

Present: Councillor Gary Hewson (*in the Chair*),
Councillor David Clarkson, Councillor Thomas Dyer,
Councillor Lucinda Preston, Councillor Rachel Storer,
Councillor Pat Vaughan and Councillor Joshua Wells

Apologies for Absence: Councillor Martin Christopher and Councillor
Lorraine Woolley

63. Confirmation of Minutes - 18 January 2024

RESOLVED that the minutes of the meeting held on 18 January 2024 be confirmed and signed by the Chair as a true record.

64. Declarations of Interest

Councillor Pat Vaughan declared a Personal Interest with regard to the agenda item titled 'Financial Performance - Quarterly Monitoring'. 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 and Prudential Code - Quarterly Update'. His granddaughter worked in the Finance Department at City of Lincoln Council.

65. Change to Order of Business

RESOLVED that the order of business be changed to run as follows:

- Section 106 and CIL Contributions Update
- Strategic Risk Register Quarterly Review
- Exclusion of Press and Public
- Strategic Risk Register – Quarterly Review
- Inclusion of Press and Public

The agenda to continue unchanged from item 4 of the agenda.

66. Section 106 and CIL Contributions Update

Nicola Collins Heritage and Planning Enforcement Team Leader:

- a) presented an annual update on Section 106 Agreements and Community Infrastructure Levy (CIL) that had been collected in the last 12 months to December 2023
- b) highlighted that a report was last brought before the committee in February 2023 outlining the Section 106 Agreement amounts for the year up to December 2022
- c) explained that the table in paragraph 4.2 of the report illustrated Section 106 contributions and CIL secured for 2023 up to and including December 2023 as a result of new planning applications submitted during that period

d) explained that the table in paragraph 4.7 of the report illustrated the S106 spend breakdown during 2023. There were no projects that had S106 moneys allocated during 2023. However, there was work ongoing to prepare potential schemes for the £76,076.00 in the pot for Local Green Infrastructure and £233,660.00 in the pot for Strategic Playing Fields.

e) invited members' comments and questions:

Question: The table at paragraph 4.2 of the report showed that the section 106 money from the Former Wildlife Public House would be used for either Birchwood or Woodland Medical Practice. What would be the deciding factor as to which medical practice would receive the funding?

Response: The decision would be made by the NHS. They would assess where there was most need and allocate the funding as appropriate.

Question: What was the Community Infrastructure Levy used for?

Response: It would be used for secondary education provision and the Lincoln Eastern Bypass.

RESOLVED that the contents of the report be noted.

67. Strategic Risk Register - Quarterly Review

Jaclyn Gibson Chief Finance Officer:

a) presented Performance Scrutiny Committee with a status report of the Strategic Risk Register as at the end of the third quarter 2023/24.

b) reported that the strategic risk registers 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.

The Chair commented that at a recent training session he had learnt the importance of scrutinising the Strategic Risk Register. He requested that in future this item be scheduled as first item on the agenda to allow for more time for consideration.

RESOLVED that

1. The Strategic Risk Register as at the end of the third quarter 2023/24 be noted.
2. The Strategic Risk Register be scheduled as first item on the agenda at future Performance Scrutiny Committees.

68. 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.

69. Strategic Risk Register - Quarterly Review

Jaclyn Gibson Chief Finance Officer:

- 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 third quarter 2023/24 be noted.

70. Inclusion of Press and Public

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

71. Financial Performance - Quarterly Monitoring

Laura Shipley Financial Services Manager:

- a) presented a report to Performance Scrutiny Committee with a summary of the third quarter's performance (up to 31 December 2023), on the Council's
 - General Fund
 - Housing Revenue Account
 - Housing Repairs Service
 - Capital Programmes
- b) requested that Performance Scrutiny Committee note the changes to the capital programmes
- c) referred to paragraph 3.8 and 3.9 of the report and requested that the committee note the proposed carry forward requests and transfers to earmarked reserves
 - **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, at Q3 the General Fund Summary is currently projecting a forecast underspend of £289,602 (Appendix A provided a forecast General Fund Summary), resulting in general balance at the year-end of £2,518,341. There were a number of forecast year-end variations in income and expenditure against the approved budget. 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, at Q3 the HRA is currently projecting a forecast overspend of £13,787, which would result in HRA balances of £1,111,730 as at the end of 2023/24 (Appendix C provided a forecast Housing Revenue Account Summary). Although the forecast position was an overspend 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. At quarter 3 the HRS was forecasting a deficit of £552,062 in 2023/24. 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 £24.784m following the

quarter 2 report. At quarter 3 the programme had reduced by £9.450m to £15.334m as shown at paragraph 7.2. The overall spending on the General Investment Programme for the third quarter of 23/24 was £8.2m, which was 67.57% of the 2023/24 budget as detailed in Appendix I

- **Housing Investment Programme** – the revised programme for 2023/24 amounted to £16.862m following the quarter 2 position. At quarter 3 the programme had been decreased by £0.742m to £16.120m as shown at paragraph 7.10 of the report. The overall expenditure on the Housing Investment Programme at the end of quarter 3 was £7.029m, which was 41.85% of the 2023/24 revised programme. This excluded expenditure relating to Western Growth Corridor, which was currently shown on the GIP, to be apportioned at year end (current forecast outturn £1.97m) as detailed at Appendix J of the report. A further £0.525m had been spent as at the end of January 2024

d) invited members' comments and questions.

Members of the committee asked the following questions and received relevant responses from Officers:

Question: What work was being undertaken to reduce the reliance on using bed and breakfast for temporary accommodation? What other options were there for temporary accommodation aside from using bed and breakfast?

Response: An action plan had been developed which addressed a number of areas including increased information for applicants to help them solve their own housing situation and to access advice at an earlier stage, increased homelessness prevention, staff training and process changes to the way the team worked. Consideration was also being given to various options for increasing the number of Temporary Accommodation units we had access to. The options included purchase and repair, leasing, and new build. Bed and Breakfast was used as a last resort by the team. Other options were always considered first including prolonging the stay in the current property where it was safe and suitable to do so, staying with family or friends, using the council's own licensed accommodation and working with partners to access supported or other housing.

Question: When would the central market open? The table at 3.10 of the report identified that there was a £15,000 carry forward in the Directorate of Major Developments to be used to support non-recurrent costs linked to the launch of the new Central Market. What was this required for?

Response: The budget for the newly refurbished Cornhill Market set out in the MTFS was based on an estimated budget. The extent of the changes to both the physical fabric of the Market building and the operational approach, made it very difficult to accurately predict the running costs of the building. Likewise, the service charges to the new stallholders were also based on estimates, as the service charge was designed to cover the bulk of the running costs of the market during operation. The proposed allocation of the directorate underspend to provide a financial safety net as we entered the first year of operating the new Market was therefore prudent whilst the operating costs stabilised and were established with sufficient accuracy to enable MTFS and service charge review. There would be a report to the Executive on 18 March 2024 on the Market with a further update in 2025 once the operational realities of the Market were clearer.

Question: Why had businesses still not signed up at this late stage of the project? Was the criteria for business selection too high?

Response: Eighteen businesses had been signed up and five were currently under offer. It was a long process to negotiate the leases with stall holders and there were many legalities to work through. The standards had not been set too high, it was important to have a good spread of stalls to create a dynamic market. The opening date would be announced in the coming weeks.

Question: The general fund forecast variances showed an increased expenditure of £50,000 for Yarborough Leisure Centre as an anticipated contribution to support Utility inflation pressures. Did this also apply to Birchwood Leisure Centre?

Response: This related to a contractual relationship with Active Nation which included both Yarborough Leisure Centre and Birchwood Leisure Centre. This money had been set aside in the reserves should it be needed. The energy costs had been significantly higher this year.

Question: The externally delivered Town's deal schemes showed a spend of £814,122 for a project relating to Lincoln City Football Club and Foundation. Could the difference between the two organisations be clarified? What was the money used for?

Response: The Lincoln City Foundation was a registered charity and was a separate body to the Lincoln City Football Club. The money had been used to build a community hub and education suite. This owned by the football club but the foundation would run services and activities from the site.

Question: There was a £30,000 carry over in the Directorate of Major Developments to support the Councils Climate Change initiatives. What specifically would this money be used for?

Response: An answer would be provided following the meeting.

Question: The Housing Revenue Account and Housing Repair Service continued to experience a number of variances due to demand pressures and the ongoing recruitment challenges. What was being done to address this?

Response: Recruitment and retention was a national issue caused by a combination of issues. The Organisational Development Group had been considering these issues and had developed an action plan to address them. This action plan would be brought to a future meeting of Performance Scrutiny Committee.

Question: Where was Windmill View and what would be the final costs for the repair to the retaining wall?

Response: Windmill View was off Yarborough Road, behind Mill Road.

The Council did not own the land or wall, it was owned by the Crown, however the wall was crumbling and was deemed dangerous to the public and surrounding houses, so as a safety issue this work had to be carried out. The Executive approved an initial budget of £250k in July 2022, this was further extended to £500k in March 2023. The latest increase, would require approval by Executive, and was for a further £150k which was estimated to cover the final projected cost of remedial works. The increased costs were as a result of more of the wall needing to be replaced as work progressed and the cost of fencing to replace trees from private gardens. Although the full costs were yet to be finalised they were not expected to exceed the additional £150k requested. The wall was now complete.

Question: Would the Crown be re-paying the cost of the repairs to the Council?

Response: No, the council did challenge this legally, however, there was no owner of the land therefore it fell to the crown who then delegated the repair to the local authority.

RESOLVED that:

1. Relevant responses to questions raised by members be provided by officers following the meeting as requested.
2. The financial performance for the period 1 April to 31 December 2023 be noted.
3. 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) be noted.
4. The proposed carry forward requests and transfers to earmarked reserves as detailed at paragraph 3.8 and 3.9 be noted.
5. 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.
6. The changes to the General Investment Programme and Housing Investment Programme as detailed in paragraphs 7.3, 7.4, 7.15, 7.11 and 7.12 be noted and be forwarded to Executive for approval.

72. Treasury Management and Prudential Code - Quarterly Update

Laura Shipley Financial Services Manager:

- a) presented a report to Performance Scrutiny Committee on the Council's treasury management activity and the prudential indicators at 31 December 2023 as set out at Appendix A of the report
- b) confirmed that the approved limits within the Annual Treasury Management Strategy were not breached during the quarter ended 31 December 2023
- c) gave an overview of the investment portfolio as detailed at paragraph 4 of the report and explained that the Council held £28.315m of investments as at 31 December 2023 achieving an average interest rate of 5.64% (2.10% 22/23). Actual interest earned in the 9 month period to 31 December 2023 totalled £1.440m, forecast interest income for the year is £1.760m (£0.660m General Fund & £1.100m HRA), an overachievement of income of £1.290m against the £0.470m budget.
- d) advised that as at 31 December 2023 the Council held £109.243 million of external borrowing, of which 100% were fixed rate loans as detailed at paragraph 4 of the report
- e) explained that as at 31 December 2023, the average rate of interest paid during the first half of the year on external borrowing was 3.26%, assisted in Q3 following repayment of a LOBO loan of £4.5m, which was replaced

in its entirety using preferential PWLB borrowing rates, lower than that of the original loan.

f) invited members' questions and comments.

RESOLVED that the Prudential and Treasury Indicators and the actual performance against Treasury Management Strategy 2023/24 for the quarter ended 31 December 2023 be noted.

73. Feedback from Budget Review Group

Councillor Gary Hewson, Chair of Performance Scrutiny, advised that the following comments and recommendations were put forward at Budget Scrutiny Committee:

After receiving and considering questions from Members prior to the meeting, and the information contained in the report and relevant replies to the questions:

The Budget Review Group noted the draft MTFS 2024/29 and the proposed budget for 2024/25 and the Council Tax proposals and also noted along with the above, that a budget risk assessment came to cover the period above.

The above gave high level risk possibilities to achieving the Council's aims and would recommend that these risks, many outside of the Council's control, gave high level of scrutiny through Audit, Performance and Policy Scrutiny Committees in the coming year.

RESOLVED that

- (1) The Budget Scrutiny Committee agreed to provide its comments and recommendation to the next Performance Scrutiny Committee prior to progression to Council
- (2) Members would be provided with extra information under separate cover as requested in the discussion of budget proposals

74. Quarter 3 2023/24 Operational Performance Report

Graham Rose Senior Strategic Policy Officer:

- a) presented a report to Performance Scrutiny Committee with an outturn summary of the council's performance in Quarter 3 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: Itrent was a useful system to keep all employees information in one place. Why had some appraisals not been uploaded to Itrent?

Response: Appraisals were updated via an online form and they were then required to be uploaded onto Itrent. HR were encouraging staff to upload them so that records could be reported accurately. The time period of when the data was collected within the quarter also had an effect on the figure.

Comment: Referred to performance indicator PPASB 4 “*satisfaction of complaints relating to how their ASB complaint was handled.*” The data showed that there was 100% satisfaction, however this was based on 19 surveys being sent out and 2 surveys being returned. This did not give an accurate reflection of satisfaction and 100% could not be justified. The statistic should show satisfaction rate of those surveys returned not for all customers.

Question: Referred to performance indicator RC2 “*current tenant arrears as a percentage of the annual rent debt.*” The total arrears were currently £933,515.17. How far back did the outstanding arrears go and would the money be recovered? What activity was being undertaken to recover these arrears?

Response: An answer would be provided following the meeting.

Question: Referred to performance indicator HI1 “*Percentage of council properties that were not at the ‘Decent Homes’ standard (excluding refusals).*” Why did this measure exclude refusals and would it make a significant difference if refusals were included?

Response: An answer would be provided following the meeting.

Question: Referred to performance indicator HV1 “*Average re-let time calendar days for all dwellings – standard re-lets.*” Was anything else being done aside from introducing inspections and producing guides to ensure properties were left in good condition at tenancy end? Were inspections included within historic tenancy agreements or just new agreements? Could enforcement action take place?

Response: An answer would be provided following the meeting.

Comment: Visiting properties would remind tenants of their responsibilities to look after the property and to address issues at an earlier stage.

Comment: Gardens needed to be checked during visits as well as the properties.

Comment: Annual visits would need to be written into the tenancy agreement.

Comment: Referred to performance indicator Com1 “*Percentage of media enquiries responded to within four working hours or within requested response time*” which had not met the target in quarter 3. This performance indicator would be looked at for next year as it may not be the best measure of performance for the area.

Question: Why was apprentice sickness level so high and what activity was taking place to reduce this? How many apprentices were there at the end of quarter 3?

Response: An answer would be provided following the meeting.

RESOLVED that:

1. Relevant responses to questions raised by members be provided by officers following the meeting as requested.
2. The report be noted and forwarded to Executive for approval.
3. The format of the performance report continued to meet the committee’s requirements.

75. Work Programme for 2023-2024

The Chair:

- a) presented the work programme for 2023/24 as detailed at Appendix A of the 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 2023/24.

RESOLVED that the work programme 2023/24 be agreed.