

Agenda Item 5

**EXECUTIVE
07 FEBRUARY 2017**

SCRUTINY COMMENTS

REVENUE AND CAPITAL BUDGET MONITORING REPORT 2016/17

The Overview and Scrutiny Management Committee met on 26 January 2017 and considered a report on the Revenue and Capital Budget Monitoring Report 2016/17. The Committee agreed to pass on the following comments to the Executive as part of its consideration of this item.

- A Councillor highlighted concern about extending the borrowing repayment period from 25 to 50 years and queried whether this would push additional costs to the County Council into future years. Officers confirmed that projected estimates showed that the longer term borrowing would start to cost the Council more after 17 years, however this would also depend on the level of borrowing in the future.
- The increase in levels of refunds from unspent service users' Direct Payments was highlighted, and it was queried as to whether this was related to the growth in the number of direct payments in relation to carers. Officers confirmed that the legislation relating to personal budgets for carers had changed with the introduction of the Care Act. These changes introduced a more detailed assessment which had resulted in a significant reduction in applications but these were now starting to increase.
- The Disabled Facility Grants (DFG) was highlighted as a concern due to funding arrangements between the County Council and District Councils. A Councillor requested that consideration be given at year end with regards to the retained element held by the County Council and whether this could be used to support the District Councils. It was requested that a discussion take place with District Councils about the funding for the past year. Officers confirmed that the position for the next financial year was much clearer as all parties were working towards developing a memorandum of understanding.
- A Councillor highlighted the £1.904m underspend caused by delays in making milestone payments to Serco relating to Agresso. Officers confirmed that these payments should have been made two years ago and that the payments would be made once the system was fit for purpose.
- The Committee highlighted the forecasted £1.014m overspend relating to home to school transport which included the costs associated with the closure of the Mablethorpe school site for Louth Monks Dyke College; an increase in SEN transport costs leading up to the new One School One Provider contracts; and an increase in the number of planned transport days.
- A Councillor highlighted the block booking of beds and it was suggested that 25% of people who could be discharged from hospital could not be discharged due to Lincolnshire County Council not being able to provide a placement. Officers reported that a new contract had been made to block book beds in a number of homes across the County, initially just for deficit beds but now for all types of placements. It was also confirmed that Adult Social Care had a team of 20 Social Workers working with hospitals to allow people to move on as quickly as possible.

- The underspend on Wellbeing Services of £1.724m due to unfilled vacancies was highlighted. A Councillor queried whether this underspend indicated a reduction in service capacity. Officers confirmed that this underspend was also due to efficiencies following recent reprovision of a number of services, and that the unfilled vacancies was only a small proportion of the overall underspend.
- The Committee highlighted the one year budget and whether consideration had been given to future planning of the level of County Council precept, to meet the budget shortfalls for the next three financial years. Officers confirmed that the County Council had agreed a four year funding deal from Government, which had enabled planning to take place and that it was projected that a 3.95% increase would be made over the next four years.

Agenda Item 6

TABLED ITEM – EXECUTIVE 7 FEBRUARY 2017

UPDATE TO THE COUNCIL BUDGET 2017/18

The following information on council tax and business rates has been received and further consultation events and comments have been held and received since the preparation of the original Executive Report.

Set out below is the additional information received on council tax and business rates from the Lincolnshire District Council's and the effect that this has on the proposed Council budget. A new version of **APPENDIX C** has been prepared to reflect the changes to the Council's budget. Any further amendments required to the Council's budget, in light of the outstanding information (for example the final Local Government Settlement which now expected on Monday 20 February and the final business rates section 31 grant from one district council), will be reviewed by the Leader under recommendation 4 to the original report.

APPENDIX H to the original report has been updated to include the consultation feedback from the Council's Scrutiny Committee's held in January 2017.

Council Tax

Council Tax Base

1.2 District Councils have until 31 January 2017 to confirm the final position on their Council Tax Base and surplus/deficit position on the Council Tax element of the Collection Fund. The report to the Executive on 20 December 2016, assumed no increase in the council tax base and no collection fund surplus or deficit.

1.4 All seven District Councils have declared the final position on their Council Tax elements of their Collection Funds. There is a net surplus attributable to the County Council of £3.156m (previously £3.154m). This is a one off addition to income for 2017/18.

Business Rates

The income from Business Rates is now estimated to be £104.923m (previously £104.093m); comprising £19.778m (previously £18.948m) actually collected by the seven District Council's in Lincolnshire and a top up grant of £85.145m from Central Government as the total business rates collected in Lincolnshire are not sufficient to cover local authority spending in the area.

1.7 The District Councils have until 31 January to provide business rates returns showing:

- The position on the business rates element of their collection funds; and
- The value of the section 31 compensation grant due to the County Council.

1.8 The report to the Executive on 20 December 2016, assumed no section 31 grant and no collection fund surplus or deficit.

1.9 Figures have now been received from all seven (previously three) District Councils of the position on the business rates element of the Collection Fund show a net deficit attributable to the County Council of £0.666m (previously a deficit of £0.473m). As with Council Tax any surplus or deficit from business rates collection will only have a one off effect on the 2017/18 budget. It is worth noting that only 10% of the business rates collected locally is passed to Lincolnshire County Council and any share of surpluses or deficits will be on this basis too.

1.11 Information on the section 31 grant has now been received from six of the seven District Councils (a number of the districts have experienced difficulties with software upgrades which has delayed the return of this information). The value of the section 31 compensation grant for the County Council is estimated to be £2.552m for 2017/18; this includes:

- £0.260m from the RPI cap on the locally retained element of the business rates (for six of the seven district council areas);
- £1.280m from the RPI cap on the top up element of the business rates. Note the value of this element of the grant is still to be confirmed by central government; and
- £1.012m to cover the extension of the small business rates relief and the new rural rates relief (for six of the seven district council areas).

Under recommendation 4 of this report any changes from the last business rates return from the district councils will be reviewed by the Leader and incorporated into the Executive's budget recommendations to County Council.

Revenue Budgets

The original budget proposals presented to the Executive on 20 December 2016 included the removal of budget used to support the Citizens Advice Bureau (CAB) from 1 April 2017, with financial support to this service coming from reserves for at least a further two years. At its meeting on 3 January the Executive revised this proposal to continue to support CAB at a 10% reduction (£0.068m) for at least one year with the use of reserves, whilst fully reviewing the impact of this budget change.

Implications of additional revenue income and changes to expenditure

1.18 The current net increase in income from growth in the council tax base, plus the surplus on the council tax collection fund, less the deficit on the business rates collection fund has increased the Council's income for 2017/18 by £9.586m (previously £6.397m). Changes to grants and revenue expenditure noted above have added additional costs of £1.527m to the Council's budget.

1.19 The Executive is therefore asked to consider the potential use of this net additional income of £8.059m (previously £4.870m). This additional income could be used:

- To reduce the amount of funding required from the Financial Volatility Reserve to set a balanced budget in 2017/18;
- To fund additional spending by the Council or reduce the savings required to be made; or
- To reduce the planned increase in Council Tax of 3.95%.

1.20 It is recommended that this net additional funding is used to reduce the contribution required from the Council's Financial Volatility Reserve to meet the 2017/18 budget shortfall. Overall levels of funding to local government are reducing and will continue to reduce in future years. Use of this funding to smooth the effect of these reductions will allow the Council more time to develop robust new service models. Continuing to reduce service spending while securing additional income from an increase in Council Tax, by 3.95% should make the Council more resilient to the pressures caused by reduced funding.

1.21 Whilst the use of this additional income reduces the originally proposed contribution from the Financial Volatility Reserve from £26.359m to £18.300m (previously £21.489m) there still remains uncertainty regarding the final position on business rates section 31 grants for 2017/18. It remains the fact that the level of usable reserves will be significantly diminished by the end of 2017/18 and the Council will face further challenges to set a balanced budget for 2018/19 as government funding reduces further. It remains prudent to retain resources within this reserve to deal with these uncertainties and challenges. It is this recommendation that is reflected in the budget at **APPENDIX C**.

Final Local Government Finance Settlement

1.34 The government grant allocations assumed in the budget proposals are those announced in the Provisional Local Government Finance Settlement. These allocations may be altered in the Final Settlement, although major changes are not expected. The Final Settlement is now not expected until Monday 20 February.

Under recommendation 4 of this report any changes from the Final Local Government Finance Settlement will be reviewed by the Leader and incorporated into the Executive's budget recommendations to County Council.

Consultation

1.36 Consultation comments made so far on the budget proposals and the ways in which these are reflected in the final proposals, are detailed in **APPENDIX H**. The Executive must consider these comments in arriving at its recommendations in relation to the final budget.

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APPENDIX C (Revised – tabled at Executive Meeting)

Revenue Budgets 2016/17 to 2017/18

Commissioning Strategy Revenue Budgets	2016/17	2017/18
	£m	£m
Readiness for School	5.366	4.722
Learn & Achieve	32.846	31.758
Readiness for Adult Life	5.106	4.452
Children are Safe & Healthy	62.084	64.140
Adult Safeguarding	1.795	1.777
Adult Frailty, Long Term Conditions & Physical Disability	98.784	98.159
Carers	1.889	1.889
Adult Specialities	51.149	53.220
Community Resilience & Assets	11.261	9.996
Wellbeing	30.568	27.267
Sustaining & Developing Prosperity Through Infrastructure	44.824	40.037
Protecting & Sustaining the Environment	23.309	24.954
Sustaining & Growing Business & the Economy	1.256	1.233
Protecting the Public	23.409	22.441
How We Do Our Business	8.154	9.081
Enablers & Support to Council Outcomes	36.134	35.482
Public Health Grant Income	-34.050	-33.524
Other Budgets	67.022	60.682
Delegated Schools Budget	465.994	483.222
Dedicated Schools Grant	-496.192	-515.950
Schools Related Expenditure	25.152	30.052
Total Net Expenditure	465.860	455.090
Transfer to/from Earmarked Reserves	-20.165	-18.300
Transfer to/from General Reserves	-0.800	0.300
Budget Requirement	444.895	437.090

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Scrutiny Committee Comments on Budget Proposals

Adults Scrutiny Committee – 11 January 2017

The Adults Scrutiny Committee supported the Adult Care Budget proposals for 2017/18. The Committee also recorded its congratulations to the officers for all their hard work in achieving a balanced budget for the service area.

Children and Young People Scrutiny Committee – 20 January 2017

The Children and Young People Scrutiny Committee made the following comments in relation to each of the Commissioning Strategies:

Readiness for school

With regards to Children's Centres, it was queried whether some services that were underused could be delivered in alternative settings such as village halls. It was confirmed that there was provision in the service specification for services to be delivered elsewhere where footfall was low. In addition, there was a review ongoing to see how footfall could be improved in children's centres.

Concerns were also raised about maintaining the quality of services, such as PEEP, in children's centres. It was noted that the quality of PEEP would be closely monitored and officers were waiting for tenders for a new early year's contract, which included the delivery of PEEP groups, to come back in. It was highlighted that if there were no tenders within the financial envelope, then this would be a cost pressure for Children's Services with no suggestion to reduce services.

Learn and Achieve

Concerns were raised about the cost pressure arising from the additional school transport costs from the closure of the Mablethorpe site of Monks Dyke Tennyson College, as it had been previously reported that money had been assigned to cover this cost. It was noted that this was not a new cost pressure, but there was a need to formally agree the permanent cost pressure through the corporate budget process so that it was included within the Children's Services base budget for 2017/18.

Readiness for Adult Life

Concerns were raised about the decommissioning of the careers guidance service and the lack of support now available to young people. It was noted that NEETs would continue to be tracked and the impact of decommissioning the careers guidance service would be monitored.

Cost Pressures

The Committee recognised and supported the requests for additional funding to finance the cost pressures within the 'Learn and Achieve' and 'Children are Safe and Healthy' commissioning strategies for 2017/18.

Community and Public Safety Scrutiny Committee – 25 January 2017

The Community and Public Safety Scrutiny Committee made the following comments in relation to each of the Commissioning Strategies:

- A Councillor highlighted concerns regarding the County Council setting a one year budget, and how this limits the ability for effective future planning of services.
- The Committee highlighted the need to better aid the development of the voluntary sector in Lincolnshire, given the reduction in funding to core services. This was specifically emphasised in relation to the Citizens Advice Bureaux (CAB) services which were seeing a reduction in financial support.
- A Councillor highlighted disappointment in the reduction in support to Health Related Walks, as these often assist people with disabilities to access the countryside and also support walking to aid recovery from illness. It was suggested that consideration should be given to mitigate these reductions through the promotion of volunteer groups.
- The reduction in health improvement activities funding was identified as a concern due to the impact on other public services such as the NHS. A Councillor queried whether statistical information would be gathered to fully assess the impact the reduction in Prevention and Self-Management activities would have on the wider Health Service.
- The Committee emphasised the importance of the Joint Ambulance Conveyance Project (JACP) co-responding services and the need to secure continued funding for this vital service. Officers confirmed that the service was currently receiving funding from the Better Care Fund towards the costs of Co-Responding, however there would be a risk to the service if this funding could not be secured for future years.

Economic Scrutiny Committee – 10 January 2017

The Economic Scrutiny Committee made the following comments in relation to the proposed budget:

- The Committee supported the proposed budget for Economic Development.
- Concern was raised about the impact on investment in Lincolnshire if interest rates started to increase. It was noted that even though borrowing rates were low, Lincolnshire was not seeing the levels of investment expected. However, some businesses had built up cash reserves and were now spending these reserves. Interest rates were expected to increase but it was a question of timing and the impact of Brexit.

- In relation to skills and employability, there would be a need to look at this in relation to schools as well, as there could be implications for schools around providing the necessary skills for the economy. In addition funding cuts to schools and increasing class sizes could also have an impact on the number of young people attaining appropriate qualifications in schools.
- In relation to attracting funding, it was queried how much funding would be attracted with a budget of £0.501M. It was noted that the budget was to cover staffing costs and the operational costs of the Greater Lincolnshire Local Enterprise Partnership (GLLEP). The GLLEP had attracted £130M over the last three years which was directly attributable to Economic Development. The target for funding attracted next year was £35M.
- In relation to attracting investment, it was queried whether there were schemes ready to bid for. It was noted that there was the need to undertake pre-project work so that the Council was able to bid for funding when an opportunity arose. At the moment there were not enough projects that would be ready should bidding rounds be called.

Environmental Scrutiny Committee – 13 January 2017

During the course of consideration of the budget proposals, the following items were highlighted as a result of the discussions.

- The impact of the closure of the Leadenham and Whisby Household Waste Recycling Centres was highlighted, and concerns raised about the impact this has had on fly-tipping and additional costs to District Councils. Members were advised that districts had not noted any significant increase in fly-tipping since the closure of the sites.
- A Councillor queried why for the past three years the County Council had only set a one year budget. Consideration was requested to allow for a more medium term financial strategy to aid in improved planning and development of services. The ability for members to have greater input into shaping future, cost effective services was also highlighted.
- The rising costs of waste disposal was highlighted as an area of concern due to increased costs of contracts and the fluctuating value of recyclables. The biggest cost was identified as the haulage to transport the material to processing facilities.

Highways and Transport Scrutiny Committee – 23 January 2017

During the course of consideration of the budget proposals, the following items were highlighted as a result of the discussions.

- Councillors highlighted continued concern regarding the reduction in the provision of street lighting due to the introduction of part night lighting. Specific concerns regarding a possible increase in crime, impact on shift workers and vulnerable communities were highlighted as the key areas of concern. Officers confirmed that there would be a substantial cost implication of re-visiting the Street Lighting

Transformation Project changes. A Councillor's request that the Executive reconsider the introduction of part night lighting was not supported by the Committee.

- The removal of amenity grass cutting was highlighted as an area of concern due to the potential impact unkempt verges could have on the economy and tourism. Councillors welcomed the offer of 20% funding to Parish and Town Councils to continue with the amenity cuts on a self-service basis.
- A councillor highlighted the need for Highways to better communicate with local communities to ensure that the potential impact of changes were fully understood by local Parish and Town Councils. It was also highlighted that there was a need to understand how areas without Parish or Town Councils could be engaged with effectively.
- The reduction in gully emptying and drainage cleansing to less than one cycle per annum and emergencies was highlighted as an area of concern. There was concern about the impact on the public and the increased risk of localised flooding and complaints. Officers highlighted the impact would be minimal as the cleansing would be targeted to those areas that needed it more.

Overview and Scrutiny Management Committee – 26 January 2017

The Overview and Scrutiny Management Committee made the following comments in relation to the overall budget proposals:

- The Committee supported the recommendations contained in the report.
- With regards to the loss of £1M from the New Homes Bonus Grant for 2017/18 due to a reduction in the number of payment years from six years to five, concerns were raised about how this would affect future plans and budgets as these would have been based on the original figures. It was noted that the New Homes Grant was top sliced from the Revenue Support Grant and the amount received would be based on the number of houses built.
- Clarification was sought as to why it was proposed to increase council tax by 3.95% rather than 3.99%. It was confirmed that it was proposed to increase the council tax by 3.95% rather than 3.99% as the Environment Agency and Eastern Inshore Fisheries and Conservation Authority precept the Council so there was a need to allow for a safety net for these precepts to ensure that the council tax rate was not pushed over 4%, thus triggering a referendum inadvertently.
- In relation to the reserves, it was clarified that there was around £15M in the general reserves which were used as an emergency fund, and around £50M in the Financial Volatility Reserve which was used to balance the Council's budget. It was proposed to use around £26M of the Financial Volatility Reserve to balance the budget in 2017/18. The remaining balance in the Financial Volatility Reserve would assist in balancing future budgets. It was noted that if the council tax was not increased by 3.95% each year, then there would be a loss of around £9.8M from the reserves each year, leading to a cumulative loss of over £27M by the end of year three.
- Concerns were raised about the impact of reducing grass cutting and whether there was a risk that road traffic accidents could increase. It was also queried how many parish councils were picking up the costs of grass cutting. It was confirmed that the

grass safety cut was still continuing twice a year but that it was the amenity grass cutting which was being stopped. It was noted that a letter was sent to parish councils on 18 January 2017 which set out the County Council's offer to pay 20% of the costs if parish councils took on the amenity cuts and the two safety cuts.

- Concerns were raised about the rising costs of adult care and whether the approximate £2.6M increase in the budget to address cost pressures would be adequate given that other councils were overspending on adult care. It was noted that Lincolnshire was one of the most cost effective adult care authorities in the country which meant that the Council was currently managing the increasing pressures. However, it was highlighted that meeting the costs of adult care would become increasingly difficult in a few years and other services would need to be reduced to help cover the costs.
- With regards to the National Infrastructure Delivery Plan, it was confirmed that any bids for funding would need to be through the Midlands Engine and would need to be for a large scale infrastructure project for a bid to be successful. One potential project that was being looked into was the Newark rail/road interchange.
- Concerns were raised about the impact on the Council's finances if power stations and NHS organisations received charitable status and were exempt from paying business rates. It was confirmed that national legal advice was being sought on this issue.

Value for Money Scrutiny Committee – 17 January 2017

During the course of consideration of the budget proposals, the following items were highlighted as a result of the discussions.

- A Councillor highlighted concern about a one year budget and how the County Council would manage the continued reduction in reserves given the ever increasing pressure on services.
- The need to continue to review how the County Council can evaluate the feasibility for income generation from council services was highlighted as an area of priority.
- The performance of the Serco contract was highlighted as an area of continued concern, due to the impact the less than expected performance has had on other savings due to be made by the Council.
- The proposed savings to Business Support were highlighted as an area of concern, due to this being predominately a staffing budget. Councillors stressed the need to manage the proposed savings whilst continuing to consider the welfare of staff affected.
- The proposed budget decisions to end the two year graduate programme was identified as being an area of risk due to the gap this could leave in effective succession planning. It was noted that the average age of the employee base was increasing, and this warranted the need to continue to train to develop future talent. In addition the reduction in overall learning and development was highlighted as a potential risk.

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Agenda Item 7

EXECUTIVE DECISION

7 FEBRUARY 2017

REPORT: SOUTH LINCOLNSHIRE FOOD ENTERPRISE ZONE AND PEPPERMINT JUNCTION IMPROVEMENTS, HOLBEACH

SCRUTINY OPINION FROM THE OVERVIEW AND SCRUTINY MANAGEMENT COMMITTEE – 26 JANUARY 2017

The Overview and Scrutiny Management Committee met on 26 January 2017 and considered a report concerning the South Lincolnshire Food Enterprise Zone and Peppermint Junction Improvements, Holbeach.

The Committee supported the recommendations contained in the report.

In addition, the following comments were made:

- It was agreed that this development was extremely important and exciting for the area as it would lead to traffic improvements, additional housing and create 2000 jobs. However, concerns were raised about the impact of the development on Holbeach with the additional 900 houses planned. It was confirmed that these houses would be built over a period of time and were part of the South East Lincolnshire Local Plan for the next 20 years.
- It was highlighted that the Economic Scrutiny Committee visited the site in October 2016, and was very impressed and supportive of the proposals.

Members were provided with an opportunity to ask questions, where the following points were noted:-

- With regards to optimism bias, it was clarified that this meant that a contingency was built in to the costings in case the tenders came in higher than anticipated.
- In relation to whether there would be any student accommodation provided by the University of Lincoln on the site, it was noted that there were no plans to do so, but consideration was being given to whether there was a need for a hotel in the area, potentially on land adjacent to the old site of the National Centre for Food Manufacturing.
- In response to a query about the impact on the county farm estate, it was confirmed that statutory notice had been served to terminate the tenancy on the part of land needed. However, it was noted that the farming business would still continue and compensation would be provided to the farmer in accordance with the terms of their lease.
- With regards to whether there were any major concerns about the scheme, it was noted that this decision was asking the Executive to allow officers to undertake more analysis, such as the employment opportunities in the Food Enterprise Zone, and investigate the costs in more depth, such as for utilities.
- In relation to whether any analysis had been undertaken on the target market and what the incentive was for businesses to invest, it was clarified that South Holland District Council had done some market analysis and it was felt that

the market was there but not highly visible. It was confirmed that the benefits for businesses would come from the clustering effect and there would be more planning benefits initially than financial benefits.

EXECUTIVE 7 FEBRUARY 2017

ITEM 8: RESPONSE TO THE SUSTAINABILITY AND TRANSFORMATION PLAN (Statement from Sustainability and Transformation Plan Working Group)

Introduction

As reported on pages 135 and 139, the Sustainability and Transformation Plan (STP) Working Group has the following remit in accordance with the County Council's decision of 16 December 2016: -

- (1) *To consider the likely financial and other impacts of the Lincolnshire Sustainability and Transformation Plan (STP) on Lincolnshire County Council.*
- (2) *To reports its recommendations directly to the Executive.*

The County Council decision of 16 December 2016 also acknowledged the role of the Health Scrutiny Committee in scrutinising the impact of the Lincolnshire STP on NHS services provided to Lincolnshire residents. With the role of the Health Scrutiny Committee in mind, the STP Working Group met on 30 January 2017¹ and forwards the following comments to the Executive: -

A. THE LIKELY FINANCIAL AND OTHER IMPACT OF THE STP ON THE COUNTY COUNCIL

Public Sector Funding in Lincolnshire

The overall level of public sector funding underscores much of the national drive for STPs, and the emphasis on meeting funding shortfalls within the NHS by 2021. There are also particular public sector funding concerns for a county such as Lincolnshire, with its unique rural nature of Lincolnshire.

Main Areas of Impact

Within this context, the Working Group highlights that there are three main County Council functions likely to be affected by the Lincolnshire STP:

- Public Health
- Adult Care
- Children's Services

Public Health

A reduction in the level of public health funding granted to the Council, which is reducing by 6% per annum until 2020. This does not assist the County Council's

¹ Councillors Jackie Brockway (appointed Chairman of the Working Group), Chris Brewis, Sarah Dodds, Steve Palmer and Reg Shore were present at the STP Working Group meeting on 30 January 2017. Apologies for absence were received from Councillors Charmaine Morgan, Mrs Marianne Overton OBE, and Mark Whittington.

ability to support the growing emphasis on prevention in the STP. The STP's intentions for Smoking Cessation (pages 47 of the STP) and Adult Obesity (page 50) are cited as examples, where the STP is likely to impact on Council Services.

Adult Care

The Lincolnshire STP emphasises the importance of increased activity in primary and community settings and a reduction in acute care. As such and with references to reducing the length of stay in acute hospitals² and to the closure of Long Leys Court³, there are likely to lead to greater demands on adult care.

Children's Services

There is likely to be a financial impact on the prevention services commissioned by Children's Services. For example, there are references to reducing child obesity⁴ in the STP.

Better Care Fund

As reported to the Executive on 4 January 2017, the Better Care Fund is expected to grow by £25 million by the end of the decade. There is potential for aspects of the STP to impact on the level of the Better Care Fund available to the County Council for the protection of Adult Care, if the national guidance places a priority on NHS out-of-hours hospital services.

Capital Expenditure

The Working Group would like to draw the Executive's attention to page 85 of the Lincolnshire STP, where there is a reference to other sources of capital funding such as funding from the County Council. Given the constraints on the Council's capital resources, this might be something to be explored further with the local NHS.

Neighbouring STPs

The Working Group would also like to highlight the potential impact of neighbouring STPs on the County Council's resources. For example, changes to in-patient provision at Peterborough City Hospital or Diana Princess of Wales Hospital in Grimsby could lead to greater impacts on community services in Lincolnshire Adult Care. Given that a significant element of NHS funding is used to buy services outside the county, the impacts of neighbouring STPs, in particular the Humber, Vale and Coast STP (which covers northern Lincolnshire) and the Cambridgeshire and Peterborough STP, should be considered.

Further Work

The Working Group is planning a further meeting to look at the detailed implications of the Lincolnshire STP on the County Council's finances.

² References to reducing length of stay in acute hospitals are found pages 21, 41, 44 and 59 of the Lincolnshire STP.

³ Pages 45, 65, 66 and 109 of the Lincolnshire STP

⁴ Page 49 of the Lincolnshire STP

B. OTHER COMMENTS

In addition to the above comments within the Working Group's remit, the Working Group has asked for the following other comments to be forwarded to the Executive:

- Clarity of STP Documentation – Whilst the Lincolnshire STP is detailed, there is a need to highlight the implications for members of the public, and the communities throughout Lincolnshire. The intended outcomes could be better defined in the Lincolnshire STP to assist with the understanding of members of the public.
- Primary Care and Community Services – Many of the aspirations in the Lincolnshire STP for primary care and community, effectively moving as many services as possible out of acute hospitals, can be supported. Models such as those in Northumberland, where the maximum length of stay in an acute hospital is three days, are cited as an aspiration. Accessing safe and high-quality health care services as close to home as possible will always be supported.
- Specialisation within the NHS and the Discontinuation of Services – Whilst the arguments for specialisation within the NHS can be demonstrated, the loss of service in one area can lead to impacts in other areas and on other services. The 'leg club' which previously operated in Woodhall Spa is an example of a service discontinued a few years ago, which had a local impact.
- Maternity Services – Proposals for changes to maternity services remain a concern, in particular the proposed changes to consultant-led services. This applies not only to Lincoln County Hospital and Pilgrim Hospital, Boston, but also to maternity units outside Lincolnshire, for example at Diana Princess of Wales Hospital, Grimsby, where any proposal to move all consultant-led maternity services to Scunthorpe General Hospital would seriously affect the population of Louth and the surrounding area.
- The STP Process – The 44 STP footprints across England were created at the instigation of NHS England, and other national entities, and these boundaries do not necessarily recognise patient flows – to an extent they represent an artificial construct. There needs to be more convincing arguments presented on the synergies between the STPs. Lincolnshire is a net exporter of NHS patients, and is likely to be affected by changes elsewhere.
- The Financial Imperative – The overall financial position of the NHS remains a concern, in the overall context of the public sector. The deliverability of the Lincolnshire STP process against the financial imperative is open to doubt. The financial imperative of the Lincolnshire STP process appears to be paramount and the lead driver for this process.
- Capital Funding – NHS capital funding to deliver many aspects of the Lincolnshire STP remains a concern.
- Views of District Councils – The district councils in Lincolnshire are considering the Lincolnshire STP in various ways, and are likely to put forward their own views on its content, to the extent that it impacts on the district council areas.
- Views of Lincolnshire Local Medical Committee – The views of the Lincolnshire Local Medical Committee, which represents GPs, would be a relevant consideration, in the development and delivery of the Lincolnshire

STP. There should be some assurance that the medical community within Lincolnshire are fully supportive of the Lincolnshire STP.

- Recruitment of Staff – So much of the delivery of the STP relies on the recruitment of the appropriate medical staff. The difficulties attracting GPs and specialist registrars and consultants (for example for A&E departments) into Lincolnshire are well-documented. There are similar challenges on the recruitment of nursing staff. However, the intention to reduce the overall NHS staffing level in Lincolnshire by 549 full time equivalents is also noted.
- Stroke Services – Any proposals for changes to stroke services would have to be considered in detail.
- End of Life Care – End of life care and palliative care is a topic which needs to be highlighted in the STP process.
- Overall Funding for the NHS – The overall funding for the NHS in England is a concern. The level of funding in future years will impact on the delivery of services.

SCRUTINY COMMENTS

FINAL DRAFT COUNCIL BUSINESS PLAN 2017-2018

The Overview and Scrutiny Management Committee met on 26 January 2017 and considered a report concerning the Final Draft Council Business Plan 2017-18. The Committee agreed to pass on the following comments to the Executive as part of the consideration of this item.

- A Councillor suggested that performance of 'Reported incidents of domestic abuse' was potentially lower than expected due to Lincolnshire Police not recording incidents of domestic abuse as such. It was suggested that this was reviewed with Lincolnshire Police to ensure accurate reporting was taking place.
- A Councillor highlighted the Chlamydia diagnosis target and recommended that this should also include another measure for under 15's and over 50's, rather than focus on the outcomes framework measure of 15-24 year olds. It was suggested that these other age groups were seeing a marked increase in Chlamydia diagnosis and also have an impact on health and associated services. Councillors also queried whether it was appropriate to have a Chlamydia diagnosis target or whether this could be a measure.
- The 'People killed and seriously injured in road traffic collisions' and 'Children killed or seriously injured in road traffic collisions' measures were highlighted as requiring a performance trend over time to enable longer term monitoring of this area. Concern was also highlighted as to whether the increase in road traffic collisions was directly linked to the condition of the Highway.
- The Committee highlighted two measures due to be removed from the Business Plan, NEET (measure 41) and Pupils aged 16-18 participating in learning (measure 43). A Councillor requested that consideration be given to retaining both these measures at service level to ensure data was still being collated.
- Members highlighted the 'Alcohol related antisocial behaviour' measure and requested that a comparison base measure for overall antisocial behaviour also be included.
- The Committee suggested that the 'Domestic homicides' measure and repeat victims of domestic abuse measure include a trend over time, to allow for better comparison of longer term performance.

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