

**Present:** Councillor Ric Metcalfe (*in the Chair*),  
Councillor Donald Nannestad, Councillor Sue Burke,  
Councillor Bob Bushell and Councillor  
Rebecca Longbottom

**Apologies for Absence:** Councillor Naomi Tweddle

**26. Confirmation of Minutes - 24 July 2023**

RESOLVED that the minutes of the meeting held on 24 July 2023 be confirmed and signed by the Chair as a true record.

**27. Declarations of Interest**

No declarations of interest were received.

**28. Ellie's Memorial Garden**

Purpose of Report

To request authorisation to proceed to lease the land to the side of Tower Flats to Green Synergy for them to manage and maintain as a community garden in memory of Ellie Bradford who was a former member of staff in Directorate of Housing & Investment.

Decision

1. That the granting of a lease for the land near Tower Flats to Green Synergy at nil cost or at a peppercorn rent level for a period of 25 years with a break clause included at 5 yearly intervals be approved.
2. That a memorial plaque be placed on site as a heart-warming tribute to Ellie's memory.

Alternative Options Considered and Rejected

None.

Reasons for the Decision

The land to the side of Tower Flats on Tower Crescent in Lincoln was owned by the Housing Revenue Account

Due to historical anti-social behaviour, this land (and other land in the vicinity) was fenced off to prevent fly tipping, vandalism and people gathering and causing a nuisance to the neighbours and residents in the community.

In 2013, Green Synergy approached the City of Lincoln Council along with Tower Action Group and requested use of the land to create a community garden for public use in the city. Green Synergy had continued to maintain the land since 2013 under an informal agreement made with Tenancy Services.

Green Synergy had a vision for the garden to secure a formal lease for the land to enable them to bid for available funding to encourage community participation in looking after the garden, develop the planting and increase the biodiversity in the garden. Green Synergy would also like to use the garden for pop up events for the local community including young children's activities, teddy bear picnics, family picnics, birdbox making workshops, arts and craft activity sessions, coffee and chat sessions, planting sessions, harvesting sessions and to give the fruit from the garden.

The charity also sought to support sustainability by developing compost bays on the garden and maintaining a beautiful community green space which it was hoped would contribute to the Lincoln Climate Commission challenges by increasing the native species on the garden to increase its biodiversity.

The garden was named in memoriam of Ellie Bradford who was a member of council staff in the Housing department and died whilst still in service. Ellie was a Housing Officer and Area Housing Manager.

## **29. Quarter 1 2023-24 Operational Performance Report**

### **Purpose of the Report**

To present an outturn summary of the Council's operational performance in quarter one of 2023/24.

### **Decision**

1. That the achievements and challenges identified in quarter one Operational Performance Report for 2023/24 be noted.
2. It be confirmed that the format of the performance report continued to meet requirements.

### **Alternative Options Considered and Rejected**

None were considered.

### **Reasons for the Decision**

Regular monitoring of the council's performance was a key component of the Local Performance Management Framework. This report covered the key strategic performance measures identified by members and CMT as of strategic importance.

Each targeted measure was monitored against a target boundary range.

If a performance measure outturn status was recorded as Blue (acceptable), the measure was seen as performing on track. If a performance measure outturn status was green, the measure was seen to be achieving or exceeding the aspirational target. If a performance measure outturn status was red, the measure was seen to be performing below target and should be an area of focus.

The outturn report at the end of quarter 1, 2023/24 detailed performance against a total of 77 measures, of which 17 were below target; 24 were within target boundaries; and 19 had met or exceeded a higher target. A further 17 measures

were volumetric, and provided context to overall service delivery. Commentaries on each measure were detailed within the officer's report.

Out of the 77 performance measures during the quarter, 60 had targets allocated to them, of these targeted measures, 43 (71.7%) were within or exceeding the targets set. Full details were provided within Appendix A to the report, together with the reasonings behind the performance outcomes. A summary of the outcome position was also provided at Appendix B to the report.

In addition to the directorate performance measures, the report also detailed the performance outcomes for those corporate performance measures. These measures focused on the areas of resources, health & wellbeing, sickness, complaints (including Ombudsman rulings) and compliments.

The report had been considered by the Performance Scrutiny Committee at its meeting on 17 August 2023.

### **30. Financial Performance - Quarterly Monitoring**

#### **Purpose of Report**

To present the first quarter's performance (up to 30 June 2023) on the Council's General Fund, Housing Revenue Account, Housing Repairs Service and Capital Programmes, and to seek approval for changes to the capital programmes.

#### **Decision**

1. That the financial performance for the period 1 April 2023 to 30 June 2023 and the projected outcomes for 2023/24 be noted.
2. That the underlying impact of the pressures and underspends identified in paragraphs 3.3 (and Appendix B), 4.3 (and Appendix D), and 5.2 (and Appendix F) of the officer's report be noted.
3. That the changes to the General Investment Programme and Housing Investment Programme as approved by the Chief Finance Officer detailed in paragraphs 7.5, and 7.12 of the officer's report be noted.
4. That the changes to the Housing Investment Programme, as detailed in paragraph 7.10 of the officer's report, be approved.

#### **Alternative Options Considered and Rejected**

None.

#### **Reason for Decision**

Financial Procedure Rules required members to receive, on a quarterly basis, a report prepared jointly by the Chief Finance Officer and Corporate Management Team commenting on financial performance to date. This report was designed to meet this requirement.

Whilst there were still a number of variables which were subject to a level of uncertainty, based on the latest set of assumptions as at the end of the first quarter (up to 30th June) the forecast financial position of the Council for 2023/24 was detailed at paragraph 2.2 of the officer's report, together with the detailed financial position shown in sections 3-7 and the accompanying appendices.

Updates were reported as follows:

#### *General Fund Revenue Account*

For 2023/24 the Council's net General Fund revenue budget was set at £14,402,660 including a planned contribution from balances of £191,110 resulting in an estimated level of general balances at the year-end of £2,228,739 (after allowing for the 2022/23 outturn position).

The General Fund Summary was currently projecting a forecast underspend of £157,137 (Appendix A provided a forecast General Fund Summary), resulting in general balance at the year-end of £2,385,876.

There were a number of forecast year-end variations in income and expenditure against the approved budget, both positive and negative; as detailed at paragraphs 3.3- 3.5 of the report, with the main variances provided in Appendix B to the report.

Whilst the level of uncertainty around inflation pressures was significantly reduced this year due to actions taken in the latest MTFS, there remained uncertainty surrounding pay assumptions and other budgets, particularly in terms of service demands and income forecasts. At quarter one, the potential for further variances during the year remained high, and as such the final outturn position for the year was still subject to further change. At this stage though there were no further mitigations recommended, however, as always, there would continue to be a need for strong budgetary control in this financial year to ensure expenditure and income remained balanced within the budget.

#### *Towards Financial Sustainability Programme*

The savings target included in the MTFS for 2023/24 was £185,210.

Progress against this target, based on quarter 1 performance, showed that secured savings totalled £115,510 for the General Fund, with a further £69,700 identified, achieving the in-year target in full.

A summary of the specific reviews that had contributed to this delivery were shown in Appendix K.

#### *Housing Revenue Account*

For 2023/24 the Council's Housing Revenue Account (HRA) net revenue budget was set with a planned contribution from balances of £58,970, resulting in an estimated level of general balances at the year-end of £1,125,517, after allowing for the 2022/23 outturn position.

The HRA was currently projecting a forecast overspend of £20,346, which would result in HRA balances of £1,145,863 at the end of 2023/24. (Appendix C provided a forecast Housing Revenue Account Summary). This position maintained balances above the prudent minimum of circa £1m.

Although the forecast position was an underspend, there were a number of significant variations in income and expenditure against the approved budget as

outlined at paragraph 4.3-4.5 of the report, with full details of the main variances provided in Appendix D of the report.

As set throughout this report, there still remained a number of variables in the forecast assumptions, and as such the final outturn position for the year was still subject to further change. At this stage no additional mitigations, other than those currently being implemented in response to the issues faced by the HRS and in response to void levels were recommended. Strong budgetary control should continue to be a focus in this financial year to ensure expenditure and income remain balanced within budget.

### *Housing Repairs Service*

For 2023/24 the Council's Housing Repairs Service net revenue budget was set at zero, reflecting its full cost recovery nature.

At quarter 1 the HRS was forecasting a deficit of £828,671 in 2023/24 as detailed within the forecast HRS summary at Appendix E, with full details of the main variances provided in Appendix F of the report, together with a summary of the key variances provided at paragraph 5.2 of the officer's report.

The main contributory factor for this deficit was the ongoing recruitment and retention challenges, which were being felt not just by the council but across the construction industry as a whole. This inability to attract and retain staff resulted in a greater reliance on the use of sub-contractors to ensure that service demands were met. The cost of using subcontractors was however more expensive than the HRS's own workforce, due to the ongoing impact of Covid19, the current inflationary crisis and a reduced pool of contractors from which to secure services. These additional costs were therefore not fully offset by the vacancy savings achieved by not carrying out the work internally.

As the increased subcontractor costs were not reflected in the service hourly rate and overhead recovery was not recouped on sub-contractors, this resulted in an under recovery of full costs from the HRA.

Whilst last year high vacancy levels, and the use of sub-contractors rather than our own workforce, resulted in an underspend on materials for the Council, this year higher than anticipated inflation levels, an industry wide issue, and an expected increase in repairs jobs had resulted in an overspend on materials further compounding the HRS forecast position.

The forecast deficit also included the impact of the proposed national pay award, which was significantly over and above the assumptions included within the MTFS, as outlined in both the General Fund and HRA variances.

It should be noted that due to the interconnection of the HRS and HRA, the consequential costs in the HRA were ordinarily reduced, and therefore offset any repatriated deficit. However due to the increased usage of more expensive sub-contractors and materials, and an increased volume of works, this was not the case this financial year as detailed above, and there was a significant additional cost for repairs and maintenance of the housing stock being incurred by the HRA. This additional cost was being set against the overall HRA position.

### *Earmarked Reserves*

The Council held a number of earmarked revenue reserves over both the General Fund and HRA. These reserves were sums set aside for specific purposes and to mitigate against potential future known or predicted liabilities. Key reserves included income volatility, business rates volatility, IT investment fund, asset sinking funds for future refurbishment etc. A number of these reserves were budgeted for use over the period of the MTFS.

The details of all the earmarked reserves and their forecast balance as at 31 March 2024 were attached in Appendix G, and summarised at paragraph 6.2 of the officer's report, with further details in the MTFS 2023-2028.

### *General Fund Investment Programme*

The original General Investment Programme for 2023/24 in the MTFS 2023-28 amounted to £14.1m which was increased to £21.3m following quarter 4 approvals and year end re-profiles from 2022/23. At quarter 1 the programme had been increased by £3.4m to £24.7m, as detailed at paragraph 7.2 of the officer's report.

There were no changes over the approved limit requiring approval by the Executive for the first quarter.

New projects added to the GIP, having been considered recently by the Executive or by delegated Portfolio Holder approval were detailed at paragraph 7.4 of the officer's report.

The financial changes delegated to the Chief Finance Officer for approval for the third quarter 2023/2024 were detailed at paragraph 7.5, with a summary of the projected outturn position provided at paragraph 7.6 of the officer's report.

The overall spend on the General Investment Programme for the first quarter of 2023/24 was £1.9m, which was 7.3% of the 2022/23 active programme (excluding externally delivered schemes), as detailed further at Appendix I of the report.

Although this was a low percentage of expenditure at this stage of the financial year, further expenditure was expected in quarter 2 on Better Care Fund (DFG's), Western Growth Corridor, Central Market, Town's Deal Schemes, and various capitalised maintenance schemes.

### *Housing Investment Programme*

The revised Housing Investment Programme for 2023/24 amounted to £22.174m following the 2022/23 outturn report. At quarter 1 the programme had been decreased by £4.205m to £17.969m, as detailed within paragraph 7.9 of the officer's report.

All changes over the approved limit required approval by the Executive. Following an extensive review of the stock condition survey and existing new build and acquisition budgets a number of changes had been made to the Housing Investment Programme. These changes formed part of the ongoing work on the 30-year business plan and would align the budgets to reflect planned acquisitions and scheduled works on the existing housing stock for the length of the MTFS. The financial changes over the approved limit requiring Executive approval for the first quarter 2023/2024; were detailed at paragraph 7.10 of the officer's report.

All new projects were subject to Executive approval. There had been one new project considered recently by the Executive during Quarter 1 as detailed at paragraph 7.11 of the officers report.

The financial changes delegated to the Chief Finance Officer for approval for the first quarter 2023/2024 were detailed at paragraph 7.12 and a summary of the projected outturn position for the Housing Investment Programme at paragraph 7.13 of the officer's report.

The overall expenditure on the Housing Investment Programme for the first quarter of 2023/24 was £1.222m, which was 6.80% of the 2023/24 revised programme. A further £1.203m had been spent as at the end of July 2023. This was detailed further at Appendix J.

Although this was a low percentage of expenditure at this stage of the financial year, works had been constrained by the availability of contractors and materials however new contracts were in place and spend was expected to increase in future periods. In addition, schemes such as Hermit Street and Western Growth Corridor had not yet commenced and a number of the LAHF acquisitions were currently in progress but not yet complete.

### **31. Treasury Management and Prudential Code Quarterly Update**

#### **Purpose of Report**

To summarise and review the Council's treasury management activity and the prudential indicators as at 30 June 2023.

CIPFA's new edition of the Code of Practice for Treasury Management (2021) recommended that Councillors should be informed of Treasury Management activities quarterly (previously twice a year). This report, therefore, ensured this Council was embracing best practice for the scrutiny of capital and investment activity in accordance with the Code of Practice (CIPFA).

#### **Decision**

That the Prudential and Treasury Indicators and the actual performance against the Treasury Management Strategy 2023/24 for the quarter ended 30 June 2023 be noted.

#### **Alternative Options Considered and Rejected**

None.

#### **Reason for Decision**

The prudential system for capital expenditure was well established. One of the requirements of the Prudential Code was to ensure adequate monitoring of the capital expenditure plans, prudential indicators (PIs) and treasury management response to these plans. The report fulfilled that requirement and included a review of compliance with Treasury and Prudential Limits and the Prudential Indicators at 30 June 2023. The Treasury Management Strategy and Prudential Indicators were previously reported to and approved by Council on 28th February 2023.

This Council had adopted the CIPFA Code of Practice for Treasury Management in the Public Sector and operated its treasury management service in compliance with this Code and the above requirements. This required that the prime objective of treasury management activity was the effective management of risk, and that its borrowing activities were undertaken in a prudent, affordable and sustainable basis.

This report highlighted the changes to the key prudential indicators, to enable an overview of the current status of the capital expenditure plans. It incorporated any new or revised schemes previously reported to members. Changes required to the residual prudential indicators and other related treasury management issues were also included.

### **32. Strategic Risk Register-Quarterly Review**

#### Purpose of Report

To provide a status report on the revised Strategic Risk Register as at the end of the first quarter 2023/24.

#### Decision

That the Council's strategic risks, as at the end of quarter 1, 2023/24, be noted.

#### Alternative Options Considered and Rejected

As detailed in the report.

#### Reasons for the Decision

An update of the Strategic Risk Register developed under the risk management approach of 'risk appetite', was last presented Members in June 2023 and contained twelve strategic risks.

Since reporting to Members in June, the Strategic Risk Register had been refreshed and updated by the Risk Owners and Corporate Management Team for the financial year 2023/24. This assessment reviewed each risk in terms of the level of assessed risk (likelihood and impact), target risk scores, control measures in place and mitigating actions required in order to; avoid, seek, modify, transfer, or retain the risks. It also considered whether each of the risks remained relevant or needed refocusing and whether there were new risks that needed to be assessed.

The outcome of this work resulted in a refreshed Strategic Risk Register for 2023/24, which reflected the changing circumstances in which the Council was operating and the different challenges and opportunities it faced. This refreshed register, contained in Part B of the agenda, would be performance monitored on a quarterly basis, reported to both Performance Scrutiny Committee and Executive. It contained fourteen risks.

### **33. 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.

The following 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.

#### **34. Strategic Register Quarterly Review**

##### Purpose of Report

To receive the revised Strategic Risk Register as at the end of quarter 1 2023/24.

##### Decision

That the Council's strategic risks, as at the end of quarter 1 2023/24, be noted.

##### Alternative Options Considered and Rejected

None were considered. The Strategic Risk Register contained the key strategic risks to the delivery of the Council's medium and longer term priorities. A failure to monitor the action that was being taken to manage those risks would undermine the Council's governance arrangements.

##### Reasons for the Decision

The reasons for the decision were set out at Minute 32 above.

#### **35. Management of Change- Corporate Policy and Transformation Team**

##### Purpose of Report

As detailed in the exempt report to the Executive.

##### Decision

That the recommendations to the Executive, as set out in the exempt report, be approved.

##### Alternative Options Considered and Rejected

As detailed in the exempt report to the Executive.

##### Reasons for the Decision

As detailed in the exempt report to the Executive.