

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.

25. Confirmation of Minutes - 26 July 2021

RESOLVED that the minutes of the meeting held on 26 July 2021 be confirmed and signed as an accurate record.

26. Declarations of Interest

Councillor Donald Nannestad declared a Disclosable Pecuniary Interest with regard to the agenda item titled 'Usher Gallery and Associated Collections'.

Reason: As a member of the Usher Art Gallery Trustees and advised he would leave the meeting for the duration of these items.

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27. Parking Services - New Rate for School Parking

Purpose of Report

To seek Executive approval for a new fee and charge relating to school parking, for customers who only wanted to use the car parks for short duration drop off school runs.

Decision

- (1) That a new rate for School Parking, as detailed in the report, be approved in principle and added to the Council's schedule of fees and charges, subject to officers liaising with schools to address any unintended potential consequences.
- (2) That authority be delegated to the Director, in conjunction with the Portfolio Holder, to withdraw the entry from the corporate fees and charges should it prove not to be viable.

Alternative Options Considered and Rejected

None.

Reasons for the Decision

Parking Services had recently received an enquiry relating to parking for those who were dropping off/picking up from schools.

In some instances, the City of Lincoln Council's car parks were within walking distance of school, however, as an hourly rate was charged, it was not encouraging for those on a 'school run'.

A special rate charge to apply for short durations at specific times would assist those seeking school parking and thus reduce on-street parking. The permit would only allow parking during term times, restricted to between 0800-0900 and 1530-1630 weekdays. Those with a disabled badge would be given additional time allowance, as it may take longer to do the same tasks. Officers would liaise with schools on existing parking arrangements to address any unintended potential consequences. Start and finish times could be flexed to ensure schools were covered by the proposed times of the permit.

NOTE: Further to Minute 26, Councillor Donald Nannestad left the room for the duration of Minute 28.

) Usher Gallery and Associated Collections

Purpose of Report

To confirm to Executive the finalised proposals in relation to the ongoing operation of the Usher Art Gallery together with the safe storage, conservation and display of the city council's art and artefacts. The proposals had been developed following extensive further negotiations with Lincolnshire County Council and a range of external stakeholders.

Decision

- (1) That the proposed agreement negotiated with Lincolnshire County Council, as detailed in the report, be approved.
- (2) That authority be delegated to the Director of Communities and Environment, in consultation with the City Solicitor, to agree minor changes, which did not alter the overall position as set out in sections 3 and 4 of the report, and then enter into the necessary contractual arrangements for a revised lease, Collections Management Agreement and Service Level Agreement with Lincolnshire County Council.
- (3) That officers be instructed to transfer material within the archaeological collections to Lincolnshire County Council. Such material being that discovered outside the current city boundaries but within the wider Lincolnshire footprint.
- (4) That officers be instructed to bring a further report back to Executive detailing the proposals relating to the rationalisation of the city's artefacts.

Alternative Options Considered and Rejected

Extensive negotiations had been ongoing over the last three years with Lincolnshire County Council in attempts to secure the future of the Usher Gallery as an art gallery. Alternative options had previously been explored by the Executive.

Reasons for the Decision

Senior officers of the City Council had negotiated extensively with Lincolnshire County Council over several years to secure the future of the Usher Art Gallery as an art gallery.

At a meeting on 18 June 2021 an outline proposal was agreed in principle by both councils over the future operation of the Usher Art Gallery, as set out in sections 3 and 4 of the report, subject to the signing of the detailed supporting legal agreements.

These proposals had the full support of a range of stakeholders including: the Historic Lincoln Trust, led by Lord Cormack; Usher Gallery Trust; and Save Lincoln Usher Gallery, a high-profile pressure group established to campaign for the retention of the Usher Art Gallery as an art gallery.

The full negotiated position for the Usher Gallery and the storage and care of the City Council's art and artefacts was set out on pages 18 and 19 of the agenda pack. However, it was highlighted that the negotiated positions involved a lease to the County Council for the Usher Gallery to remain open as an art gallery on average five days a week and for storage and care of the City Council's large collection of art and artefacts.

Both councils were to explore external funding bids to invest in transforming The Collection Museum building and Usher Gallery to create a sense of one location across the two sites.

The only financial implication for the City Council associated with the new agreements related to the cost of operating the Usher Gallery for two additional days per week throughout the year. The final cost would be negotiated by the Director of Communities and Environment within the budget provision already allocated in the Medium Term Financial Strategy for the Usher Gallery.

29. Strategic Risk Register - Quarterly Review

NOTE: At this stage in the proceedings, Councillor Donald Nannestad re-entered the meeting.

Purpose of Report

To provide the Executive with a status report of the revised Strategic Risk Register as at the end of the first quarter 2021/22.

Decision

That the Council's strategic risks as at the end of the first quarter for 2021/22 be noted.

Alternative Options Considered and Rejected

None.

Reason for Decision

An update of the Strategic Risk Register developed under the risk management approach of 'risk appetite', was last presented Members in June 2021 and contained sixteen strategic risks.

Since reporting to Members in June, the Strategic Risk Register had been refreshed and updated by the Corporate Management Team for the financial year of 2021/22. The Strategic Risk Register reflected the significant change in circumstances in which the Council had been operating since the onset of the pandemic and the different challenges and opportunities it faced. This review had identified that there have been some positive movement in the register, with the removal of one green risk and the merging of a number of other risks to more accurately reflect the Council's strategic risks.

The Strategic Risk Register 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 are 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 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 put in place safe working practices and social distancing measures to protect officers and service users.
12. Failure to protect the vulnerable in relation to the Council's PREVENT and safeguarding duties.
13. Failure to mitigate against the risk of a successful cyber-attack against the Council.

The assessed level of each of these thirteen risks was as follows:

Risk No.	Risk Rating	Likelihood	Impact
5 & 8.	Red/High	Almost Certain	Critical
2, 3, 10, 12 & 13	Red/High	Probable	Critical
7.	Red/High	Almost Certain	Major
1, 4, 5 & 6.	Amber/Medium	Possible	Major
11	Amber/Medium	Hardly Ever	Major

Sound risk management was one way in which the Council ensured that it discharged its functions in accordance with its expressed priorities, as set out in the Vision 2025, and that it did so in accordance with statutory requirements and within a balanced and sustainable budget and Medium Term Financial Strategy.

30. Financial Performance – Quarterly Monitoring

Purpose of Report

To present the first quarter's performance (up to 30 June 2021) on the Council's General Fund, Housing Revenue Account, Housing Repairs Service and Capital Programmes, and to seek approval for changes to both the revenue and capital programmes.

Decision

- (1) That the progress on the financial performance for the period 1 April 2021 to 30 June 2021 and the projected outturns for 2021/22 be noted.
- (2) That the underlying impact of the pressures and underspends, as identified in paragraphs 3.2 (and Appendix B), 4.3 (and Appendix D) and 5.2 (and Appendix F) of the report, be noted.
- (3) That the proposed contributions to earmarked reserves, as set out in paragraph 3.5 of the report, be approved.
- (4) That the changes to the General Investment Programme and the Housing Investment Programme as approved by the Chief Finance Officer, as detailed in paragraphs 7.4, 7.10 and 7.11 of the report, be accepted and noted.
- (5) That the changes to the General Investment Programme, as detailed in paragraph 7.4 of the report, be approved.

Alternative Options Considered and Rejected

None.

Reason for Decision

Following the unprecedented impact of Covid-19 on the Council's finances in 2020/21, budgets for 2021/22 were revised as part of the Medium Term Financial Strategy for 2021-26 based on a number of assumptions around the speed and extent of national and local recoveries. Whilst in many cases these assumptions reflected the actual position to date, there were still some areas where the rate of recovery was impacting adversely on the Council's finances. Close monitoring of the position and implementation of mitigating actions over quarters two-four

would be key to ensuring the Council maintained a balanced budget position for 2021/22.

Updates were reported as follows:

General Fund Revenue Account

For 2020/21 the Council's net General Fund revenue budget was set at £978,410, including a planned contribution from balances of £477,240 which resulted in an estimated level of general balances at the year-end of £2,193,359 after allowing for the 2020/21 outturn position.

The most significant of these forecast variations related to car parking income, which was currently forecasting a reduction in income of £219,305. This shortfall had mainly arisen during the first quarter due to the extended national restrictions. This budget along with all key income budgets was monitored closely and reported to Corporate Management Team on a monthly basis.

Included in the forecast outturn underspend of £199,432 was a proposed additional contribution to/from earmarked reserves, as detailed at paragraphs 3.6, and 6, and Appendix G, of the report.

Towards Financial Sustainability Programme

The savings target included in the Medium Term Financial Strategy for 2021/22 was £850,000. Progress against this target, based on quarter one performance, had shown that secured savings totalled £427,040, as summarised at Appendix N of the report.

Housing Revenue Account

For 2021/22 the Council's Housing Revenue Account (HRA) net revenue budget was set at a £14,910 use of balances, resulting in an estimated level of general balances at the year-end of £1,059,743, after allowing for the 2020/21 outturn position.

The Housing Revenue Account was currently projecting an in-year variance of £209,737 underspend which would increase the General Balances to £1,284,390 at the end of 2021/22.

There were a number of forecast year-end variations in income and expenditure against the approved budget, as outlined at paragraph 4.3, with full details of the main variances provided at Appendix D of the report.

The HRA was currently forecasting an underspend at the end of the financial year. The largest variance for HRA was the current forecast underspend on Repairs and Maintenance. This was mainly due to the ongoing impact of Covid-19 affecting the ability to carry out repairs, the current reduction in charge from HRS and the lack of tradespeople to carry out the repairs required. HRA and HRS were working hard to address these issues and so this underspend may be reduced over the remainder of the financial year.

For this financial year it was proposed that a one off additional DRF contribution to capital would be made to reduce the use of capital receipts and borrowing within the Housing Investment Programme. This was currently estimated to be

£500,000, however the actual amount would be dependent on the final outturn position.

Housing Repairs Service

For 2021/22 the Council's Housing Repairs Service net revenue budget was set at zero, reflecting its full cost recovery nature. At quarter one the Housing Repairs Service was forecasting a deficit of £718,835 in 2021/22, with a summary and details of main variances set out in Appendices E and F of the report. The main contributory factor for this deficit was the ongoing impact of Covid-19. The loss of one of the main sub-contractors locally and the inability to recruit was causing problems with repairs scheduling and void turnarounds. Repair numbers were down, at a time of high demand, as a result and therefore lower recharges were being made to the HRA. The use of more expensive subcontractors to keep on top of work had increased costs which at this stage had not been reflected in the service hourly rate and therefore also contributed to the forecast overspend.

The forecast overspend reflected the national position in relation to the construction industry. A significant number of companies had gone into liquidation, which was putting significant pressure on the those remaining in the sector. Contract prices continued to increase, reflecting increases for materials and labour. Qualified and skilled labour was becoming increasingly difficult to recruit. The service was looking at all manner of potential short-term solutions, which had included bringing in local contractors for support but these companies were experiencing similar issues with recruitment.

Surpluses from HRS had been repatriated to the HRA over the last few years and as such healthy reserves remained in the HRA. These reserves were increased at the end of last financial year to allow for HRS to catch up with any back log of repairs that had built up due to Covid-19 restrictions.

Details of earmarked reserves and their forecast balance as at 31st March 2022 were outlined at paragraphs 6.1 and Appendix G of the report.

General Fund Investment Programme

The original General Investment Programme for 2021/22 in the Medium Term Financial Strategy for 2021-26 amounted to £14.393m, which was increased to £16.941m following quarter four approvals and year end re-profiles from 2020/21. At quarter one, the programme was increased by £0.510m to £17.451m, as shown at paragraph 7.2 of the report.

There were no changes over the approved limit that required Executive approval for the first quarter. Details of new projects subject to Executive approval during the first quarter were detailed at paragraph 7.4 of the report.

The overall spending on the General Investment Programme for the first quarter of 2021/22 amounted to £1.415m, which was 8% of the 2021/22 programme and 8.25% of the active programme, as detailed further at Appendix J.

Although this represented a low percentage of expenditure at this stage of the financial year, further expenditure was expected in quarter 2 on Disabled Facilities Grants, Boultham Park Lake, the Crematorium, HAZ Scheme and various capitalised maintenance schemes.

Housing Investment Programme

The original Housing Investment Programme for 2021/22 in the Medium Term Financial Strategy for 2021-26 amounted to £22.491m. This was increased to £25.839m following approvals and year end re-profiles as part of the 2020/21 outturn. This had been further adjusted to £29.047m during the first quarter of 2021/22. A summary of the were shown at paragraph 7.8 of the report. The changes that required approval from Executive were detailed at paragraphs 7.10-7.11 of the report.

Although this was a lower percentage than would be expected at this stage of the financial year, works had been constrained by the ongoing issues arising during the Covid-19 pandemic. Further work during quarter two and three would be undertaken to consider appropriate reprofiles required.

31. Operational Performance Report Q1 2021/22

Purpose of Report

To provide the Executive with a summary of the operational performance position for quarter one, financial year 2021/22, from April 2021 to June 2021, with data in support found at Appendices A and B to the report.

Decision

That the achievements and issues identified within the report for quarter one of 2021/22 be noted.

Alternative Options Considered and Rejected

None.

Reason for Decision

There were 17 quarterly measures with red (below target) statuses – all of which had been worsened as a direct or indirect result of the pandemic situation. There were also 16 quarterly measures with green (above target) statuses, with the remaining 14 being within the acceptable boundaries.

City of Lincoln Council, like all other local authorities, had to make dramatic changes as a result of the three national lockdowns resulting from the Covid-19 pandemic, not only to ensure that the Council kept its critical services functioning, but also to deliver a community leadership role for the city in a time of crisis.

Whilst formal performance reporting was limited in the first half of 2020/21, the Council restarted reporting in quarter four and was now in a position to report performance figures for its key services and had resumed its usual performance reporting format. Thus, this report presented the performance of service areas and directorates against our agreed performance measures and targets, as well as corporate performance measures.

The Executive was assured that the Corporate Management Team were monitoring the Council's level of staff sickness and that all employees had recently been reminded of the health and wellbeing services available to them.

The Executive was advised that the quoted figure of 104 current vacancies was not accurate and following a review by the Corporate Management Team, the true figure was circa 25.

32. 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 of Schedule 12A of the Local Government Act 1972.

NOTE: Further to Minute 26, Councillor Donald Nannestad left the room for the duration of Minute 33.

33. Usher Gallery and Associated Collections

Purpose of Report

To confirm to Executive the finalised proposals in relation to the ongoing operation of the Usher Art Gallery together with the safe storage, conservation and display of the city council's art and artefacts. The proposals had been developed following extensive further negotiations with Lincolnshire County Council and a range of external stakeholders.

Decision

- (1) That the proposed agreement negotiated with Lincolnshire County Council, as detailed in the report, be approved.
- (2) That authority be delegated to the Director of Communities and Environment, in consultation with the City Solicitor, to agree minor changes, which did not alter the overall position as set out in sections 3 and 4 of the report, and then enter into the necessary contractual arrangements for a revised lease, Collections Management Agreement and Service Level Agreement with Lincolnshire County Council.
- (3) That officers be instructed to transfer material within the archaeological collections to Lincolnshire County Council. Such material being that discovered outside the current city boundaries but within the wider Lincolnshire footprint.
- (4) That officers be instructed to bring a further report back to Executive detailing the proposals relating to the rationalisation of the city's artefacts.

Alternative Options Considered and Rejected

Alternative options considered and rejected are set out in Minute 28 above.

Reasons for the Decision

The reasons for the decision are set out at Minute 28 above.

34. Strategic Risk Register - Quarterly Review

NOTE: Councillor Donald Nannestad re-entered the room for the remainder of the meeting.

Purpose of Report

To provide the Executive with an update of the revised Strategic Risk Register as at the end of the first quarter 2021/22.

Decision

That the content of the Strategic Risk Register be noted.

Alternative Options Considered and Rejected

None.

Reason for Decision

The reasons for the decision are set out at Minute 29 above.