

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

Apologies for Absence: Councillor Loraine Woolley

1. Confirmation of Minutes - 20 February 2020

RESOLVED that the minutes of the meeting held on 20 February 2020 be confirmed.

2. Declarations of Interest

Councillor Pat Vaughan declared a Personal Interest in relation to agenda item titled 'Financial Performance - Outturn 2019/20'. Reason: His granddaughter worked in the Finance Section of the City of Lincoln Council.

Councillor Pat Vaughan declared a Personal Interest in relation to agenda item titled 'Treasury Management Stewardship and Actual Prudential Indicators Report 2019/20 (Outturn)'. Reason: His granddaughter worked in the Finance Section of the City of Lincoln Council.

Member Statement

In the interest of transparency Cllr Helena Mair requested it be noted that her husband's employer was involved in several local projects which involved the City of Lincoln Council including the Rookery Lane and Central Market refurbishment. If any reference was made to these projects, she would leave the room at that point and not take part in discussions thereon.

3. Strategic Risk Register

Jaclyn Gibson, Chief Finance Officer,

- a) provided Members with a status report for the City of Lincoln Councils Strategic Risk Register:
- b) highlighted that since reporting in February 2020, the COVID-19 pandemic had fundamentally affected the environment in which the Council operated and as such the risks that it faced. Whilst the strategic risks that were previously included in the register remained valid, the level of assessed risk (likelihood and impact), target risk scores and mitigating action needed to be reviewed and updated to reflect the new landscape, as well as identifying any new strategic risks.
- c) explained that considering these circumstances the quarter four strategic risk register for 2019/20, which would ordinarily include an assessment of whether the target risk for the year had been met or not, had not be prepared. Instead setting out in this report what were now considered to be the strategic risks/opportunities facing the Council having taken into

consideration the impact that the pandemic and lockdown arrangements had, as well as the path to recovery.

d) highlighted ten existing strategic risks that were all still felt to be relevant, although re-framed to reflect the effects of the pandemic and focus of the Council in 2020/21:

1. Failure to engage and 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 supported the 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 emergency 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. A decline in the economic prosperity within the City Centre.
9. Failure to mitigate against the implications for the Council following the outcome of Brexit.
10. Failure to deliver key strategic projects.

e) explained in addition to the ten existing strategic risks, three new risks relating to the impact of the pandemic had emerged and were as follows:

- Failure of the Council's key contractors and partners to remain sustainable and continue to deliver value for money.
- Failure to work in partnership to sustain support to vulnerable residents post COVID-19.
- Failure to put in place safe working practices and social distancing measures to protect officers and service users.

f) invited members' questions and comments.

Question: Members asked whether checks on contractors could be carried out?

Response: The City of Lincoln Council did have the ability to do financial checks on contractors if there were concerns.

RESOLVED that:

- a) the status of the current Strategic Risk Register be noted
- b) a full Strategic Risk Register be presented to Performance Scrutiny Committee in August 2020.

4. Financial Performance - Outturn 2019/20

Colleen Warren, Financial Services Manager,

- a) presented performance scrutiny committee with the provisional 2019/20 financial outturn position on the Council's revenue and capital budgets
- b) explained that in relation to the General Fund Revenue Account, the financial performance quarterly monitoring report for the 3rd quarter predicted a shortfall against the revised budget of £222,080. The provisional outturn for 2019/20 now indicated that this shortfall had decreased by £88,258, resulting in an overall budget shortfall of £133,822. This represented a variance against the revised budget of 0.99%. The key variances were as follows:
 - City Hall, Industrial Estates & Lincoln Properties – Increased Income (£167,351)
 - Housing Benefit Overpayments – Reduced Income £389,536
 - Other Interest – Increased Income (£88,080)
 - Car Parking – Increased Income (£90,912)
 - Housing Regeneration – Reduced Expenditure/Increased Income (£98,366)
 - MRP – Reduced Expenditure (£288,200)
 - Direct Revenue Financing – Reduced Expenditure (£230,475)
 - External Interest Payable – Reduced Expenditure (£222,139)
 - Yarborough LC – Reduced Income – (£53,400)
 - TFS Savings Target – Shortfall in delivery (£201,705)
- c) advised that in relation to the Housing Revenue Account, the financial performance quarterly monitoring report for the 3rd quarter predicted an underspend of £79,582. The provisional outturn for 2019/20 now indicated an overspend of £71,514. This resulted in HRA balances at 31 March 2020 of £1,007,095. The main over and underspends included within the provisional outturn were detailed in Appendix D, while the key variances were below:
 - HRS Surplus – Additional Income (£72,487)
 - Council Tax – Additional Expenditure £94,286
 - Depreciation – Revaluation of properties – additional expenditure (£383,122)
 - Loan Charges – Interest on additional borrowing – increased expenditure (£71,869)
 - Major Repairs Reserve – DRF adjustment to fund additional depreciation and loan charges – (£440,526)

d) stated that in regard to the Housing Repairs Service, the financial performance quarterly monitoring report for the 3rd quarter predicted a £117,075 surplus outturn for 2019/20. The provisional outturn for 2019/20 showed a trading surplus of £72,487. The net trading surplus of £72,487 was the result of several year-end variations in income and expenditure against the approved budget. The main over and underspends included within the provisional outturn were detailed in Appendix F and the key variances were as follows:

- Reduced recharges for internal work and change to sub-contractor – reduced income (£181,936)
- Reduction in material costs – reduced expenditure (£104,741)
- Increased hire of equipment costs – additional expenditure (£87,633)

e) highlighted that in relation to the General Investment Programme, – the last quarterly report approved a General Fund Investment Programme for 2019/20 of £12,509,748. Movements in the programme since the approved revised budget decreased actual capital expenditure in 2019/20 to £10,056,747.

New projects/changes that required the approval of the Executive were:

- Disabled Facilities Grant – 2020/21 budget increased by £456,020 to match grant funding allocation.
- Car Park Improvements – Ticket Machines - £87,360 within 2020/21 funded by borrowing to purchase 16 new ticket machines to ensure all car parks were able to take contactless or chip & pin payments.

The changes that had been approved by Executive and were included within the final quarter were:

- **Boultham Park Lake Restoration** – a scheme to support the restoration of the lake supported by National Lottery Heritage Funding. £267,121 capital expenditure element was required and approved by Executive on 24/2/20.
- **Greetwell Hollow** – settlement of dilapidations claim with Lindum of £150k agreed and sale of freehold asset for £100k capital receipt funded from unallocated resources. This was approved by Executive on 24/2/20.

f) referred to the Housing Investment Programme and explained that the last quarterly report approved a Housing Investment Programme for 2019/20 of £14,906,247. Movements in the programme since the approval of the revised budget decreased actual capital expenditure to £11,977,262 in 2019/20.

The overall spending on the Housing Investment Programme for 2019/20 was £11,977,262 which was 80.19% of the revised 2019/20 programme as per MTFS 2019-24. Although this appeared to be low compared to previous financial years, the following points were taken in consideration:

- Due to COVID-19 various scheduled work programmes had slipped or been delayed into 2020/21, with the 2020/21 budget impact still being assessed and would be reflected within 2020/21 reports.

- 9 property acquisitions were ongoing with delegated authority to start as at the 31st March 2020, totalling £1.1m.
- £590k had been released into available resources from the 2019/20 HIP programme
- The budgets for large new build schemes, DeWint, Markham House and Rookery Lane had been reprofiled into 2020/21 in line with expected expenditure outflows.

g) invited members' comments and questions.

Question: Could more details on the Disabled Facilities Grant be provided?

Response: Every year a budget was allocated to the City of Lincoln Council from Lincolnshire County Council. There was always a delay as the spend was governed by Occupation Health assessing cases. This made it hard to deliver the estimated spend within the financial year.

Question: Members recognised that there was some money to be saved from previous years and asked what needed to take place for further savings to be made?

Response: There were technical issues with an outstanding review regarding an asset swap between the HRA and the general fund which meant that the asset swap was not completed within the financial year. This would though be progressed in 2020/21.

Question: Members asked what the allocated COVID-19 response money would be spent on?

Response: The money was spent on mitigating incomes as there was still a significant loss for what had been spent on COVID-19.

Members commented that it was good to see income (in 2019/20) for car parking had exceeded it's budget, considering the current pandemic (note income in 2020/21 is significantly deteriorated).

RESOLVED that the financial performance outturns for 2019/20 be noted.

5. Treasury Management Stewardship and Actual Prudential Indicators Report 2019/20 (Outturn)

Sarah Hardy, Principal Finance Business Partner:

- a) presented Performance Scrutiny with the annual Treasury Management Stewardship Report
- b) explained that the prudential system for capital expenditure was well established. For the 2019/20 financial year the minimum reporting requirements were that members received the following reports:
 - an annual Treasury Management Strategy in advance of the year (Council 26th February 2019)
 - a mid-year Treasury update report (Executive 21st November 2019)

- an annual report following the year describing the activity compared to the strategy.

c) Key issues to note from activity during 2019/20 were:

- The Council's total debt (including leases and lease-type arrangements) at 31st March 2019 was £120.258m as identified at appendix A of the report compared with the Capital Financing Requirement of £130.736m. This represented an under-borrowing position of £10.478m, which was currently being supported by internal resources. Additional long-term borrowing would be undertaken in future years to bring levels up to the Capital Financing Requirement, subject to liquidity requirements, if preferential interest rates were available.
- The Council's Investments at the 31st March 2020 were £30.55m as outlined in Appendix A of the report, which was £1.35m higher than at 31st March 2019. Average investment balances for 2019/20 were £28.833m, which was higher than estimated balances of £24.1m in the Medium-Term Financial Strategy 2019-24 due to the timing of borrowing taken. It was noted that this referred to the principal amounts of investment held, whereas the investment values included in the balance sheet were based on fair value. In most cases, this would be equal to the principal invested, unless the investment had been impaired.
- Actual investment interest earned on balances was £240k compared to £125k estimated in the Medium-Term Financial Strategy 2019-24 identified at Appendix A of the report
- The interest rate achieved on investments was 0.84% which was 0.31% above the target average 7-day LIBID rate (for 2019/20 the average was 0.53%)

d) advised that the following reported outturn position against the security and liquidity benchmarks in the Treasury Management Strategy were as follows:

- Security:
 - The Council's actual average security risk for the portfolio as at 31st March 2020 was 0.004%, which compared with the 0.005% for the budgeted portfolio. This gave the estimated default rate on the investment counterparties which comprised the portfolio at 31st March 2020. This equated to a potential financial loss of £1,222 on the investment portfolio of £30.5m.
 - Specified investments were high security sterling investments (i.e. high credit quality) with a maturity of no more than one year. Non-specified investments were all over investments representing a potentially greater risk; however, the risk was still minimal due to the stringent controls over counterparty credit quality contained within the Investment Strategy. The 2019/20 strategy set a maximum limit of 75% of the portfolio to be held in non-specified investments. At 31st March 2020, 80% of the investment portfolio was held in specified investments with the

remaining 20% held in deposits with other local authorities. The Chief Finance Officer reported that the investment portfolio was maintained within this limit throughout the year.

- Liquidity – In respect of this area the Council set liquidity benchmarks to maintain:
 - Liquid short-term deposits of at least £5million available with a week's notice.
 - Weighted Average Life benchmark was expected to be 0.35 years (128 days).

The actual liquidity indicators at 31st March 2020 were as follows:

- Liquid short-term deposits of £18.55 million as at 31st March 2020.
- Weighted Average Life of the investment portfolio was 0.10 years (38 days). This reflected that larger amounts of investments were deposited in short term accounts to deal with cash flow requirements.

The Chief Finance Officer reported that liquidity arrangements were adequate throughout the year.

RESOLVED that the actual prudential indicators contained within appendices A and B and the annual Treasury Management Report for 2019/20 was noted.

6. A Review of 2019/20 including our COVID-19 Response

Pat Jukes, Business Manager – Corporate Policy:

- a) presented Members with a review of 2019/20 including the City of Lincoln Councils COVID-19 response in the following areas:
- b) explained that in relation to COVID-19 Business Support, the government had made available a number of different grant funding options for businesses affected by COVID-19, so to ensure that Lincoln businesses benefit as much as possible, the Council's Major Development Team set up a cross directorate working group of up to 20 people from ten services who used their skill sets to work together to maximise support for businesses.
- c) advised that regarding COVID-19 Community Support, members of staff across many departments of the council were working from home to deliver vital services to prevent additional hardship to some of the most vulnerable in Lincoln. This included working with partner organisations across the community to fill any gaps in service and finding new ways to make it easier for people to ask for and access help, as well as seeking out groups of people impacted by COVID-19 and putting measures in place to allow them to access support such as:
 - Befriending Service
 - Community Signposting Helpline

- Online mapping of community groups
 - Pensioner voucher scheme
 - Free school meals
 - Lincoln Community Foundation Crisis Fund
- d) highlighted that in relation to helping the vulnerable, homeless and rough sleepers, *the Homelessness Team* were very busy dealing with historic and complex cases rather than seeing significant increases in homelessness. However, emergencies and helping people coming into the city needing accommodation and young and vulnerable people who had been asked to leave home or who were being exploited were dealt with by the team.

The Rough Sleeping Team had seen a definite increase in workload following the push to ensure all street sleepers were provided with safe internal accommodation. This included those who were in bed and breakfast and hotel accommodation which had closed as a result of COVID-19. Twenty-one people were offered accommodation as a result of this scheme.

Supported Housing – this service supported our most vulnerable tenants and as a result of the COVID-19 impact, had adapted its service to both protect and support tenants.

Lincare Home Support – Lincare had continued to operate its 24/7 telecare services for all its clients throughout the crisis. This was a critical service at the best of times, but even more so during the current COVID-19 crisis.

Customer Services – the number of calls consistent with what would be expected in a normal Q4 had been taken, at 29,739, which paid testament to the hard work that the team had put in. There had not been a day when the team were unable to offer a telephone response to the public.

Our Communications – this had been a year of change for the City Council's Communication Team. Of the four people who began the year, only one remained. Luckily all three leavers had now been replaced and the team, since mid-March, was back operating at full capacity. This presented a wide range of challenges for the team. We knew that social media would be key.

Revenues and Benefits – quarter 4 was always the period which brought about the highest level of demands on our Revenues and Benefits Service, as the team sent out new Council Tax and Business Rates bills to every household and business in the city (plus to other partner local authorities who were part of the Revenues and Benefits shared service), as well as customers' incomes receiving annual up-ratings, rent increases etc. Despite all of these demands, and the sudden impacts of COVID-19 on working and process arrangements, the team had continued to perform positively.

Bereavement Services – in the year up to March 31st there were 1970 cremations and 314 burials in our cemeteries. As the effects of the pandemic rolled out through March, staff implemented a robust business continuity plan to ensure the council maintained services.

Community Services – the team had continued to work throughout, attending sites and dealing with complaints and enquiries from the outset to ensure that services to the public had not been impacted beyond government stipulated changes.

Emergency Housing Repairs – maintenance teams had to be re-focussed since the start of the lockdown, but that didn't mean repairs were not being completed. 24-hour repairs were still being completed and 3-day urgent repairs, albeit with a reduced workforce.

Food Health & Safety and Enforcement – although the team were generally not visiting businesses to do inspections post lockdown, some were visited where persistent complaints were received. Investigations into complaints were still being carried out.

e) invited members' questions and comments.

Comment: The committee wanted to pass on their thanks to all the staff at the City of Lincoln Council and that they were very proud.

Question: The befriending service had been very successful and had a positive outcome for volunteers and residents of the City, would this continue?

Response: Officers that had been helping on the befriending service were starting to return to their job roles, so the service needed to come to a close. The residents who required the service had dropped by half and the residents that still required interaction would be offered 4 options which they could choose one if they wished. The befriending service was not just for the elderly but was for all ages and health issues.

Question: Members commented that the report was positive and gave special thanks to the IT Team. Was the amount of staff that had been moved over to Microsoft Teams being monitored?

Response: The amount of staff that had been moved over to Microsoft Teams was monitored. Officers agreed to forward this information to the committee.

Question: Members asked for an update position for Council Housing?

Response: There were approximately 30 voids.

Question: There were still parks that were closed in the city. Members asked what the position was with play areas?

Response: Destination play areas had been opened, which were ones with a lot of equipment in them. The Director of Communities and Environment agreed to forward the list of play areas that had been opened to the committee.

Question: Members asked whether our website could still be used as a signposting service as it had worked well during the pandemic?

Response: Activities were posted already, and an interactive map was produced which was to be kept up to date by a charity sector. The Director of Communities and Environment agreed to find out the position of this piece of work and feed it back to the committee.

Question: The closure of the public toilets was a concern as well as anti-social behaviour. Members asked whether this needed to be reviewed as it was having a massive impact on the city centre?

Response: Anti-social behaviour was lower in the city, but this was due to less footfall. It was more visible due to there being less pedestrian traffic. Going forward there would be a bigger presence to help tackle anti-social behaviour.

Question: Members were worried about the economy in the city centre due to the toilets being closed and residents not wanting to visit due to this.

Response: There was one toilet open in Castle Square and the toilet in the bus station was open. Toilets in Hartsholme park and the toilets in the café in Boutham Park were also open.

Question: Members asked what the cost would be for the re-opening of the remaining toilets within the city centre?

Response: The Director of Communities and Environment agreed to forward the figures to the committee.

RESOLVED that:

- a) the figures for staff that had been moved over to Microsoft Team be forwarded to the Committee
- b) the list of the play areas that had been opened be forwarded to the committee
- c) a position update on the interactive map for services within the city be forwarded to the committee
- d) the cost to re-open the remaining toilets be forwarded to the committee
- e) the contents of the report be noted and referred to Executive.

7. Work Programme 2020/2021

Clare Stait, Democratic Services Officer:

- a) presented the draft work programme for 2020/21 as detailed at Appendix A of her report
- b) advised that the work programme for the Performance Scrutiny Committee was put forward annually for approval by Council; the work programme was then regularly updated throughout the year in consultation with the Performance Scrutiny Committee and its Chair
- c) reported that items had been scheduled in accordance with the existing work programme and officers' guidance regarding the meetings at which the most up-to-date information could be reported to the committee; the work programme also included the list of portfolio holders under scrutiny

- d) requested any relevant comments or changes to the proposed work programme for 2020/21.

RESOLVED that the work programme 2020/21 as detailed at Appendix A to the report be noted with the following amendments:

- a) the Portfolio Holder for Our People and Resources be asked to attend the next meeting in August
- b) the Portfolio Holders for Economic Growth, Housing and Customer Experience and Review to remain on the work programme with the Portfolio Holders for Reducing Inequality and Remarkable Place taken off unless deemed that they needed to be in attendance.