

Present: Councillor Ric Metcalfe (*in the Chair*),
Councillor Donald Nannestad, Councillor Chris Burke,
Councillor Sue Burke, Councillor Bob Bushell and
Councillor Neil Murray

Apologies for Absence: None.

1. Confirmation of Minutes - 17 March 2021

RESOLVED that the minutes of the meeting held on 17 March 2021 be confirmed.

2. Declarations of Interest

No declarations of interest were received.

3. Financial Performance - Outturn 2020/21

Purpose of the Report

- (a) To present to the Executive the provisional 2020/21 financial outturn position on the Council's revenue and capital budgets, including:
- General Fund;
 - Housing Revenue Account;
 - Housing Repairs Service; and
 - Capital Programmes.
- (b) To provide the Executive with a summary of the actual income and expenditure compared to the revised budget and how any surpluses have been allocated to reserves.

Decision

- (1) That the provisional 2020/21 financial outturn for the General Fund, Housing Revenue Account, Housing Repairs Service and Capital Programmes (as set out in sections 3 – 7 of the report), and in particular the reasons for any variances, be noted.
- (2) That the transfers to General Fund earmarked reserves (as detailed in paragraph 3.12) and Housing Revenue Account earmarked reserves (as detailed in paragraph 4.6 of the report) be approved.
- (3) That the General Fund carry forward requests (as detailed in paragraph 3.14 of the report), which had not been requested at Quarter 3, be approved.
- (4) That the financial changes to both the General Investment Programme and the Housing Investment Programme (paragraphs 7.3 and 7.9 of the report), which were above the 10% budget variance limit, as delegated to the Chief Finance Officer, be approved.

Alternative Options Considered and Rejected

None.

Reasons for Decision

Covid-19 had taken its toll on the financial resilience of the Council during 2020/21 as income streams had declined, and there were additional costs in continuing services during the pandemic. These impacts were not limited to the 2020/21 financial year, but would affect the period of the medium term financial strategy. In terms of the financial year 2020/21, the key challenges were the costs and demands arising from the pandemic. This had resulted in significant shortfalls on the General Fund prior to the support from the Government. It was highlighted that for the General Fund the financial performance quarterly monitoring report for the third quarter had predicted an underspend against the revised budget of £122,723. The provisional outturn for 2020/21 was now indicating an overall budget underspend of £148,381 (including proposed transfers to/from earmarked reserves and carry forward requests). The financial impact of Covid-19 on the Council equated to circa £7 million. A breakdown of key variances to the General Fund was detailed at paragraph 3.3 of the report.

In advance of any financial support from the Government, the Council had implemented measures to reduce certain areas of expenditure, which ensured that the Council delivered its critical services and its financial balances would provide resilience for future years.

In response to requests from local authorities, the Government allocated a total of £4.6 billion of grant funding to support local authorities for expenditure pressures. The Government had also introduced an income compensation scheme for approximately 75p in every £1 of lost sales, fees and charges income. In addition a local tax income guarantee scheme compensated local authorities for 75% of irrecoverable losses in Council Tax and Business Rates. To date the Council had received funding support of £1.877 million for Covid-19 pressures, with an estimated £2.989 million through the income compensation scheme; and a further £0.519 million through the local tax income guarantee scheme.

No additional financial support had been provided to the Housing Revenue Account.

Despite the Government's support, the General Fund would still have been unable to maintain a balanced budget position without having taken the measures implemented during quarter one. The detailed financial position was set out in sections 3 - 7 of the report.

Although both the General Fund and Housing Revenue Account had maintained balanced budget positions in 2020/21, this did not mean that the financial issues for the Council had been resolved, but only that the in-year budget challenges had been addressed. It was also commented that the pandemic had prevented certain housing maintenance from taking place and therefore there was a backlog of repairs, which would impact on the budget position of the account in future years. Beyond 2020/21 the Council would face reductions in resources and increased service costs from the impacts of Covid-19. This would require ongoing reductions in the net cost base to align with significantly reduced resources. The Council's medium term financial strategy, approved by the Council in March 2021, had detailed the financial challenge facing the Council.

The Executive reiterated the financial challenges faced by the Council, which were owing to the reductions in the local government finance settlement over recent years; and the loss of income and the increased expenditure during the pandemic. It was highlighted that the Council's financial position would have been worse, if decisions had not been made to reduce expenditure in certain areas.

4. Treasury Management Stewardship and Actual Prudential Indicators Report 2020/21 (Outturn)

To consider the treasury management report for 2020/21, including the actual prudential and treasury indicators, as required under regulations issued under the Local Government Act 2003; and as required by both the CIPFA [Chartered Institute of Public Finance Accountancy] Code of Practice on Treasury Management (the Code) and the CIPFA Prudential Code for Capital Finance in Local Authorities (the Prudential Code).

Decision

- (1) That the actual prudential indicators, as set out in Appendices A and B of the report, be approved.
- (2) That the annual treasury management report for 2020/21 be approved.

Alternative Options Considered and Rejected

None.

Reasons for Decision

During 2020/21 the Council had complied with its legislative and regulatory requirements. The key prudential indicators for 2020/21, with comparisons for 2019/20, were detailed in the report.

The Chief Finance Officer confirmed that borrowing was only undertaken for a capital purpose and the statutory borrowing limit, the Authorised Limit had not been breached. Additional borrowing of £3.5 million had been taken in 2020/21. This represented an under-borrowing position of £14.327 million, which was currently being supported by internal resources.

At 31 March 2021, the principal value of the Council's external debt was £123.448 million (£120.153 million at 31 March 2020) and that of its investments was £33.9 million. The interest rate achieved on investments was 0.2%, which was 0.27% above the target average seven-day LIBID [London Interbank Bid] rate.

5. Operational Performance Report Q3-Q4 2020/21

Purpose of the Report

To consider an outturn summary of the council's performance in the year 2020/21.

Decision

That the achievements and issues identified in the outturn summary of the Council's performance this quarter together with comments made by Executive be noted.

Alternative Options Considered and Rejected of the council's performance

None.

Reasons for Decision

The quarterly performance indicated that there were 18 quarterly measures above target and there were 17 performance measures below target, almost all of which had worsened as a result of the pandemic. The remaining 14 measures were within acceptable boundaries. In addition, there was information on the 16 volumetric measures, which provided context to the performance measures. The Chief Executive and Town Clerk, along with the Corporate Management Team, were pleased to record their gratitude to all staff for their performance during a challenging year.

The Executive echoed the comments made by the Chief Executive and also noted its gratitude to all employees for their efforts and commitment during the ongoing pandemic.

6. Performance Targets for 2021/22

Purpose of the Report

To set out the agreed performance targets for 2021/22 for initial reporting in Q1 2021/22.

Decision

That the agreed targets to be used from Quarter One of 2021/22 be noted.

Alternative Options Considered and Rejected

None.

Reasons for Decision

Performance targets were reviewed annually to reflect changes in the market place, as well as current outturn achievements.

In 2020/21 targets across many measures had been significantly affected by changes owing to the Covid-19 pandemic. The impact of the pandemic would be likely to affect some measures and therefore the review of targets for 2020/21 had been approached as a 'light touch', focusing on those measures and targets where there had been significant change. The report set out the proposed changes to measures and targets for the year 2021/22.

Appendix A detailed the measures selected for monitoring performance against the targets, which had been proposed by Assistant Directors, in consultation with their service managers and confirmed by Directors and Portfolio Holders.

It was noted that the report had been considered by the Performance Scrutiny Committee at its meeting on 22 June 2021. The Committee had requested that in future, any changes in measures were rationalised within the report. This request was supported by the Executive.

7. Strategic Risk Register - Quarterly Review

Purpose of the Report

To provide a status report on the revised Strategic Risk Register as at 31 March 2021. The updated Register was detailed within Part B of the agenda.

Decision

That the Council's strategic risks, as at the end of 2020/21, be noted.

Alternative Options Considered and Rejected

None.

Reasons for Decision

The Strategic Risk Register had been presented to the Executive in November 2020 and had contained fifteen strategic risks. Although regular monitoring of the Council's strategic risks had continued since this time, there had been no report for quarter three.

Since November 2020, the Strategic Risk Register, which had been reviewed by the Corporate Leadership Team, reflected the significant changes since the onset of the pandemic and the different challenges and opportunities, which the Council had faced. The review had identified that there had been some positive movement in the register, along with the addition of one new, emerging, risk. The updated register contained sixteen strategic risks, along with details of relevant mitigations. There had been a new risk added to the register: *Mitigating against the risk of a successful cyber-attack against the council with significant / critical impact* as part of the review.

8. Green Homes Grant Local Authority Delivery Scheme (LAD)

Purpose of the Report

To update Executive on the City of Lincoln Council Delivery Profile for the Local Authority Delivery element of the Green Homes Grant scheme and to seek approval for the inclusion of funding in the General Investment Programme.

Decision

- (1) That the Green Homes Grant Delivery Profile proposed scheme roll-out, between July 2021 – December 2021 be noted.
- (2) That £479,600 be included in the General Investment Programme, to be fully funded by external grant.

Alternative Options Considered and Rejected

None.

Reasons for Decision

In October 2020, the Government had launched £2 billion of funding support through the Green Homes Grant, which consisted of two grant programmes: the voucher scheme, open to all householders to improve the energy efficiency of their homes; and the Local Authority Delivery (LAD) scheme.

The LAD scheme aimed to support low income households in the least energy efficient homes, as defined in Government guidance. LAD Phase 2 was being administered by the Midlands Energy Hub, on behalf of the Government. In March 2021 the Midlands Energy Hub awarded the City of Lincoln Council £479,600 of capital funding, to deliver an energy efficiency 'retrofit' scheme to a minimum of 25 low income private and social households, in fuel poverty. The allocation had been calculated to reflect the number and proportion of eligible properties within the City of Lincoln.

The Council's Housing Strategy identified that there were approximately 5,000 households in fuel property in Lincoln, in accordance with the low income high cost definition of fuel poverty. On 3 March 2021 Executive approved the receipt of the award by the Midlands Energy Hub, and had submitted a delivery profile by the deadline of 24 May 2021.

The Executive was advised that the scheme would be compliant with the subsidy regime (formerly state aid). Furthermore, it was noted that the company EON was being used as part of the Midlands Energy Hub, and an additional advantage was that it was a well known organisation for the Council's customers and this provided a level of assurance for them.

9. Public Conveniences-Service Review

Purpose of the Report

To provide the Executive with the background to the Public Conveniences Service, so as to consider proposals both to deliver the financial savings required of this service and to consider other options for change. The report sought agreement to:

- (a) A rationalisation of facilities to provide a level of service that could still be delivered with the reduced level of staffing and resources.
- (b) A reduction of staffing numbers.
- (c) A move to contactless payments on all charging facilities, which would be in addition to cash payments.
- (d) Charging event organisers / seeking imposed cost recovery for the use of facilities.
- (e) Continue to consult with appropriate disability groups with the aim of moving away from Radar Key access, which was currently abused to a modernised system. It was emphasised this system would be available to use by visitors to Lincoln.

Decision

That approval be given to the proposals and savings, as set out in the report.

Alternative Options Considered and Rejected

The section's finances had been considered in detail, but owing to the budgets largely relating to staff and site costs, savings could only be achieved by reductions in staff and facilities in tandem, as set out in the report.

Reasons for Decision

The Council's medium term financial strategy 2021-26 required a significant reduction in the Council's net cost base, to ensure it maintained a sustainable financial position. A programme of individual reviews was being developed which included a review of the net cost of the Public Conveniences Service, with a requirement to reduce the net cost by circa £82,000 (plus annual inflation).

It was highlighted that the proposals contained within the report had been subject to public consultation in early 2021, with significant feedback received. This feedback largely related to access for disabled users, which had been taken into consideration when developing the proposals.

The Legal Services Manager advised that the Council had received a petition on 24 June 2021 relating to an element of the proposals contained within the report, entitled *Save Our Loos – We demand the reopening of Westgate Loos in Lincoln*, which contained 902 signatures. In accordance with the Council's Petition Scheme, the petition would be presented to a meeting of the Council for debate.

It was emphasised that the changes to the services were not extensive closures, as had been portrayed in some quarters, with provision clarified as being: Sincil Street (ladies), which would be replaced with a new improved (modern unisex) facility within the proposed refurbished market; Westgate would remain open for Radar key access only and the full facilities could be used for events; Lucy Tower would move to events only, and the two Victorian urinals would close, owing to suitability and hygiene concerns. The proposed new service provision was summarised in the table on pages 156-158 of the agenda pack.

The report had been considered by the Policy Scrutiny Committee on 15 June 2021. The Committee accepted the reasons for the review. The Committee requested that the signage of the facilities within Lincoln was improved and expressed concern that the closure of the urinals could lead to an increase in antisocial behaviour. They also noted a potential strategic gap in services between the Castle and the city centre but recognised that investment was not an option at this time. The Committee sked for this to be revisited in the future, along with options for the urinals. The Assistant Director Communities and Street Scene advised that the Council would be in discussions with Lincolnshire County Council in relation to signage and Lincoln BIG to suggest businesses encouraged customers to use facilities prior to leaving their premises.

The Executive stressed that a review of these services was not the Executive's preference. However, owing to the current financial position of the Council and the future uncertainties over funding, as discussed under Minute 3, it was unavoidable. It was highlighted that the provision of toilets was not a statutory service and should the Council's financial position improve in future years, this non-statutory provision would be reviewed.

The Executive sought confirmation that relevant disability groups would be consulted on any proposed replacement of Radar keys. It was also reiterated that the Westgate facilities would remain open to Radar key users all year round, with the option to open the full facilities for events.

10. Exclusion of the Press and Public

RESOLVED that the press and public be excluded from the meeting during consideration of the following items of business because it was 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.

These items were considered in private as they were likely to disclose exempt information, as defined in Schedule 12A of the Local Government Act 1972. No representations had been received in relation to the proposal to consider these items in private.

11. Strategic Risk Register - Quarterly Review

Purpose of the Report

To provide a status report on the revised Strategic Risk Register as at 31 March 2021.

Decision

That the Council's strategic risks, as at the end of 2020/21, be noted.

Alternative Options Considered and Rejected

None.

Reasons for Decision

The reason for the decision is set out at Minute 7 above.

12. Public Conveniences-Service Review

Purpose of the Report

To provide the Executive with the background to the Public Conveniences Service, so as to consider proposals both to deliver the financial savings required of this service and to consider other options for change.

Decision

That approval be given to the proposals and savings, as set out in the report.

Alternative Options Considered and Rejected

The section's finances had been considered in detail, but as the budgets largely related to staff and site costs, savings could only be achieved by reductions in staff and facilities in tandem, as set out in the report.

Reasons for Decision

The reason for the decision is set out at Minute 9 above.