

Present: Councillor Gary Hewson (*in the Chair*),
Councillor Pat Vaughan, Councillor Natasha Chapman,
Councillor Neil Murray, Councillor Lucinda Preston and
Councillor Emily Wood

Apologies for Absence: Councillor Thomas Dyer, Councillor Adrianna McNulty
and Councillor Anita Pritchard

1. Confirmation of Minutes - 7 March 2024

RESOLVED that the minutes of the meeting held on 7 March be confirmed and signed by the Chair as a true record.

2. Declarations of Interest

Councillor Pat Vaughan declared a Personal Interest with regard to the agenda item titled 'Financial Performance - Outturn 2023/24'. His granddaughter worked in the Finance Department at City of Lincoln Council.

Councillor Pat Vaughan declared a Personal Interest with regard to the agenda item titled 'Treasury Management Stewardship and Actual Prudential Indicators Report 2023/24 (Outturn)'. His granddaughter worked in the Finance Department at City of Lincoln Council.

3. Change to Order of Business

RESOLVED that the Strategic Risk Register contained at Section B of the report be considered alongside the Strategic Risk Register Quarterly Review Report.

4. Strategic Risk Register - Quarterly Review

Emily Holmes, Assistant Director – Transformation and Strategic Development:

- a) presented Performance Scrutiny Committee with a status report of the Strategic Risk Register as at the end of the fourth quarter 2023/24
- b) reported that the strategic risk register currently contained fourteen risks as follows:
 - 1) Failure to engage & influence effectively with 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 supported 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 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 2025 and the 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's migration policy on the Council's service delivery, capacity and MTFS as well as the impacts for the City as a whole
- 14) Failure to deliver critical services in an emergency situation.

Members considered the contents of the report.

RESOLVED that the Strategic Risk Register as at the end of the fourth quarter 2023/24 be noted.

5. 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.

6. Strategic Risk Register - Quarterly Review

Emily Holmes, Assistant Director – Transformation and Strategic Development:

- 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 fourth quarter 2023/24 be noted.

7. Inclusion of Press and Public

RESOLVED that the press and public be included back into the meeting.

8. Financial Performance - Outturn 2023/24

Laura Shipley Financial Services Manager:

a) presented a report to Performance Scrutiny Committee with the provisional 2023/24 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 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. The finance performance quarterly monitoring report for quarter 3 predicted an underspend against the revised budget of £476,652 (before additional transfers to earmarked reserves and carry forward requests. The provisional outturn for 2023/24 now indicated an improvement of £383,314 (before additional transfers to earmarked reserves and carry forward requests) Based on this position, additional transfers to earmarked reserves, and carry forward requests, totalling £843,547 had been proposed which resulted in an overall budget underspend of £16,419. This represented a variance against the revised budget of 1%. Full details of the main variances were provided in Appendix B
- **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 £58,930, resulting in estimated general balances at year-end of £1,125,517, after allowing for the 2023/24 outturn position. The financial performance quarterly report for quarter 3 predicted an overspend of £13,787. The provisional outturn for 2023/24 now indicated an improvement of £19,515 resulting in an overall budget underspend of £5,728 (including additional transfers to earmarked reserves.) There was a number of significant variations in income and expenditure. Full details of the main variances were provided at Appendix D
- **Housing Repairs Service** – For 2023/24 the Council's Housing Repairs Service (HRS) net budget was set at zero, which reflected

its full cost recovery nature. The provisional outturn for 2023/24 showed the HRS had a deficit of £288,844, an improvement of £263,218 since quarter 3 which had been 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 2023/24 amounted to £15.334m following the quarter 3 report. At quarter 3 the programme had reduced by £3.702mm to £11.632m as shown at paragraph 7.2. The overall spending on the General Investment Programme active schemes for the final quarter of 2023/24 was £10.4m, which was 86% of the 2023/24 budget as detailed in Appendix I
- **Housing Investment Programme** – the revised programme for 2023/24 amounted to £16.120m following the quarter 3 position. At quarter 4 the programme had decreased by £1.388m to £14.732m as shown at paragraph 7.10 of the report. The overall expenditure on the Housing Investment Programme for the final quarter was £14.732mm, which was 91.3% of the budget as detailed at Appendix J of the report

d) invited members' comments and questions

Question: Referred to the General Fund Year End Key Variances detailed at table 3.3 of the report with reference to increased non-recoverable temporary accommodation costs, increased non recoverable supported accommodation costs and a reduction in Housing Benefits overpayments. There was an £835k shortfall, what was the breakdown for this figure? How much was for temporary accommodation costs and how much was for supported accommodation costs? How did it compare to last year?

Response: The detailed breakdown was contained at Appendix B of the report. For 2022/23 the pressure for Temporary Accommodation was £64k and the actual cost was £447k compared to 2022/23 which was £168.6k and the actual cost was £352k. The budget had been increased every year. For Supported Accommodation the pressure was £168.6k and actual cost of £442k for 2023/24 compared to 2022/23 which was pressure of £91k and actual cost £224k. The actual cost for Supported Housing had doubled from 2022/23 to 2023/24. The variances only related to the Housing Benefit Subsidy pressures, the actual Bed and Breakfast costs less Housing Benefit payments sat within the Housing General Fund, which had also seen a growing pressure year on year due to increased demand

Question: Referred to the carry forward requests detailed at section 3.7 of the report in relation to inflation pressure on the Grounds Maintenance contract – supplier billing error of £57k. What was the ground maintenance supplier billing error?

Response: : The Grounds Maintenance Contractor had been in contact at the end of the financial year to advise that they had incorrectly calculated inflation on their Grounds Maintenance invoices throughout the year. The final invoice had yet to be received, but was estimated to be in the region of £50k, due to an in-year underspend on the Grounds Maintenance budget of £57k, it had been proposed to Executive that this be carried forward to cover the costs in the new financial year.

Question: Referred to the HRA earmarked reserves as detailed at paragraph 4.7 of the report in relation to the De Wint Court sinking fund additional outturn contribution of £92,500. As this was a joint scheme with Lincolnshire County Council would they be making a contribution?

Response: There would be no contribution from Lincolnshire County Council or Homes England. The asset was owned by City of Lincoln Council.

Question: With reference to the £16k underspend, what were the reasons for the underspend and how did it compare to other years?

Response: A number of overspends and underspends were listed at paragraph 3.3 of the report. The largest single variance being Investment Interest income due to the Bank of England base rate maintaining much higher levels than expected, this would not be the case in the new year as the budgets had been amended to reflect our Treasury advisors estimates. There were a number of variances each year, things happened throughout the year that could not be predicted, further details of all major variances can be found within Appendix B.

Question: With reference to the £27,420 carry forward in relation to tree works procured but undelivered in 2023/24. What did this mean?

Response: The work had been procured but, due to contractor capacity, it had not been delivered in 2023/24. The money would be carried forward to 2024/25 so that the work could be completed.

Question: Referred to the Housing Repairs deficit of £289k. What was the deficit compared to last year, had there been any improvement?

Response: The outturn for 2022/23 was a deficit of £222k which was £67k less than 2023/24.

Comment: The Housing Repairs deficit should be discussed at Housing Scrutiny Sub Committee.

Question: Referred to the General Fund year end variances in relation to Building Regulations, Land Charges and Development Control income pressures. Was there a loss and if so what measures were being looked at to remedy this?

Response: There was a combined income loss last year of £209k. The loss was predominantly due to the cost of living crisis. The impact from this had seen record inflation levels driving up the cost of labour and materials which impacted both business resources and household income and stifled development. The Medium Term Financial Strategy had been adjusted to take into account the continued downturn into 2024/25, plus additional resources contributed at outturn to the Income Volatility reserve to cushion any continued volatility into 2024/25 and beyond.

Comment: It was important that the Central Market broke even by the end of the year. There should be some key performance measures introduced for the Central Market.

Response: The current draft business plan was based on achieving a profit from running the market. Now that the market was operational the actual costs and income would be assessed to establish the revised business plan (including income and occupancy levels) to inform the Councils Medium Term Financial Strategy planning work in September 2024. As was the normal process, the performance targets would be agreed with the Portfolio Holder and would be reported as part of the quarterly performance monitoring.

Question: Referred to the £30k transfer to reserves for consultancy support for Yarborough Leisure Centre Swimming Pool capital project. What would this money be used for?

Response: It was proposed to use some of the underspend on some professional consultancy to run the project on the basis the grant received did not include any provision for this.

Question: Had the Council acquired 279 properties?

Response: No, the 279 related to £279,000 of expenditure, which related to 3 properties that had been purchased in the last quarter.

RESOLVED that:

1. The provisional 2023/24 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 the reasons for variances be noted.
2. The General Fund carry forward requests as detailed at paragraph 3.7 of the report be noted.
3. The proposed transfer to General Fund and HRA earmarked reserves detailed in paragraph 3.8 and 4.7 of the report be noted.
4. 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 7.13 be noted.
5. The changes to the General Investment Programme and Housing Investment Programme as detailed in paragraphs 7.5, 7.11 and 7.12 be noted.

9. **Treasury Management Stewardship and Actual Prudential Indicators Report 2023/24 (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 2023/24
- b) explained that the Council held £17.543m of investments which was £19.142m million lower than at 31 March 2023 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 2024 was £107.742m as detailed within Appendix A, and section 4
- d) invited members' questions and comments.

Councillor Preston gave thanks to officers for the information and reassurance provided within the report given the financial pressures faced by many Councils. She referred to the report that stated that during quarter 3 there was a short

period where liquid funds dipped slightly below the target £5m liquidity level. Why did the funds dip?

Laura Shipley Financial Services Manager responded that there was a short period of a few days where the liquid funds dipped below £5m, it was expected and was monitored daily. A decision was made not to call in an investment early as it was only for a few days. She further provided assurance that cash flow was monitored on a daily basis.

RESOLVED that the report be noted

10. Quarter 4 2023/24 Operational Performance Report

Councillor Murray left proceedings at 7pm.

Michelle Hoyles, Business Manager – Corporate Policy and Transformation:

- a) presented a report to Performance Scrutiny Committee with an outturn summary of the council's performance in Quarter 4 of 2023/24
- b) explained that the full report was attached as Appendix A of the report, with the full list of performance measure outturns and supporting performance commentary provided at Appendix B of the report
- c) invited members' comments and questions.

Question: There were some Council properties that had their recycling facilities removed, would they be restored?

Response: Those properties that no longer had recycling bins were predominantly flats where there had been a significant amount of contamination. If the recycling had continued it would have resulted in the whole round being rejected by the waste recycling centre. The Government would be mandating recycling in the future, therefore the facility would be reinstated in due course.

Question: With reference to the number of live cases open in relation to Public Protection and Anti-Social Behaviour (PPASB), what constituted a live case? What was Officers capacity to reduce the number of live cases and how were they prioritised?

Response: The cases were categorised across all PPASB services and would be prioritised with the urgent cases being dealt with first. There were two new Officers within the team funded by the Safer Streets Fund. Their primary focus at the moment was to tackle issues in the City Centre. There was a commitment to retain them when the funding ended in March next year which would provide additional resource to the team.

Comment: Pleased to see that the PPASB Officers were doing good work within the City Centre, however, the problems were then dispersed to areas outside of the City.

Response: It was important that residents reported incidents of anti-social behaviour. The Police were reactive when the incidents were reported.

Question: What would be the waste recycling provision for the new waste contract?

Response: The specification for the new contract included the current recycling provision. Provision for food waste would be provided from September 2026.

Discussions were taking place with Lincolnshire County Council on paper and card collection.

Question: Under the new waste collection contract could the new bins include a warning sticker regarding leaving bins on the street?

Response: The new contractor would take over the existing bins. The process was that the waste contractor would put an initial sticker on the bins and if this was ignored it would be escalated for PPASB enforcement action.

Question: How long would it take to be escalated if the resident ignored the warnings?

Response: The process was that a tag would be left on the bin, followed by two letters then a fixed penalty notice. A stepped approach was taken to allow time for the resident to address the issue.

RESOLVED that:

1. The report be noted and forwarded to Executive for approval.
2. The format of the performance report continued to meet the committee's requirements.

11. Work Programme 2024/25

Emily Holmes, Assistant Director – Transformation and Strategic Development advised that due to the General Election being called, all committees were being looked at. A revised work programme would be circulated following the meeting.

The Chair requested that performance measures on the new central market be reported to Performance Scrutiny Committee in future.

Simon Walters, Director for Communities and Environment confirmed that some performance measures for the new central market were currently being developed and they would be reported to Performance Scrutiny Committee in due course.

RESOLVED that the update be noted.