing
- In quarter two there were 68 complaints and one LGO complaint, which was upheld. The cumulative average time year to date across all directorates to respond to formal complaints was 5.1 days.

d) Invited members' comments and questions.

Comment: Officers explained that procurement figures had not been received this quarter because of reduced capacity to deliver data due to prolonged heavy involvement in contract negotiations.

Question: Members asked whether the full financial year would be backdated and visible?

Response: These would be available by quarter 4.

Question: Members asked for an update on the maintenance of trees in residential areas

Response: There were two full time tree officers whose work was reactive. The staff did aspire to carry out regular checks on trees within the city and these would be carried out on a risk basis when this became possible.

Question: Members asked whether there was a decent tree standard and if there wasn't, would it be looked at in the future?

Response: The Tree Officers were managing trees based on health and safety due to financial limits of the authority. Officers were to check whether there was a standard and report back to the committee.

Question: Members asked why there had been no performance recorded for grounds maintenance as they were working throughout lockdown?

Response: There were no measures recorded as the team were running a skeleton service for the first few months.

Question: Members asked whether all the monies from Government for homelessness had been received?

Response: £82,000 had been received from Government towards financial pressures.

Question: Members asked whether there was any evidence on how the new system for logging repairs was going?

Response: There had been a presentation to Housing Scrutiny Committee which stated that the new logging system was going well.

Question: Members commented that rent collection was less than this time last year and asked when the unemployment effects would be known?

Response: We believe it would be next year but it was not known. The City of Lincoln Council were trying to make more sustainable tenancies by helping tenants so their properties were not lost. The Housing Team had been put in place a hardship rent fund of £100k of which £44k had been issued to help tenants. Data on city wide unemployment would be published in the Lincoln City Profile due to come to the committee early in the new year.

Question: Members asked when the new Allocations Policy would be in place as it needed to be as soon as possible?

Response: The changes and tests of the new policy were taking place in December for implementation in January 2021.

Question: Members asked whether assessments had been carried out for staff working at home?

Response: Workplace assessments could be carried out at home.

RESOLVED that the report be referred to Executive to ensure relevant portfolio holders were placing a local focus on areas showing deteriorating performance.

30. Financial Performance - Quarterly Monitoring

Jaclyn Gibson, Chief Finance Officer:

- a) presented Performance Scrutiny Committee the second quarter's performance (up to 30th September)
- b) explained that Covid19 had taken its toll on the financial resilience of the Council as income streams had plummeted and there had been a requirement to incur costs to ensure services were being provided throughout this difficult period and to respond to consequences of the pandemic. The impacts of this were not restricted to the current financial year but would have a significant impact over the period of the current MTFS and possibly beyond. In terms of the current financial year, 2020/21, the key challenges faced were in respect of:
 - Exceptional costs of dealing with Covid19 and increased service demand
 - Loss of income

In response to calls from the sector the Government had allocated a total of £4.6bn of general purpose grant funding to support local authorities to cover expenditure related pressures and announced an income compensation scheme to recompense councils for approx 75p in every £1 of lost sales, fees and charges income. To date the council had received funding support of £1.877m for Covid19 related pressures and was forecasted to receive £2.980m through the income compensation scheme. There had however been no additional financial support provided to the Housing Revenue Account.

- c) provided information on the Council's:

- **General Fund Revenue Account** - the General Fund Summary was currently projecting a forecast budget shortfall of £183,968 (appendix A provided a forecast General Fund Summary), resulting in general balance at the year-end of £2,338,220 (subject to any final contributions to earmarked reserves). There were a significant number of forecast year-end variations in income and expenditure against the approved budget, primarily as a result of Covid19 along with variances arising from measures taken to address the budget pressures and the financial support provided by government. Full details of the main variances were provided in appendix B.

The most significant impact of Covid19 had been on the Council's income streams with monthly income levels plummeting across a range of discretionary services as well as through investments and rental streams, as a result of the shutdown of the economy and its likely phased path to recovery. The most significant of income losses had been:

- Car Parking
- Development Management, Land Charges & Building Control
- Leisure, Recreation & Tourism
- Christmas Market
- Commercial Rents
- Treasury Management
- Court Cost Charges
- Other Income Areas

- **Housing Revenue Account** – the HRA was projecting an in-year variance of a £479,378 underspend, which would increase the general balances to £1,400,449 at the end of 2020/21. Although the forecast position was an underspend there were a number of forecast year-end variations in income and expenditure as a result of Covid19 along with variances arising from measures taken to address the budget pressures. Full details of the main variances were provided in appendix D.

Significant pressures facing the HRA was in relation to its income streams, primarily its housing rent income, was as follows:

- Housing Rents
- Housing Voids
- Treasury Management
- Court Cost Charges

- **Housing Repairs Service** – the HRS was forecasting a surplus of £169,909 in 2020/21. Appendix E provided a forecast summary, with full details of the main variances provided in appendix F.

d) provided information on:

- **General Investment Programme** – the original General Investment Programme for 2020/21 in the MTFS 2020-25 amounted to £15.586m. this was increased to £16.430m following quarter 4 approvals and year end re-profiles from 2019/20. There were no changes to the programme at quarter 1 but at quarter 2 the

programme had been reduced by £5.326m to £11,104m as shown at paragraph 7.2.

the overall spending on the General Investment Programme for the first and second quarter was £0.58m, which was 5.2% of the 2020/21 programme and 10% of the active programme. This was detailed further at Appendix J.

- **Housing Investment Programme** – the original Housing Investment Programme for 2020/21 in the MTFS 2020-25 amounted to £25.640m. This was increased to £28.505m following approvals and year end re-profiles as part of the 2019/20 outturn. This had been further adjusted to £29.324m during the first quarter of 2020/21 and adjusted to £22.286m during quarter 2. A summary of the changes were shown in paragraph 7.9.

e) invited members' comments and questions.

Question: The cancellation of the Christmas Market had proved to be the right decision. Members asked for an update for the Christmas Market 2021?

Response: Next years Christmas Market was being looked at and officers were starting to scenario plan for the amount of stalls and overcrowding etc. The Virtual Christmas Market for 2020 launched on 20 November.

Question: Members asked what the additional spend in City Hall was?

Response: This was in relation to The Terrace and Managed Workspace, not just City Hall and the supply of additional cleaning products. There had been an increase in the cleaning regime within the buildings due to staff and tenants still working at these sites.

Question: Members asked if there was a long-term strategy for car parking to try and increase usage and income?

Response: There was a strategy for car parking which needed a comprehensive review.

Question: Members asked if independent stalls could be linked to the market to help the shops in the Bailgate?

Response: The Virtual Christmas Market would measure how many visits the site has had etc. Local businesses were advertised through this with the ambition for the Virtual Christmas Market to run alongside the actual market next year.

Question: Members asked how the Council stood with regard to the monies given in phase 1 for WGC and asked if we still had money to move this forward from phase 1?

Response: The money was reprofiled into 2021/22 due to Covid19 slowing down the work. In line with the Executive report in 2019, at this stage only funding for Phase 1a had been allocated. Grant funding was currently being sought for future phases.

RESOLVED that:

1. Performance Scrutiny Committee recommend that Executive look at a long-term car parking strategy.
2. That the report be noted.

31. Treasury Management and Prudential Code Update Report - Half Year Ended 30 September 2020

Sarah Hardy, Principal Financial Business Partner (Treasury), on behalf of Colleen Warren, Financial Services Manager:

- a) presented a report to Performance Scrutiny Committee on the Council's treasury management activity and the actual prudential indicators for the period April 1st to September 30th 2020.
- b) explained that the Council held £33million of investments at 30th September 2020. The investment profile was shown in Appendix A.
- c) highlighted that at 30th September 2020 the Council held £117.551 million of external borrowing, of which 100% were fixed rate loans. This was shown in Appendix A.
- d) invited members' questions and comments.

Question: Members asked what happened to debt in the event of Local Government re-organisation?

Response: The debt would go with the Authority involved.

RESOLVED that the report be noted.

32. Budget Review Process 2021/22

Jaclyn Gibson, Chief Finance Officer, presented members with the process for the scrutiny of the proposed budget and Council Tax for the 2021/22 financial year and the Medium Term Financial Strategy 2020-2025.

Highlighted that it was proposed that the following governance arrangements should be in place for the Group;

- The group would be made up of 9 non-Executive Members with a 7:2 proportionality share
- The Group would be a sub group of the Performance Scrutiny Committee, although Members did not have to be Members of this Committee.
- The Chair of the group would be the Chair of the Performance Scrutiny Committee
- The Group would be the main mechanism by which the Executive would formally consult scrutiny on the consideration of their budget proposals.
- The meetings would be held in public and would be administered by Democratic Services.

- Specific Portfolio Holders and Directors (or Assistant Directors) would be invited to attend the meetings of the group or be requested to provide written responses if so required.
- Advice would be provided to the Group members by officers from the Council's Financial Services Team.
- The Chair of the Group shall be required to provide a report to the next full Performance Scrutiny Committee summarising the Groups findings and making recommendations to the Executive.

Members were asked to respond to Democratic Services to confirm member's attendance for this group.

RESOLVED that:

1. The objectives and governance arrangements of the Budget Review Group for 2021/22 as set out in paragraphs 3.3 – 3.4 be noted.
2. The timetable for the Group as set out in paragraph 3.6 be noted.
3. Nominations for membership of the Group from leaders of the respective political groups be notified to Democratic Services.

33. Work Programme 2020/21

Clare Stait, Democratic Services Officer:

- a) presented the draft work programme for 2020/21 as detailed at Appendix A of her report
- b) advised that the work programme for the Performance Scrutiny Committee was put forward annually for approval by Council; the work programme was then regularly updated throughout the year in consultation with the Performance Scrutiny Committee and its Chair
- c) reported that items had been scheduled in accordance with the existing work programme and officers' guidance regarding the meetings at which the most up-to-date information could be reported to the committee; the work programme also included the list of portfolio holders under scrutiny
- d) requested any relevant comments or changes to the proposed work programme for 2020/21.

RESOLVED that the work programme 2020/21 be noted.

34. Strategic Risk Register - Quarterly Review

Jaclyn Gibson, Chief Finance Officer:

- a) presented Performance Scrutiny Committee with a status report of the revised Strategic Risk Register as at the end of the second quarter 2020/21

b) reported that the strategic risk registers currently contained thirteen risks as follows:

- 1) Failure to engage & influence effectively the Council's strategic partners, council staff and all stakeholders to deliver against e.g. Council's Vision 2025
- 2) Failure to deliver a sustainable Medium-Term Financial Strategy (that supports delivery of Vision 2025).
- 3) Failure to deliver the Towards Financial Sustainability Programme whilst ensuring the resilience of the Council.
- 4) Failure to ensure compliance with statutory duties/functions and appropriate governance arrangements were in place.
- 5) Failure to protect the local authority's vision 2025 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 2020/2025 and the transformational journey to one Council approach.
- 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 mitigate against the implications for the Council following the outcome of Brexit.
- 10) Failure to deliver key strategic projects.
- 11) Failure of the Council's key contractors and partners to remain sustainable and continue to deliver value for money
- 12) Failure to work in partnership to sustain support to vulnerable resident's post COVID19.
- 13) Failure to put in place safe working practices and social distancing measures to protect officers and service users.

RESOLVED that the Strategic Risk Register as at the end of the second quarter 2020/21 be noted.

35. Exclusion of Press and Public

RESOLVED that the press and public be excluded from the meeting during consideration of the following item(s) of business because it is likely that if members of the public were present there would be a disclosure to them of 'exempt information' as defined by Section 100I and Schedule 12A to the Local Government Act 1972.

36. Strategic Risk Register - Quarterly Review

Jaclyn Gibson, Chief Finance Officer:

- a) provided members with the revised Strategic Risk Register as attached at Appendix A.
- b) invited members' questions and comments.

RESOLVED that the Strategic Risk Register as at the end of the second quarter 2020/21 be noted.