

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

Apologies for Absence: None.

20. Declarations of Interest

No declarations of interest were received.

21. Confirmation of Minutes - 11 July 2019

RESOLVED that the minutes of the meeting held on 11 July 2019 be confirmed.

22. Q1 2019-2020 Operational Performance Report

Pat Jukes, Business Manager – Corporate Policy:

- a) Presented Performance Scrutiny Committee with a summary of the operational performance position for quarter one of the financial year 2019/20 (from April 2019 to June 2019).
- b) highlighted that some of the key advantages of the Performance Information Management System brought were as follows:
 - an easy to navigate and user friendly user interface
 - a modern and fresh design
 - instant access to the data you want, when you want, through the use of interactive filtering (such as Portfolio Holder, service area, Assistant Director and by status outturn)
- c) referred to the detailed report of the Councils Strategic Performance, broken down by authority, directorate and service area at Appendix A to her report and the strategic quarterly measure table across all directorates at Appendix B.
- d) Invited members' comments and questions.

Question: Members asked why the number of apprentices was decreasing?

Response: There were less apprentices which might be down to some contracts ending in May and the new intake taking place in September. The contract with Lincolnshire County Council had ended.

Question: Members commented that the format of the new report was good and asked if this could be sold to other authorities to help bring in an income?

Response: Lincolnshire County Council were interested in a demo of the PIMS system and also a couple of other local authorities were interested.

RESOLVED that the content of the report and members comments be noted.

23. Financial Performance - Quarterly Monitoring

Colleen Warren, Financial Services Manager:

- Presented the first quarter's performance up to 30 June 2019 on the Councils General Fund, Housing Revenue Account, Housing Repairs Service, Capital Programmes and provided a review of budget risk assessments.
- Highlighted that the General Fund Summary was currently projecting a forecast over spend of £235,912. This forecast variance was the result of a number of forecast year-end variations in income and expenditure against the approved budget. The key variances were:
 - Housing Benefit Overpayment reduction - £368,000
 - HIMO reduced income - £93,260
 - Christmas market reduced income and additional expenditure - £77,470
 - Car Parking additional income net of additional expenditure – (£175,000)
 - Crematorium additional income – (£106,000)
- Explained the additional contributions to earmarked reserves that had been identified as being required, subject to outturn. These being:
 - Western Growth Corridor – Local Planning Authority: Contribution of £150,000 – it was proposed that the planning application fee received for the Western Growth Corridor submission was transferred to a reserve and used for additional resourcing requirements in determining the application.
 - Active Nation – As part of the Active Nation agreement it was proposed that any underspends on maintenance and utilities would be put into an Earmarked Reserve to help fund any future major maintenance requirements.
- Highlighted that the Housing Revenue Account was currently projecting an in-year underspend of £98,923, which would increase the General Balances to £1,133,102, at the end of 2019/20. The assessed prudent minimum balance for the HRA was currently £1,000,000. The level of forecast HRA balances would be monitored closely during the coming quarter and would be subject to a fundamental review as part of the MTFS 2018-23 process which was currently underway.
- Highlighted the components of this underspend as detailed at paragraph 4.3 of her report.
- Reported that at Quarter 1, the Housing Repairs Service (HRS) was forecasting a surplus of £287,268 in 2019/20.
- Highlighted changes that required Executive approval for the first quarter in respect of the General Investment Programme as detailed at paragraph 7.4 of her report.

- Detailed expenditure against the Housing Investment Programme (HIP) during the first quarter at £1.558m and a further £626.6k had been spent at the end of July at paragraph 7.13 of her report.
- Invited members' comments and questions.

Question: Members were unsure as to why there was a reduced income for HIMO's and asked whether this was due to overestimating the amount of landlords that would register?

Response: When the HIMO regulations came in for two storey accommodation it was predicted that there were 900 properties which in reality all have not come forward by the deadline in Oct 18. All the income had been profiled for the first two years but each actual licence lasts for 5 years. There was a backlog of properties that had applied. The income would catch up in the next few years. There was a lot of work to do and any landlords that had not come forward would be looked for.

Question: Members asked what the Market Share for Building Control was?

Response: Independent Building Inspectors could operate but City of Lincoln Council still held 72% of the market which was quite high.

Question: Members asked for the total amount that had been put into the WGC budget and what the extra £150k would be used for?

Response: The additional £150k would be used to bring in specialist advice for the planning authority to help evaluate the application.

Question: Members asked if there was still cash available for the Flood Alleviation Scheme at Hartsholme Lake as they believed this had been completed previously?

Response: There was money in the Capital Fund that was left over from the grant. This money wasn't sufficient to cover the costs of the works. Other grants would be pursued to help bring in funding to continue with the works. The grant was ring-fenced and could only be spent on flood alleviation works.

Question: Members asked why the play area works were unplanned as the surface had been changed 3 or 4 times already?

Response: The play area works were unplanned as the work that needed to be done was under the insurance claim limit, therefore the cost had to be funded by ourselves. The surface had been tested and determined that it needed replacement to improve its shock absorbency.

Question: Members asked why Universal Credit was seen as a negative as this was working well?

Response: This was due to claimants moving to Universal Credit and coming off housing benefit. This meant that less government subsidy was being collected for housing benefit overpayments. This also meant that there would be housing benefit legacy overpayments which was hard to link to Universal Credit.

Question: Members asked how HIMO properties that were not registered or had not made a planning application would be found and if there was a contact number that could be given to the public if they suspected a property was in multiple occupation?

Response: Records would be checked against council tax and we would encourage the students of the universities to report non registered properties they were living in. Once a property was licensed this must be displayed.

Question: Members asked whether an additional tier of licensing could be used?

Response: Officers were to look into this as it could potentially bring in more income.

Question: Members asked whether customers that asked us for advice with Universal Credit would be referred to The Citizens Advice Bureau?

Response: Our team were still in situ and would help customers where they could as this service was not provided by The Citizens Advice Bureau. Our team would help as much as they could as this could potentially affect such things as our housing tenants and income from this. Martin Walmsley was carrying out a review which was due to be completed hopefully by the end of November.

Question: Members asked why the roof was being repaired at Birchwood Leisure Centre after millions had already been spent on the building?

Response: When the work had previously been scoped the roof was watertight but was now leaking. The cost of this repair was higher than anticipated. The roof leaking was not affecting the operational side of the leisure centre.

Question: Members asked for more information regarding the extra funding for Park and Ride.

Response: This was an annual payment to Lincoln BIG which was originally for 2 years and had been extended for another year.

Question: Members asked what was included in the £50k overspend on equipment for car parks?

Response: When the Central Car Park was built the cleaning of the building was not factored in along with new style of payment machines

Question: Members asked what the best outturn of income received had been since providing car parking?

Response: This had been looked at. Figures only went as far back as 2005 but it was really hard to get a figure as car parks had always been moved or been closed for repairs etc. Income was growing year on year.

Question: Members asked why there were two rows for paralegals, what the extra funding related to and why this had to be bought in?

Response: There were two rows of funding as this came from two different reserves. Colleen Warren was to look into why these paralegals were brought in.

RESOLVED that:

- The progress on the financial performance for the period 1st April to 30th June 2019 and the projected outturns for 2019/20 be noted
- The underlying impact of the pressures and underspends identified in paragraphs 3.2, 4.3 and 5.2 be noted.
- The changes to the General Investment Programme and Housing Investment Programme as detailed in paragraphs 7.4 and 7.13 be noted.
- The proposed contributions to and from reserves be noted.

24. Revenues and Benefits Shared Service Update

Martin Walmsley, Head of Shared Revenues and Benefits:

- Provided members with an update on performance in the Revenues and Benefits Shared Service.
- Highlighted that as at the end of Quarter 1 2019/20, in-year collection for City of Lincoln Council Tax was 0.38% lower than as at the same point in the previous financial year.
- Explained that compared to the same point in 2018/19, as at the end of Quarter 1 2019/20 in-year Business rates collection was down by 1.37%.
- Detailed the number of outstanding revenues customers at the end of quarter 1 2019/20 at paragraphs 4.8 – 4.10 of his report and outstanding benefit customer work at paragraphs 5.1-5.2 of his report.
- Referred to the in period collection rates for Housing Benefit Overpayments as detailed at paragraphs 4.11-4.13 of his report
- Highlighted information on average processing times and financial accuracy at paragraphs 5.3-5.8 of his report.
- Concluded that despite the ongoing challenges in terms of frequently-changing legislation and ongoing welfare reforms, the Revenues and Benefits Shared Service performance on the whole continued to be positive, at the same time delivering significant savings to the partner local authorities.
- Recommended that Members note the information as set out in the report.
- Invited members' comments and questions.

Comment: Members commented that they would be interested in knowing the make-up of other local authorities with high performing Business Rates in-year collection 2018/19, as we had a lot of students.

Response: Martin Walmsley was to provide this information.

Comment: Members commented that there had been national publicity regarding business rates decreasing and that they had not seen anywhere that Local Authorities were dependant on Business Rates.

Response: Most business rates reliefs were fully reimbursed by Government.

Question: Members asked whether our income was affected if customers wanted their business rates reviewed?

Response: A lot of businesses did appeal but we collected business rates according to what the situation was at the time. If businesses were struggling then ways to help them would be looked at.

Question: Members asked whether Business Rates were being collected for the old Boots store?

Response: Rates would be collected after the first 3 months and would be higher. A listed building would be exempt.

Question: Members asked whether we did anything with regards to pension credits and whether this could be brought into the City?

Response: The Welfare Team were undertaking a pension credit take-up scheme.

RESOLVED that the information in the report be noted.

25. Income and Arrears Monitoring

Martin Walmsley, Head of Shared Revenues and Benefits:

- Provided an update to members on the position with regard to amounts of monies owed to the City of Lincoln Council as at 1st April 2019 and Business Improvement District levy to the end of June 2019.
- Highlighted the following:
 - The Council Tax net collectable debit for 2018/19 after Council Tax Support, discounts and exemptions had been granted was £41,767,829. This was an increase of £2,568,610 from 2017/18.
 - Total payments received in respect of 2018/19 were £40,383,019. This was an increase of £2,292,168 from 2017/18.
 - Council Tax arrears brought forward from all previous years at 1st April 2018 totalled £6,305,831. By 31st March 2019 these arrears decreased to £3,026,804.
- Explained that the amount of Council Tax written-out during the financial year 2018/19 was £152,609. This compared to £241,629 written-out during 2017/18 and £109,080 in 2016/17. During 2018/19, £4,560 was written back on.
- Advised that the Business Rates not collectable debt for 2018/19 after empty voids charity entitlements and other reliefs had been granted was £44,459,008, an increase of £645,989 from the previous year.
- Reported that the net collectable debt raised in respect of the Business Improvement District (BID) Levy was £398,176.

- Highlighted details of Housing Rents Collection, Sundry Debtors Collection and Housing Benefit Overpayments Collection at paragraphs 7-9 of his report.
- Recommended that members note the contents of the report.
- Invited members' comments and questions.

RESOLVED that the contents of the report be noted.

26. Final Christmas Market Outturn Report 2018

Simon Walters, Director of Communities and Environment:

- Provided Performance Scrutiny Committee with a report on the final financial performance of the 2018 Lincoln Christmas Market.
- Highlighted that the Christmas Market was expected to generate a surplus, based on budget, of (£13,210). The final out-turn position was a deficit of £82,380, giving an overall over spend of £95,590.
- Explained that the market had 3 main streams of income:
 - stallholder fees (including the fairground)
 - park and ride ticket sales and
 - coach bookings
- Highlighted the following:
 - The park and ride operation generated an income of (£103,880) against a budget target of (£126,710) a shortfall of £22,830.
 - The 2018 market had 180 stalls which achieved an income of (£431,250) against a budget of (£467,010). Income from stallholder fees was therefore £35,760 below budget.
 - Coach bookings continued to reduce and had done year on year.
 - Venue Hire was £47,130 which was slightly over the budget of £45,000.
 - Staff costs were £5,100 under budget
 - Contractor costs were £68,270 over the budget of £414,790
 - The refuse and stewarding costs combined exceeded budgeted costs by around £13,000
 - Additional security costs due to Policing and traffic mitigation measures introduced in 2017 were around £45,000 currently over budgeted but funded within the next Medium Term Financial Strategy (MTFS)
 - Details of Central Support Charges costs at £128,750.
- Recommended that members note and comment on the contents of the report.
- Invited members' comments and questions.

Question: Members commented that the Christmas Market was amazing and believed that the £95k overspend was sending out the wrong message as the overall income was high. Members believed that as a Council this needed to be looked at and turned around as the Market brought millions into the economy and it was a successful event. Members asked whether the £95k could be written off

so that the following year could make a profit and asked where the targets originated?

Response: The budget had been set a few years ago. Security of the market had a big impact on costs even though the Police gave us a discounted rate due the market being a non-profit event. If the event made a profit then the price cost of Police would increase. Social media always picked up on the loss that the market made which gave negative attention. Budgets were to be aligned for future years.

Question: Members commented on looking forward to seeing the 10 year Christmas Market Plan and asked whether the security of the market was going to have a financial impact?

Response: For the last two years the level of policing had been consistent. Nothing had been said about the resource needing to be increased. There was a lot of security at the market but this was not seen by visitors. The budget for security was to be similar for this year.

Question: Members asked whether more could be done from a communications point of view to make the market more positive and if it was worth gaining sponsorship if it would increase the policing costs?

Response: Officers had previously tried to engage Corporate Sponsorship but it became clear that this would be hard to do. Two or three years of a successful market would potentially entice sponsorship but the choice of sponsors would need to be ethical.

Comment: A reboot of the market would bring more positivity from the residents of Lincoln. The focus needed to be on what we were doing and do it well. The income the market brought into the City needed to be focused on more.

Comment: Members commented that the profit was fictitious as it was our budgets that were making the figures look negative. This was not the first year that the figure in the MTFs was causing the market a problem as it had been for the past 5 or 6 years. Officers needed to be realistic on how the figures were displayed.

Response: Officers reassured members that the two tables that were in the report were two ways of looking at the figures. There was a lot of work to be done on re-aligning the budget which would be reflected in future tables.

Question: Members asked whether extra car park income was factored into the budget?

Response: Extra car parking income was not factored into the budget. The increase in car parking could be used as a positive story.

RESOLVED that the contents of the report be noted.

27. Car Parking Strategy - Update

Simon Walters, Director of Communities and Environment:

- Provided Performance Scrutiny Committee with an update on progress with the strategy to improve the City Council's public car parking offer in the city.
- Highlighted the following actions proposed in the strategy included:
 - Recruit to vacant posts within the car parking team to provide a visible reassuring staffed presence. These staff were to be ambassadors for the service and city.
 - Explore the introduction of CCTV into Broadgate and Lucy Tower Street Car Parks
 - Enhance the ticket machines to provide contactless payments across the stock and rectify the connection issues for paying by card
 - Improve the physical security at our two older Multi Storey car parks and Explore the introduction of access control.
 - Trial the token validation system where shops could give discounts to shoppers parking in Central car Park.
- Described progress with permit parking as it had increased by 12% so far in 2019/20
- Explained that there was clear evidence that a number of commuters were parking in the Sincil Bank area of the city. The Residents Parking strand of the strategy looked to introduce residents parking across a range of areas including 22 streets closest to the city centre in the lower high street area. This was to hopefully encourage commuter to ideally modal shift (to commuting by public transport, cycling or walking) or if they required a car, move into car parks nearer the city centre.
- Recommended that members:
 - Note the contents of the report and progress made in delivering the strategy.
 - Offer any further comments and observations as appropriate.
- Invited members' comments and questions.

Question: Members asked what the token validation system was?

Response: This was a service available to businesses to entice customers. If customers park in the Central Car Park then each participating business could offer free parking on the parking token. This was paid for by each business and did not affect our income.

Question: Members asked whether contactless payment was a cost for the council to bear?

Response: Simon Walters would investigate and let members of Performance Scrutiny Committee know.

Question: Members asked what the lifespan of Lucy Tower and Broadgate car parks were?

Response: Decades. Simon Walters was to find out the actual amount of time and let Performance Scrutiny Committee know. Car Parks were currently running at 70-75% full on certain days.

RESOLVED that:

- The contents of the report and progress made in delivering the strategy, together with members comments be noted.

28. Work Programme 2019/20

Members had a general discussion regarding the work programme.

Now that members had got a full understanding of the Christmas Market, Performance Scrutiny did not need to be provided with as many reports. It was agreed to have a Pre-Christmas Market Verbal Report in October and The Christmas Market Outturn report in March.

RESOLVED that the Work Programme 2019/20 be noted, subject to future amendments as listed above.

29. Strategic Risk Register - Quarterly Review

Pat Jukes on behalf of Jaclyn Gibson, Chief Finance Officer:

- Provided Performance Scrutiny Committee with a status report of the revised Strategic Risk Register as at the end of the first quarter 2019/20.
- Explained that since reporting to members in June 2019, the Strategic Risk Register had been reviewed and updated by the relevant Directors and Assistant Directors as part of an annual review of all strategic risks and horizon scanning. This review had identified that there had been some positive movement in the Risk Register.
- Gave details of a number of control actions now progressed as detailed at paragraph 3 of her report.
- Recommended that Performance Scrutiny Committee:
 - Agree that all current risk challenges had been identified; and,
 - Ensure that any gaps in respect of controls and ownership were addressed.
- Invited members' comments and questions.

RESOLVED that the following points be noted prior to referral of the Strategic Risk Register to Executive:

- All current risk challenges had been agreed
- Any gaps in respect of controls and ownership had been addressed.

Section B

30. Exclusion of Press and Public

RESOLVED that the press and public be excluded from the meeting during the consideration of the following item because it was likely that if members of the press and public were present, there would be disclosure of 'exempt information'.

31. Strategic Risk Register - Quarterly Review

Pat Jukes on behalf of Jaclyn Gibson, Chief Finance Officer:

- a) Presented the second section of the status report on the revised Strategic Risk Register at the end of the first quarter 2019/20
- b) Referred to the detailed Register attached at Appendix A to her report
- c) Requested that members note and comment on the Strategic Risk Register as at the end of the first quarter 2019/20

Members considered, discussed and commented upon the content of the report.

RESOLVED that the revised Strategic Risk Register at Appendix A to the report be noted.