

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

Apologies for Absence: None.

117. Confirmation of Minutes - 24 February 2020

RESOLVED that the minutes of the meeting held on 24 February 2020 be confirmed.

118. Declarations of Interest

No declarations of interest were received.

119. Procedure Rules Relating to Remote Executive Meetings

Purpose of Report

To consider the adoption of procedure rules to facilitate remote meetings of the Executive.

Decision

That the revised procedure rules relating to remote meetings, be approved.

Alternative Options Considered and Rejected

None.

Reason for Decision

The adoption of revised procedure rules relating to remote meetings of the Executive covered the period in which Council members were unable to meet in person, due to the impact of the coronavirus, and included provision for video conferencing and live interactive streaming.

The Local Authorities and Police and Crime Panels (Coronavirus) (Flexibility of Local Authority and Police and Crime Panel Meetings) (England and Wales) Regulations 2020 made provision for remote attendance at, and remote access to, council meetings held on or before 7 May 2021.

The regulations enabled the Council to hold meetings without all, or any, of the members being physically present in a room. This allowed for remote meetings through electronic, digital, virtual locations, live webcast, live interactive streaming, video and telephone conferencing.

120. Covid19 - Financial Challenges

Purpose of Report

To set out the likely high-level financial challenges arising as a result of Covid19 and the Council's response to this unprecedented financial situation.

Decision

That the Executive:

- (1) Notes the significant financial challenges that the Council faces.
- (2) Endorses the urgent actions that are being undertaken in response to this.
- (3) Tasks officers to develop further these actions and options for consideration, as part of an Emergency Budget, if no further financial resources are forthcoming from the Government.

Alternative Options Considered and Rejected

None.

Reason for Decision

The report confirmed that Covid19 was taking its toll on the financial resilience of the Council as income streams were reducing, debt recovery was being deferred and there was a growing necessity to incur costs to ensure services were being provided throughout this difficult period.

In response to calls from the sector the Government had allocated a total of £3.2 billion of grant funding to support local authorities. The allocation of the original £1.6 billion was very heavily weighted towards social care authorities with District Councils only receiving a small share. The allocation of the second tranche of £1.6 billion was based on a higher proportion for District Councils but was based on population. This simple form of allocation did not take into account the individual nature of different types of authority. Lincoln, with its tight urban boundary, high daytime economy and high need population, had been severely disadvantaged by this method of allocation.

The Council was currently forecasting a shortfall on the General Fund budget of approximately £3 million in 2020/21 after the allocation of £1 million of government grant funding. The Housing Revenue Account was forecasting a £1 million shortfall for which no government support has been provided. In response to this the Council was undertaking a number of urgent actions focusing on extensive lobbying and media campaigns, controls to limit expenditure, the repurposing of Vision 2025 and an emergency budget.

The Council had responded quickly to the current crisis to support its residents and businesses, delivering crucial and much needed services. Local support systems had been set up to help the vulnerable and the homeless and had worked at pace to deliver financial lifelines to local business. Whilst at the same time the authority continued to empty the bins, keep parks open, pay benefits and carry out emergency housing repairs.

Moving forward into the recovery phase the Council's ability to lead on, finance and support key practical and relevant interventions would be critical to the recovery of Lincoln and Lincolnshire's economy. Further details were set out in the report, summarising potential financial challenges the Council faced across a number of areas, including:

- exceptional costs of dealing with Covid19;
- increased service demand in the short term and long term;
- impact on local taxation;
- loss of income;
- impact on Towards Financial Sustainability Programme;
- impact on Capital Programme.

Councillor Ric Metcalfe, Leader of the Council, concurred that the government had a greater willingness to assist local authorities in respect of the additional costs they had incurred as a result of the outbreak but rather less in support of the significant loss of income that some Councils were facing. The City of Lincoln Council had already lost a substantial amount of income as a result of the outbreak that it would not be able to recover.

Councillor Metcalfe said that the model currently used by the government to provide support, based on population, put cities like Lincoln at a disadvantage as its population effectively doubled during the day as they served retail, travel to work and a significant number of tourists every year. The demands placed on those authorities was therefore much greater than the residential population of their respective boundaries. Work was underway to identify those authorities of similar characteristics to Lincoln who would have also been significantly disadvantaged by the formula used by the government in order to strengthen lobbying. From the City Council's perspective, Councillor Metcalfe reported that lobbying had already taken place with the Member of Parliament for Lincoln, the Leaders and Chief Executives of all District and County Councils in Lincolnshire, the Local Government Association and the District Council Network.

The Council's Chief Finance Officer highlighted that this was not solely a problem for this financial year and that, moving forward, there would be an impact on the Council Tax and Business Rates bases, together with some other income streams, meaning that they would not return to what they were prior to the outbreak. People's working and shopping habits were likely to change, which would mean lower levels of car parking income, for example.

Councillor Metcalfe, in response, reminded the Executive that any decisions taken by the Council now would need to bear in mind the longer term sustainability of the authority's finances and Medium Term Financial Strategy. The Chief Finance Officer added that the Council's reserves could be used, but this in turn would affect sustainability going forward.

The Council's Chief Executive confirmed that the City of Lincoln Council and other authorities had been asked to submit further information to the government but there were currently no guarantees or reassurances centrally of further financial support at this time. It was therefore vitally important that the Council ensured it was itself financially sustainable. However, in support of this a helpful element of support from the government would be to provide greater freedoms and flexibilities to local authorities, particularly around borrowing. Councillor Metcalfe agreed that this would be more manageable in terms of transitioning and

it was noted that similar freedoms were granted to those local authorities impacted by the Icelandic banking crisis.

Councillor Metcalfe confirmed that considerable thought was being given as to how the Council's work places could be re-engineered over time to facilitate a return to work. The Chief Executive confirmed that work was underway to ensure that everything necessary was in place prior to any phased return to work at the Council's premises. Further to the government's recent announcements in respect of relaxing some of the lockdown restrictions, further work was taking place in the city centre, Bailgate, transport hub and green spaces to ensure that a whole range of measures were in place to ensure people's safety. Councillor Metcalfe said that these were a few examples of a safe return being dependant on Councils having the ability to do what they normally did, and significantly more in addition, making financial support from the government even more important.