



County Offices
Newland
Lincoln
LN1 1YL

12 February 2015

Council

A meeting of the Council will be held on **Friday, 20 February 2015 in the Council Chamber, County Offices, Newland, Lincoln LN1 1YL, commencing at 10.00 am** for the transaction of the business set out on the attached Agenda. The attendance of all Councillors is requested.

Yours sincerely

A handwritten signature in black ink, appearing to be 'Tony McArdle', written over a horizontal line.

Tony McArdle
Chief Executive

Membership of the Council
(77 Members of the Council)

Councillors W J Aron (Chairman), W S Webb (Vice-Chairman), B Adams, M G Allan, A M Austin, Mrs V C Ayling, J W Beaver, Mrs P A Bradwell, D Brailsford, C J T H Brewis, A Bridges, Mrs J Brockway, M Brookes, J P Churchill, K J Clarke, C J Davie, R G Davies, P M Dilks, S R Dodds, G J Ellis, R G Fairman, I G Fleetwood, R L Foulkes, A G Hagues, M J Hill OBE (Leader of the Council), J D Hough, D C Hoyes MBE, D M Hunter-Clarke, R J Hunter-Clarke, N I Jackson, A J Jesson, M S Jones, B W Keimach, Ms T Keywood-Wainwright, S F Kinch, R C Kirk, C E D Mair, C E H Marfleet, J R Marriott, R A H McAuley, D McNally, D C Morgan, N M Murray, Mrs A M Newton, P J O'Connor, Mrs M J Overton MBE, C R Oxby, C Pain, S L W Palmer, R B Parker, N H Pepper, R J Phillips, Mrs H N J Powell, Miss E L Ransome, Miss F E E Ransome, Mrs S Ransome, Mrs S Rawlins, Mrs J M Renshaw, R A Renshaw, Mrs A E Reynolds, P A Robinson, Mrs L A Rollings, R A Shore, Mrs N J Smith, Mrs E J Sneath, C L Strange, Mrs C A Talbot, T M Trollope-Bellew, A H Turner MBE JP, S M Tweedale, P Wood, Mrs S Woolley, L Wooten, R Wooten, C N Worth, Mrs S M Wray and B Young

**COUNCIL AGENDA
FRIDAY, 20 FEBRUARY 2015**

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4	Submission of Petitions	
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16	Motions on Notice Submitted in Accordance with the Council's Constitution	

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Please note: for more information about any of the following please contact the Democratic Services Officer responsible for servicing this meeting

- Business of the meeting
- Any special arrangements
- Copies of reports

Contact details set out above.

Please note: This meeting will be broadcast live on the internet and access can be sought by accessing <http://www.lincolnshire.public-i.tv>

All papers for council meetings are available on:
www.lincolnshire.gov.uk/committeerecords



**COUNCIL
19 DECEMBER 2014**

PRESENT: COUNCILLOR W J ARON (CHAIRMAN)

Councillors W S Webb (Vice-Chairman), B Adams, M G Allan, A M Austin, Mrs V C Ayling, J W Beaver, Mrs P A Bradwell, D Brailsford, C J T H Brewis, A Bridges, Mrs J Brockway, M Brookes, J P Churchill, K J Clarke, C J Davie, R G Davies, P M Dilks, G J Ellis, R G Fairman, I G Fleetwood, R L Foulkes, A G Hagues, M J Hill OBE, J D Hough, D C Hoyes MBE, D M Hunter-Clarke, R J Hunter-Clarke, N I Jackson, A J Jesson, M S Jones, B W Keimach, R C Kirk, C E D Mair, J R Marriott, R A H McAuley, D McNally, D C Morgan, N M Murray, Mrs A M Newton, P J O'Connor, Mrs M J Overton MBE, C R Oxby, C Pain, S L W Palmer, R B Parker, N H Pepper, Mrs H N J Powell, Miss F E E Ransome, Mrs S Ransome, Mrs S Rawlins, Mrs J M Renshaw, R A Renshaw, Mrs A E Reynolds, P A Robinson, Mrs L A Rollings, R A Shore, Mrs N J Smith, Mrs E J Sneath, C L Strange, Mrs C A Talbot, T M Trollope-Bellew, A H Turner MBE JP, S M Tweedale, P Wood, Mrs S Woolley, L Wootten, R Wootten, C N Worth, Mrs S M Wray and B Young

34 APOLOGIES FOR ABSENCE

Apologies for absence were received from Councillor S R Dodds, T Keywood-Wainwright, C E H Marfleet, R J Phillips and Miss E L Ransome.

35 DECLARATIONS OF COUNCILLORS' INTERESTS

There were no declarations of interest at this point in the meeting.

36 MINUTES OF THE MEETING OF THE COUNCIL HELD ON 26 SEPTEMBER 2014

RESOLVED

That the minutes of the meeting held on 26 September 2014 be agreed and signed by the Chairman as a correct record.

37 SUBMISSION OF PETITIONS

a) Petition in response to increased noise levels due to high noise materials used to resurface A158 Burgh Le Marsh by-pass being injurious to the quiet enjoyment of property and health

In accordance with the Councils Petitions Scheme, Mr Brian Dinsdale spoke for not more than three minutes in explanation of the petition in response to increased noise

levels due to high noise materials used to resurface A158 Burgh Le Marsh by-pass being injurious to the quiet enjoyment of property and health.

It was reported that the Chief Executive had determined that the petition would be referred to the Executive Councillor for Highways, Transport and IT.

b) Petition requesting that the Brylaine bus company re-instate the 7.30am and 8.30am buses on the IT1 route in Spalding.

In accordance with the Council's Petition Scheme, Councillor Mrs Angela Newton spoke for not more than three minutes in explanation of the petition requesting that the Brylaine bus company re-instate the 7.30am and 8.30am buses on the IT1 route in Spalding.

It was noted that Councillor Mrs Newton was presenting the petition on behalf of Mrs Carol Hudson who had been unable to attend the meeting due to illness.

It was reported that the Chief Executive had determined that the petition would be referred to the Executive Councillor for Highways, Transport and IT and also to the Brylaine bus company.

38 CHAIRMAN'S ANNOUNCEMENTS

The Chairman reported that since the last meeting of the County Council he had attended numerous engagements and thanked the Chairman's Lady for supporting him on these engagements. The Chairman also thanked the Vice-Chairman and his Lady, for providing representations at civic functions when the Chairman had been unable to attend.

This year's Poppy Appeal had coincided with the 100 year anniversary of WW1, and it had been an honour for the Chairman to be involved in the Royal British Legion's official launch at the Lincolnshire Aviation Heritage Centre and the County's Festival of Remembrance at RAF College Cranwell. The Remembrance Day Service in Lincoln Cathedral was also extremely moving and was very well attended by hundreds of people.

The Chairman was delighted to attend the Lincolnshire Fire & Rescue Long Service and Good Conduct Award Ceremony where there was the opportunity to meet and talk with the recipients of this prestigious and well deserved award.

The Chairman was pleased to have attended the official opening of the Energy from Waste Facility in Lincoln, which was performed by The Right Honourable Dr Vince Cable MP, Secretary of State for Business, Innovation & Skills, and he also received a tour of the site.

The Chairman thanked all those who had supported him in the Lincoln Santa Fun Run which was held on Sunday, 14 December 2014. He reported that he did finish the course and raised approximately £1,200 for LIVES. Bringing the total to £2,300 so far.

The death of County Councillor John Hicks, who represented the Stamford North electoral division since his election in June 2009 was reported by the Chairman. Councillor Hicks had served on the Children and Young People Scrutiny Committee and the Corporate Parenting Panel. He had also been the Council's representative on the Fostering Panel and the Stamford Mercury Archive Trust.

The Chairman also reported the death of former County Councillor Mrs Zena Scoley MBE DL, who represented the Billingham and Cranwell electoral division from 1981 to 1997. Mrs Scoley served as Chairman of the County Council from 1987 to 1989.

Councillors and Officers were invited to stand in silent memory. Councillors then paid tribute to both Councillor Hicks and Mrs Scoley.

The Chairman advised that a complete itinerary of civic engagements, since the last meeting of this Council, was available from the Civic Officer on request.

39 BY-ELECTION RESULT FOR STAMFORD NORTH

A report by the Director responsible for Democratic Services had been circulated.

Members noted the election of Mr Robert Foulkes to the Stamford North division.

40 STATEMENTS/ANNOUNCEMENTS BY THE LEADER AND MEMBERS OF THE EXECUTIVE

Statements by the Leader and Members of the Executive had been circulated with the agenda.

41 QUESTIONS TO THE CHAIRMAN, THE LEADER, EXECUTIVE COUNCILLORS, CHAIRMAN OF COMMITTEES AND SUB-COMMITTEES

Questions pursuant to Council Procedure Rule 10.3 were asked and answered as follows:

Question By	Answered By	Subject
a) B Adams	R G Davies	Economic prospects for the year ahead
b) R Kirk	Mrs S Woolley	Continuation of support services for people in crisis
c) A M Austin	M J Hill OBE	Concerns regarding future continuation of A&E services at Boston hospital

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d) Mrs V C Ayling	R G Davies	How had additional money been spent which had been received for fixing pot holes
e) G J Ellis	R G Davies	Request for maintenance for the footpath on Riverside Walk, Lincoln
f) C Pain	Mrs S Woolley	Future of services at Boston Pilgrim Hospital
g) J D Hough	M J Hill OBE	Continuation of support for PCSO's
h) S L W Palmer	C N Worth	Volunteers in libraries
i) A J Jesson	R G Davies	Lincolnshire missing out on share £15bn of investment by central government in the trunk road network
j) I G Fleetwood	R G Davies	Need for a fully motorised bridge over the LEB at Hawthorn Road, Lincolnshire County Council
k) K J Clarke	P A Robinson	Proposed budget cuts to Lincolnshire Fire and Rescue
l) Mrs M J Overton MBE	M J Hill OBE	Clarity regarding the amount of savings the Council would need to make
m) R B Parker	M J Hill OBE	The forecasting model used by the Council in the calculations for the Boundary Commission
n) D Brailsford	M S Jones	Update following the announcement on local authority funding

- | | | |
|----------------|--------------|---|
| o) P M Dilks | C N Worth | Costs of the changes to the library services |
| p) D C Morgan | P A Robinson | Concerns regarding the proposed new response times for Lincolnshire Fire and Rescue |
| q) N I Jackson | M J Hill OBE | Dealing with legal highs |

42 COUNCIL SIZE PROPOSAL FOR THE LOCAL GOVERNMENT
 BOUNDARY COMMISSION FOR ENGLAND

A report by the Executive Director for Environment and Economy had been circulated.

It was moved and seconded, and

RESOLVED

- (1) That there be one debate;
- (2) That Councillor M J Hill OBE, in moving the motion and in responding to issues raised during the debate be allowed to speak for six minutes;
- (3) That Councillor R B Parker and other movers of amendments be allowed to speak for six minutes;
- (4) That other speakers each be allowed to speak for three minutes;
- (5) That no further substantial amendments be moved.

It was moved and seconded,

1. That Council consider the working group's findings and agree option C in the report - to decrease the number of councillors by six, losing two each in East Lindsey (15 to 13), and Lincoln (ten to eight), plus one each in South Kesteven (from 15 to 14) and West Lindsey (from ten to nine), compared with the current situation. This would generate an estimated annual saving of at least £70,542 for recommendation to the LGBCE in January 2015 as set out in the report.
2. That Council approve the working group's recommendation to the LGBCE that its divisions remain single member.

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3. That Council delegates to the Chief Executive, in consultation with Group Leaders, authority to determine the final form of the submission to the LGBCE, based on council size number determined by the Council.

An amendment (i) was moved and seconded by the Labour Group as follows:-

'The methodology used in this report is set out in Appendix A. It differs from that used by four district councils in Lincolnshire in recent Local Government Boundary Commission studies of electoral arrangements

In September 2011 the Local Government Boundary Commission (LGBC) published a report into new electoral arrangements for West Lindsey District Council. In that report the LGBC said that 'we are satisfied with the methodology provided by the council are therefore content to accept the forecasts as the basis of our final recommendations.' The electorate was expected to grow from 71,859 in 2010 to 77,033 in 2016 with there being none of the 20 wards where there was expected to be a drop in the number of voters.

In November 2013 the LGBC published a report into new electoral arrangements for East Lindsey District Council. In that report the LGBC said that 'The [electorate] forecasts provided by the Council took into account planned developments across the district. We considered that these figures were reliable... . The electorate was expected to grow from 104,127 in 2012 to 109,777 in 2018 with there being none of the 37 wards where there was expected to be a drop in the number of voters.

In March 2014 the LGBC published a report into new electoral arrangements for South Kesteven District Council. In that report the LGBC said that 'Having considered the information provided by the council, we are satisfied that the projected figures are the best available at the present time and these figures form the basis of our final recommendations.' The electorate was expected to grow from 107,137 in 2012 to 115,167 in 2018 with there being none of the 30 wards where there was expected to be a drop in the number of voters.

In September 2014 the LGBC published draft recommendations for new electoral arrangements for the City of Lincoln Council. In that report the LGBC said that 'We are content that the forecasts are the most accurate available at this time and have used these figures as the basis for our draft recommendations.' The electorate was expected to grow from 63,942 in 2013 to 67,433 in 2020 with there being none of the 11 wards where there was expected to be a drop in the number of voters.

Appendix B of the report before the council shows a table of electorate figures for 2014, 2015 and 2021 for each of the 77 County Council divisions together figures for the size of any increase or decrease between 2014 and 2021. Those figures when

totalled show that 46 divisions will have an increase in electorate and 31 divisions will have a decrease in electorate between 2014 and 2021. The figures for each district council area are that on the basis of the LRO figures there are 4 divisions in West Lindsey, 6 divisions in East Lindsey, 9 divisions in South Kesteven and 5 divisions in the City of Lincoln where there is a forecast reduction in the electorate between 2014 and 2021. That contrasts with no wards where there was an anticipated reduction in the electorate when the LGBC made their recommendations for new boundary arrangements for those same councils.

Bearing in mind these serious disparities in electorate forecasts this council supports Option A to maintain our current cohort of 77 members and to redraw the boundaries to increase electoral equality and agrees to bring to the attention of the LGBC the significant differences in methodologies and hence electorate figures between on the one hand those produced by the District Councils and accepted by the LGBC and on the other hand the methodology set out in Appendix A.'

An amendment (ii) was moved and seconded by the Independence from Europe Group as follows:-

'An Independence from Europe would like to put forward the following amendment to the Boundary Review motion. Reduce the council by 9 councillors to 68 councillors. This redistribution will reduce 2 councillors at both East Lindsey and Lincoln, 1 councillor in Boston, North Kesteven, South Kesteven and West Lindsey. This will save the county council 3105,813 in remuneration plus even more in travelling allowances etc and will show that the county council is in tune with the cuts that are being asked of its staff and workforce.

The whole boundary commission review we believe is a total farce as it does not take into consideration the rurality of Lincolnshire and its wards. As per my previous motion to scrap district councils across Lincolnshire and make it into one unitary authority, is the only way forward I can see for the County. This would get rid of 300 district/borough councillors, Chief Executives, Senior Managers and fat cats of Local Councils. Make vast savings for Lincolnshire tax payers between 25 million to 38 million per year when covered on a like for like basis with Worcestershire which has already gone ahead with this formula. It would also ensure a higher quality of councillors representing the public because parties would not fill seats with nodding donkeys but higher calibre councillors in the fewer seats that would be available.

I propose that Lincolnshire County Council reduce its councillors by 9 which would make 68 councillors in total.'

A vote was taken on the amendment (ii) above which was lost.

A vote was taken on the amendment (i) above which was lost.

A vote was taken on the original motion, and it was

RESOLVED

1. That Option C in the report - to decrease the number of councillors by six, losing two each in East Lindsey (15 to 13), and Lincoln (ten to eight), plus one each in South Kesteven (from 15 to 14) and West Lindsey (from ten to nine), compared with the current situation, be agreed, generating an estimated annual saving of at least £70,542 for recommendation to the LGBCE in January 2015 as set out in the report.
2. That the working group's recommendation to the LGBCE that its divisions remain single member be approved.
3. That authority to determine the final form of submission to the LGBCE, based on the council size number determined above, be delegated to the Chief Executive, in consultation with Group Leaders.

43 AUDIT COMMITTEE ANNUAL REPORT 2014

A report by the Executive Director Finance and Public Protection had been circulated.

It was moved, seconded and

RESOLVED

That the Audit Committee Annual Report 2014 be received.

44 CORPORATE PARENTING STRATEGY

A report by the Executive Director of Children's Services had been circulated.

It was moved, seconded and

RESOLVED

That the Corporate Parenting Strategy be approved.

45 REVIEW OF THE COUNCIL'S CONSTITUTION

A report by the Monitoring Officer had been circulated.

It was moved and seconded

That Council:

- 1) Agrees the recommended amendments to the Council's Constitution contained in Appendix A, save for the wording in relation to local Members (see page 125 of the agenda pack), which is further amended to read:

'3.07 Local Members

Before becoming involved in a matter relating to another councillors division, councillors will notify and consult with that other councillor'

- 2) Agrees the recommended amendments to the Council's Constitution contained in Appendix B;
- 3) Agrees the recommended amendments to the Council's Constitution contained in Appendix C, save for the Petitions Scheme in part 5 which should be further amended to:
 - Remove the minimum number of signatures required for a petition to be submitted;
 - That the time allowed for speakers presenting their petition to Council meetings remain at five minutes;
 - Replace the option for a senior officer to give evidence at the relevant scrutiny committee meeting for a petition of 1,750 signatures or more, with an option for a paper to be presented to the relevant scrutiny committee for a petition of 1,750 signatures or more;
 - Remove the option for a petition to trigger a debate at Council.

An amendment was moved and seconded by the Labour Group as follows:

To delete the fourth bullet point of recommendation 3 – 'remove the option for a petition to trigger a debate at Council'

A recorded vote was successfully requested for the above amendment and upon being put to the vote, the amendment was lost.

Details of recorded vote taken:

Those voting for the amendment:

Councillors M G Allan, Mrs V C Ayling, J W Beaver, K J Clarke, P M Dilks, G J Ellis, R G Fairman, R L Foulkes, J D Hough, D M Hunter-Clarke, R J Hunter-Clarke, N I Jackson, A J Jesson, R C Kirk, C E D Mair, R A H McAuley, D McNally, D C Morgan, N M Murray, Mrs M J Overton MBE, S L W Palmer, R B Parker, Mrs H N J Powell, Miss F E E Ransome, Mrs S Ransome, Mrs J M Renshaw, R A Renshaw and Mrs N J Smith.

Those voting **FOR - 28**

Those voting against the amendment:

Councillors B Adams, W J Aron, A M Austin, D Brailsford, C J T H Brewis, A Bridges, Mrs J Brockway, M Brookes, J P Churchill, C J Davie, M J Hill OBE, D C Hoyes MBE, M S Jones, J R Marriott, Mrs A M Newton, P J O'Connor, C R Oxby, C Pain, N H Pepper, Mrs S Rawlins, P A Robinson, Mrs L A Rollings, R A Shore, Mrs E J Sneath,

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Mrs C A Talbot, T M Trollope-Bellew, A H Turner MBE JP, S M Tweedale, P Wood, Mrs S Woolley, L Wootten, R Wootten, N Worth, Mrs S Wray and B Young.

Those voting **AGAINST – 35**

A vote was taken on the original motion, and upon being put to the vote, the motion was carried.

RESOLVED

That Council:

- 1) Agree the recommended amendments to the Council's Constitution contained in Appendix A, save for the wording in relation to local Members (see page 125 of the agenda pack), which is further amended to read:

'3.07 Local Members

Before becoming involved in a matter relating to another councillors division, councillors will notify and consult with that other councillor'

- 2) Agree the recommended amendments to the Council's Constitution contained in Appendix B;
- 3) Agree the recommended amendments to the Council's Constitution contained in Appendix C, save for the Petitions Scheme in part 5 which should be further amended to:
 - Remove the minimum number of signatures required for a petition to be submitted;
 - That the time allowed for speakers presenting their petition to Council meetings remain at five minutes;
 - Replace the option for a senior officer to give evidence at the relevant scrutiny committee meeting for a petition of 1,750 signatures or more, with an option for a paper to be presented to the relevant scrutiny committee for a petition of 1,750 signatures or more;
 - Remove the option for a petition to trigger a debate at Council.

46 MINUTES OF THE COUNCIL'S COMMITTEES

46a Audit Committee - 22 September 2014

RESOLVED

That the minutes of the Audit Committee held on 22 September 2014 be received.

46b Audit Committee - 24 November 2014
RESOLVED

That the minutes of the Audit Committee held on 24 November 2014 be received.

46c Pensions Committee - 9 October 2014
RESOLVED

That the minutes of the Pensions Committee held on 9 October 2014 be received.

46d Planning and Regulation Committee - 8 September 2014
RESOLVED

That the minutes of the Planning and Regulation Committee held on 8 September 2014 be received.

46e Planning and Regulation Committee - 6 October 2014
RESOLVED

That the minutes of the Planning and Regulation Committee held on 6 October 2014 be received.

46f Planning and Regulation Committee - 3 November 2014
RESOLVED

That the minutes of the Planning and Regulation Committee held on 3 November 2014 be received.

47 MOTIONS ON NOTICE SUBMITTED IN ACCORDANCE WITH THE COUNCIL'S CONSTITUTION

Motion by Councillor Mrs M J Overton MBE

It was moved, and seconded that:

'This Council has a unique opportunity for better local democracy in England. Next year is the 800 centenary of the Magna Carta, the birth of our democracy. This Council can make this the year that marks the rebirth of local democracy for England.

It is proposed that:

- (1) This Council congratulates Scotland on the measure of devolution they have worked for and that is now proposed by the Smith Commission.
- (2) This Council calls Central Government and party leaders to recognise that local Government should be the vehicle for devolution in England. We call

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on Central Government to now negotiate with this Council, and other Councils in England using a similar non-party Commission to agree a comparable package of measures for local government in England to be enacted after the 2015 General Election.

- (3) This Council calls on the local Government leaders to ask all parties to meet to secure true independence for local government in England and an assignment of more powers to Local Government.'

During debate it was moved and seconded that the Council vote on the original motion. Upon being put to the vote, the procedural motion to move to the vote was lost. The debate continued.

Upon being put to the vote, the motion was carried.

Motion by Councillor C Pain

It was moved and seconded that:

'As a rural community Lincolnshire is not getting its fair share of government funding. We do not get any money for EU migrants and people living in caravans that are not registered here, who use our services. The issue of Scottish devolution needs addressing across the country. Here in Lincolnshire we get under £1534 per head per year, yet London gets £3433 and the North East get over £2801 per head per year. London is actually cash rich because they get a vast share of the business rates, parking charges and congestion charges towards their coffers.

The proposed 90 million pound worth of cuts to Lincolnshire County Council Budget, I believe is a cut too far and will affect the services the County Council provides. If you look at the attached graph of government funding it shows a continued dramatic reduction in all County Councils funding. In the years from 2017/2018 onwards it will mean a lot of Councils will be unsustainable.

One of the main problems Lincolnshire faces is its crumbling rural road network. The quality of Lincolnshire roads falls into the worst quartile of the country's roads. The County Council constantly has to sort out insurance claims for damage to cars. This is a serious issue because 80% of fatalities and 60% of serious injuries occur on the rural road network. As one who drives around the roads every day, I feel this is an issue the County Council has to sort out. A good example is the Fodderdyke Bank between Friskney Eaudykes and Stickney, which is on par with a third world road. This is the main route for emergency and gritting services in the local community. Multiple accidents have occurred on this stretch of road and it is full of potholes and dangerously uneven. To grasp the serious nature of the condition of Fodderdyke Bank, we have to spend 5.5 million pounds just to patch the potholes, this is using metal mesh to try and hold the structure in place. To repair the road properly will cost 85 to 90 million pounds. This means my previous estimate of 600 million pounds to repair the roads in Lincolnshire is way under the actual real figure.

The 15 billion that the Government are investing in the Countries roads sounds a brilliant idea, but alas none is earmarked for Lincolnshire. You have to remember that our crumbling road network is inhibiting investments in the County. The Task and Finish Group report, "The Impact of Transportation on Maximising Economic Growth", is currently being considered by the Council's Executives. Let me state quite clearly it is the continuous underfunding of Lincolnshire roads for many years by the Government, that has caused this problem.

It is proposed that:

Lincolnshire County Council invites the Secretary of State for Transport, the Rt Hon Patrick McLoughlin MP, to visit the County early in the New Year to address the issue of our poor road network.'

Upon being put to the vote, the motion was carried.

Motion by Councillor R G Fairman

It was moved and seconded that:

'There is increasing pressure on our communities to build houses, linked to actual and predicted population growth in the region. Some of this is from net inward migration of older people, some from immigration and some from increased birth rates, linked largely to immigration. We are all waiting for demographic projections from central government and after that housing and traffic projections, but we are hearing numbers such as an extra 20,000 people a year for the next ten years.

Linked to this is the situation where the local population is having imposed on it large scale housing development applications that it is now almost impossible to question or reject. Because of a manipulation of the law by central government last year most areas now have no local plan and need to build a new local plan. This cannot be started until government tell us what the demographic projections and housing growth projections are. Without a local plan the planning inspectorate almost automatically overturns rejections by local planning authorities, as evidenced in the last week by the approval of 300 houses at Langton Hill, against the wishes of the people of Horncastle, Horncastle Town Council and East Lindsey District Council. This development is to be on prime agricultural land, developers finding it easier and cheaper to build on this land.

Central Government require that we build 90,000 houses in Lincolnshire, at the same time putting out propoganda that ONLY 10% of the land is 'developed' Bearing in mind that 40% of the land can neither be developed or farmed, THE COUNTRY IS FULL UP. The more houses you build, the worse it will get.

It is proposed that:

The Council must resist government pressure to build huge numbers of houses and cover good land with concrete and tarmac and recognise that there is no such thing as 'sustainable development'.'

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Upon being put to the vote, the motion was lost.

Motion by Councillor J D Hough

It was moved and seconded:

'From the Chancellor's Autumn Statement it is apparent that, following the failure of his economic policy, he will not clear the deficit in this Parliament, despite his promise to do so at the last election, and that his policy of cuts and austerity will continue if the Conservatives are elected again in May next year.

This Council has suffered millions of pounds in cuts since 2010, thousands of people have lost their jobs and front line services have been slashed. In 2010 the Conservative administration enthusiastically welcomed the cuts in Government support regardless of the damage to the people of our county. This contrasted sharply with their attitude under the Labour Government when they demanded more and more money through their 'missing millions' campaign.

Unlike Lincolnshire, other councils have resisted and done everything they could to minimise the cuts to services their residents need. In the run-up to the announcement of the 2015/16 financial settlement for local government, 120 Council Leaders joined together to write a letter expressing their opposition to another punishing round of 'austerity' cuts. They clearly stated that local government could not afford more and more cuts in the future.

The letter was cross - party, supported by all the leaders of local government at the Local Government Association (LGA), including the Conservative Leader of South Holland District Council, together with council leaders across the country, including 40 conservative leaders. Among them was the Leader of Surrey County Council, who is the current Chairman of the County Council Network, an organisation in which the Leader of this Council plays an active part. In addition the Conservative Leaders of Rushcliffe Borough Council and Daventry District Council, colleagues of Councillor Hill on the Executive Board of East Midlands Councils also signed.

It was noticeable to all then that Councillor Martin Hill OBE, Leader of Lincolnshire County Council, failed to sign the letter.

It is about time that this Council started to stand up to the Government and fight Lincolnshire's corner, instead of acting as Osborne's poodle. This Council and the people of Lincolnshire have had enough. It is not true that there is no alternative – there clearly is.

It is proposed that:

This Council therefore calls on the Leader of the Council, to change his position from one of enthusiasm for cuts to one where he makes clear to government that 'more of the same' for Lincolnshire cannot be an option.

We call on him to join with his fellow Conservative council leaders and the LGA to pursue with the Chancellor a decent financial settlement for Lincolnshire with the same vigour as was shown by this Conservative-led council when Labour was in government.'

During debate, the procedural motion to move to the vote was moved and seconded. Upon being put to the vote, the procedural motion to move to the vote was carried.

Upon being put to the vote, the original motion was lost.

The meeting closed at 4.55 pm

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Agenda Item 6

COUNTY COUNCIL MEETING – 20 FEBRUARY 2015

Statement from: Councillor M J Hill OBE– Leader and Executive Councillor for Policy, Communications, Procurement and Commissioning

Commissioning

Following last year's restructure the new Commercial Team has been in place since 1 January 2015 and has brought together skills across Procurement Lincolnshire, Performance & Programmes and the Lincolnshire Research Observatory to create a single team to support Lincolnshire County Council (and its partners) in all aspects of the commissioning cycle.

The Serco Contract Manager is being recruited and the new CSC Lead Officer has been appointed to ensure that the Serco contract is managed effectively on a sound commercial basis. The new structure will provide increased commercial awareness and contract management skills.

The recently concluded contract management audits across all contract provision in Adult Care including Older People & Physical Disabilities and Learning Disabilities and Mental Health report Substantial Assurance a significant improvement on the position 18 months ago.

The Commercial Team continue to support an ambitious programme of commissioning across the council including Carers, Integrated Community Equipment (ICES), Community Support Framework, Advocacy, Adult Care Residential placements and Libraries. The team is working closely with health colleagues and is leading on ICES a joint LCC and health procurement. New contracts incorporating improved arrangements for short breaks and direct payments have been awarded. Procurement Lincolnshire continues to carry out commissioning activity for the Districts. A housing workshop with external speakers from the sector has been arranged and senior officers from all Lincolnshire authorities have been invited.

Good progress continues in delivering the FDSS programme to ensure the Council has continued services with improved efficiencies and reduced costs following the end of the Mouchel contract. There are a considerable number of staff who will be transferred under the TUPE regulations from Mouchel to new employers and the council's CSC staff will also transfer; the TUPE consultations are in progress and staff are having meetings with their new employers. Preparations for moving staff and relevant records and assets are well underway.

- The work with Serco to deliver service transformation ready for April 2015 is on track to replace SAP with the new Agresso and the customer services systems. Serco's new Partnership Director, Derek Irvine has been appointed and took up his post at the beginning of January. The inaugural shadow Operational Board met and is developing effective governance so that the Council gets the best out of the contract with Serco.

- The transition of Property Services to VinciMouchel continues to make good progress in preparation for 1 April 2015 with teams working closely together to put in place the new arrangements.
- The preparations are progressing well for the transfer of pension administration to the West Yorkshire Pension Service for the 1 April.
- The insourcing of the Health and Safety team from 1 April 2015 is progressing according to plan.
- The contract for the catering at the Sleaford Secure Unit has been agreed.

New approach to the Council Business Plan

The Commercial Team is leading on the development of the new look Council Business Plan. The recent changes in organisational structure and focus on a commissioning approach, lead to a need to change the Council's Business Plan to report on the outcomes of the agreed 17 commissioning strategies.

The Council is seeking, wherever possible, to create channel shift to less costly ways of doing business with a move to more self-service. It is therefore planned to move to a web based business plan that incorporates the outcomes and measures from the commissioning strategies rather than duplicate information already provided elsewhere. Once the outcomes and measures that are the Council Business Plan are agreed, an IT system to report progress against Council Business Plan performance can be commissioned.

COUNTY COUNCIL MEETING – 20 FEBRUARY 2015

Statement from: Councillor Mrs P A Bradwell, Deputy Leader and Executive Councillor for Adult Care and Health Services, Children's Services

CHILDREN'S SERVICES

Ofsted

I am very pleased to report that Ofsted confirmed that the Council's Children's Services and the Lincolnshire Safeguarding Children Board are providing good, effective, timely support for children and families. The findings confirmed that children, young people and their families in Lincolnshire are supported with the right services at the right time.

The final combined Ofsted report can be found on the Ofsted website via the link below: <http://reports.ofsted.gov.uk/local-authorities/lincolnshire>

The overall judgement is that children's services are good, with the judgements on areas of the service that contribute to overall effectiveness being good for children who need help and protection, children looked after and achieving permanence, leadership and management and finally, adoption considered to be outstanding.

The report praises the governance and partnership arrangements, acknowledging that the local authority has a sound infrastructure across the county that supports vulnerable children well. Corporate parenting is strong, evidenced by the far-reaching developments promoted for children looked after and care leavers. The early help strategy has been supported by considerable investment and joint commissioning arrangements, which means that families are being offered the right help at the right time. The quality and organisation of early help services ensures that families are receiving highly effective support.

JUMP

The current JUMP Duke of Edinburgh group undertook their final expedition during the weekend of 13-14 September and received their Certificates at an awards presentation event at the Freiston Centre on 24 January, which I was delighted to attend. A fresh group of JUMP mentees have now attended two residential weekends 27-28 October and 10-11 January. Similarly, a new group of mentors has been recruited and shows immense promise as the group adapts to the challenges of taking on this latest chapter in the JUMP programme.

Signs of Safety Innovation Project

Lincolnshire County Council has commenced work with Eileen Munro, Andrew Turnell and Terry Murthy (MTM) as one of ten implementer local authorities who have been successful in securing Innovation Funding from the Department of Education. The Innovation Project will be looking at embedding Signs of Safety across the whole range of Children's Services work and this will be independently evaluated by Kings College and Professor Gill Manthorpe will be taking the lead. This is an exciting project building on some of the recommendations Professor Eileen Munro made in her 2011 Review of Child Protection including improving partnership working with families and supporting them find solutions to their

individual families problems, managing risky situation and behaviour whilst listening to families and using what they say to improve child safety.

ADULT CARE

Winter Pressures

This winter, in particular since 22 December, we have seen unprecedented demands on our acute hospital services. This pressure has resulted in a 25% increase in EMASS calls, 19.4% increase in out of hours health services and a 14% increase in 111 calls. Overall this resulted in increased delays for the acute hospitals of 15%. Adult Care has, along with all the health providers, increased capacity by working additional hours including weekend working. This has meant delays reported to adult care remain low. In January they accounted for a maximum of 5% of all delays.

Since September 2014 Adult Care has proactively developed multi-disciplinary teams in the four hospitals we support, with dedicated teams that have been working weekends since November. They work with staff in both A&E Departments and on the hospital wards to identify patients who need support to facilitate the discharge processes. Adult Care staff continue to deliver improved outcomes for people by working with health to reduce delays in hospital discharges.

Strengthening the Social Care Market

For three years the residential market in Lincolnshire has been very stable and provided a good supply of service. The three year agreement is coming to an end so, in order to ensure that we have an adequate supply of residential and nursing care placements, we have carried out an independent evaluation of the market. Some of this work was supported by Laing & Buisson and we have also worked closely with independent providers and representative groups. The output is a robust cost model that allows us to suggest appropriate rates for care for the next three years. At the present time we are consulting with the independent and voluntary sector but it seems clear that this approach will be highly beneficial in ensuring the stability and quality of the residential care market for the next three years.

In similar vein, in 2015/16 we will be seeking to revise our framework for acquiring community support (home care) services for older people and those with a physical disability. We expect to see growth in this market due to demographic changes and must ensure that the services are stable, robust and of high quality. In order to ensure continuity of supply before the start of the new framework we have made some short term improvements. This includes increasing the current agreed rate from £12.50 to £12.70 per hour and extending the areas of the County that attract an additional £1 per hour due to their rural nature. We have also agreed to pay providers for up to seven days after the admission of one of their service users to hospital in order to minimise disruption to the individual. In this way we are strengthening the market prior to a significant change to the way in which we purchase these services which will be implemented in late 2015.

This will go some way to addressing the concerns around supply and quality and employment practices for care workers and, recognising that over 60,000 visits *per week* are made to vulnerable people in Lincolnshire this is a fundamental pillar in ensuring people's needs are met, at home and with a quality service.

Care Act 2014 Programme

The Care Act is the biggest change to social care legislation for 50 years and, once implemented, will have a major impact on us as a local authority in relation to our adult social care responsibilities. It seeks to bring together a number of existing laws, and introduce new duties to local authorities to ensure that wellbeing, dignity and choice are at the heart of health and social care across the Country.

Adult Care is actively preparing for the effective implementation of the new statutory requirements and duties, which will come into effect on 1 April 2015. As part of the Act further funding reforms will come into force on 1 April 2016.

COMMUNITY LEARNING

The Community Learning Service, working in partnership with Procurement Lincolnshire, launched its 2015-17 commissioning cycle on 2 February 2015. Through extending its Provider base the Community Learning Service intends to increase and widen participation in learning, develop knowledge, skills and confidence, encourage progression to further learning, improve employability, develop community leadership skills, and support children's achievement through the involvement of parents.

Themes for Community Learning Service delivery:

- Employability and Skills
- IT Skills and supporting people to get online
- Healthy Living, including health and well being
- Promoting independence for Adults (especially those with learning disabilities)
- Sustainable development, including environmental, resource management and educational issues
- Unique Lincolnshire provision, celebrating the essence of Lincolnshire including Heritage, food, agriculture, tourism, wildlife and culture
- Community Benefit (e.g. volunteering)
- Improving Outcomes for Families
- Children's learning and development

It is important to Government that employers are able to influence the development of new training and apprenticeship programmes and we are helping our local businesses get more involved in a number of ways. Using funds that Government have provided to the Employment and Skills Board, we are developing new activity that will bring local employers and young people together via social media platforms so that we can increase the number of local Apprentices to fill the skills gaps employers tell us they have. Additionally, we are making sure that employers are aware of the opportunity to progress their Apprenticeships through to the highest achievable level (equivalent to a degree) and help them develop these pathways so that young people can clearly see the benefits of local career opportunities.

Linked to this, we are pleased to say that the Department for Business, Innovation & Skills, through the Skills Funding Agency, have been working with the NHS to develop higher level apprenticeships as a way of entering the nursing profession.

Given the shortage of nurses in Lincolnshire, we have written to the Minister of State for Skills, Nick Boles MP, to express our willingness to pilot this in Lincolnshire.

PUBLIC HEALTH

Weight Watchers on Referral

There have been 3000 referrals made by health professionals in Lincolnshire to the Weight Watchers on referral programme this financial year.

Over 60% of people starting the course complete the full 12 weeks and, of those, over 60% have lost 5% of their initial body weight, which is statistically significant, producing real health benefits.

Healthy Schools

Lincolnshire schools received good news last week from the Department for Education. Ten local bids were successful in their applications for funding towards new kitchens on site. Over £1.5 million pounds was awarded to local schools for the development of new kitchen 'pods' or the redevelopment and expansion of existing units. This means that as of the 2015/16 term – more hot school meals will be able to be provided on site for the children of Lincolnshire – helping the county to continue on its healthy eating journey.

Making Every Contact Count (MECC)

Marisco Medical Practice in Mablethorpe has provisionally agreed to become the MECC practice and train all frontline staff to be confident and competent at raising and dealing with health and lifestyle issues. They are also going to look at how this can be linked to reducing GP appointments and overall prescribing budgets for the practice as they are currently struggling to recruit GPs and primarily deal with an ageing and deprived population with vast health issues. This will link to the work currently being looked at linking MECC with neighbourhood teams to ensure that all NTs are thinking more proactively in their approach to health and lifestyle issues. MECC continues to be fully operational across all three NHS trusts and is currently being developed across Local Authority Councils with a long term view of delivering consistent and concise health messages to the public.

Children's Take Over Day

Children's Commissioner's Takeover Day is a national event that gives children and young people the chance to work with adults for the day and be involved in decision-making. On 21 November, Public Health was taken over by 22 young people ageing from nine to 16 years old who took part in activities such as: asking the children about Lincolnshire County Council priorities and scoring children's JSNA topics; a presentation from Democratic Services in the Council Chamber; a tour of Public Health and Adult Care to meet staff and see where they work and lunch in the Member's Lounge with an opportunity to meet elected members. The results of the children's voting and their feedback were included in the consultation report to Overview & Scrutiny Management. It was a hugely successful day and a full evaluation report will be produced.

The day is all part of the Council-wide commitment to create regular co-production opportunities for staff to road-test or evaluate their plans or services with individuals

and communities. From April 2015 co-production and engagement opportunities can be facilitated for staff by the new “People’s Partnership” which Public Health’s Community Engagement team have recently commissioned through Involving Lincs.

Wellbeing Service

The Wellbeing Service has completed its third quarter with referrals continuing to grow. So far a total of 2405 people have been referred to the Wellbeing Service for an assessment of their needs.

The 5% of people who were not eligible for the service have been signposted to services including the Lincs Advice Network., Age UK for befriending type services, Lincolnshire Fire and Rescue for home safety checks and to the wellbeing providers to self-fund the whole service.

During this quarter there have been 858 new referrals, of which 42% have been self-referrals; this is an increase from the last quarter which could be a result of the awareness raising sessions that took place in quarter 2.

In addition to the 858 wellbeing referrals, the Wellbeing Service providers have completed an increasing number of Adult Care Telecare equipment installations. From April 2014 to December 2014 there have been 2926 Telecare referrals with the total number of people in the county using Telecare now approaching 6000.

Take up of the Wellbeing Response Service has also continued to increase with currently 584 people countywide signed up to receive this element of the service.

Through the Home Safe element of the service, which provides the transport and responders, 238 people have been discharged safely home from hospital so far.

Both the Wellbeing Provider and a member of the Wellbeing team are working with the Neighbourhood Teams as they develop across the county both at a strategic and operational level. Work is also being undertaken with Lincolnshire Partnership NHS Foundation Trust to promote the service to staff, with Greyfriars GP surgery in Boston on their pilot project to support over 75 year olds.

The Wellbeing Team and Providers have received a number of compliments regarding the service and how it has helped individuals at a time of need enabling them to maintain their independence at home.

Housing Related Support Services

Following a joint procurement with Children's Services, Public Health have recently awarded new contracts for Housing Related Support services for vulnerable adults aged 18 and over throughout Lincolnshire. These services provide support for people to prevent them from requiring more institutional or intensive forms of care or support.

Particular care has been taken throughout the commissioning of these services to mitigate the impact of any changes on the users of them. This has been achieved by reviewing criteria for how long someone can stay in services which has enabled us to increase the number of people that can be assisted in our housing related support services.

In addition, the re-commissioning has focused on provision across the whole county and whilst this means that there may be a reduction in units of support in one area (e.g. Lincoln) there are also areas in the county which currently have no provision (such as South Holland) which will now have services under the new contracts. This provides a consistent service across the county based on the needs of the community and in turn means that people requiring a service do not have to travel but can receive services closer to their friends, families and within the communities where they live.

COUNTY COUNCIL MEETING – 20 FEBRUARY 2015

**Statement from: Councillor C J Davie, Executive Councillor for
Economic Development, Environment, Planning, Tourism**

Economic Development & Tourism

I am delighted to announce that Lincolnshire County Council attracted £1.75m from the Coastal Communities Fund for our projects to improve tourism facilities at Gibraltar Point and Chapel Point. I have set the objective that we should double the value of tourism in Lincolnshire over 20 years, and these two schemes will contribute greatly to that objective.

I was also very pleased to hear the Government's announcement of £15m for projects championed by the Greater Lincolnshire Local Enterprise Partnership. The budget included a substantial grant towards schemes to strengthen the food sector in and around Holbeach, both through new infrastructure to open up land and through a new university facility to provide skills and technology to the sector.

The Lincolnshire food sector has been a focus of the Government's work over the past few weeks. As well as the grant awards that I mentioned earlier, George Eustice MP (Minister for Farming and Food) visited the inaugural meeting of the Greater Lincolnshire Food Board in January. It was very useful to have a detailed discussion with the Minister about the priorities and opportunities for the local food production sector, but the most impressive point was that our Food Board was comprised of the leaders of multi-national food businesses that are based in Lincolnshire but contribute massively to UK plc. The Minister firmly understood that if he wants to talk to the food production sector, then he should talk to Lincolnshire.

Our work with developers continues to flourish as they show interest in the county. Their interest is not solely about asking for support from us. As well as that, developers are prepared to contribute to our objectives – for example, a group of ten developers are funding the Lincolnshire presence at the MIPIM property development conference this year.

The annual Select Lincolnshire awards took place on 3 February. These awards celebrate the excellent food and hospitality in Lincolnshire. I would like to congratulate all of the businesses who won awards or were highly commended. Members will remember that Select Lincolnshire was originally an LCC initiative, but we agreed an arrangement for the Chamber of Commerce to take it over. The popularity of the recent awards night shows that Select Lincolnshire goes from strength to strength, and is a good example of how an effective council can commission a service without affecting its quality.

As we are all aware, 2015 marks the 800th Anniversary of the sealing of the Magna Carta, which has great significance for us in relation to tourism in the county. Cllr Worth will include in his statement an update on the progress of the Castle works but we look forward to a busy year.

Our official opening has now been arranged for 8 June, and there will be a number of celebrations in the Castle on that day and during the week until the anniversary of the sealing of Magna Carta on 15 June.

As well as these celebrations, there will be lectures at the Cathedral and the two universities in the city, arts events, a carnival, and even a trail of barons. We are clear, though, that the benefits of our investment will be felt across the whole of the county and the Visit Lincolnshire tourist guide that I recently launched makes the 'Castle Connections' appealing to visitors and residents alike.

Environment

We have recently learned that our bid for £1.75m Coastal Community Funding to support delivery of the Coastal Observatory at Chapel Point and the refurbishment of the Gibraltar Point Visitor Centre have been successful.

Gibraltar Point is a very important asset to Lincolnshire, a National Nature Reserve that draws some 180,000 people to the county every year. Members of Council will be aware that Gibraltar Point was severely damaged in the coastal floods of December 2013. We have worked hard with Lincolnshire Wildlife Trust to ensure that it has remained open to the public. With the news of this grant funding we can now proceed to the next step of reinstating quality modern facilities ensuring Gibraltar Point continues to attract people to enjoy our county's environment.

Further north, the new coastal observatory will provide a unique visitor attraction, acting as a gateway to the Coastal Country Park, while helping to reinforce the links between the different sites on the coast, and helping visitors to explore more and stay longer.

Climate Local

In 2013 we signed up to the joint Government/Local Government Climate Local to demonstrate our commitment to both reducing our carbon footprint, and adapting to the effects of climate change. We will shortly be publishing the annual review of our Action Plan which will demonstrate continued commitment and delivery across the Council.

Activity has progressed under all six overarching commitments, and stakeholders have provided updates with details of progress. Furthermore, in some areas new projects are being developed which improve our resilience to the effects of climate change and reduce our carbon footprint. Examples of progress include:

- A significant increase in registrations for the Floodline Warning Direct Service.
- Targets have been surpassed for the percentage of LCC employees who cycle to work, or use public transport.
- Delivery of the Areas of Outstanding Natural Beauty Management Plan is ahead of schedule.
- The internal SAGE green champion network has increased in the number of members and a recent energy saving campaign resulted in a 9% decrease in electricity consumption compared to the same time the previous year.
- The collective switching scheme has been implemented and is in progress.
- The Energy from Waste plant creates enough electricity to power over 24,000 homes.

Flood Risk Management

As reported in my last statement, the Environment Agency national consultation came to a close at the end of January, and my officers provided a robust response with strong support from our partners locally.

Further to delaying its original plans for implementing the proposals for Sustainable urban Drainage Systems (SuDS) legislation in the 2010 Flood and Water Management Act, Defra issued a rapid six-week consultation in September/October last year, outlining a very different approach. This would, in effect, seek to deal with SuDS provision through the National Planning Policy Framework and local planning policy, with local planning authorities determining SuDS proposals as part of the planning process. Arrangements for long term management of any agreed SuDS schemes were left open, although the consultation suggested a range of possible approaches, to be secured through the planning process, including management companies, local voluntary approaches and Water and Sewerage Companies (should they choose to undertake maintenance responsibilities).

In the consultation, Defra recognised that local planning authorities would require expert advice to undertake this new role and indications were given that upper tier authorities, as Lead Local Authorities, may be asked to provide this. I am pleased to inform you that just before Christmas, Eric Pickles MP, Secretary of State for Communities and Local Government, announced that from the 6 April 2015, Lead Local Flood Authorities will not only undertake this role, but as outlined in a subsequent parallel consultation from DCLG, may undertake a wider role as statutory consultee in the planning process, not only for SuDS but in relation to all 'local flood risk'.

The Environment Agency would still remain the statutory consultee for coastal and fluvial flood risk, but the County Council would become responsible for responding to planning applications with respect to SuDS and flood risk from surface water, ground water and ordinary watercourses. Whilst I am very pleased with these proposed changes, as it reflects our holistic role in local flood risk management, and preventing flood risk to proposed development is one of the best investments we can make, it does place an additional burden upon us. It is essential that this additional burden is funded by Government and we are currently working, at a national level, with the Local Government Association in lobbying Defra and DCLG for the full costs to be met.

Strategic Planning

In support of the Central Lincolnshire and South East Lincolnshire Local Plans, the County Council is leading preparation of Infrastructure Delivery Plans (IDPs). This is in partnership with District colleagues and infrastructure providers. IDPs identify the physical, social and green infrastructure to support plan objectives over the relevant period. In developing the IDP, the type, scale, distribution and phasing of infrastructure is informed by those factors for development as identified in the Local Plan.

The IDP will identify the costs of infrastructure, proposed sources of infrastructure funding, known funding gaps, proposed delivery mechanisms and proposed delivery partners. Work to inform the content of these documents included a workshop for utility providers covering central Lincolnshire in August 2014 and a wider request for

information from infrastructure providers in October 2014. From both exercises, a significant amount of evidence has been gathered and captured in a matrix for each Plan area on infrastructure themes, deficiencies, needs and potential phasing.

Detailed information about the infrastructure requirements for the Plan areas will become clearer as they move forward and the location and amount of growth in the various settlements is known. Draft IDPs will be available to inform the next stage of the Local Plans production later in 2015. Key decisions that the County Council and District Councils will need to make include infrastructure priorities and delivery, for example through the Local Enterprise Partnership and other funding, Planning Obligations and the Community Infrastructure Levy (CIL).

COUNTY COUNCIL MEETING: 20 FEBRUARY 2015

**Statement from: Councillor R G Davies, Executive Councillor for
Highways, Transport, IT**

LINCOLN EASTERN BYPASS

As a result of the Department for Transport receiving a significant number of objections to the republished Orders, the Department has indicated that a Public Inquiry will be required. A number of suitable venues have been investigated, and the Council are awaiting a response from the Department as to the actual date of the Inquiry - likely to be in June /July 2015.

The scheme is being progressed as a single carriageway under the current funding arrangements.

LINCOLN EAST WEST LINK

Work in the former coal yard, and the demolition of properties on Tentercroft Street, is now well underway.

CANWICK ROAD SOUTH PARK TO HALL DRIVE (LOCAL PINCHPOINT FUND)

Excellent progress is being made on the improvement works on Canwick Road. The work is inevitably causing some traffic delays, particularly in the morning peak. However, these are as predicted and road users continue to be advised to find alternative routes or travel modes. The scheme is currently on programme for a May completion.

BRAYFORD WHARF EAST FOOTBRIDGE

A joint meeting with the Office of the Rail Regulator (ORR), City Council, Network Rail and LCC has taken place, and there is now a clear understanding of the process required to deliver this scheme, and for the crossing to remain open. Work is currently scheduled to start late summer 2015.

HIGH STREET FOOTBRIDGE

Demolition works are now programmed to commence in March, and the bridge is scheduled to be open for general use by Christmas 2015. The traffic management arrangements for this scheme signify the start of the transformation of the road network in this part of the city.

MAJOR INFRASTRUCTURE SCHEMES - COMMUNICATIONS STRATEGY

The Communications Plan has now been fully implemented, with a specific web page dedicated to the major schemes ongoing in Lincoln. Updates are posted on a weekly basis, and a weekly newsletter is available by signing up via the website, on Twitter or on Facebook. As at 23 January, some 450 people had signed up and the

number is increasing by around 100 each week. By the time the High Street works commence, we will also have access to Lincoln BIG's SMS network to further promote the website and newsletter.

GRANTHAM - SOUTHERN QUADRANT LINK ROAD (SQLR)

Despite the further delays to this project, the S.73 change to planning has been discussed/agreed with officers and is now in the process of formal submission.

GRANTHAM - KING31 INCLUDING A1 CONNECTION

Design of Ph1 is complete, and documentation ready for tender.

HOLBEACH - A17/A151 PEPPERMINT JUNCTION

The County Council have secured £2.415M Single Local Growth Funds from the Greater Lincolnshire Local Enterprise Partnership for a strategic junction improvement to unlock growth potential at Peppermint Junction. This scheme will deliver a new roundabout, planned for Spring 2016.

WINTER MAINTENANCE

Since early December, temperatures and gritting turnouts have been near to the 20 year average. Salting operations (to 28 January) used 13,000 tonnes of salt, with a further 22,000 tonnes available in depot or on quayside. At present, our new salt supplier is replenishing salt to depots from our strategic stocks held in Southampton.

LINCOLNSHIRE ROAD SAFETY PARTNERSHIP

Although all collision reports for last year are not yet submitted, the number of people killed or seriously injured (KSI) on Lincolnshire's roads during 2014 is predicted to be below 400 - a reduction from the previous year's total of 415.

Unfortunately, the number of people killed last year was higher than the previous year, increasing from 36 to 43. However, the figure of 36 was the lowest figure ever recorded in Lincolnshire, and the overall trend does continue downward. Nevertheless, LRSP will rigorously analyse the collision data to ensure that road safety interventions they develop and implement during 2015 remain the most appropriate and effective.

Community Speedwatch continues to thrive and I am pleased to report that 69 communities are now taking part - 48 of which are using the vehicle activated signs, as well as the high profile passive signs. Highways staff and the Road Safety Partnership have worked together to develop a portable post and socket system to enable communities to mount the vehicle activated sign, even when there is no suitable street furniture in the vicinity. Communities requiring this assistance will be provided with the first two posts and sockets free of charge.

Over the last five years, LRSP has developed and implemented a variety of driver training courses designed to enhance driver knowledge, skills and awareness in order to improve road safety. More than 13,000 clients attended courses last year, and any income from these courses will be used to reduce budget pressures on both the Police and County Council during this difficult period of financial restraint.

INFORMATION MANAGEMENT AND TECHNOLOGY

Improving services to our citizens

Following a successful first phase of delivering services to the public using the new technologies within the CSC, further development is currently being finalised and tested to launch the next service: Highways enquiries.

The project to replace SAP with Agresso is making good progress, although finding sufficient experienced payroll staff to test the new payroll caused some re-planning. It is expected that the remaining testing and system preparations will be complete to allow 1 April target date for 'go live' to be achieved.

The preparations for the launch of Mosaic (the Council's new social care and public health case management system) continue, with challenges to complete the complex data migration and good feedback from social work practitioners following training. Links from Mosaic into the new CSC customer relationship management system (Lagan) and new ERP system (Agresso) are being tested to ensure automatic sharing of financial and customer information. IMT are looking to launch a pilot of improved technology to enable remote working - this will support the new Mosaic system and, hopefully, prove itself for use by other service areas if the pilot is successful.

Business intelligence

Following the establishment of the Enterprise Data Warehouse team through the restructure of Information and Commissioning, officer working groups for Business Intelligence and Geospatial Information systems are being established. These are supporting the functional and operational requirements for improved systems being implemented by our new IMT Service Provider, Serco. Staff training on implementing an 'Open Data' approach has started, and recruitment of key skills is in progress.

Data centre relocation

The complex plan to migrate IT systems from the Council's premises to new dual resilient data centres has been prepared. The migration will be over a 12 month period (approx) starting in April 2015. The project will enable a number of improvements to be made during the transition process, which will reduce downtime of systems and improve our ability to be agile in the adoption of new technology in the future.

Information Assurance

A recent internal audit report has highlighted some procedural improvements, which are already being undertaken, as well as wider cultural issues to be resolved across

the organisation. Promotion of good practice continues across the Council and is generally being well received, leading to increased demands on the key skills in this team.

LCC has elected to be part of the Local Authority Information Commissioner's Office audit programme. As well as ensuring positive engagement and transparency with this key audit function, it will give the Council the opportunity to benefit from the expertise of ICO staff.

LINCOLNSHIRE BROADBAND PROGRAMME

The main BT project has now delivered 300 upgraded roadside cabinets and provided faster broadband to 74,504 premises, which equates to approximately 47.5% of the programme total. The programme remains on schedule, despite significant problems with the discovery of Asbestos in Gainsborough Exchange, which held up the completion of 3000 premises.

The team are seeing excellent results on the back of their continuing work to drive 'Take up' of the improved services, and we are currently running at a figure of 11.66% Take up across the whole project area. This continued improvement results from localised engagement with parish councils and Community 'Champions' with 44 cabinets now above 20% - of which 10 cabinets are over 30%.

The Team continue to attend parish council meetings and discuss local plans and progress - this approach is well received by those parishes.

COUNTY COUNCIL MEETING – 20 FEBRUARY 2015

Statement from: Councillor M S Jones – Executive Councillor for Finance and Property

Finance Matters

Revenue Budget & Capital Programme 2015/16

This topic is covered in great detail both within the full budget report before the Council today and in my budget speech.

I have summarised below the key issues we raised in our formal response to the DCLG on the provisional grant settlement:

- The continual use of the 'spending power' concept to mask the true reduction in local government funding is disingenuous and therefore unacceptable, as it includes funding streams like the Better Care Fund that are, in fact, health service funding streams.
- Whilst additional funding for rural councils is most welcome, it does not yet come near reflecting the additional costs incurred and is not yet a permanent feature of the funding regime.
- The ongoing funding of New Homes Bonus by simply top-slicing revenue support grant rather than through additional money is disappointing.
- The withdrawal of additional funding for Local Welfare provision is not acceptable and to simply notionally allocate a portion of existing revenue support grant to the activities is not an acceptable alternative. The future of the service will be in doubt if no additional funding is provided.

Corporate Property Rationalisation Programme

Corporate Property continues to make better use of the office estate with the continued implementation of the Rationalisation Programme.

The Programme is on target for moving staff out of City Hall by June 2015, with employees being relocated to Witham Park and Crown House.

Crown House was a successful strategic acquisition that has directly contributed towards releasing expensive leasehold accommodation. Renovations are nearly complete and, in the short term, the building will be used as flexible office space. In the long term, it presents this authority with the un-paralleled opportunity to shape Lincoln's cultural quarter.

As well as creating opportunities and relinquishing expensive leasehold properties, Corporate Property are also working to make the existing office estate more efficient. This, in turn, means that further leasehold properties can be released in the future.

One example of this is the reconfiguration of Orchard House Level 5 (in Lincoln), where walls are being removed to allow more staff to use the floor as a flexible office base.

This ongoing activity will culminate in savings of £500k in the financial year of 2016/17 and will achieve a total of £755,000 by 2018/19. This directly contributes towards the Fundamental Budget Review savings that are required to be met by the service.

COUNTY COUNCIL MEETING – 20 FEBRUARY 2015

**Statement from: Councillor P A Robinson, Executive Councillor for
Fire & Rescue, Emergency Planning, Trading Standards,
Equality and Diversity**

Fire and Rescue

Fire Ambulance Project

The joint project between Lincolnshire Fire and Rescue and East Midlands Ambulance Service is now fully active at the three pilot stations in Long Sutton, Stamford and Woodhall Spa. The project builds on the highly successful co-responder work that our fire service has been doing for over 16 years. It involves specially trained firefighters attending co-responder calls in a fully equipped ambulance which allows the crew to transport patients to hospital if the attending paramedic deems this necessary. So far this has been required on 75 occasions. Whilst it is early days in the project, the initial feedback from both fire and ambulance responders is very positive and, most importantly, there has been a reduction in the time for patients to arrive at hospital.

The project is also beginning to attract a great deal of interest from around the country as people recognise the innovative way we are using public money to create better outcomes for people in Lincolnshire. Notably, I hosted the Shadow Fire Minister and Shadow Health Minister on a visit to the Fire Service to discuss the project and how it could be used elsewhere in the country. The pilot will continue to run until September of this year.

Firefighters Pension Dispute

The Fire Brigades Union's (FBU) dispute with Central Government over changes to the existing Firefighters Pension Scheme continues with seemingly little prospect of it being resolved. The legislation to implement the changes has now been passed by Parliament and the new regulations come into force from April of this year. Fortunately there have been no further strikes announced, although industrial action in the form of Action Short of Strike continues. This involves the refusal to work pre-arranged overtime by FBU members. Any negative impact caused by this action is being managed by the Service.

Integrated Risk Management Plan Consultation

The public consultation about proposed changes to the Fire and Rescue Service closed on 6 February. Whilst the proposals do mean some reductions, there will be no reduction in the number of fire engines or fire stations.

It is also important to remember that our Fire Service has made significant improvements to its operational capability over the last 4 years. These improvements include an increase in the number of fire engines which are crewed by full-time firefighters. As well as Lincoln, Boston, Gainsborough, Grantham and Skegness, we now have full-time crews in Louth, Spalding and Sleaford.

The amount of training time provided to our on-call staff has also been increased from 2 hours each week to an average of 3 hours a week. In addition, the service

has continued to develop the training facility at Waddington to ensure that the levels and quality of training given to our fire crews is of the highest possible standard. There has also been significant investment in new vehicles and equipment to ensure that our firefighters are able to continue to deliver a first class Fire and Rescue Service.

Trading Standards

A key priority for the Trading Standards Service is protecting the public from unsafe goods and services. This is done in a number of ways; informing and warning of safety alerts, where there are known problems with goods (such as a washing machine that is known to be a fire risk), responding to complaints about purchased goods and services which have caused an accident or posed a danger (such as the installation of a gas fire), and by sampling and testing product categories which are suspected to be dangerous. Over the last 6 months the service has responded to 144 complaints from consumers who reported a dangerous product or service.

Recently, Lincolnshire Trading Standards, Public Health and Lincolnshire Fire and Rescue have been warning residents over the potential dangers of e-cigarettes, after a dramatic increase in people using them. The popularity of the e-cigarette has soared with many people opting to use them as an alternative to smoking, but with this comes a rise in safety concerns. There are concerns that a number of people may be using incompatible products, not reading instructions on how to charge the products safely and leaving them unattended while charging. In the East Midlands, Trading Standards has received a number of complaints about incidents with over 70% of them concerning safety issues. In Lincolnshire, there have been 2 significant fires caused by charging e-cigarettes.

Work also continues to ensure that food producers understand new food information legislation requiring them to inform consumers regarding potential allergens which pose a particular risk to people with allergies such as peanut and wheat.

New Psychoactive Substances (NPS) and Lincolnshire Enforcement

Lincolnshire has a number of 'Head Shops' in Lincoln City, Gainsborough and Boston. The largest store is KATMANDU in Boston. Other stores include Nirvana, High Street, Lincoln, Head Candy in Lincoln and Gainsborough and Marley's in Lincoln. Enforcement action has been taken against all Head Shops by Police in partnership with Trading Standards. Legislation includes the Drugs Act; Consumer Legislation and, more recently, Anti-Social Behaviour (ASB) legislation.

In recent months the Police, Lincoln City Council and Trading Standards have co-ordinated an operation focussed on Marley's Head Shop in Lincoln. The Operation resulted in the seizure of the entire stock, which has been sent for testing. This action and notices served using ASB legislation has caused the shop to cease trading. Trading Standards and East Midlands Serious and Organised Crime Unit are presently working together to tackle Lincolnshire / Nottinghamshire based organised crime groups. This is an example of the complex and difficult work in which our Trading Standards are involved and underlines their importance in safeguarding our communities.

COUNTY COUNCIL MEETING – 20 FEBRUARY 2015

Statement from: Councillor R A Shore, Executive Councillor for Waste, Recycling

PRESENT SITUATION

- **New Dry Recycling Contract**

As you are aware, LCC negotiated a new countywide recycling contract based upon zero payments from the county. However, sudden changes in the market price of recycled products have resulted in the successful contractor withdrawing his contract. The implications of market price reduction have already been felt locally, with the closure of one company and a drastic increase in the disposal costs at Material Recycling Facilities.

Officers have been working hard to deal with the situation, and a new temporary, countywide contract has been arranged. This will commence in April, as promised.

A new, longer-term contract is now being prepared to put out to tender, based upon the prevailing market conditions, and with more appropriate contractual risk sharing. There will be cost implications to this, and negotiations are taking place in order to determine the fairest formula for every council in Lincolnshire and, of course, the best deal for residents.

The new contract will focus upon the long term future of recycling in Lincolnshire, ensuring that quality of the mix is acutely incentivised, in order to attain the best possible price for the council taxpayer, and to create a firm foundation for going forward.

- **Gainsborough HWRC**

The new centre will open this year, ensuring that a quality facility, that is reliable, safe and cost effective, is available for the residents of the town and its surrounding areas. It is especially good news for Gainsborough that this council-owned HWRC has been provided at very little cost to taxpayers, as it was paid for through Grants won by the Council.

- **HWRC, Lincolnshire South West**

The business case has been made for a further HWRC, and we are progressing this matter to procurement for consideration of a council-owned facility in the south of the county.

CHALLENGES

- The main priority is to tailor a new contract, and put it out to tender, which will satisfy all the districts, and the challenges of the County Council's Fundamental Budget Review. At the same time, it has to offer a quality service, minimise contamination, maximise potential income, and be future proof - a tall order! That is exactly what we are trying to do, and I believe that, with a positive outlook, we will succeed in yet further progressing our aims of working towards the best waste service for the whole of Lincolnshire.
- Managing the relationship between the WCAs and the WDA will continue to be a challenge, as the burden of increased costs will fall heavily in the next few years. However, I am encouraged that some partners understand the situation, and are realistic about the options open to us. With such positivity, we can create the service that works best for us all.

SUCCESSSES

- We have been able to reassure residents of South Holland that Supplementary Services will continue through 2015/16 whilst they decide on the implementation of a green waste service.
- Income from the textiles presented at HWRCs has been secured from 2014-2016. The future of this 'pot' is to be debated at a sub committee of the Environmental Scrutiny Committee, and their findings will be considered when the final decision is made as to where the income is to be spent.

FUTURE AMBITIONS/CONSIDERATIONS

- We have applied for a grant from the Department of Energy and Climate Change to assist in the determination of the heat requirements which will help us to find a destination for the heat produced from the Energy from Waste plant at North Hykeham.

COUNTY COUNCIL MEETING – 20 FEBRUARY 2015

**Statement from: Councillor Mrs S Woolley, Executive Councillor for
NHS Liaison, Community Engagement**

Lincolnshire Health and Wellbeing Board

In December, the Lincolnshire Health and Wellbeing Board (the Board) agreed a process for allocating the remaining money in the Health and Wellbeing Grant Fund. The Fund was established in 2008 under a Section 256 agreement between the County Council and NHS Lincolnshire to support projects and initiatives which improve the health and wellbeing of the people of Lincolnshire. As a result of the changes in the health system, a new Section 256 agreement has been signed between the County Council and all four Clinical Commissioning Groups giving the Board responsibility for allocating the remaining £1.3 million. Applications to the fund will be considered at the Board meeting in March.

Also in March, the Board will be asked to review the draft Operational Plan 2015/16 for each of the Clinical Commissioning Groups to ensure they meet the needs identified in the Joint Strategic Needs Assessment (JSNA) and align to the priorities in the Joint Health and Wellbeing Strategy (JHWS). There is also a requirement for the Board to endorse the Section 75 arrangements for the Better Care Fund.

Better Care Fund (BCF)

The Better Care Fund (BCF) was introduced late in 2013 by the Government to encourage health and social care integration through pooled budgets, shared services and shared performance.

In Lincolnshire, the value of the BCF in 2015/16 will be £53.2M. There were many changes to the national policy surrounding the funds during 2014, for example, there have been changes to the language, performance requirements and, to the guidance provided. However, the level of ambition locally has remained consistent, which is to bring a substantial sum of health and social care spend together. As such the 'pooled' arrangements in Lincolnshire for next year is aimed at £197M in total – so the BCF is only a part of our approach and we are one of only five Council areas in the country with such a level of ambition.

It is of course necessary for Members to remember that the Government has only allocated BCF funding for one year – the new Government will have to decide what happens in 2016/17 – and, it is not new money. A significant proportion of the £53.2M is from the NHS to 'protect adult social care' but is drawn from existing expenditure.

The BCF has been the subject of considerable negotiation overseen by the four Clinical Commissioning Groups' Governing Bodies and the County Council's Executive and is required to be agreed by the Health and Wellbeing Board along with the Area Team from NHS England.

I am pleased to say that the Lincolnshire Better Care Fund submission to the Government has been approved and that there is agreement on the funding allocation between the Council and NHS colleagues to protect adult social care and help with the implementation of the Care Act. In order for the funds to be allocated,

officers are now working on a suitable legal agreement as required by Government that has to be signed off by all parties before 1 April.

Throughout the process, officers have worked hard to ensure the BCF work has been closely aligned to Lincolnshire Health and Care (LHAC) and this will continue to be the case. This will mean we can bring together the BCF with our own local and overlapping programme, LHAC.

Members of the Adult Scrutiny Committee, the Health and Wellbeing Board and the Executive will continue to oversee the programme and receive ongoing reports concerning performance related to a reduction in non-elective admissions and progress overall.

Lincolnshire Health & Care (LHAC)

Current Position

Eight Neighbourhood Team sites covering 370,756 patients (48.2% of current GP registered population in Lincolnshire)

The focus of NTs has been on the most vulnerable people in the community. The next steps will address wider, population based identification of those most at risk.

Neighbourhood teams consist of key health and care professionals, consisting of: GP, Social Worker, Community Nursing, Community Psychiatric Nurse and Independent Living Team. Work is underway to enhance links to the wider community services available e.g. St Barnabus, Age UK, Care Providers, Carers and District Councils.

Key Milestones

By 31 March 2015, we hope to have:

- Identified all Neighbourhood Team boundaries in Lincolnshire
- Identified a clinical lead for all Neighbourhood Teams
- Identified the core team

Case Study:

Mrs X, a 75 year old lady who has been admitted into hospital 15 times over an 18 month period. Although she has a respiratory condition, she has demonstrated only mild medical symptoms. After a joint assessment, a community nurse and social worker established that Mrs X needed a care package which addressed a social isolation issue. As a result of the services put in place Mrs X has not been admitted back into hospital.

The Councillor Big Society Fund

Allocation of monies from the Councillor Big Society Fund has continued to increase steadily following the Christmas break. At the time of writing this statement, Councillors have made 225 awards to a variety of community projects such as The Lincolnshire Live Poet Laureate Award contest, the Lincoln Ukulele Band and The Foxdale Equine Assisted Learning Centre. I would like to take this opportunity to remind colleagues to submit any outstanding application forms for this year's allowance as soon as possible and by 31 March at the latest. Only in exceptional circumstances will any unspent funds be carried forward into the new financial year

and any request must be made in writing to the Big Society Fund e-mail address and include specific details of the organisation, project and amount involved.

Lincolnshire Armed Forces Community Covenant – Partnership & Grant Funding

The Lincolnshire Armed Forces Community Covenant Strategic Partnership has grown in strength with all three Armed Forces and Family Federation Services now represented. As part of the strategic work, the partnership has requested all councils and associated organisations to ensure that their Corporate Business Plans reflect the armed forces community, including veterans who live and work within Lincolnshire. The third Annual Conference is scheduled for Wednesday 8 July 2015.

Securing £624,649 of MOD funding (not including the above) for 28 projects leveraging in a further £645,190 of match funding, the Lincolnshire Community Covenant Grant scheme has brought a total of £1,269,839 into Lincolnshire over two years.

Bomber Command

The application for Bomber Command has now been progressed with the applicant organisation being awarded £150,000 from the Community Covenant funding stream. The award of the monies is dependent upon the organisation being successful in obtaining other funding (10 streams) by July 2015. Should any of the streams not be successful, Lincolnshire County Council as the administrator, must return the monies to MOD Nottingham.

Lincolnshire Sports February 2015

Communications

A new **Activity Finder** portal has been launched on the website, thanks to support from the County Council. This provides information on activities in your local area. All partners are currently populating it and in the first 2 weeks over 500 activities have been added to the portal.

Children & Young People

The first **Sainsbury's School Games** for 2015 will take place on Wednesday 4 March. To extend the offer and inclusion of sports in the winter there will be 3 days of events in March, seeing an additional 12 competitions taking place.

Funding

The Partnership has just topped the £2m mark for the 36 successful Sport England **Inspired Facility** bids.

Workplace Challenge - 1800 people from over 200 companies have already signed up to the Workplace Challenge 8 week log. A monthly programme of corporate games to ensure workplaces stay involved following the initial challenge is ongoing.

The **Macmillan Get Active Feel Good** programme was launched in January and staff are now out working in the network. A good flow of participants is anticipated with some cancer Clinical Nurse Specialists ready to refer patients they know would benefit from the programme.

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COUNTY COUNCIL MEETING – 20 FEBRUARY 2015

**Statement from: Councillor C N Worth, Executive Councillor for
Libraries, Heritage, Culture, Registration and Coroners
Service**

Libraries

Future Delivery

Members will note the further consultation, detailed option appraisal of proposals received and decision about the future of library provision for Lincolnshire. I am pleased to announce that the proposal accepted will secure 15 libraries as an expression of the Council's statutory duty to local people as a comprehensive and efficient library service. The majority of people in Lincolnshire will be able to access these libraries within a 30 minute journey time.

The high degree of interest in the future of these services has been sustained and we have heard loud and clear the value people place on them.

For this reason, it is excellent that we have been able to adopt an overall approach that will see a wide range of services over and above the statutory ones being offered. These will include home library services, mobile libraries and up to 40 libraries delivered in partnership as part of community run hubs. All of these services will now be supported by an external partner, selected by tender, from April 2015 and work is already underway to start the process of selecting a suitable partner organisation. Until this time the in-house service will ensure the services are provided to the high quality customers have come to expect, including working with community groups to bring our shared proposals for community hubs to fruition.

These community hubs are a direct expression of the Executive's desire to enter into different relationships with communities to deliver services and activities – a relationship where we use our diminishing resources to work with communities, helping them to also bring forward assets in pursuit of their goals.

Our ability to deliver this new model will be dependent on our staff, who have continued to provide dedicated service to our customers despite significant changes to the service already and a period of uncertainty that has proven much longer than I would have wanted.

Reading Well Books on Prescription

The national launch date for Reading Well Books on Prescription for dementia was 28 January 2015. Locally, the Books on Prescription scheme was officially launched on 5 February. Over 120 books have been ordered and the promotional materials are being disseminated throughout the county. For those who were not able to attend the launch on 5 February, the team will be looking at holding some further briefing sessions.

Heritage & Culture

We have received good news from Arts Council England who have informed us that they wish to fund our Aviation Heritage Lincolnshire Museums & Schools

Programme. This project has been funded for the past three years and we have been awarded £108k to extend for another 12 months.

Lincoln Castle Revealed

Lincoln Castle closed at the end of December in order to enable staff and contractors to focus on the final push towards the reveal on 1 April 2015. The completion schedule remains tight, but the works that have been completed including the shop and café fit out, and work on the Magna Carta vault are of high quality. Works are now also underway outside the buildings on the roads, paths, landscaping and way-finding and a packed programme of events is shaping up nicely, including a VIP opening in June.

War Memorial Project

The Lincolnshire Remembrance: Memories and Memorials project still goes from strength to strength. The project now has more than 270 volunteers signed up to help. The volunteers have recorded almost 3,000 memorials, more than 18,000 casualties from the Great War and around 4,500 casualties from the Second World War.

Registration, Celebratory and Coroners Services

In the last few months both the Registration Service and Coroners Service have been proactively working to understand the impact of legislation in relation to Deprivation of Liberty Safeguarding Orders (DoLS). Where an individual dies and there is a DoLS in place, the death needs to be investigated by the Coroner. There has been an increase in workload to accommodate this, and processes are being developed to ensure these investigations are completed in a timely manner to minimise distress to bereaved families.

A new e-referral process has been developed and was piloted from December to allow medical practitioners to refer deaths to the Coroner electronically at all times of the day and night (24/7). This has been well received by medical practitioners, who can now make referrals out of hours. A number of amendments to the e-referral form have been made as the process continues to develop and is further piloted. We believe this is the first initiative of its kind in England.

December and January have seen a noticeable increase in deaths in the county. All agencies involved have demonstrated considerable flexibility and commitment to meet the needs of bereaved families, which is a tribute to them. The volumes have put some agencies under considerable pressure.

In line with national legislation, conversions of Civil Partnership to Marriage were introduced on 10 December 2014. A number of options regarding the arrangements were made available to offer choice to couples and these have been extremely well received.

The Registration Service is actively planning and preparing for changes to legislation in response to the Immigration Act 2014 which will come into force on 2 March 2015. This will see the extension of the notice period for marriages from 14 to 28 days and a possible further extension of the notice period to 75 days where there are any concerns about the immigration status of either party to the marriage.

COUNTY COUNCIL MEETING – 20 FEBRUARY 2015

**Statement from: Councillor B Young, Executive Councillor for
Crime Reduction, People Management, Legal**

CRIME REDUCTION

The co-ordination of substance misuse has moved from Public Health and is now the responsibility of the Safer Communities Service. There is a delivery plan in place and, with the commencement of the Substance Misuse Co-ordinator role, this will be refreshed to ensure greater integration of crime and community safety related activity in collaboration with a wide range of partners.

Partnership training, on the new powers and tools introduced by the Anti-Social Behaviour and Police Act 2014, has been delivered across the county. An e-learning package produced by the College of Policing has been shared with partners as an additional training tool, and a publicity campaign to promote the new legislation is well underway.

YOUTH OFFENDING SERVICE

On 2 February 2015 the Youth Offending Service launched a formal 45 day consultation with all staff as part of the Fundamental Budget Review. The service is required to generate savings of approximately £300,000 for 2015/16 to meet anticipated budget reductions from the Police and Crime Commissioner, Youth Justice Board and Lincolnshire County Council. The new service design will reflect a changing cohort within youth justice and an increased commissioning approach, whilst maintaining a strong focus on early engagement and preventative approaches.

Following implementation of the review, the service will remain committed to servicing its statutory responsibilities to the Courts and keeping public protection and safeguarding at its core. Greater integration with partner agencies (including Children's Services and Families Working Together) will be further promoted when, following a property review, the West Youth Offending Team co-locates to a new location in Lincoln in the coming months.

PEOPLE MANAGEMENT

Pay and Reward

Following extensive consultation on the proposed changes to terms and conditions earlier in the year, the Trade Unions invoked the Collective Dispute Procedure, during which the Management and Trade Unions sides worked to achieve a resolution which was acceptable to both parties. The Trade Unions balloted their members and, as a result of the ballot, the council and trade unions have signed a collective agreement. The implementation of the changes is being planned from 1 April 2015.

Managing Sickness Absence

The corporate target for 2015/6 is to reduce sickness absence to 8 days per employee with service areas having individually agreed targets to reflect last year's performance. The projected sickness level for 2014-15 is 7.7 days (excluding schools.).

Meanwhile, in support of reducing sickness absence and achieving the Council's targets, there are a number of initiatives being co-ordinated and targeted action being taken in areas of higher sickness absence.

Managing Workforce Change

The People Management Service is providing HR support to assist Service Areas in their restructures. Currently, there are three separate employee consultations, including Public Health, which commenced at the end of January - PAs and Secretaries and Youth Offending consultations started at the beginning of February. Subsequently, a consultation exercise will commence in mid-April for Environment and Economy including Legal and Democratic Services.

Resourcing and Retention of Key Skills

The Corporate Management Board have identified that a key priority for 2015-16 is to focus on the resourcing and retention of key skills, including qualified social workers. Additionally, commencing April 2015, the People Management Service has been requested to lead a project to promote employment opportunities within the Council for young people. This will form part of the Council's succession planning approach, ensuring the Council's capacity and resilience to deliver its strategic objectives, in both the short and medium term.

Transfer of the People Management Service to Serco on 1 April 2015

The LCC People Management Service is preparing for the transfer of the operational delivery of HR and OD services, as well as working with Serco to deliver improvements through new technology, including Agresso. A key priority is to ensure service continuity over this transition period so that council priorities are appropriately supported, including the implementation of Pay and Reward and organisational restructures. This is being carefully managed during this busy transition period, where the staff delivering these HR services will, themselves, be changing ways of working - for example, changing from SAP to using the new Agresso system, as well as being physically relocated to the new Serco premises as part of the TUPE transfer.

LEGAL

Legal Services Lincolnshire continues to support all its partners with legal advice to their decision-making processes and projects in a time of change. In particular, the service is supporting the whole health and social care community in meeting their legal obligations in the implementation of Lincolnshire's ambitious Better Care Fund plans.

Open Report on behalf of Pete Moore Executive Director Finance and Public Protection

Report to:	County Council
Date:	20 February 2015
Subject:	Council Budget 2015/16 and Capital Programme Change for 2014/15

Summary:

Council Budget 2015/16

The appended Budget Book - "Council Budget 2015/16" describes the budget and council tax proposals recommended to the full Council by the Executive.

Capital Programme Change 2014/15

Changes to the 2014/15 capital programme with net effect of adding £0.160m additional spending and borrowing to the capital programme in that year.

Recommendation(s):

It is recommended that the Council:

1. considers the responses to consultation on the Council's budget proposals as contained in the appended Budget Book (Appendix D "Budget Consultation");
2. considers the Section 151 Officer's Statement on the Robustness of the Budget and the Adequacy of Reserves as set out in the appended Budget Book (Section 10 - "Section 151 Officer's Statement on the Robustness of the Budget and Adequacy of Reserves");
3. considers the Impact Analysis relating to increasing the Council Tax by 1.9% in 2015/16 set out in the appended 'Budget Book' (Appendix C - Impact Analysis relating to increasing the Council Tax by 1.9% in 2015/16)
4. approves:
 - 4.1 the service revenue budgets for 2015/16 contained in the appended Budget Book, (Table 2 "Net Service Revenue Budget 2015/16 and change over previous year");

4.2 the capital programme and its funding contained in the appended Budget Book (Section 7 “Capital Programme”) and (Appendix M “Capital Programme”);

4.3 the County Council element of the council tax for a Band D property at £1,085.94 for 2015/16 contained in the appended Budget Book (Appendix B “County Precept 2015/16”);

as together being the Council's Budget.

5. approves the Council's Financial Strategy contained in the appended Budget Book (Appendix E “Financial Strategy”);

6. approves the prudential targets for capital finance and notes the prudential indicators contained in the appended Budget Book (Appendix L “Prudential Indicators”);

7. approves that the minimum revenue provision (MRP) be based on the asset life method and made in equal instalments over the estimated life of the assets acquired through borrowing as set out in the appended Budget Book (Section 9 “Minimum Revenue Provision”).

8. approves the changes to the 2014/15 capital programme as detailed at para 1.20 to 1.21 of this Report.

1. Background

1.1 The Provisional Local Government Finance Settlement, issued on 18 December 2014, provided the Council with levels of funding for 2015/16. These figures have now been updated in the final Local Government Finance Settlement announced on 3 February 2015. There has been one amendment to the original figures; this is an additional £0.918m added into the final settlement.

1.2 The recommended budget is based on a one year financial plan, as opposed to the three-year plan normally adopted. This is due to the uncertainty associated with local government funding beyond 2016/17. There is a lack of clarity regarding Government funding in the medium term, although general trends indicate further significant reductions in funding. This will be determined by a comprehensive spending review anticipated for the second half of 2015, after the next general election. There will be a further review of service priorities and related spending needs prior to setting a budget for 2016/17 and beyond.

1.3 The Council is recommended to set a Council Tax increase of 1.9%.

Consultation

1.4 The Executive put forward a budget for consultation at its meeting on 6 January 2015. Since that time comments have been received from Overview and Scrutiny

Committees, Businesses, Public Organisations, Trade Unions and individual Council Tax payers.

1.5 A summary of these comments is included within **APPENDIX D** of the appended 'Budget Book' and have been taken into account whilst finalising the budget proposals. The majority of the comments are supportive of the budget.

Legal Issues

1.6 There are a number of issues that the Council must have regard to in determining the budget to include:

- The need for consultation
- The Public Sector Equality Duty under section 149 of the Equality Act 2010
- The Child Poverty Strategy
- The Joint Strategic Needs Assessment
- The Joint Health and Wellbeing Strategy

1.7 In terms of consultation, a consultation has been conducted and members are referred to **APPENDIX D** of the appended 'Budget Book'.

1.8 In addition to this budget consultation, certain service changes that may be necessary to meet budget savings targets may themselves require consultation. This will be kept under review on a case by case basis and where consultation is required by law, that consultation will be conducted before changes are carried out.

1.9 The Council must be mindful of its obligations under the Equality Act 2010 and the special duties the Council owes to persons who have a protected characteristic as the duty cannot be delegated and must be discharged by the decision maker. The duty is for the Council, in the exercise of its functions, to have due (that is proportionate) regard to the need to:

1. Eliminate discrimination, harassment, victimisation and any other conduct that is prohibited by or under the Equality Act 2010;
2. Advance equality of opportunity between persons who share a relevant protected characteristic and persons who do not share it;
3. Foster good relations between persons who share a relevant protected characteristic and persons who do not share it: Equality Act 2010 s 149(1).

The relevant protected characteristics are age; disability; gender reassignment; pregnancy and maternity; race; religion or belief; sex; sexual orientation: s 149(7).

1.10 Having due regard to the need to advance equality of opportunity involves having due regard, in particular, to the need to:

- a. Remove or minimise disadvantages suffered by persons who share a relevant protected characteristic that are connected to that characteristic;
- b. Take steps to meet the needs of persons who share a relevant protected characteristic that are different from the needs of persons who do not share it;
- c. Encourage persons who share a relevant protected characteristic to participate in public life or in any other activity in which participation by such persons is disproportionately low.

1.11 The steps involved in meeting the needs of disabled persons that are different from the needs of persons who are not disabled include, in particular, steps to take account of disabled persons' disabilities.

1.12 Having due regard to the need to foster good relations between persons who share a relevant protected characteristic and persons who do not share it involves having due regard, in particular, to the need to tackle prejudice, and promote understanding.

1.13 Compliance with the duties in this section may involve treating some persons more favourably than others.

1.14 A reference to conduct that is prohibited by or under this Act includes a reference to:

- i. A breach of an equality clause or rule
- ii. A breach of a non-discrimination rule.

1.15 These equality considerations do not preclude changes in services being made, but do require that these be fully appreciated. It is clear that the current and future financial challenges facing local authorities and the need for budget savings will result in changes to service provision and to some reduction in Council services. These will apply to services accessed by all people in Lincolnshire as well as services provided to specific groups. It is possible that there may be an adverse impact on some people and communities including those with a protected characteristic.

1.16 In order to meet its obligations equality impact analyses will be carried out in relation to any proposed changes to services on an individual basis. The specific impacts on people with a protected characteristic will be investigated and the potential mitigation if any will be made clear, so that the implications of decisions are fully understood as they affect specific groups and communities. These have been and will continue to be, regularly reported to the Executive as part of the decision making processes.

1.17 In the meantime consideration has been given as to whether there is any element of the current budget proposals that should be the subject of an equality impact analysis at this stage and as a result an analysis (attached at **APPENDIX C**

in the appended budget book) has been carried out on the proposal to increase Council Tax. That assessment identifies the potential for the proposal to impact on people with low income and therefore disproportionately on certain people with a protected characteristics including older and younger people, people with a disability and women with children. Overall, however, the increase is modest and each District Council operates a Council Tax Support Scheme which has been designed following consultation and individual impact analyses to mitigate the effects of Council Tax levels on vulnerable people and people with low incomes.

1.18 Approval of the budget is not a final decision about what the Council's services will be or about how much money will be saved under any particular proposals. Individual proposals will only be implemented after due regard to the legal matters that must be considered including the public sector equality duty, Child Poverty Strategy, Joint Strategic Needs Assessment and Joint Health and Well-being Strategy and where required consultation.

1.19 As part of its decision-making on service changes, the Council will need to consider whether any alternative approaches could alleviate or at least mitigate the impact of the decision such as making reductions in other areas which do not have the same impacts, including particularly equality impacts. The result could be to require additional resources to be used in certain areas than has been budgeted for. In this event the usual budget management processes such as virement would be followed and approval sought at the appropriate levels in accordance with Financial Regulations including full Council where necessary. In particular a contingency has been built into the budget proposals in the form of the Financial Volatility Reserve (the balance is estimated to be £26.437m after use to balance the 2015/16 budget) and the annual Contingency budget of £4.000m for 2015/16, for when additional funding cannot be found by way of virement from other service areas.

Capital Programme Change 2014/15

1.20 The Executive proposes the following budget change in the capital programme:

- An increase in funding for the A1073 scheme of £4.160m to address the scheme overspend; and
- A reduction in funding to the Residual Waste Treatment Project of £4.000m which has arisen through effective project management, strict budget control and efficient site construction of all facilities.

1.21 The net effect of the above changes is additional spending, and borrowing of £0.160m in the capital programme for 2014/15.

2. Conclusion

2.1 The budget proposals aim to reflect the Council's priorities whilst operating within reduced resources and include funding essential cost pressures of

£30.430m and savings of £30.583m. They are based on a use of reserves of £22.171m and a 1.9% increase in Council Tax.

3. Legal Comments:

Council Budget 2015/16

Robust decision making requires that the results of the Council's budget consultation as well as the Section 151 Officer's Statement on the Robustness of the Budget and the Adequacy of the Reserves and the Impact Analysis on the 1.9% increase in Council Tax are taken into account by the County Council in coming to its decision. Compliance with recommendations 1, 2 and 3 ensures that this is done.

With regard to recommendation 4 under the Budget and Policy Framework Procedure Rules it is for the County Council to approve the Budget.

With regard to recommendation 5 approval of the Financial Strategy is within the remit of the Council.

With regard to recommendation 6, Section 3 of the Local Government Act 2003 requires a local authority to determine and keep under review how much money it can afford to borrow. The determination must be made by County Council. The prudential targets include the Council's borrowing limit and must therefore be approved by the County Council.

Regarding recommendation 7, the requirement to make a minimum revenue provision that is prudent is a requirement of the Local Authorities (Capital Finance and Accounting) (England) Regulations 2003 and the statutory guidance that accompanies the regulations. Minimum revenue provision is relevant to the control of the Council's capital expenditure and must be referred to the County Council for approval.

Capital Programme Change 2014/15

Recommendation 8

The recommendations are lawful, in accordance with the Constitution and within the remit of the County Council

4. Resource Comments:

Council Budget 2015/16

The budget proposals are consistent with the Council's Financial Strategy.

The robustness of the budget proposals and the adequacy of the reserves held by the Council are considered in Section 10 of the appended Budget Book.

This concludes that the budget is realistic and that the level of reserves is adequate.

Capital Programme Change 2014/15

Virements in excess of £0.500m require the approval of full Council. This report allows the approval to be sought.

5. Consultation

a) Has Local Member Been Consulted?

n/a

b) Has Executive Councillor Been Consulted?

Yes

c) Scrutiny Comments

These are set out in the appended Budget Book (Appendix D - Budget Consultation).

d) Policy Proofing Actions Required

An equality impact assessment relating to the proposal to increase Council Tax has been carried out and is attached at **APPENDIX C** to the appended 'Budget Book'. Proposed service changes to give effect to the budget will be subject to their own policy proofing considerations.

6. Appendices

These are listed below and attached at the back of the report

Appendix	Attached separate booklet - "Council Budget 2015/16" - the budget book
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7. Background Papers

The following background papers as defined in the Local Government Act 1972 were relied upon in the writing of this report.

Document title	Where the document can be viewed
Report to the Executive 6 January 2015 "Council Budget 2015/16"	Committee Services
Report to the Executive 3 February 2015 "Council Budget	Committee Services

This report was written by David Forbes, who can be contacted on 01522 553642 or david.forbes@lincolnshire.gov.uk.

Council Budget 2015/16

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1. BUDGET RECOMMENDATIONS

It is recommended that the Council:

1. considers the responses to consultation on the Council's budget proposals as contained in **APPENDIX D** "Budget Consultation";
2. considers the Section 151 Officer's Statement on the Robustness of the Budget and the Adequacy of Reserves as set out in **Section 10** "Section 151 Officer's Statement on the Robustness of the Budget and Adequacy of Reserves";
3. considers the Impact Analysis relating to increasing the Council Tax by 1.9% in 2015/16 as set out **APPENDIX C** "Impact Analysis relating to increasing the Council Tax by 1.9% in 2015/16";
4. approves:
 - 4.1 the service revenue budgets for 2015/16 contained in **Table 2** "Net Service Revenue Budget 2015/16 and change over previous year";
 - 4.2 the capital programme and its funding contained in **Section 7** "Capital Programme" and **APPENDIX M** "Capital Programme";
 - 4.3 the County Council element of the council tax for a Band D property at £1,085.94 for 2015/16 contained in **APPENDIX B** "County Precept 2015/16";

as together being the Council's Budget.

5. approves the Council's Financial Strategy contained in **APPENDIX E** "Financial Strategy";
6. approves the prudential targets for capital finance and notes the prudential indicators contained in **APPENDIX L** "Prudential Indicators";
7. approves that the minimum revenue provision (MRP) be based on the asset life method and made in equal instalments over the estimated life of the assets acquired through borrowing as set out in **Section 9** "Minimum Revenue Provision";

Councillor M Hill OBE
Leader of the Council and
Executive Councillor for Governance,
Communications and Commissioning

P Moore BA, CPFA
Executive Director Finance
and Public Protection

2. THE FINANCIAL BACKGROUND

2.1 This report sets out a one year financial plan for revenue and capital budgets. The Council will set a one year budget due to the uncertainty associated with local government funding in the medium to long term. Uncertainty of future funding following a general election in May 2015 and the promise of a new Comprehensive Spending Review which will follow this, will affect local government funding to the end of the decade. Also changes to funding through the Better Care Fund and implementation of the Care Act will require further clarification for local government budgets to be set with certainty in the longer term. Clarity on such matters should allow the County Council to develop longer term plans from 2016/17 onwards.

2.2 In developing the one year financial plan for 2015/16, the Council has undertaken a fundamental review of priorities and related budgets to identify how to close the gap between current spending levels and the amount of funding available to local government going forwards. The Council plans to use a mixed approach of delivering spending at the reduced level of funding available through budget savings/reductions plus the use of reserves built up in previous financial periods to smooth the effect of reductions to service budgets in this financial year.

2.3 On an annual basis the Council has the opportunity to review the level of Council Tax. In the last four financial years, the Council has opted not to increase Council Tax and has accepted Freeze Grant offered by Central Government in these years. The Government has again offered a 1% Freeze Grant for Council's who freeze their Council Tax. However, to maximise funding and lessen any long term impact on funding, it is proposed to set a Council Tax increase of 1.9% for 2015/16.

2.4 The savings identified through the fundamental budget review plus the one off use of reserves and a proposed modest Council Tax increase, will ensure the Council can withstand the immediate pressures in local government funding, whilst implementing the arrangements for delivering services at the reduced level of government funding.

3. THE COUNCIL'S REVENUE FUNDING

Local Government Finance Settlement

3.1 The Provisional Local Government Finance Settlement, issued on 18 December 2014, provided the Council with levels of funding for 2015/16. These figures have now been updated in the Final Local Government Finance Settlement announced on 3 February 2015.

3.2 The main points arising for Revenue Support Grant (RSG) are:

- The RSG allocation for 2015/16 is £94.670m;
- The 2014/15 Council Tax Freeze Grant of £2.585m has been added into RSG from 2015/16 (this is in addition to the grant for 2013/14 - £2.547m which was incorporated into RSG in 2014/15);
- The Rural Services Delivery Funding of £0.171m received as a Section 31 Grant in 2014/15 has been added to the Efficiency Support for Services in Sparse Areas within RSG. The value of this in 2015/16 is £1.327m; and

- Local Welfare Provision also forms part of RSG in 2015/16 (£1.337m). This is a presentational change to RSG and does not represent new funding into the grant. There is no requirement to deliver this service.

3.3 There has been one amendment to the original figures; this is an additional £0.918m added into the Final Settlement. During the consultation period the Department for Communities and Local Government (DCLG) indicated that they would reconsider the issue of funding for local welfare provision (detailed in bullet point three above). Within the formula, the Local Welfare Provision element has remained unchanged at £1.337m. However, the additional £0.918m funding has been added into the upper tier settlement funding assessment line.

3.4 Taking the above changes into consideration before comparing RSG funding received for 2014/15 to 2015/16, the Council has seen a reduction of £32.661m or 25.65% in RSG funding between the two financial years.

Other Revenue Government Grants

3.5 The Government has also announced that it will provide non-specific grants in addition to the Settlement for:

- New Homes Bonus Grant of £3.524m will be provided in 2015/16 relating to the increase in the number of new properties built in Lincolnshire;
- New Homes Bonus Returned Funding. In 2014/15 the Council received £0.336m for New Homes Bonus Returned Funding. The Final Settlement indicated that this funding would be returned to local authorities again in 2015/16. However, to date, the Council has not been notified of the value of this funding for 2015/16. Therefore, this grant has not been included within the budget assumptions;
- Local Services Support Grant of £1.061m comprising:
 - DfE Extended Rights to Free Travel (£0.632m) award from the DfE;
 - DEFRA Lead Local Flood Authorities (£0.301m); and
 - Inshore Fisheries Conservation Authorities (£0.128m).

The Council is awaiting confirmation of the amounts for Lead Local Flood Authorities and Inshore Fisheries Conservation Authorities.

- Special Educational Needs and Disability (SEND) Implementation Grant of £0.423m. The grant is to support local authorities to continue implementing the special educational needs and disability reforms, including transferring children and young people with statements of special educational need to education, health and care plans;
- Care Act Implementation Allocation of £4.433m. This funding is split into four elements: Additional Early Assessments (£2.321m), Universal Deferred Payment Agreement (£1.184m), Carers (£0.779) and Social Care in Prison (£0.149m); and
- Education Services Grant is budgeted at £6.661m. This reflects the Council's estimate of pupil numbers and funding rates per pupil in local authority and academy schools in

2014/15. The grant is paid on a quarterly basis with each payment being adjusted as schools convert to Academies throughout the financial year.

Council Tax

3.6 It is proposed that the Council Tax will be increased by 1.9% for 2015/16. The proposed increase is in line with Government expectations of low Council Tax increases. The Local Government Finance Settlement has set the Council Tax Referendum Threshold at increases of 2% and above for local authorities. It is estimated that an increase of 1.9% will generate additional income of £4.272m. This will be the first year the Council has increased Council Tax since 2010/11.

3.7 By increasing Council Tax by 1.9% the Council would forego the 1.0% Council Tax Freeze Grant for 2015/16. However, Freeze Grant continues to have an ongoing effect on the Council's budgets and funding. The Council had accepted Freeze Grant rather than increasing council tax between 2011/12 and 2014/15. The effect of these Grants on the Council's overall budgets are as follows:

- The Council Tax Freeze Grant received by the Council in 2011/12 (£6.293m), 2013/14 (£2.547m) and 2014/15 (£2.585m) have been incorporated into the Council's Revenue Support Grant (RSG) allocation. As RSG is now reducing year on year, this funding is also effectively reducing annually; and
- The Freeze Grant received in 2012/13, worth £6.332m, was a one off award and was only received in that financial year (this in effect left a budget shortfall in 2013/14, which was addressed in the budget for that year).

3.8 An Impact Analysis has been completed for the increase in Council Tax and is attached at **APPENDIX C**.

Council Tax Base and Collection Fund Surplus

3.9 Figures received from the Lincolnshire District Councils show an increase in the tax base and hence the tax yield of 3,901.74 band D equivalent properties or 1.85%. This will provide the Council with additional Council Tax income of £4.237m per annum at the current council tax levels.

3.10 All seven District Councils have declared the position on their council tax elements of their collection funds. There is a net surplus attributable to the County Council of £3.947m. This is a one off addition to income for 2015/16.

Business Rates

3.11 Business Rates receivable by the County Council will be £102.034m; comprising £20.289m actually collected by the seven District Councils in Lincolnshire and a top up grant of £81.745m from Central Government as the total business rates collected in Lincolnshire are not sufficient to cover local authority spending in the area.

3.12 The Chancellor's Autumn Statement announced that Government would cap the planned RPI increases on business rates to 2% in 2014/15. In this year's Autumn Statement, the Chancellor announced that a second cap of 2% would also apply in 2015/16.

In 2014/15, local authorities were compensated for the difference between the 2% cap and the September RPI (3.2%) via a Section 31 Grant. The compensation relating to 2014/15 will continue to be paid in 2015/16. Its payment into future years will be decided by the Government in place after the 2015 general election, as part of its spending review. In 2015/16 local authorities will again be compensated for the difference between this year's cap and the September RPI (2.35%) by Section 31 Grant.

3.13 As in 2014/15, the Chancellor has again announced a doubling of the Small Business Rate Relief (SBRR) and an extension to the high street discount from £1,000 to £1,500. Government will fund this lost income through section 31 grants.

3.14 The value of the Section 31 Grant for the County Council is £2.732m for 2015/16; this includes:

- £0.296m from the RPI cap on the locally retained elements of the business rates;
- £1.179m 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. The budget assumptions include this estimate of the grant receivable by the County Council in 2014/15; and
- £1.257m to cover the extension of the Small Business Rates Relief and two further business rate reliefs.

3.15 All seven District Councils have declared the position on the business rates element of their collection funds and there is a net surplus attributable to the County Council of £0.175m. Any surplus or deficit from business rates collection will only have a one off effect on the 2015/16 budget.

Business Rates Pooling 2015/16

3.16 The Local Retention of Business Rates Scheme allows the County Council, each year, to consider the option of pooling our business rates with other local authorities.

3.17 The County Council has agreed to pool business rates with six of the Lincolnshire District Councils (Boston Borough, City of Lincoln, East Lindsey, North Kesteven, South Kesteven and West Lindsey). Additional income of £1.116m has been included within the Council's budget.

4. THE COUNCIL'S OVERALL REVENUE BUDGET

4.1 The table below (**TABLE 1**) sets out the overall changes in budget, the cost pressures which the Council proposes to fund, the savings to be made and the current proposed use of reserves to bridge the gap between current funding available and service costs.

TABLE 1: Summary Revenue Budget

SUMMARY REVENUE BUDGET	2015/16 £m
EXPENDITURE:	
Base Budget	476.414
Cost Pressures (<i>including inflation</i>)	30.580
Savings	-30.733
Total Expenditure	476.261
Use of Reserves	-22.171
Budget Requirement	454.090
INCOME:	
Local Retention of Business Rates	106.057
Revenue Support Grant	94.670
Other Grants	16.110
County Precept	237.253
Total Income	454.090

4.2 The Council proposes to allocate an additional £1.680m of resources in 2015/16 to fund pay inflation. Details on all other cost pressures and savings included within the Council's budget for 2015/16, are set out in the Commissioning Strategy narratives below.

4.3 The Council proposes to use reserves of £21.871m. These are one off contributions to the Council's budget shortfall and are planned to smooth the effect of reductions in funding on implementing service changes and reductions. Also, £0.300m will be released in 2015/16 from the General Fund. The Council maintain the General Fund balance at between 2.5% and 3.5% of the Council's total budget. With reducing funding the amount required in the General Fund is also reducing.

4.4 A more detailed analysis of the movement in budget for 2015/16 is shown at **APPENDIX J**.

5. REVENUE BUDGETS

5.1 Revenue budgets for each year are shown in **TABLE 2** below together with the change over the previous year. The Council has changed how it delivers services to a Commissioning Model and as such the budgets are presented on this basis. **APPENDIX R** to this report provides further details of the services undertaken in each Commissioning Strategy.

5.2 The budget proposals assume inflation increases of between 1.0% to 1.2% for pay for the next financial year.

TABLE 2: Net Service Revenue Budget 2015/16 and change over previous year

Commissioning Strategy Revenue Budgets	2014/15	2015/16	Change Over Previous Year	Change Over Previous Year
	£m	£m	£m	%
Readiness for School	9.177	8.284	-0.893	-9.7%
Learn & Achieve	35.981	35.919	-0.062	-0.2%
Readiness for Adult Life	7.104	6.322	-0.782	-11.0%
Children are Safe & Healthy	50.032	50.506	0.474	0.9%
Adult Safeguarding	1.348	3.256	1.908	141.5%
Adult Frailty, Long Term Conditions & Physical Disability	90.432	93.094	2.662	2.9%
Carers	2.044	2.044	0.000	0.0%
Adult Specialities	47.214	47.243	0.029	0.1%
Community Resilience & Assets	12.381	12.669	0.288	2.3%
Wellbeing	39.822	38.287	-1.535	-3.9%
Sustaining & Developing Prosperity Through Infrastructure	49.795	49.492	-0.303	-0.6%
Protecting & Sustaining the Environment	22.384	22.467	0.083	0.4%
Sustaining & Growing Business & the Economy	2.032	1.772	-0.260	-12.8%
Protecting the Public	26.058	24.801	-1.257	-4.8%
How We Do Our Business	9.059	8.333	-0.726	-8.0%
Enablers & Support to Council Outcomes	40.525	39.046	-1.479	-3.6%
Public Health Grant Income	-28.506	-28.506	0.000	0.0%
Other Budgets	64.579	66.278	1.699	2.6%
Delegated Schools Budget	458.635	455.981	-2.654	-0.6%
Dedicated Schools Grant	-485.064	-486.242	-1.178	0.2%
Schools Related Expenditure	21.382	25.215	3.833	17.9%
Total Net Expenditure	476.414	476.261	-0.153	0.0%
Transfer to/from Earmarked Reserves	-6.780	-21.871	-15.091	222.6%
Transfer to/from General Reserves	-1.125	-0.300	0.825	-73.3%
Budget Requirement	468.509	454.090	-14.419	-3.1%

Children's Services

5.3 Children's Services commissioning strategies include the following: Learn and Achieve; Readiness for Adult Life; Readiness for School and Children are Safe and Healthy.

5.4 Through these Commissioning Strategies, Children's Services has successfully delivered in full, and on time, the savings from 2011/12 to 2013/14, which totalled £27.630m. Also, the services remain on course to deliver the 2014/15 savings of £2.637m. This is at a time of delivering consistently high standards of service delivery.

5.5 Learn and Achieve Strategy plans to make savings of £1.097m in 2015/16 following a review of its commissioning intentions. Also within this strategy, the Home to School/College Transport budget continues to face cost challenges through its current delivery model. It is proposed that an additional £0.380m is added to the revenue budget in 2015/16 to finance the market factors effecting transport delivery.

5.6 Readiness for Adult Life and Readiness for School Strategies plan to make savings of £0.836m and £0.934m respectively in 2015/16. These savings are being delivered following a review of its service delivery model and commissioning intentions.

5.7 Children are Safe and Healthy Strategy plan to make savings of £1.390m in 2015/16. Members have identified that £39.5m of this Strategy is a high priority service e.g. child protection. In 2014/15, £0.403m was added to the revenue budget to finance an increase in the number of social workers. However, prior to then, the service had been able to manage a number of cost pressures through the development of a range of strategies and realignment of budgets. This Strategy however is facing challenges due to the sharp rise in looked after children, which the Local Authority has a statutory obligation in safeguarding

young individuals. Such external demands on its services cannot be controlled. Lincolnshire's spending on these individuals is not only the lowest of all the Upper Tier authorities; the level of spending is considerably below the levels of most other Upper Tier authorities. It is proposed that the cost pressure in regulated services of £1.533m is supported in meeting the additional costs from the increase in looked after numbers.

Adult Care

5.8 Adult Care is responsible for four of the County Council's seventeen Commissioning Strategies: Adult Frailty and Long Term Conditions, Specialist Services, Carers and Safeguarding Adults.

5.9 Between 2011/12 and the end of 2014/15, Adult Care will have delivered £38m savings.

5.10 This is set in the context of increasing demographic pressure and cost pressures related to service provider fee increases. Adult Care has identified during the Fundamental Budget Review in the summer, that it can deliver £3.388m savings in 2015/16 (a combination of one-off and recurring savings). The proposed budget identifies an additional requirement of £3.794m which reflects those ongoing funding pressures within the service.

5.11 April 2015 sees the advent of the Care Act, the single biggest legislative change affecting the most vulnerable adults and their carer's in more than 50 years. Latest modelling indicates that Adult Care will need to have £157m additional money in order to fully satisfy the duties imposed on it by the Care Act in the first 10 years. In 2015/16, the first year of the Act the sum required is £6.000m due to be funded via the Better Care Fund (£2.000m) and direct grant (£4.000m).

5.12 The Lincolnshire model which has generated this figure is being used nationally and as such the figures represent the best available intelligence.

5.13 Another area with a profound effect upon Adult Care is the Better Care Fund (BCF) in which £53m (£48.1m revenue and £4.9m capital) has been earmarked for the Lincolnshire health and care economy. However, spend against this allocation must be agreed with the four Clinical Commissioning Groups (CCGs). £20m has been allocated to the County Council in 2015/16 predominantly in Adult Care to help fund the costs of the Care Act (£2m). To in effect 'protect' adult care most of that money is already being spent on such services such as the Local Authority Reablement Service (LARS), Hospital Discharge Teams and on Learning Disability services. This allowed Adult Care to report a balanced Learning Disability budget in 2013/14 with a similar expectation in 2014/15.

Community Wellbeing and Public Health

Community Resilience and Assets

5.14 The Council has prioritised the promotion of community resilience and aims to work with people to help themselves through influencing, coordinating and supporting other organisations which contribute to life in Lincolnshire.

5.15 Savings of £0.739m have been identified for 2015/16 from the Community Resilience and Assets Strategy. A large element of this will be delivered from the transfer of the Customer Service Centre to Serco (£0.506m). There will also be some reduction in the

grants made available for community activities and voluntary sector infrastructure as well some internal staff changes.

Wellbeing

5.16 Since April 2013, upper tier authorities have been responsible for improving the health and well-being of their population and for public health services. This includes mandated functions such as sexual health services; NHS healthchecks and substance misuse services. The Wellbeing Commissioning Strategy aims to assist improvements in the health and well-being of the population as a whole and to support people to self-manage and maintain independence.

5.17 Savings of £1.563m have been identified for 2015/16 from the Wellbeing Strategy. These savings will mainly be delivered from the redesign and re-procurement of the housing related support services (£1.001m) and from the review of the senior management and staffing structure.

5.18 Public Health Grant of £28.506m remains at the same level as 2014/15.

Environment and Economy

Sustaining and Developing Prosperity Through Infrastructure

5.19 The Council currently spends £49.795m revenue and £72.112m of capital expenditure delivering the maintenance and management of the County's road network, transport, major road schemes and economic infrastructure.

5.20 Within this, the Council has been able to protect both the Winter Maintenance Service and Concessionary Fares in their entirety. However, savings of £1.197m are required from other activities in 2015/16. These savings will be achieved as follows:

- Rationalising the County's Area Maintenance Teams resulting in a reduction of three teams (£0.470m);
- A reduction of approximately 7% of the current asset maintenance staffing resource the detail of which can only be confirmed as the departmental restructuring is completed (£0.200m);
- Savings within the Countryside service (£0.188m);
- Reduced capacity preparing for major schemes. This will result in the need for prioritisation of the work programme to reflect the Council's priorities (£0.156m);
- A review of the delivery of transport policy, smarter choices and other transport initiatives (£0.146m); and
- Savings within Economy Infrastructure and Regeneration (£0.036m).

5.21 An additional £0.500m has been added to fund a park and ride scheme for the Magna Carta Exhibition in 2015/16.

Protecting and Sustaining the Environment

5.22 The Council currently spends £22.384m revenue and £1.495m of capital expenditure delivering waste management services, sustainable planning, flood and water risk management, the natural built environment and carbon emissions.

5.23 Sustainable Planning has been protected from making savings. However, savings of £0.635m are required from other areas of this strategy.

5.24 These savings will be generated from contract efficiency savings from the letting of the Gainsborough household waste recycling centre operation contract (£0.300m), reviewing the management of fly tipping, waste education and project development and a reduction in partnership projects (£0.185m). Some of these savings will be made by a reduction in staffing costs. These will be confirmed following consultation and restructuring in October. A £0.150m saving will be made in Flood and Water Risk Management due to the corresponding reduction in government grant provided for that service.

5.25 A cost pressure of £0.680m has been added to the Waste Management budget for the payment of business rates relating to the Energy from Waste site at Whisby.

Sustaining and Growing Business and the Economy

5.26 The Council currently spends £2.032m revenue and £1.248m of capital expenditure helping to maintain, improve and attract investment in the County's economy.

5.27 Tourism has been protected in 2015/16 because of the 800 year anniversary celebrations for the Magna Carta. Following these celebrations a review will take place to deliver savings from the Tourism activity in future years. In 2015/16, savings of £0.288m are required from other activities within this strategy.

Finance and Public Protection

Protecting the Public

5.28 **Fire and Rescue** have a proposed budget reduction of £0.296m; in addition there is a requirement to identify additional savings to meet unavoidable cost pressures from national changes, namely; additional costs associated with fire fighter pensions and a reduction in central grant for Urban Search and Rescue Team. Therefore total savings required are £0.532m. These reductions will be met by staff restructures and changes to service delivery subject to public consultation.

5.29 **Emergency Planning** has a proposed budget reduction of £0.019m, which will be met by a reduction of 1 FTE pro rata in 2015/16.

5.30 **Road Safety** has a proposed budget reduction of £0.072m, this does not require any reduction in the school crossing patrols. A review of the Lincolnshire Road Safety Partnership (LRSP) is being conducted with a view to challenging outcomes and performance; delivery mechanisms and funding structure. The review will challenge LRSP to become self-funding by 2016.

5.31 **The Trading Standard's** budget is proposed to be reduced by £0.120m. Savings would be made through the removal of management and team leader post. A further saving is to be made through income generation including charging for business advice. The remaining service structure is to be reviewed along with priorities.

5.32 **The Youth Offending Service (YOS)** has a proposed 20% budget reduction (£0.147m), the Police & Crime Commissioner (PCC) and possibly Youth Justice Board (YJB)

will match any LCC budget reductions in their contributions to the YOS. Reductions would be achieved by reviewing resources, existing ways of working and new opportunities to support the service. It is timely to evaluate if the service structure and the way it meets the needs of young people and victims still appropriately reflects the changing landscape which has emerged within Youth Justice.

5.33 **Community Safety's** budget is proposed to be reduced by 29% (£0.827m). This will leave some £1.2m in the budget for PCSOs and £0.535m for community safety commissioned programmes. Earmarked reserves will be utilised to cover contract commitments. As part of the funding agreement for PCSOs a service level agreement will be in place between Police and LCC ensuring PCSO funding forms part of the Commissioning Strategy and delivers appropriate outcomes.

How we do our Business

5.34 **Democratic Services** has a proposed budget reduction of £0.056m. There will be a review of arrangements for servicing the civic responsibility for the Chairman of the Council. The elections budget is only sufficient to cover one by-election per annum, £0.010m remains in the budget with no reduction proposed. Boundary Commission changes reducing the size of the Council by 10% would provide a saving on Member's Allowances of £0.100m, but this would not come into effect until the financial year 2017/18.

5.35 **Corporate Standards and Chief Executive's Office** have a proposed budget reduction of 29% (£0.214m). This saving includes the reduction of 1 Executive Director and the removal of the separate consultation budget, any future consultation cost pressures can be met if required from corporate contingency.

5.36 **Finance and Audit** have a proposed budget reduction of £0.506m. The reduction will be £0.456m for financial strategy/accountancy and £0.050m for internal audit. The current internal audit service for schools will be maintained. The savings would be from a range of measures including staff reductions, Serco contract, and income generation.

Enablers and Support to Council Outcomes

5.37 **Legal Services Lincolnshire** has a proposed budget reduction of £0.060m. Income is dependent on volumes of business from the Lincolnshire County Council Clients, District partners and external public sector bodies. During the Autumn/Winter period, Legal Services Lincolnshire will review its predicted volumes of work from all sources and review its staffing structures and numbers to ensure it is in a position to achieve at least a sufficient surplus for the forthcoming financial years to meet the savings target but also to distribute to shared services partners.

5.38 **People Management's** budget is proposed to be reduced by £0.121m. This reduction would be met by various staff related changes. Cost pressures have been recognised in this area, and as such, £0.550m will be allocated to cover the shortfall in budget for the Serco contract and the additional resources needed due to the change in the pensions administration function.

5.39 **Information Management and Technology (IMT)** have a proposed budget reduction of £0.021m. The IMT department has been reduced in size by 55% since 2010 while delivering substantial revenue savings. The activities being undertaken, under the Fundamental Budget Review (FBR), build on this and provide additional saving enablers

through improved contract management, information governance and a new consumption based charging approach that drives down the cost of IMT; making costs visible to departments and promoting rationalisation of systems. More substantial savings would be achieved in future years.

5.40 **The Commissioning Support Unit's** budget is proposed to be reduced by £1.011m. Savings have already been delivered through the Senior Management Review reductions. The proposal is that the service be re-modelled and resource prioritised to take account of the very substantial forthcoming commercial and procurement requirements particularly in Adult Care and to a lesser extent in Public Health and Children's over the next 2 years; the need for a dedicated contract manager and CSC client lead arising out of the Serco contract and the creation of a new Enterprise Data Warehouse team developing the LRO to improve the Council's data provision and report/analysis functions to better support commissioning activity.

5.41 As a consequence of this prioritisation and the need for savings, the proposal is that there will be less resource available in the Commissioning Performance and Assurance team to support the Council's priority projects. This recognises that the team will be supporting a smaller organisation than for which it is currently designed and that resources currently deployed on significant projects such as Future Delivery of Support Services (FDSS) and Lincolnshire Health and Care (LHAC), will be available for redeployment in the next financial year.

5.42 **Strategic Communications** has a proposed budget reduction of £0.024m which will be met from a staff restructure.

5.43 **Property Strategy and Support** has a proposed budget reduction of £1.026m. The County Farms income budget was not proposed to be changed in FBR. The savings will be achieved as a result of:

- The re-structuring and rationalisation of the Corporate Property team and the Children's Services schools property team which has been completed and the new structure is now in place; and
- The re-procurement of the Mouchel property services contract has been awarded to Vinci/ Mouchel and will commence on 1st April 2015 delivering an improved service at a significantly lower cost.

5.44 Further rationalisation of the Council's office accommodation portfolio, will deliver the balance of the savings by reducing the number of buildings we occupy and saving the costs associated with those buildings.

5.45 **Business Support's** proposed budget reduction is £0.857m, plus the service has to find additional savings to meet a cost pressure of £0.070m for LCC's offsite storage costs. The budgets for Business Support are predominantly staffing based, with the exception of some corporate budgets such as postage services and other running costs. As a support service, the reshaping of this service will need to follow that of other services and this will not commence until summer 2015. In addition, the impacts of Agresso and Mosaic IT system implementations on areas such as purchasing and invoicing work which are to be implemented from April 2015, will need to settle down and be understood and measured to enable appropriate savings to be realised.

Schools

5.46 The Schools Budget is funded via the Dedicated Schools Grant (DSG). The Government's school funding reforms categorise the DSG into the Schools block, the Early Year's block and the High Needs block.

5.47 Lincolnshire's DSG allocation for 2015/16 is £486.242m and will be used to support all schools in Lincolnshire including local authority schools and academies. Over half of Lincolnshire pupils attend academy schools; therefore the DSG figure for the Schools block will be revised down for the academy schools budget share allocations. The DSG is a ring-fenced grant and the actual split between academies and local authority schools has no financial risk to the Council from the DSG perspective.

5.48 Confirmation was received that a national fair funding formula would not be introduced in 2015/16 as originally expected. However an additional £390m would be allocated to local authorities with schools most in need. Lincolnshire's increase for 2015/16 has been notified as c.£4.5m or 1% of the DSG. Schools Forum had supported £2m for special educational needs and the remainder to be allocated to the primary and secondary sector through pupil-led funding. Outside of the fairer funding, there continues to be no further growth in DSG funding for 2015/16, other than for the increase in pupil numbers.

5.49 Lincolnshire's school funding formula has been amended for 2015/16 to comply with DfE's regulations. This includes ensuring that pupils requiring higher needs top up funding are correctly funded, and having regard to the DfE's expectation that all schools should meet the first £6,000 SEN from their notional budgets. The changes aim to: ensure compliance with DfE regulations; fund schools fairly, and minimise the immediate and long term impact upon individual school budgets. As a result, there is expected to be no impact upon individual pupils with SEN.

5.50 Protection arrangements will continue to be put in place through application of the Government's minimum funding guarantee (i.e. individual schools budgets will be protected on a per pupil basis, i.e. at 98.5% of the previous year's funding level).

5.51 Lincolnshire's indicative Pupil Premium for 2015/16 is £23.432m. Pupil Premium funding had risen nationally to £2.278 billion in 2014/15 as outlined in the Comprehensive Spending Review of 2010. There plans to be no further injection of growth funding nationally for 2015/16, other than for the increase in pupils meeting the eligibility criteria for pupil premium. Similarly to the DSG, the pupil premium allocation for Lincolnshire covers both the allocations for local authority schools and academy schools. The Education Funding Agency allocate pupil premium for academy schools, so the grant will be reduced accordingly. However, this has no financial risk to the Council.

5.52 The 2015/16 allocations per pupil meeting the eligibility criteria is £1,320 for primary-aged pupils and £935 for secondary-aged pupils. Schools will continue to receive £1,900 for each child who has been looked after for 1 day or more; has been adopted from care, or has left care.

Other Budgets

5.53 Capital Financing Charges, within Other Budgets, have been set at a level to reflect the revenue implications of the revised capital programme set out below (paragraphs 7.1 to 7.6). The revenue implications of the capital programme are estimated to cost the Council £50.437m in 2015/16. The overall affordability of the capital programme has been reviewed

to ensure the impact on the revenue budget remain affordable. The Council is also budgeting for £1.400m of receipts from investments of cash balances.

5.54 The Council has set Other Budgets for 2015/16 as follows:

- The Contingency Budget at £4.000m. This budget funds any emerging financial issues which arise during the financial year;
- The Redundancy Budget at £4.500m. This is to fund any redundancies arising from the fundamental budget review of services; and
- The Council's monetary contribution to the Pension Fund at £1.118m.

6. RESERVES

6.1 The Council's current financial strategy is to maintain general reserves within a range of 2.5% to 3.5% of the Council's total budget. General reserves, at 31 March 2015, are estimated to be £15.275m which is 3.5%. In future years, as the Council's overall revenue budgets reduce, the balance required to maintain the Council's General Fund Balance at 3.5% also reduces. To maintain the Council's General Fund Balance at 3.5% at 31 March 2016 requires a balance of £14.975m. In 2015/16, this will release £0.300m from the General Fund to fund other Council services.

6.2 At 31 March 2014, the Council set aside £43.006m in the Financial Volatility Reserve to help smooth the effect of funding reductions in 2015/16 and future financial periods. It is estimated that the balance in this Reserve will be £48.308m at the end of 2014/15. It is planned to use £21.871m from the Financial Volatility Reserve to balance the budget in 2015/16.

7. CAPITAL PROGRAMME

7.1 The proposed Capital Programme matches the revenue budget and runs until 2015/16 plus a number of major schemes which stretch into future years (including: a number of highways schemes, the rolling programme of renewal and replacement of fire fleet vehicles, and broadband in Lincolnshire). The gross programme is set at £464.420m from 2015/16 onwards, with grants and contributions of £274.368m giving a net programme of £190.052m to be funded by the County Council.

7.2 A review of the Capital Programme has been undertaken alongside setting the revenue budget. The main drivers in the review of the capital programme have been matching spending to service priorities while considering the overall affordability of the programme.

7.3 The new overall Capital Programme and its funding is shown in **TABLE 3** below:

TABLE 3 – Capital Programme

	2014/15 £m	2015/16 £m	Future Years £m
Children's Services	44.069	19.914	12.006
Adult Care	2.161	5.335	0.000
Community Wellbeing and Public Health	0.330	1.028	0.000
Environment and Economy	72.417	111.807	239.454
Finance and Public Protection	34.377	35.589	24.287
Other programmes	3.230	15.000	0.000
Gross Programme	156.584	188.673	275.747
Funded By:			
Revenue Funding	6.076	4.500	0.000
Use of Capital Receipts	2.000	2.000	0.000
Borrowing	35.700	73.862	109.690
Use of Capital Grants Unapplied	21.240	0.000	0.000
Use of Revenue Grant Reserves	4.515	0.000	0.000
Use of Other Earmarked Reserves	3.757	0.000	0.000
Government Grants and Other Contributions	83.296	108.311	166.057
Total Funding	156.584	188.673	275.747

7.4 The following additions have been made to the net capital programme as part of the budget setting process. These add an additional £18.950m into the capital programme in 2015/16 and £1.500m into future years. These additions comprise:

- Removal of the budget for the Leverton Fire Station Replacement in 2015/16 (£1.500m) and replacement with a fire station adaption and repair budget of £0.500m in both 2015/16 and 2016/17;
- An additional £6.000m for the Grantham Southern Relief Road Project. £5.000m transferred from the Grantham Growth Point budget plus an additional £1.000m funded from borrowing in 2016/17.
- Addition of a maintenance block budget for:
 - The replacement of short life equipment assets for Fire and Rescue: £0.650m in 2015/16.
 - The maintenance of existing property assets and essential property works linked to Asbestos, work place regulations and disabled access. £3.200m in 2015/16.
 - The ICT infrastructure and IT refresh programme: £1.100m in 2015/16.
- The creation of a Capital Contingency Budget: £15.000m in 2015/16 to fund any emerging schemes identified in this financial year.

7.5 The Council is currently in the process of bidding for Challenge monies from the Department of Transport (DfT) for roads maintenance and street lighting. If successful, the

Council will need to contribute approximately 20% of the total cost of the schemes. It is proposed to use part of the Capital Contingency Budget to provide this funding if required.

7.6 The Council receives government grant funding to support large parts of the capital programme, including schools maintenance and provision of school places, and roads maintenance. The following grants have been announced and incorporated into the capital programme in 2015/16 and future years:

- An indicative award for Highways Asset Protection Maintenance Block of £31.012m in 2015/16. This is some £9.083m more than the 2014/15 basic Asset Protection capital allocation. Further indicative awards have been made up to 2020/21 when the grant is estimated to be £24.954m.
- A three year award for Integrated Transport Grant of £3.312m per annum from 2015/16 to 2017/18, plus three further indicative years of £3.312m per annum to 2020/21;
- Provision of Schools Place – Basic Need Grant 2015/16 is the second year of a three year award period which will allow the Council to plan strategically for the places needed in schools up to 2016/17. The Council has been awarded £11.434m in 2015/16 and £12.006m in 2016/17;
- £1.344m for Devolved Formula Capital (DFC) and £5.421m for Schools Condition Allocation for 2015/16;
- £1.875m for Adult Social Care Capital Grant; and
- £2.970m from the Better Care Fund for Disabled Facility Grants (DFG's). The funding for DFG's will be passported by the County Council to the District Council's in Lincolnshire who administer the schemes.

8. PRUDENTIAL INDICATORS

8.1 The Council is required to agree targets for specified prudential indicators in relation to capital financing and other treasury management matters. The Council also sets its own targets in addition to the statutory ones. The main purpose of these targets is to ensure that the Council's capital financing, in particular its long term borrowing, is prudent, affordable and sustainable. The proposed targets are set out in **APPENDIX L**.

8.2 One of the key targets in the Council's Financial Strategy, is that "the repayment of external debt including interest will be less than 10% of annual income from general government grants, Dedicated Schools Grant and council tax." This is projected to increase to 7.94% by 2017/18 from 5.88% in 2014/15.

9. MINIMUM REVENUE PROVISION

9.1 The Council has a duty to set a minimum revenue provision (MRP) which "it considers prudent". The aim is to ensure that debt is repaid over a period reasonably commensurate with the period over which the capital expenditure funded by borrowing provides benefits.

9.2 The Council's current policy is to apply the asset life method for calculating MRP. This is a prudent approach which is consistent with the Council's Financial Strategy. It is proposed to continue this method in 2015/16.

10. SECTION 151 OFFICER'S STATEMENT ON THE ROBUSTNESS OF THE BUDGET AND ADEQUACY OF RESERVES

10.1 The Local Government Act 2003 includes a statutory duty for the Council's Section 151 Officer to report to the Council when it is calculating the council tax on "the robustness of the estimates made for the purposes of the calculations, and the adequacy of the proposed financial reserves." The Council has a statutory duty to "have regard to the report when making decisions about the calculations."

10.2 The Financial Strategy requirement in relation to reserves is based on a full assessment of the Council's potential financial risks last undertaken in November 2014, informed by estimates of future Government funding for the Council and the Fundamental Budget Review exercise undertaken during 2014. A key aspect of that strategy is that Council will maintain its general reserves within a range of 2.5% to 3.5% of its annual budget requirement.

10.3 Currently, the Council's projected year end general reserves stand at £15.275m or 3.5% of the budget requirement (i.e. towards the top of the target range). There is a proposal to reduce the general reserves by £0.300m as part of the 2015/16 budget. This reflects future reductions in the Council's overall budgets. There are proposals to apply some earmarked reserves in 2015/16 (£21.871m) to deliver a balanced budget in preparation for further government funding restraint expected from 2016/17 onwards.

10.4 The new business rate funding regime for local authorities commenced in April 2013, as did revised arrangements for funding local welfare benefits related to the Council Tax. These measures are likely to introduce an element of volatility into the income base of the Council which, acting prudently, has required the establishment of an earmarked reserve to assist with the management of funding risk. That reserve is estimated to be £48.308m at 31st March 2015.

10.5 The November 2014 risk assessment encompassed a full assessment of the potential financial risks facing the Council included the following:

The realism of budget estimates for –

- Pay awards
- Price increases
- Income, including higher risk areas such as capital receipts
- Savings
- Provision for demand led services including: children's services, waste disposal, adult care, certain aspects of public health, home to school transport, concessionary fares, adverse weather, support for the council tax, etc.

Financial management arrangements including –

- The recent history of financial management performance

Potential Losses including –

- Claims against the Council

- Bad debts or failure to collect income
- Major emergencies or disasters
- Failure to deliver budget savings
- Default on loans made by the Council for cash management purposes

10.6 An assessment was also made of the provision against these financial risks including:

- A provision in the form of a contingency budget to deal with pressures related to real or potential legislative change or other unforeseen impacts upon the Council. The general contingency has been modestly increased for 2015/16 to in part reflect that no general level of price inflation has been provided for within the service budgets
- Specific provisions in the accounts and earmarked reserves
- Provision for the funding of capital which provides modest additional financial flexibility
- The potential for slippage and underspending of the capital programme
- The level of the Council's general reserves

10.7 In the round, the finance settlement from government places additional funding pressures on the County Council when compared to 2014/15 – revenue support grant reduces by £32.661m (25.65%) between the two years. Current indications are that further significant reductions in revenue support grant will continue until at least the end of the decade. The precise details will only emerge next Autumn following the next comprehensive spending review which is expected to be undertaken during the Summer of 2015 following the general election. In preparation for further funding reductions; the Council has undertaken a fundamental review of its service priorities and related budgets. This has already identified significant savings over the next four years, but more needs to be done in the coming year to ensure the Council can optimise its services within the available funding. In the short term, extensive use of earmarked reserves will be made to smooth the transition to a new service delivery model. Close monitoring of the delivery of savings will be undertaken and, if necessary, corrective action will be initiated to examine alternative options should this be necessary. The delivery of the detailed schedule of planned savings will be monitored and reported regularly to senior management teams and to Executive Councillors as part of the formal, published reports.

10.8 Financial management remains an important consideration. The introduction of the new Agresso accounting system from April 2015, will result in a redefinition of the responsibilities of budget holders and provide them with a much more agile tool with which to discharge their budget management responsibilities. Spending pressures continue to arise in Adult Care relating to a range of factors such a demographic growth of the client base. Similar pressures have also arisen in Children's Services with an increase in the number of children being looked after by the Council. The latter service will overspend its Children's social care budget in 2014/15 as a consequence. However, the Council expects to underspend on its service budgets for 2014/15.

10.9 In general terms, budget pressures in 2014/15 are at, or slightly below, those experienced in recent years. However, as stated, it is still expected that service related spending over the whole Council will be at least in balance at the current year end with no need to apply the available general reserves of the Council.

10.10 In relation to the 2015/16 budget, Service Areas have provided brief notes on the realism of their proposed budgets and their ability to manage within these budgets. In that context, the following points are relevant:

- All Service Areas are aware, that the savings target that has been set is a significant one and will demand sustained and rigorous management action to ensure it is delivered on target. All have affirmed their commitment to achieving the demanding targets set with appropriate caveats as necessary.
- Funding pressures will continue to exist in a number of service areas. The key pressure areas are as follows:

(i) Adult Care – ongoing demographic factors continue to place increasing pressure on service demand. These relate in particular to younger people with learning disabilities moving into adulthood and older people with high intensity homecare needs. Additional base budget funding has been allocated, via the Better Care Fund (BCF), to the service next year in recognition of these issues. The service is likely to continue activity to integrate its services with relevant health service organisations within the County and in so doing an increasing reliance will emerge on securing direct funding from health budgets. The future financial viability of the service is linked to the success of health integration initiatives. In that regard, the Better Care Fund is pivotal to the financial viability of the service area. Risks exist that certain elements of the BCF will need to be repaid to health for which appropriate provision will be made in the balance sheet of the Council. The delivery aspects of the service are now predominately outsourced and, as a consequence experience market driven inflation related costs increase for which provision has been made in the budget. In addition some provision has been made in the next year's budget for the demand increase in cases relating to the deprivation of liberty safeguarding resulting from a court judgement elsewhere in the country. There is the potential that the additional funding allocated may not be sufficient to meet the increased demand. Finally, April 2015 sees the advent of the Care Act, the single biggest legislative change affecting the most vulnerable adults and their carers in more than 50 years. Current financial assumptions are that as a new burden this will be fully funded by central government.

(ii) Council Tax Support Schemes – local schemes were established by all the District Councils from April 2013. The County Council is, in effect, responsible for around 75% of the financial liability arising from these schemes. Whilst a great deal of work has been undertaken with the Districts to establish financially robust arrangements, there remain financial risks to the County Council from their operation. These comprise a general demand risk for local support in a recessionary environment and a risk of poorer than expected collection rates where increased levels of tax are being collected from individuals when compared to present arrangements. Experience in 2014/15 has been that demand for this support has reduced modestly as a result of general improvements in the economic environment. However, a financial risk still remains and so the County Council maintains a financial volatility reserve to mitigate the risks in this regard.

(iii) Business Rates – Since April 2013, the Council has had a financial reliance on business rate income both from Central Government and directly from a share of local rate income collected by the Lincolnshire District Councils. This income has the potential to be volatile should major business ratepayers relocate into or out of the county area. In the case of loss of business rate base the Council, by virtue of its pooling agreement with six Lincolnshire District Councils, would not be able to take advantage of the safety net arrangements available from Government. The benefits of pooling outweigh those available

via the safety net. The aforementioned financial volatility reserve is available to assist with any temporary pressures arising.

(vi) Children's Services – there remain significant pressures in children's social care in relation to a rise in the number of children looked after; increases in the number of Regulation 24 placements and special guardianship orders; a rise in costs of out of county residential placements and safeguarding, and; an increase in legal costs as the number of care proceedings grows. Additional resources have been made available both from within the Directorate and through new funding to deal with these pressures. In addition, the Directorate faces inherent volatility in its school transport budget.

10.11 The capital programme has been reviewed as part of the current budget cycle and only minor changes are envisaged to the programme for 2015/16. Decisions relating to new capital spending for 2016/17 onwards, will depend upon the aforementioned fundamental review of services priorities and related spending. Significant commitments, relating in particular to major infrastructure schemes, already exist in the period beyond next financial year. A £15.000m capital contingency has been established, the use of which will be the subject of business case bids from service areas. The fund can be used as a source of matched funding in respect of external bids for capital funding.

10.12 Taking into account all these factors, the Section 151 Officer is satisfied that the budget is realistic and that the level of reserves is adequate but notes that the assessment relies heavily on:

- Continued improvement of financial management across the Council which should ultimately be enhanced by changes flowing from the introduction of the Agresso system.
- Achievement of expected savings that rely on the timing of the delivery of initiatives arising from the fundamental review of service priorities and budgets. The increased risk of challenge with respect to savings initiatives has the potential to result in implementation delays. Appropriate monitoring arrangements will be put in place.
- Given that a medium term funding shortfall still exists as indicated by the ongoing use, of reserves, further work is essential on the fundamental review of service priorities and related spending to enable a sustainable revenue budget and capital programme to be in place for 2016/17 onwards.

11. CONSULTATION

11.1 Individual Scrutiny Committees have received a report and presentation on their respective budget and have had chance to comment on its appropriateness. The Value for Money Scrutiny Committee also considered the proposals as a whole. These comments were collated and presented to the Executive when it considered the Council's final budget.

11.2 Businesses, Trade Unions and other public organisations were consulted at a meeting on 23 January 2015. Comments made at this meeting were collated and presented to the Executive when it considered the Council's final budget.

11.3 The Council invited comments on its budget through its website, social media e.g. Twitter and via an article in County News.

11.4 The Council participated in three consultation events in conjunction with North Kesteven District Council. Members of the public were provided with information about the budget and given the opportunity to comment and vote on the proposals together with their level of satisfaction with Council services.

11.5 The Overview and Scrutiny Management Committee has initiated some work which will enhance the information available in future budget cycles for pre-decision scrutiny of budget options.

11.6 A summary of all comments received via the consultation process can be found at **APPENDIX D.**

REVENUE EXPENDITURE

LINE REF	2014/15 BUDGET £	REVENUE BUDGETS	2015/16 BUDGET CHANGES £	2015/16 ORIGINAL ESTIMATE £
		COMMISSIONING STRATEGIES		
1	9,176,588	Readiness for School	-892,814	8,283,774
2	35,981,462	Learn & Achieve	-62,868	35,918,594
3	7,103,902	Readiness for Adult Life	-782,025	6,321,877
4	50,031,765	Children are Safe & Healthy	474,237	50,506,002
5	1,348,091	Adult Safeguarding	1,907,452	3,255,543
6	90,431,660	Adult Frailty, Long Term Conditions and Physical Disability	2,662,271	93,093,931
7	2,044,492	Carers	0	2,044,492
8	47,213,730	Adult Specialities	29,003	47,242,733
9	12,381,345	Community Resilience & Assets	288,051	12,669,396
10	39,821,869	Wellbeing	-1,534,612	38,287,257
11	49,793,881	Sustaining & Developing Prosperity Through Infrastructure	-301,547	49,492,334
12	22,384,373	Protecting & Sustaining the Environment	82,499	22,466,872
13	2,032,400	Sustaining & Growing Business & the Economy	-260,861	1,771,539
14	26,057,809	Protecting the Public	-1,256,496	24,801,313
15	9,059,494	How We Do Our Business	-726,309	8,333,185
16	40,524,971	Enablers & Support to Council Outcomes	-1,479,100	39,045,871
17	-28,505,900	Public Health Grant Income	0	-28,505,900
18	416,881,932	TOTAL COMMISSIONING STRATEGIES	-1,853,119	415,028,813
		SCHOOLS BUDGETS		
19	458,635,384	Delegated Schools Budget	-2,654,406	455,980,978
20	-485,063,636	Dedicated Schools Grant	-1,178,364	-486,242,000
21	21,382,462	Schools Related Expenditure	3,832,770	25,215,232
22	-5,045,790	TOTAL SCHOOLS BUDGETS	0	-5,045,790
		OTHER BUDGETS		
23	3,619,761	Contingency	380,239	4,000,000
24	50,037,837	Capital Financing Charges	-1,001,135	49,036,702
25	10,920,208	Other	2,320,981	13,241,189
26	64,577,806	TOTAL OTHER BUDGETS	1,700,085	66,277,891
27	476,413,948	TOTAL NET EXPENDITURE	-153,034	476,260,914
28	-6,780,000	Transfer to/from Earmarked Reserves	-15,090,575	-21,870,575
29	-1,125,000	Transfer to/from General Reserves	825,000	-300,000
30	468,508,948	BUDGET REQUIREMENT	-14,418,609	454,090,339
		MET FROM:		
31	102,300,551	Business Rates	3,756,150	106,056,701
32	124,575,188	Revenue Support Grant	-29,905,089	94,670,099
33	15,271,894	*Other Non Specific Grants	838,384	16,110,278
34	226,361,315	County Precept	10,891,946	237,253,261
35	468,508,948	TOTAL MET FROM	-14,418,609	454,090,339
<p><i>*Please note that the Council Tax Freeze Grant 2014/15 of £2,584,611 shown in Other Non Specific Grants, has now been incorporated into the Revenue Support Grant in 2015/16.</i></p>				

COUNTY PRECEPT 2015/16

Council Tax Requirement	£
Total Budget Requirement	454,090,338.66
less Government Support	216,837,078.00
County Precept	<u>237,253,260.66</u>
less Net Surplus on Council Tax element of District Council Collection Funds	3,946,761.83
Council Tax Requirement	<u>233,306,498.83</u>

Precepts to be levied on District Councils	Number of Band D Equivalent Properties	Council Tax Requirement £	Council Tax Collection Fund +Surplus/ -Deficit £	County Precept £
City of Lincoln	22,569.21	24,508,807.91	424,967.00	24,933,774.91
Boston	17,772.38	19,299,738.34	128,939.00	19,428,677.34
East Lindsey	41,257.00	44,802,626.58	1,061,333.00	45,863,959.58
West Lindsey	28,224.11	30,649,690.01	503,682.00	31,153,372.01
North Kesteven	34,500.00	37,464,930.00	180,909.00	37,645,839.00
South Kesteven	44,753.20	48,599,290.01	1,212,951.83	49,812,241.84
South Holland	25,767.00	27,981,415.98	433,980.00	28,415,395.98
Total	214,842.90	233,306,498.83	3,946,761.83	237,253,260.66

County Council Element of Council Tax by Property Band		
Property Band	Proportion of Band D	Council Tax per Property £
Band A	6 / 9	723.96
Band B	7 / 9	844.62
Band C	8 / 9	965.28
Band D	9 / 9	1,085.94
Band E	11 / 9	1,327.26
Band F	13 / 9	1,568.58
Band G	15 / 9	1,809.90
Band H	18 / 9	2,171.88

Impact Analysis to Enable Informed Decisions						
Background Information						
Directorate	Assistant Director Area	Service Area	Lead Officer	Person / people completing analysis	Date of workshop / meeting	Version
Finance & Public Protection	Finance	All	David C Forbes – County Finance Officer	David C Forbes Michelle Grady	14 th January 2015	1.0
Title of the policy / project / service being considered		Increase in the Council Tax for financial year 2015/16				
General overview and description		The County Council has frozen the level of its Council Tax for the past 4 financial years. It is presently consulting on a budget for 2015/16 that will increase the County Council's element of the Council Tax by 1.9% from April 2015. There are available alternative options to amend the increase in the Council Tax by lower amounts. Any increase of 2% or above would require a county-wide referendum to be undertaken. This option is not being pursued. The Council also has the option of accepting what could well be a time limited government grant for 2015/16 equivalent to 1% increase Council Tax if it decides to freeze the Council tax for a fifth consecutive year.				
Current status		Revised		LCC directly delivered		
Timescales for implementation		For Council Tax bills issued in March 2015 for 1 st April 2015 onwards.				
Analysis						
1. What is the current situation?		Each February meeting of the County Council sets a budget for the forthcoming financial year part of which includes a decision on the amount of Council Tax to be levied in that year. For the past 4 years the decision taken has been to freeze the level of Council tax and to accept a time-limited grant from Government for so doing. However, the level of that grant has now fallen well below inflation and its continued payment is not certain beyond 2015/16. Increasing service pressures and costs means the Council needs to establish a more robust and sustainable income base going forwards.				

<p>2. What are the drivers for change?</p>	<p>Central Government funding reductions for local authorities are set to continue for at least the rest of the present decade as the Government pursues a strategy of balancing the public finances. Historic funding for freezing Council Tax in earlier years is not guaranteed beyond next year and is diminishing in any event as it forms part of general Government grant to local government. The ultimate driver for this local policy is therefore the desire of Central Government to balance the nation's public finances.</p>
<p>3. What difference will we make?</p>	<p>The County Council, through its Fundamental Budget Review exercise, is in the process of identifying and implementing significant budget reductions of around £100m over the next few years. Such reductions will inevitably impact adversely on service delivery. Increasing the income base of the Council in a sustainable manner will assist in protecting services designated as high priority by the Council. These services frequently involve delivery to those with protected characteristics.</p>
<p>4. What are the assumptions about the benefits?</p>	<p>Increasing the Council Tax adds a permanent and sustainable income stream to the funding of the Council and thereby assists in protecting service delivery going forward. It assumes that those asked to pay the additional tax are able to afford to do so, albeit that the Council Tax collection authorities (i.e. District Councils) each operate a financial support scheme to assist those on low incomes to meet their Council Tax bills.</p>
<p>5. How are you testing your assumptions about the benefits?</p>	<p>It is reasonably self-evident that in a climate of sustained reduction in Central Government financial support to local authorities that increasing locally generated income through a modest Council tax rise will assist in protecting vital services many of which are delivered to vulnerable individuals. A recently concluded public consultation exercise on the Council's future priorities clearly showed a range of services which are particularly valued by the public and also indicated acceptance of the need for a modest Council tax increase (eg. two thirds of the citizen panel responses indicated agreement to a below 2% Council Tax increase next year).</p>

<p>6. The assumptions about any adverse impacts. Could it have a negative impact on anyone?</p> <p>If Yes, go to 6.1 and 6.2 If No, please explain how you know this is the case</p>	<p>YES</p>
<p>6.1 Which groups / individuals could it have a negative impact on?</p>	<p>The increased charge will impact on all council tax payers who are responsible for the Council Tax charge levied on their property. The level of income of the council tax payer and their ability to afford the modest increase in the annual charge will be the key issue. To the extent that those with protected characteristics are council tax payers with a low income then they will be potentially impacted by this change. Older and younger people, people with a disability and single women with children can particularly be expected to be on low incomes</p>
<p>6.2 Please state how it could have a negative impact on these groups / individuals? Please refer to the list of protected characteristics to assist your answer.</p>	<p>As mentioned it is the fact that an individual is a council tax payer with a low income that is the primary determinant of whether there will be a negative impact rather than any particularly protected characteristic being evident. In that sense all protected characteristics could come within the scope of this change but as a secondary rather than primary consideration. Clearly if the protected characteristic in question has a direct impact on income generating capacity this will have a more direct implication. As noted in paragraph 6.1 there are particular protected characteristics that can be expected to be differentially impacted.</p>

<p>7. How are you testing your assumptions about adverse impacts?</p>	<p>It is suggested as self-evident that those on the lowest income levels will be least able to afford the increased charge. Note, however, that as explained later in this document, schemes of assistance are available locally to mitigate the impact on low earning council tax payers.</p>
<p>7.1 What further evidence do you need to gather?</p>	<p>This issue is a relatively straightforward one of affordability and it is suggested no further direct evidence is necessary in that regard. All District Councils in the county operate local Council Tax Support (CTS) schemes which have themselves been the subject of local consultation and each scheme has been the subject of its own impact assessment undertaken by each District Council. The governing regulations require local schemes to protect low income pensioners and other 'vulnerable groups' from having to pay any or all their annually assessed Council Tax. The benefit is 'means tested'. The interpretation of 'vulnerable groups' is for each District Council to make and derive a scheme accordingly.</p>
<p>8. Who are the stakeholders and how will they be affected?</p>	<p>Primary (those directly affected, either positively or negatively by the organisation's actions)</p> <p>There will be a negative (financial) impact on low earning council tax payers which can differentially include people with certain protected characteristics. The additional income will impact positively on users of Council services assessed as high priority. This typically includes individuals with some classes of protected characteristics.</p> <p>Secondary (intermediaries, people or organisations who are indirectly affected by the organisation's actions)</p> <p>The increase in Council Tax could put more strain on local Council Tax Support schemes operated by the Districts and jointly funded by the County Council, District Council and PCC. Both latter bodies have been made aware of the likely increase in our precept next year and have already taken into account the likely impact.</p>

<p>9. How are you assessing the risks and minimising the impacts?</p>	<p>The impact of a 1.9% increase is very modest as illustrated below for the four lowest bands of Council Tax:</p> <p>Band A – increase of £13.50 pa (or 26p per week) Band B – increase of £15.75 pa (or 30p per week) Band C – increase of £18.00 pa (or 35p per week) Band D – increase of £20.25 pa (or 39p per week)</p> <p>The Council Tax has not increased for the past 4 financial years over which time inflation has increased by 13.5% as measured by the retail prices index (RPI). State benefits have increased by amounts around that of RPI over the same period. State benefits are due to increase on 1st April 2015 by the September 2014 RPI increase which was 2.3%.</p> <p>As explained earlier the District level CTS schemes will mitigate the impact on those least able to pay. Such schemes have been the subject of their own impact assessments.</p>
<p>10. What changes will the Council need to make as a result of introducing the policy / project / service etc?</p>	<p>The change will provide a more sustainable income stream for the Council going forward in an environment of progressive reductions in central government funding. It will thereby assist in protecting the services declared as high priority by the Council.</p>
<p>11. How will you undertake evaluation once the changes have been implemented?</p>	<p>The impact will be most evident through the take-up and cost of the local CTS schemes operated by the Districts for which periodic information is received. Any future year proposed increases will be the subject of public consultation and another impact assessment.</p>
Further Details	
<p>Are you handling personal data? If so, please give details.</p>	<p>NO</p>

How was this analysis undertaken? Facilitated workshop? Who attended?	Senior finance officers responsible for the budget process and co-ordinating the recent public consultation on priorities undertook the assessment. The County Finance Officer was one of those individuals and he is formally consulted annually by each District Council on any changes to their own CTS schemes.		
Are you confident that everyone who should have been involved in producing this version of the Impact Analysis has been? If No, who needs to be involved?	YES District Councils were informed last autumn of the potential for the County Council to increase its share of the Council Tax next year and factored that into their own work/consultation on their own local CTS schemes.		
If this is new, or requires a decision by Councillors to revise, has this impact analysis been included with the committee report?	This assessment will be included in the papers on the 2015/16 budget to be conserved at the Executive on 3 rd February 2015 and full Council on 23 rd February 2015.		
Actions required Including any actions identified in this analysis for monitoring in the relevant service area work plan?	Action	Lead officer	Timescale
	Monitor the demand and cost of local CTS schemes.	David Forbes	Ongoing throughout the year
Signed off by	<i>David C Forbes</i>	Date	14 th January 2015

BUDGET CONSULTATION FEEDBACK

This appendix sets out the feedback from a range of budget consultation events that took place during January and February 2015. These included:

- Reports and presentations to Scrutiny Committees;
- Public Consultation via the Council's website, social media and a County News article;
- Three joint public consultation meetings with North Kesteven District Council; and
- Meeting with businesses, trade unions and other public bodies.

These comments have been considered by the Executive in recommending the budget for approval by County Council.

Budget Comments from Scrutiny Committees

Economic Scrutiny Committee – 13 January 2015

The Economic Scrutiny Committee considered the budget proposals relating to Economy which it supported.

The Committee raised concerns regarding the lack of flexibility for any contingencies and questioned the future viability of Economic Development if there were further cuts to the Economy budget.

Children's and Young People Scrutiny Committee – 16 January 2015

The Children and Young People Scrutiny Committee considered the budget proposals and discussed the proposed savings outlined in the report.

The Committee did not support the proposed savings relating to commissioned activities in children's centres, the Music Service, and sports initiatives in schools. The Committee requested that the Executive reconsiders these saving proposals.

Highways and Transport Scrutiny Committee – 19 January 2015

The Highways and Transport Scrutiny Committee considered the budget proposals as they related to Highways and Transport.

Whilst supporting the proposals, the Committee raised concerns over the proposed reduction of Area Maintenance Teams and the impact that would have on service delivery. The Committee believe that it is important to try and mitigate those changes through improved efficiencies where possible.

Community and Public Safety Scrutiny Committee – 21 January 2015

The Community and Public Safety Scrutiny Committee considered the budget proposals and discussed the proposed savings outlined in the report.

The Committee raised concerns around the future of Local Welfare Provision in the County following the ending of the Government grant and how the most vulnerable people in our communities would be supported.

Adults Scrutiny Committee – 23 January 2015

The Committee considered a detailed report and presentation on the Adult Care budget proposals for 2015-2016. The Committee supported the budget proposals and recorded its gratitude to officers for their achievements over the last two years.

Value for Money Scrutiny Committee – 27 January 2015

The Value for Money Scrutiny Committee met on 27 January and considered proposals in relation to the Council's overall budget for 2015/16 and revenue and capital budget proposals in relation to the 'How We Do Our Business' and 'Enablers and Support to Council Outcomes' commissioning strategies. The Committee made the following comments;

- The Committee recognised that the Better Care Fund was only guaranteed for the forthcoming financial year and that it would be important to recognise this when considering future budgets.
- The Government's Revenue Support Grant calculations up until the end of the decade would be based on population figures for the County as at the 2011 Census. This would potentially disadvantage Lincolnshire as the County is expected to experience net inward migration during this period.
- The Committee was supportive of efforts by the Council to generate additional income to offset savings requirements and encouraged the Council to continue to do this where possible.

Environmental Scrutiny Committee – 30 January 2015

The Environmental Scrutiny Committee considered the budget proposals as they related to Waste, Flood and Water Risk Management, Natural Environment, Sustainability and Planning.

The Committee supported the proposals but raised concerns at the proposed reductions for waste education and fly tipping and the impact that would have on the environment.

Public Consultation Comments received from Members of the Public

We have received a number of responses to the consultation. The main points from the responses received are as follows:

- 26% of respondents support an increase in Council Tax to support service provision.
- 11% of respondents would like to see Council Tax frozen again or reduced.
- The Council should consider maintaining or increasing spending on:
 - Roads Maintenance and repairing pot holes.

- Health and wellbeing priorities (including preventative health programmes, early intervention services and adult social care).
 - Developing tourism and the economy in deprived parts of the County.
 - The Fire and Rescue Service.
 - Vulnerable Adults and Children's Safeguarding.
 - Services to parents and children (including support to Home Start).
- Unhappy with the services which have already been reduced or where reductions are being considered (libraries, adult day care, youth centres, etc.).
 - The Council should consider reducing spending by:
 - Replacing existing street lighting with LED lights over the next 12 months.
 - Reviewing and reducing communication costs to a minimal level.
 - Reducing spending on translation services.
 - Reducing Council support to trade unions (money and staff time) to the minimum level allowable.
 - Reducing spending on Health Initiatives and Community Grants.
 - Reducing staff salaries.
 - Reducing spend on hospitality and expenses.
 - Reducing spend on highways grass cutting in low risk areas and gritting on non-major routes.
 - Would like to see the Council provide fewer higher quality services (for example: Fire and Rescue and Adult Social Care).
 - Reduce the cost of delivering services not reduce the service provided.
 - Stop providing non-statutory services and service not wanted by local residents.
 - Transfer services such as Libraries and Heritage to other providers to improve the quality of service provided and reduce the cost.
 - Consider charging for Pensioner Bus Passes and for School Bus Services.
 - Savings could be achieved by reducing the size of local government by having one County Wide Authority.
 - If staffing reductions need to be made reduce the number of Bureaucrats and Consultants rather than staff delivering front line services.
 - The Council could generate more income by supporting the local economy.
 - There needs to be greater responsibility taken by citizens and businesses in supporting children's education and preparation for adult life (for example: parents ensuring that their children are ready and able to learn by school age).
 - There should be more focus on gaining public opinion on changes to Council Tax.
 - Would like more information on gross and net spend and performance information to be able to make informed comments regarding the budget consultation and the services which should be reduced.

- Would like more information on Statutory and Mandatory functions to be able to make informed comments regarding the budget consultation and the services which should be reduced.
- The Council needs to lobby central government for more funding to support large rural counties like Lincolnshire.

Joint Public Consultation Meetings with North Kesteven District Council

North Kesteven District Council invited the County Council to participate in three public consultation meetings they held on their own budget proposals in late January / early February. Evening events were held in Navenby, Sleaford and North Hykeham. The events took the form of officer presentations, an open forum for questions and comments and a vote on the budget proposals and related matters. The Leader attended the Navenby and Sleaford events with the Finance & Property Executive Councillor attending the North Hykeham event. A number of local County Councillors also attended the sessions. Officers from finance and highways also attended each session. This summary covers all three events.

A range of issues were raised during the open forums. Some examples are:

- The 'loss;' to the Council in taking freeze grant rather than increasing council tax over the last 4 years.
- The extent to which charging could be used to mitigate costs of concessionary fares and bus subsidies
- The County Council's present policy stance on wind farms.
- Whether significant savings could be made by reducing the number of street lights and/or the period for which they are illuminated.
- A range of specific highways related queries covering the North Kesteven area with specific reference to future plans for a Lincoln southern by-pass.
- The financing arrangements for the energy from waste plant and the safeguards regarding emissions from the plant
- The extent and source of the Council's reserves

In all 72 some members of the public attended the events and were asked to vote on four specific issues. The questions posed and responses received in respect of the County Council were as follows:

Has the County Council assigned high priority to the right services?

Strongly Agree	14%
Agree	60%
Neither Agree nor Disagree	19%
Disagree	6%
Strongly Disagree	1%

Has the County Council assigned low priority to the right services?

Strongly Agree	4%
Agree	53%
Neither Agree nor Disagree	35%
Disagree	7%
Strongly Disagree	1%

Overall, how satisfied are you with the Council's services?

Very Satisfied	3%
Fairly Satisfied	60%
Neither	18%
Fairly Dissatisfied	18%
Very Dissatisfied	1%

In light of the ongoing government funding reductions what should happen to the council tax in 2015/16?

Reduce by up to 2%	0%
Freeze it and take the grant worth 1% of the tax	21%
Increase it by 1.9%	76%
Increase by more than 2% (requires a referendum)	3%

Consultation Meeting with External Stakeholders Comments

A Budget Consultation meeting was held with external stakeholders on 23 January 2015.

A list of attendees is detailed below these notes.

The Executive Councillor for Finance and Property, Councillor M S Jones and the Executive Director for Finance and Public Protection, Pete Moore, welcomed everyone to the meeting. Attendees were informed that this meeting was part of the normal consultation process which the authority undertook when setting its budget, and provided the opportunity for partners and other organisations to take part in the consultation. It was reported that the proposed budget was also examined by each of the County Council's scrutiny committees who would look in more detail at the budgets for individual service areas. Recommendations would then be made to the full Council at its meeting on 20 February 2015, where the budget would be formally approved.

David Forbes, County Finance Officer, gave a presentation on "Budget Consultation, 23 January 2015", which was a consultation exercise led by the County Council to highlight the Council's current budget and financial outlook for public services over the coming year. The consultation highlighted the following main points:

- The biggest spend (excluding schools) was in Adult Care at almost £200million in gross terms;
- The spend on employee expenses (26% or £154m) was quite low for a county council. This was mainly due to a large proportion of the services being outsourced

(47% of gross expenditure – Agency and contracted services). Note: this was expenditure excluding schools;

- Of the business rates which were allocated to Lincolnshire (£102m total) only £20m came from the business rates collected in Lincolnshire. £80m came from top up payments from central government;
- In terms of how the Council was financed (excluding schools) 38% came from Council tax, 21% from the Revenue Support Grant, 17% from business rates, 11% from 'other' income (fees and charges), 12% from grants and contributions, and 1% contribution from schools to council budgets;
- The Revenue Support Grant which was provided from central government, was not service specific, and this was the grant which was being reduced;
- The 17 commissioning strategies for the Council determined the contract spend, which had an annual contract value of over £424m over 1,706 contracts;
- As part of the Fundamental Budget Review (FBR) an initial review of activities to allocate a priority level took place. The Executive's high priority activities included safeguarding children and adults; maintaining and developing highway infrastructure; managing flood risks; supporting our communities to support themselves; and Fire & Rescue Service. The public were consulted on these priorities in the Autumn of 2014;
- Consultation on the Council's priorities took place with the public via the web and the citizens panel. There was general support for the proposed priorities and also a modest council tax rise of up to 2%;
- There were three levels of priority and savings proposals identified as part of the FBR which were high priority (to receive between 91-100% of current budget), medium priority (to receive between 71-90% of the current budget) and low priority (0-70% of the current budget). These proposals were discussed with the relevant executive councillors and directors during the summer;
- Commissioning strategies which were identified as medium priority included Children's – learn and achieve, readiness for adult life, children's health activities; sustaining and developing infrastructure through prosperity (this includes transport and highway network management activities); protecting the public (including crime prevention, trading standards, road safety and youth offending activities); community resilience and assets; wellbeing; enablers to support the council's outcomes and How we do our business (this includes support functions such as ICT, property, finance and audit, people management, Legal, commissioning and procurement, communications, business support and democratic services);
- A number of activities were identified as low priority, due to other organisations being able to fulfil these roles (such as the LEP), which included – protecting and enhancing the natural and built environment; sustaining and growing business and the economy; sustaining and developing prosperity through infrastructure (economic infrastructure and regeneration, heritage and tourism operations); community assets (Chance to share);
- The four year core offer strategy ends in March 2015 which would deliver around £148m of budget reductions, funded by £125m savings and £23m from reserves;
- There was an expectation of ongoing government funding reductions until the end of the decade. It was thought that details of this would emerge post general election in an expected 3-4 year new comprehensive spending review;
- The uncertainty around the future funding allocations implied that it would be prudent to set a budget for one year only, but to continue to plan for significant savings over the medium term;
- The fundamental review of service priorities and associated budgets had been undertaken during 2014 in order to establish the framework for service delivery in a constrained funding environment;

- There were no major specific announcements in the Autumn Statement 2014 which impacted on local government. However, it was announced that there would be a review of the structure and administration of business rates, as well as further business rate relief for small businesses and an extension of the below inflation cap on business rate increases, which would be government funded. New money for major highways projects managed by the Highways Agency was also announced, but none of these were in Lincolnshire. There would also be an improved Bellwin scheme for compensating local authorities for cost incurred in dealing with emergencies (e.g. flooding);
- The Chancellor had changed the timeframe for bringing the public finances into balance from a rolling 5 year to a rolling 3 year programme which would result in £30bn of spending reductions being brought forward;
- The graph released by the Office of Budget Responsibility reflected the future public spending as set out in the Autumn Statement;
- The Provisional Local Authority Finance Settlement was released on 18 December 2014 and the consultation closed on 15 January 2015, and only covered 2015/16. The settlement showed a reduction in the revenue support grant from £124.5m in 2014/15 to £93.8m in 2015/16 and a small increase in the business rates element from £99.3m in 2014/15 to £103.8m in 2015/16. Whilst this was a 13.3% reduction in the grant, it was a 0.5% reduction in spending power;
- Spending Power was a concept introduced by Government as a means of looking at the total potential funding available to a local authority – not just a direct government grant;
- Spending power comprised direct government support (revenue support grant and business rates); other government grants (public health, education services); locally generated council tax income; and funding within the health service (the Better Care Fund) which would potentially be available to adult care authorities;
- The difference between the government mainstream funding and spending power was primarily due to around £50m Better Care Funding given to Lincolnshire's CCG's counting towards the authority's spending power, however there was an agreement that the authority could only access £20m of this, with conditions as to its use;
- The Efficiency Support for Services in Sparse Areas has been extended and the funding increased from £0.98m to £1.33m next year;
- The New Homes Bonus of £3.5m was being awarded in line with expectations;
- Local welfare provision of £1.34m had been notionally allocated within the revenue support grant. It was noted that this was not actually new funding, and there was no requirement to continue the service. A grant of £1.78m had been received in the current year;
- The Care Act Implementation grant of £4.43m which had been received, was slightly more than the £4m which was expected. Other revenue grants such as Education Services Grant and Local services Support Grant were in line with expectations;
- The ability to pool business rates to mutual benefit remained the same. LCC had reached provisional agreement to do so with 6 of the 7 Lincolnshire Districts, which was expected to bring in a further £1.116m to LCC;
- The budget was being presented in line with the new commissioning strategies of the Council. There would be £29m of unavoidable cost pressures which were funded, but with a requirement to make £30m of savings;
- The main cost pressures were from Adult Care – demography, inflation, Care Act etc.; children's social care and transport; redundancy budget; pay inflation and pensions contributions. Main savings proposals were from adult care – use of Better Care Fund (BCF), service rationalisation, income growth; support service rationalisation; community safety commissioned projects; children's services commissioned activity; school improvement service; and capital financing;

- The ongoing commitment to major capital infrastructure schemes (e.g. Highways, Broadband, Boston barrier) would be maintained. Ongoing commitment would also be maintained to blocks of funding for property repair and maintenance, fire fleet vehicles and ICT with some minor adjustments;
- An additional £6m for the Grantham Southern Relief Road using £5m from the Grantham Growth Point budget would be made available;
- A £15m capital contingency budget had been established to deliver Council priorities for which business cases would be required from service areas;
- An additional £9m capital grant had been received for Highway Asset Protection;
- There would be a technical adjustment to the current year's programme to net-off underspend on the Energy from Waste project with the overspend on A1073;
- It was proposed to increase the Council Tax by 1.9% following a freeze for the last four years. This would equate to an annual increase of £20.25 for a band D property, or 39p per week;
- The Council was very likely to maintain its position as having one of the lowest levels of council tax for an English County Council;
- This proposed increase would generate an additional £4.3m pa in permanent income as opposed to accepting a freeze grant of £2.6m which was not guaranteed beyond 2015;
- Consultations with the public had taken place via the website; with scrutiny committees throughout January; businesses, trade unions and public sector partners via this meeting; 3 public consultation meetings with North Kesteven District Council in late January/early February, with feedback to the Executive on 3 February 2015. Final approval of the budget would be given by Full Council at its meeting on 20 February 2015.

During the course of discussion, the following points were noted:

- In relation to the public consultation, 60 people e-mailed in through the website, 550 questionnaires were circulated to the Citizens' Panel, and 66 were returned. There were also 50 responses from school children;
- It was clarified, that in relation to reserves, the £23m that was planned to be used was from the financial volatility reserve. There were two types of reserve, earmarked reserves and general reserves. The financial volatility fund was an earmarked reserve. It was confirmed that the authority would still have reserves available in the event of the unexpected e.g. flooding;
- The representative from South Holland District Council updated the meeting on the situation in relation to the business rates pool, as they were the only district to not be included. SHDC had taken this decision as there were still ongoing issues with the rateable value of a power station in the district which was appealing its business rates. It was reported that the judicial review into the appeal by the power station was still ongoing. The power station was arguing the case for its rateable value to be listed as £1, whereas its current value was £6m. If the appeal was successful this would have a catastrophic impact on the business rates, and if South Holland was part of the business rates pool, all districts and the county council would share in the loss;
- There were concerns that the authority was using half of its reserves to balance the budget next year, and that the approach of using reserves to fund a shortfall in the budget would be unsustainable for coming years;
- It was noted that the government funding element would reduce significantly in the coming years. However, other income streams would remain, and the income from council tax and business rates would increase slowly;

- It was commented that the number of responses to the public consultation was not good, and was unlikely to be representative of the views of the residents of Lincolnshire;
- Concerns were raised regarding the reduction in funding to economic development as it had spent £2m which brought in £6m of further funding to the county;
- Economic development was a discretionary area for the County Council, and the LEP was the vehicle that the Government would allocate funding to for these activities. The County Council wanted to ensure that that it was fully supportive of the LEP's activities. There was a proposed reduction of 30% for the budget for economic development. The meeting was advised that there was now a need to make difficult choices in order to balance the books;
- Concerns were raised regarding farming community and if there was anything the County Council could do to support the farmers, as they provided a significant contribution to the county's economy. It was reported that the Council tried to put the infrastructure in place in order to make distribution easier for farmers and producers, as well as continuing to request more protection from flooding for the county's farmland;
- Work was being undertaken with the LEP in relation to agriculture as it was recognised as a key industry for Lincolnshire and vital to the economy;
- The County Council would do everything it could to support the farming industry, but it was not able to directly support individual farmers;
- In response to a question regarding the council tax increase, it was commented that no other authority had held a referendum in order to increase council tax above the 2% cap. It was noted that it would cost around £800,000 to hold a referendum, however, this cost could be reduced if tied in with another election such as a general election. It was commented that Brighton had come very close last year to holding a referendum to increase council tax by 5%, however, the vote on whether to hold the referendum had been lost;
- The only county council that was thought to be seriously considering this was Surrey, but it would need to raise the council tax by quite a bit more than 2% in order for it to be worthwhile;
- The New Homes money was not really additional money as it was part of the revenue support grant, and was not ringfenced;
- There was a need to look at creating new ways of finding new funding streams;
- The way that local government was funded would not be re-examined until the end of the decade, and then it would be reviewed every 10 years;
- The authority would continue to fight the case for rural authorities like Lincolnshire to get a bigger share of the funds from metropolitan areas.

The comments made at today's meeting would be reported to the Executive at its meeting on 3 February 2015 and the final budget would be approved at the meeting of Full Council on 20 February 2015.

RESOLVED

That the points made at this meeting be submitted to the meeting of the Executive scheduled to be held on 3 February 2015.

The meeting closed at 11.40am.

Present	Representing
Councillor C Pain	Lincolnshire County Council
Councillor J D Hough	Lincolnshire County Council
Mark Finch	South Holland District Council
Alan Robinson	West Lindsey District Council
Louise Allison	City of Lincoln Council
Rev. Hamish Temple	Churches Together in All Lincolnshire
Ken Rustidge	NUT
Councillor P A Robinson	Lincolnshire County Council
Councillor M S Jones	Lincolnshire County Council
Councillor M Hill OBE	Lincolnshire County Council
Pete Moore	Lincolnshire County Council
David Forbes	Lincolnshire County Council
Nick Dear	Ping Europe
Councillor W Aron	Lincolnshire County Council
Councillor C J T H Brewis	Lincolnshire County Council
Rachel Wilson	Lincolnshire County Council

FINANCIAL STRATEGY

1 Spending and council tax

1.1 Resources will be allocated in revenue and capital budgets to support and promote achievement of the Council's Business Plan and statutory responsibilities.

1.2 Total spending and the council tax will be set with regard to:

- the impact on Lincolnshire service users;
- the impact on Lincolnshire council tax payers;
- the impact on the local economy;
- government requirements, in particular likely council tax referendum thresholds or other government constraints; and
- the impact on the County Council of local council tax support schemes set by the District Council's in Lincolnshire.

The Council will aim to keep the level of council tax one of the lowest in the country and remain in the lowest quartile of all English county councils.

1.3 The Council will implement a planned programme of major improvement, efficiency and transformation projects derived directly from key strategies such as the commissioning council model.

The programme will aim to achieve substantial savings to keep the Council's spending within the funding available from government grants and the council tax, and to allow modest development and improvement of priority services where possible.

Savings will be achieved through improved efficiency wherever possible.

The Council will seek to identify and assess appropriate opportunities to engage in partnership/shared services initiatives with other partners in the public, voluntary and private sectors where this will result in tangible efficiency improvements.

1.4 Revenue and capital budgets, typically covering at least three years, will be prepared and set realistically, taking into account the Council's key strategies. However, in setting budget timeframes, close regard will be given to the current programme of comprehensive spending reviews undertaken by the incumbent Government.

2 Financial standing

2.1 The Council will maintain its general reserves within a range of 2.5% to 3.5% of its annual budget requirement.

The Value for Money Scrutiny Committee will consider the adequacy of the Council's reserves each Autumn by reviewing a financial risk assessment of the overall financial standing of the Council.

- 2.2 A number of earmarked reserves will be maintained where considered prudent to do so. A specific earmarked reserve will be maintained to assist the Council in dealing with the inherent volatility now present in the funding regime for local government.

All Earmarked Reserves will be reviewed on a periodic basis. Any reserves no longer required for their original purpose will be transferred into general balances.

- 2.3 The Council will implement its Risk Management Strategy and keep it under review, including the maintenance and regular review of a Corporate Risk Register.
- 2.4 The Council will annually review and report on its governance arrangements including the system of internal control and address any significant governance issues.
- 2.5 The Audit Committee will monitor the effectiveness of risk management and governance arrangements.
- 2.6 The Council will maintain an internal audit function operating in accordance with the CIPFA Code of Practice.
- 2.7 The Council will operate a combination of internal and external insurance arrangements. The balance between internal and external insurance will be reviewed at each insurance tender, and on each occasion the opportunity will be taken to examine the cost effectiveness of alternative combinations of internal and external insurance. The Council's external insurance needs will be tendered at the end of each Long Term Agreement, which is usually between five and seven years.

3 Financial management standards

- 3.1 Training and information will be provided which is appropriate for the financial skills required of councillors, including treasury management.

A finance seminar for councillors will typically be held each Autumn to brief councillors on the overall financial standing of the Council, the latest developments in local government funding and key issues relating to the upcoming budget setting process.

- 3.2 A comprehensive continual profession development programme covering all the key aspects of financial competencies will be delivered to ensure officers accountable for finance are able to carry out their role effectively.
- 3.3 The County Finance Officer must ensure that appropriate training and development in financial competencies is provided to meet agreed needs.
- 3.4 He/she must also ensure that appropriate, specialist financial expertise is available to provide good quality financial advice to the Council and to manage its financial affairs.
- 3.5 He/she will seek actively to improve financial performance in any poorer performing areas of the Council.

4 Financial decision making

- 4.1 The Executive Director Finance and Public Protection will provide comments on financial implications, compliance and value for money as necessary for all decisions to be taken by the Council, Executive or Executive Councillors.
- 4.2 Business cases and option appraisals, in a format agreed by the County Finance Officer, will be completed and agreed before all major revenue and capital projects, developments and change programmes are commenced.

5 Budget management

- 5.1 The Executive and officers discharging executive functions must manage within approved budgets.
- 5.2 Executive Directors and budget holders must:
- Monitor and report financial performance monthly;
 - Control expenditure and income within their area against approved budgets; and
 - Take any action necessary to avoid exceeding approved budgets.
- 5.3 Executive Members will monitor financial performance on a monthly basis.

The Value for Money Scrutiny Committee and the Executive will:

- Receive detailed quarterly reports on performance and spending;
 - Seek detailed explanations from executive directors where expenditure is not being managed within approved budgets; and
 - Review financial performance at each year end.
- 5.4 The Council's organisational arrangements will reflect the principles of good financial management. They will:
- Promote budget ownership;
 - Establish clear responsibility and accountability; and
 - Recognise budget management as an essential part of good management.

6 Budget changes

- 6.1 The Council's Constitution requires that decisions can only be taken in line with the Council's approved budget. Decisions which would be contrary to, or not wholly in accordance with the budget approved by full Council will only be taken by full Council following a recommendation from the Executive, subject to the budget reallocation rules set out at paragraph 6.3 below.
- 6.2 Changes to the budget which increase the Council's total expenditure and require either the use of the Council's general reserves or increased borrowing must be referred by the County Finance Officer to the Executive for consideration before being referred to the full Council for approval.

6.3 Subject to the above, budgets can be reallocated between service headings as follows:

- Reallocations of up to £250k may be approved by the relevant Executive Director and should be notified to the Executive Director Finance and Public Protection;
- Reallocations of between £250k and £500k may be approved by the relevant Executive Councillor/s in consultation with the County Finance Officer and the relevant Executive Directors; and
- Reallocations over £500k will be considered by the Executive and must be approved by the full Council.

Budget reallocations within service headings will be made in line with Directorate Schemes of Authorisation.

7 Carry forward of over and under spendings

7.1 All under and overspendings on service revenue budgets of up to 1% will be carried forward without exception.

The use of all underspendings on service budgets in excess of 1% will be considered by the Executive and decided by the full Council.

The means of funding all overspendings on service budgets in excess of 1% will be considered by the Executive and decided by the full Council.

7.2 All under and overspendings on the following budgets will be carried forward without exception:

- All capital budgets;
- Dedicated Schools Budgets;
- All specific grants; and
- Revenue budgets relating to formally constituted shared services will be carried forward reflecting the joint ownership of such funds.

Earmarked Reserves will be maintained for areas where expenditure is uneven in its nature (for example: insurance and Adverse Weather). Each year any under spendings on these revenue budgets will be transferred into the reserve, and any over spendings funded from the reserve, up to the maximum available in the reserve.

8 Expenditure

8.1 The Council will acquire goods and services to achieve best value in accordance with Procurement Lincolnshire's Sustainable Procurement Strategy in order to:

- Deliver year on year efficiencies but not at the cost of quality; and
- Develop and embrace socially responsible procurement that delivers value for money, promotes the local economy, and takes into account the social and environmental impact of spending decisions.

- 8.2 Undisputed invoices will be paid in line with either contracted terms or within 30 days on a reasonable endeavours basis.

The Council will seek actively to resolve disputed invoices.

- 8.3 Procurement and payment processes will utilise available technology where appropriate including e-procurement and the use of procurement cards.

9 Income

- 9.1 The Council will review its policies on fees and charges for discretionary services bearing in mind the impact on both service users and council tax payers.

- 9.2 The Council will aim to collect all the income owed to it, to collect it promptly, and to take effective action to pursue non-payment, taking into account the circumstances of the individual debtor.

- 9.3 Income collection processes will utilise available technology where appropriate including the use of the on-line payments and credit cards.

- 9.4 The Council will not seek to use the discretionary power to set a Supplementary Business Rate unless there is general support from Lincolnshire businesses.

10 External funding and partnerships

- 10.1 The Council will work with partners and national bodies to ensure that Lincolnshire receives appropriate levels of government grant.

- 10.2 The Council will consider annually as part of the budget setting process the merits and risks associated with pooling business rates with all or some of the Lincolnshire District Councils.

- 10.3 The Council will consider annually as part of the budget setting process the merits and risks associated with pooling resources with Clinical Commissioning Groups or other regional health bodies in relation to the potential integration of services.

- 10.4 In deciding whether or not to make a bid for external funding or enter into a pooled funding arrangements Directors, Executive Councillors or the Executive must ensure that:

- The project or fund contributes to the Council's corporate objectives;
- Matched funding is available within existing budgets;
- Partner contributions are confirmed;
- Risks are assessed and minimized including:
 - Where funding is linked to the achievement of specific outcomes or identified performance measures.
 - Where success relies on others.
- The Council has the capacity to deliver the outcomes and timescales required; and
- There is a clear exit strategy where external funding is for a limited period.

And must consider:

- The probability of success in obtaining funding, particularly in relation to the resource costs of preparing bids;
- Co-ordination of bids and initiatives within the Council and with partners; and
- Whether the project represents value for money.

10.5 Approval for external funding bids should be sought from:

- the appropriate Executive councillor or the Executive – for projects costing more than £250,000;
- officers authorised to bid for external funding under directorate Schemes of Authorisation – for projects costing less than £250,000.

10.6 The County Finance Officer must ensure that:

- Costs, benefits and risks are assessed fully before partnership agreements are made;
- Governance, accountability and reporting arrangements are appropriate and clear; and
- Financial arrangements are appropriate and safeguard the Council's interests.

11 Funding the capital programme

11.1 The Council will actively dispose of surplus assets where appropriate in order to reinvest in capital assets.

11.2 Capital spending will be funded largely through long-term borrowing in accordance with government policy.

Consideration will be given as part of developing the annual treasury management strategy to the use of the Council's existing cash resources to delay the need to undertake external borrowing, known as internal borrowing.

11.3 Annual provision will be made for the repayment of long term borrowing. The amount repaid will be related directly to the useful life of the assets acquired through borrowing so that debt is not outstanding after an asset's useful life.

11.4 Provision for the repayment of long term borrowing including interest will not exceed a long term limit of 10% of annual income from general government grants, and council tax.

12 Accounting and financial processes

12.1 Strong financial controls will be maintained with the County Finance Officer responsible for determining or agreeing all financial processes, systems and financial records used by the Council.

- 12.2 Accounting policies will comply fully with International Financial Reporting Standards and statutory regulations as set out in the CIPFA Code of Practice on Local Authority Accounting in the UK. The annual statement of accounts will give a true and fair view of the financial position and transactions of the Council in the opinion of its external auditor.

13 Treasury management

- 13.1 The Council will comply at all times with the CIPFA Code of Practice on Treasury Management and related locally determined statements, strategies and practices.

The Council will provide a treasury management service to its Pension Fund.

- 13.2 The Council will employ external treasury management advisors and will outline the service received and the arrangements in place with the advisors within the Annual Treasury Management Strategy. The overall responsibility for risk management and control of the treasury operation rests with the Council.

- 13.3 The committee responsible for the scrutiny of the treasury management function is the Value For Money Scrutiny Committee, which will receive the Treasury Management Strategy and Annual Report on an annual basis and also quarterly monitoring reports throughout the year that will compare activity against approved strategy. Quarterly monitoring reports will also be made to the Pensions Committee in respect of the management of its cash resources.

Members and officers will receive appropriate training to assist them in discharging their roles regarding treasury management.

- 13.4 The Council will finance long term debt relating to capital expenditure at periods and interest rate levels that minimise the cost to the Council. The total level of long term debt will be managed within prudential levels pre-determined by the Council. The maturity profile of long term debt will also be managed with the aim of achieving an even maturity structure.

- 13.5 The Council will actively pursue debt rescheduling to the extent that it will generate financial savings without adding significantly to the overall debt burden.

- 13.6 The Council will operate a lending strategy in line with best professional practice that seeks to minimise the risk of capital loss while maximizing the income return to the Council. Priority will be given to security and liquidity over return within the lending strategy at all times.

- 13.7 When making investments, the Council will make use of a wide range of information, including credit ratings, financial press, market data and other relevant information, when determining an appropriate counterparty creditworthiness policy. Limits which diversify investments over country, sector and counterparty group will be applied.

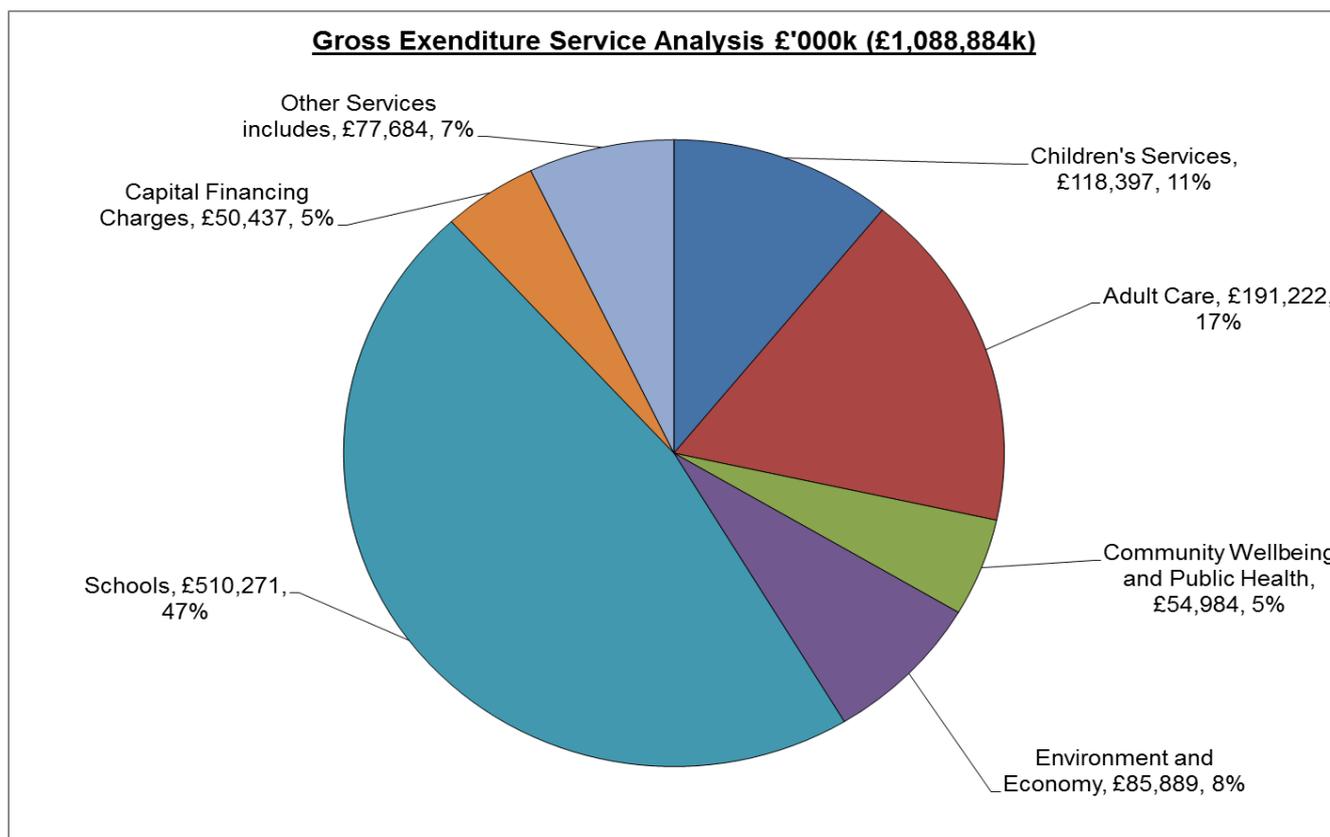
14 Performance measures and targets

- 14.1 Implementation of the Financial Strategy will be monitored and managed with reference to the measures of financial health and performance set out in the **APPENDIX F**.
- 14.2 The Financial Strategy will be reviewed at least every four years at the start of each new Council or when circumstances suggest an earlier review would be advisable.
- 14.3 Further details and guidance can be found in the Council's Financial Procedures.

KEY FINANCIAL PERFORMANCE MEASURE: FINANCIAL HEALTH AND PERFORMANCE

REF	PERFORMANCE INDICATOR	MEDIUM TERM TARGET	2014/15 Estimate	2015/16 Estimate
1	Council tax compared with other counties	In lowest quartile of all English county councils (out of 27 county councils).	Yes	Yes
2	Government grants	Lobby for annual increases in general government grants to be above the county average.	Yes	Yes
3	Capital receipts	At least £2.0m per annum from 2015/16.	£2.0m	£2.0m
4	Minimum Revenue Provision and Interest	MRP and Interest repayments not to exceed 10% of net income	5.88%	6.24%
5	Accounting	Unqualified external audit opinion.	Yes	Yes
6	General Reserves	Maintained within the range of 2.5% to 3.5% of the annual budget requirement net of Dedicated Schools Grant.	Within range 3.5%	Within range 3.5%
7	Internal control	None of the processes audited receive a "no assurance" opinion from internal audit.	Yes	Yes
8	Income collection	Overall top quartile performance compared with other counties (100 = top quartile).	85.0	85.0
9	Expenditure - prompt payment	At least 90% of undisputed invoices paid within 30 days.	92.5%	92.5%
10	Treasury management	Risk adjusted return comparison.	Weighted Benchm'k	Weighted Benchm'k

GRAPHICAL REPRESENTATION OF THE REVENUE BUDGET 2015/16



Children's Services includes: Readiness for School, Learn and Achieve, Children are Safe & Healthy and Readiness for Adult Life.

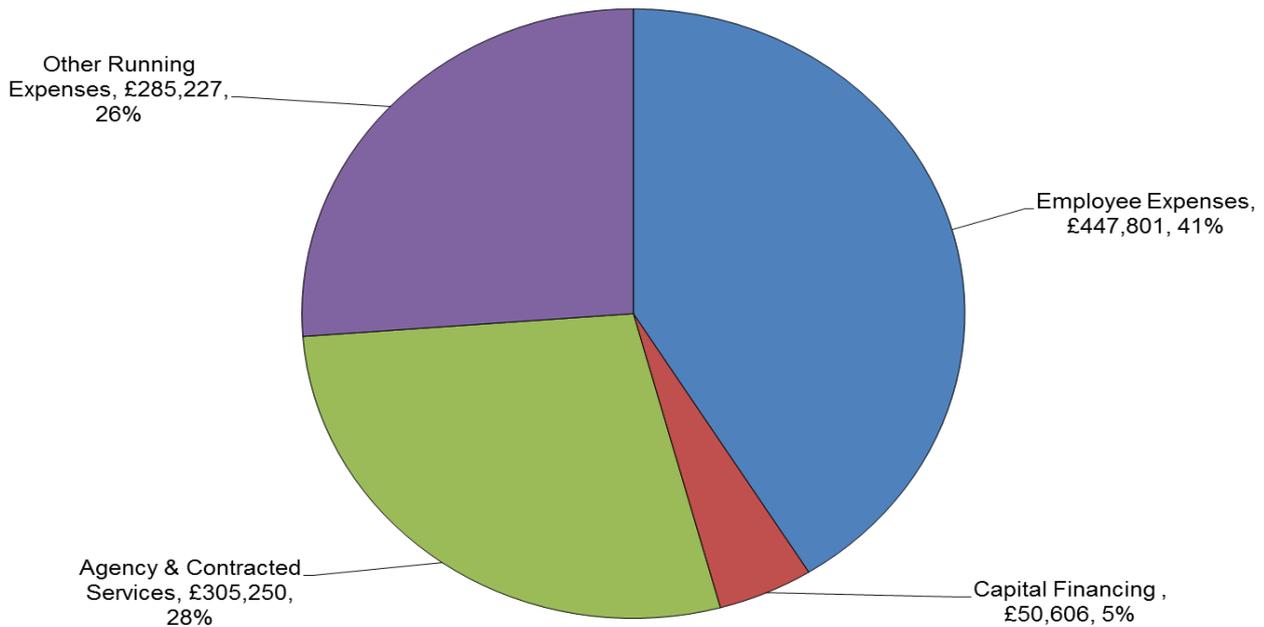
Adult Care Includes: Adult Safeguarding, Adult Frailty, Long Term Conditions and Physical Disability, Carers and Adult Specialities.

Community Wellbeing and Public Health includes: Community Resilience & Assets and Wellbeing

Environment and Economy includes: Sustaining & Developing Prosperity Through Infrastructure, Protecting & Sustaining the Environment and Sustaining & Growing Business & the Economy.

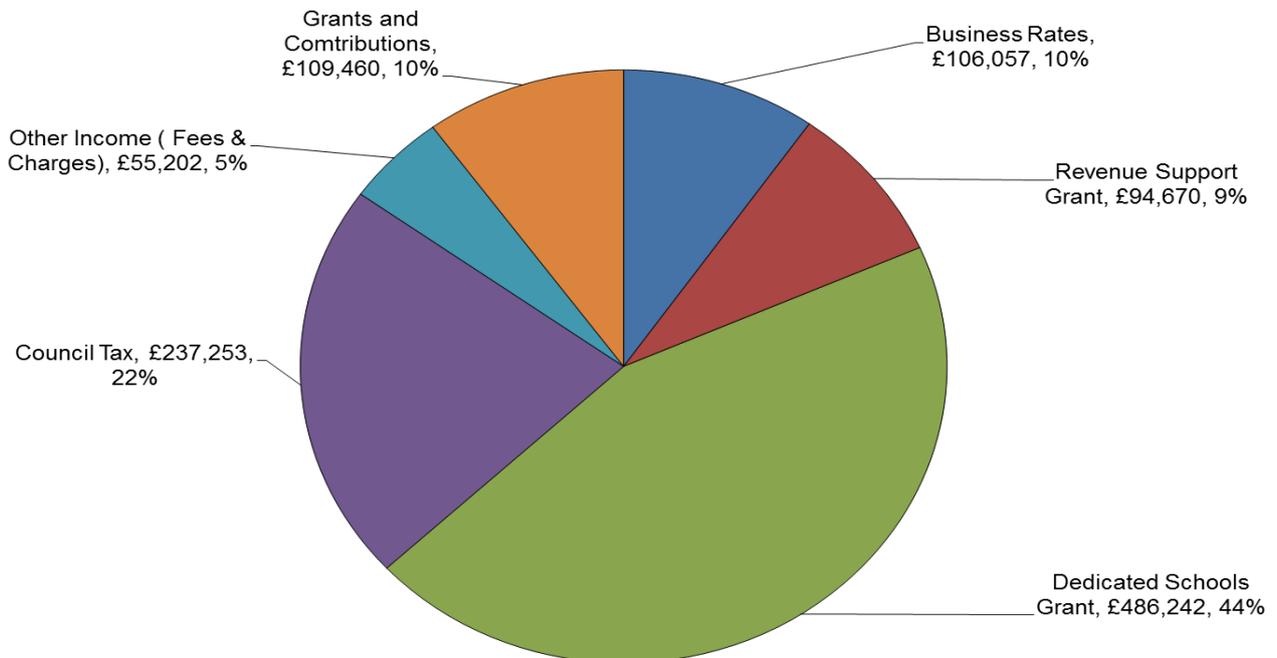
Other Services includes: Protecting the Public, How We Do Our Business and Enablers & Support to Council Outcomes, Contingency Budgets, Transfer to/from Earmarked Reserves and General Reserves.

Gross Expenditure Subjective Analysis £'000k (£1,088,884k)



The distribution of budgets differs significantly between different services. For example employee expenses comprise 59% of budgeted expenditure in schools, for other (non-schools) budgets it is only 26% of budgeted expenditure.

Sources of Finance £'000k (£1,088,884k)



Dedicated Schools Grant. Lincolnshire has been awarded £486.242m, which is for all schools in Lincolnshire including local authority schools and Academies. Approximately half of all pupils attend academy schools. Therefore, it is expected that this figure will be revised down by half for funding to academy schools. DGS is a ring-fenced grant that is passed directly through to schools.

REVENUE GOVERNMENT GRANTS 2015/16

The revenue budget for 2015/16 includes the following Government Grants which have been allocated to the County Council:

	£'000
<u>Council's Non-Specific Grants</u>	
Revenue Support Grant (*1)	94,670
Education Services Grant (*2)	6,661
SEND Implementation Local Allocation	423
New Homes Bonus	3,524
Extended Rights to Free Travel (Local Services Support Grant)	632
Lead Local Flood Authorities (Local Services Support Grant)	301
Inshore Fisheries Conservation Authorities (Local Services Support Grant)	128
<u>Schools Budgets</u>	
Dedicated Schools Grant (ring-fenced) (*3)	486,242
Pupil Premium (*4)	23,432
<u>Service Budgets</u>	
Adult Social Care Local Reform and Community Voices Grant	454
Care Act Implementation Grant	4,433
Public Health Grant (ring-fenced)	28,506
Fire Revenue Grant - Fire Link and New Dimensions	1,193
Total Revenue Grants	650,599

(*1) Revenue Support Grant in 2015/16 includes the Council Tax Freeze Grant for 2014/15 and the Rural Services Delivery Funding which were awarded to the Council separately in the last financial year.

(*2) Education Support Grant is budgeted at £6.661m. This reflects the Council's estimate of pupil numbers and funding rates per pupil in local authority and academy schools in 2014/15. The grant is paid on a quarterly basis with each payment being adjusted as schools convert to Academies throughout the financial year.

(*3) Dedicated Schools Grant. Lincolnshire has been awarded £486.242m, which is for all schools in Lincolnshire including local authority schools and Academies. Approximately half of all pupils attend academy schools, therefore it is expected that this figure will be revised down by half for funding to academy schools. DGS is a ring-fenced grant that is passed directly through to schools.

(*4) Pupil Premium. Similarly to the DSG, the pupil premium allocation of £23.432m for Lincolnshire covers both the allocations for local authority schools and academy schools. The figure for 2015/16 is currently an estimate. The final allocation for 2015/16 is not expected to be announced until late February 2015.

REVENUE BUDGET
***COST PRESSURES AND SAVINGS BY COMMISSIONING STRATEGY**

	2015/16 *COST PRESSURES £'000	2015/16 SAVINGS £'000
Readiness for School	42	-935
Learn & Achieve	1,034	-1,097
Readiness for Adult Life	54	-836
Children are Safe & Healthy	1,865	-1,390
Adult Safeguarding	1,907	0
Adult Frailty, Long Term Conditions & Physical Disability	12,791	-10,129
Carers	0	0
Adult Specialities	3,723	-3,694
Community Resilience & Assets	1,027	-739
Wellbeing	28	-1,563
Sustaining & Developing Prosperity Through Infrastructure	895	-1,197
Protecting & Sustaining the Environment	718	-635
Sustaining & Growing Business & the Economy	27	-288
Protecting the Public	461	-1,717
How We Do Our Business	50	-776
Enablers & Support to Council Outcomes	1,711	-3,190
Total Commissioning Strategy Budgets	26,333	-28,186
Other Budgets	4,247	-2,547
Total Expenditure	30,580	-30,733

*Please note that cost pressures also include inflation.

CHANGES BETWEEN THE 2014/15 BUDGET AND THE 2015/16 BUDGET

	Impact on budget	
	£'000	%
COST PRESSURES:		
Inflation	1,680	0.37%
Learn and Achieve	945	0.21%
Children are Safe & Healthy	1,533	0.34%
Adult Safeguarding		
Court of Protection	938	0.21%
Adult Safeguarding - Other Cost Pressures	955	0.21%
Adult Frailty, Long Term Conditions and Physical Disability		
Community/Home Support	1,879	0.41%
Long Term Placements	2,938	0.65%
Care Act Implementation	6,000	1.32%
Adult Frailty, Long Term Conditions and Physical Disability - Other Cost Pressures	1,826	0.40%
Adult Specialities		
Long and short term residential care	1,258	0.28%
Home Based Care Services	1,398	0.31%
Adult Specialities - Other Cost Pressures	1,039	0.23%
Community Resilience & Assets	918	0.20%
Sustaining & Developing Prosperity Through Infrastructure	700	0.15%
Protecting & Sustaining The Environment	680	0.15%
Protecting the Public	236	0.05%
Enablers & Support to Council Outcomes	1,416	0.31%
Other Budgets		
Increase in Redunancy Budget	2,500	0.55%
Other Budgets - Other Cost Pressures	1,741	0.38%
TOTAL COST PRESSURES:	30,580	6.73%

SAVINGS:		
Learn and Achieve	-935	-0.21%
Children are Safe & Healthy	-1,097	-0.24%
Readiness for Adult Life	-836	-0.18%
Children are Safe & Healthy	-1,390	-0.31%
Adult Frailty, Long Term Conditions and Physical Disability		
Better Care Funding Savings	-5,125	-1.13%
Care Act Efficiencies	-1,000	-0.22%
Residential Income Growth	-1,062	-0.23%
Adult Frailty, Long Term Conditions and Physical Disability - Other Savings	-2,942	-0.65%
Adult Specialities		
Better Care Funding Savings	-2,125	-0.47%
Adult Specialities - Other Savings	-1,569	-0.35%
Community Resilience & Assets	-739	-0.16%
Wellbeing	-1,563	-0.34%
Sustaining & Developing Prosperity Through Infrastructure	-1,197	-0.26%
Protecting & Sustaining The Environment	-635	-0.14%
Sustaining & Growing Business & The Economy	-288	-0.06%
Protecting the Public	-1,717	-0.38%
How We Do Our Business	-776	-0.17%
Enablers and Support to Council Outcomes		
Commissioning Support Unit	-1,011	-0.22%
Enablers and Support to Council Outcomes - Other Savings	-2,179	-0.48%
Other Budgets		
Other Budgets - Other Savings	-2,547	-0.56%
TOTAL SAVINGS:	-30,733	-6.77%

	Impact on budget	
	£'000	%
COST PRESSURES:		
Other Movements:		
Use of Earmarked Reserve (change over last year)	-15,091	-3.32%
Release of Funding from the General Fund Balance (change over last year)	825	0.18%
TOTAL OTHER MOVEMENTS:	-14,266	-3.14%
TOTAL CHANGE IN BUDGET REQUIREMENT:	-14,418	-3.2%
Reduction in funding from Revenue Support Grant (RSG)	-29,905	-6.6%
Reduction due to grants being rolled into RSG	-2,567	-0.6%
Reduction in other council general grants	-2,167	-0.5%
Increase in other council general grants	1,140	0.3%
New Grant - Care Act Implementation	4,433	1.0%
Increase in Business Rates (including Pooling Income and Section 31 Grant)	2,926	0.6%
Business Rates Collection Fund Surplus	830	0.2%
Increase in Council Tax Base and Council Tax Collection Fund Surplus	10,892	2.4%
TOTAL CHANGE IN GENERAL GRANT AND COUNCIL TAX INCOME:	-14,418	-3.2%

EARMARKED RESERVES

	Actual Balance as at 31 March 2014 £'000	Planned Use / Contribution in 2014/15 £'000	Estimated Balance at 31 March 2015 £'000	Planned Use / Contribution in 2015/16 £'000	Estimated Balance at 31 March 2016 £'000
Balances from dedicated schools budget including those held by Schools under a scheme of delegation	33,896	-23,896	10,000	0	10,000
Other Earmarked Reserves					
Other Services	3,999	-3,999	0	0	0
Adverse Weather	1,000	0	1,000	0	1,000
Insurances	5,087	0	5,087	0	5,087
Schools Sickness Insurance Scheme	803	0	803	0	803
Museum Exhibits	138	0	138	0	138
Development - Economic Development Reserve	533	-133	400	0	400
Development - SCS Reserve	44	-44	0	0	0
Health and Wellbeing	2,932	-800	2,132	0	2,132
Development - Lincs Coastal Country Park	386	-386	0	0	0
Legal	1,569	-900	669	0	669
Procurement	780	-206	574	0	574
Salix Carbon Management	100	92	192	0	192
Safer Communities Development Fund	833	0	833	0	833
Community Safety Development Fund	945	0	945	0	945
Co-Responders Services	150	0	150	0	150
Financial Volatility Reserve - Budget Shortfall	6,780	-6,780	0	0	0
Financial Volatility Reserve	43,006	5,302	48,308	-21,871	26,437
Teal Park	50	0	50	0	50
Youth Service Positive Activities Development Fund	301	-139	162	0	162
Corby Glen/South Lincolnshire Sports Fund	171	0	171	0	171
Youth Offending Service	363	0	363	0	363
Domestic Homicide Reviews	100	0	100	0	100
Civil Parking Enforcement	313	0	313	0	313
Support Service Contract Reserve (FDSS)	4,000	-3,500	500	0	500
Roads Maintenance Reserve	5,843	-5,843	0	0	0
New Salt Dome Willingham	200	-20	180	0	180
Waste Management Reserve	727	-727	0	0	0
Planning Appeals Reserve	100	-60	40	0	40
Adoption Reform Reserve	600	-136	464	0	464
Community Advisors Reserve	287	-140	147	0	147
Local Welfare Provision Reserve	221	0	221	0	221
Property Management	250	0	250	0	250
Broadband Project	135	-40	95	0	95
Broadband Clawback	157	0	157	0	157
Judicial Reviews	0	150	150	0	150
Temporary Service Reserves	2,914	-1,335	1,579	0	1,579
Revenue Grants and Contributions Unapplied	45,563	-17,457	28,106	0	28,106
Total Earmarked Reserves	165,276	-60,997	104,279	-21,871	82,408

PRUDENTIAL INDICATORS

PRUDENTIAL INDICATORS		2014/15	2015/16	2016/17	2017/18
PRUDENTIAL INDICATOR TARGETS					
External Debt:					
1	<u>Authorised limit for external debt -</u> The authority will set for the forthcoming financial year and the following three years an authorised limit for its total external debt, gross of investments, separately identifying borrowing from other long term liabilities				
	<u>Authorised limit for external debt -</u>	£m	£m	£m	£m
	borrowing	541.795	592.052	626.021	617.618
	other long term liabilities	15.821	15.083	14.443	13.975
	Total	557.616	607.135	640.464	631.593
2	<u>Operational boundary -</u> The authority will set for the forthcoming financial year and the following three years an operational boundary for its total external debt, gross of investments, separately identifying borrowing from other long term liabilities				
	<u>Operational boundary -</u>	£m	£m	£m	£m
	borrowing	517.795	568.052	602.022	593.619
	other long term liabilities	13.821	13.083	12.443	11.975
	Total	531.616	581.135	614.465	605.594
Treasury Management Indicators:					
Interest Rate Exposures					
The Authority will set for the forthcoming financial year and the following three years upper limits to its exposures to the effects of changes in interest rates. These prudential indicators relate to both fixed and variable interest rates.					
3	<u>Upper limit for fixed interest rate exposure</u> Net principal re fixed rate borrowing less investments	£m	£m	£m	£m
		665.617	665.617	665.617	665.617
4	<u>Upper limit for variable rate exposure</u> Net principal re variable rate borrowing less investments				
		199.685	199.685	199.685	199.685
Gross Debt					
The Authority will ensure that gross debt does not, except in the short term, exceed the total of Capital Financing Requirement (CFR) in the preceding year plus the estimates of any additional CFR for the current and next two financial years. This is to ensure that over the medium term debt will only be for a capital purpose.					
5	<u>Gross Debt and the Capital Financing Requirement</u>	✓	✓	✓	✓
Borrowing in Advance of Need					
The Authority will set for the forthcoming financial year and the following three years upper limits to its Borrowing in Advance of need.					
6	<u>Borrowing in advance of need limited to percentage of the expected increase in CFR over 3 year budget period. (Voluntary Indicator).</u>	25%	25%	25%	25%
Total principal sums invested for periods longer than 364 days					
Where a local authority plans to invest, for periods longer than 364 days the local authority will set an upper limit for each forward year period for the maturing of such investments					
7	<u>Upper limit for total principal sums invested for over 364 days</u> (per maturity date)	£m	£m	£m	£m
		40.000	40.000	40.000	40.000

PRUDENTIAL INDICATORS TO NOTE																	
8	Repayment of minimum revenue provision and interest will not exceed 10% of Net Revenue Stream including Dedicated Schools Grant (Voluntary Indicator)	5.88%	6.24%	7.48%	7.94%												
9	Estimates of capital expenditure - The Authority shall make reasonable estimates of the total of capital expenditure that it plans to incur during the forthcoming financial year and at least the two following years. Reported in the Revenue Budget and Capital Programme to Full Council	✓	✓	✓	✓												
10	Ratio of Financing Costs to Net Revenue Stream The Authority will estimate for the forthcoming financial year and the following three years the ratio of financing costs to Net Revenue Stream, including Dedicated Schools Grant.	5.85%	6.14%	7.24%	7.51%												
11	Capital Financing Requirement The Authority shall make reasonable estimates of the total of capital financing requirement at the end of the forthcoming financial year and the following three years. Estimate of the Capital Financing Requirement for the Authority Estimate of Gross External Borrowing	£m 581.443 461.674	£m 630.292 513.440	£m 669.472 553.943	£m 665.617 550.469												
12	Estimate of the incremental impact of Capital Investment decisions on the Council Tax The Authority will calculate the addition or reduction to Council Tax that results from any proposed changes to the capital programme Band D Council Tax	-£8.63	£8.36	£36.63	£15.90												
13	Treasury Management: The Authority has adopted the CIPFA's Code of Practice for Treasury Management in Public Services Treasury Management Indicator:	✓	✓	✓	✓												
14	<u>Maturity structure of new fixed rate borrowing</u> The Authority will set for the forthcoming financial year both upper and lower limits with respect to the maturity structure of borrowing under 12 months 12 months and within 24 months 24 months and within 5 years 5 years and within 10 years 10 years and above	<table border="1"> <thead> <tr> <th>upper limit</th> <th>lower limit</th> </tr> </thead> <tbody> <tr> <td>25%</td> <td>0%</td> </tr> <tr> <td>25%</td> <td>0%</td> </tr> <tr> <td>50%</td> <td>0%</td> </tr> <tr> <td>75%</td> <td>0%</td> </tr> <tr> <td>100%</td> <td>0%</td> </tr> </tbody> </table>		upper limit	lower limit	25%	0%	25%	0%	50%	0%	75%	0%	100%	0%		
upper limit	lower limit																
25%	0%																
25%	0%																
50%	0%																
75%	0%																
100%	0%																

CAPITAL PROGRAMME

Capital Programme (2015/16 Plus Future Years)	Net Programme 2014/15 £'000	Grants and Contributions 2014/15 £'000	Gross Programme 2014/15 £'000	Net Programme 2015/16 £'000	Grants and Contributions 2015/16 £'000	Gross Programme 2015/16 £'000	Net Programme future years £'000	Grants and Contributions future years £'000	Gross Programme future years £'000
Children's Services									
<u>Readiness for School</u>									
Other Readiness for School	1,534	534	2,068	0	0	0	0	0	0
Sub Total	1,534	534	2,068	0	0	0	0	0	0
<u>Learn and Achieve</u>									
Devolved Capital	1,800	1,395	3,195	0	1,344	1,344	0	0	0
Provision of School Places (Basic Need)	12,561	11,056	23,617	0	11,434	11,434	0	12,006	12,006
School Condition / Maintenance Capital	1,243	0	1,243	0	0	0	0	0	0
Schools Modernisation / Condition Capital	2,431	6,752	9,183	0	5,421	5,421	0	0	0
Academy Projects	1,995	299	2,294	1,115	0	1,115	0	0	0
Other Learn and Achieve	581	0	581	600	0	600	0	0	0
Sub Total	20,611	19,502	40,113	1,715	18,199	19,914	0	12,006	12,006
<u>Readiness for Adult Life</u>									
Other Readiness for Adult Life	133	30	163	0	0	0	0	0	0
Sub Total	133	30	163	0	0	0	0	0	0
<u>Children are Safe and Healthy</u>									
Universal Infant Free School Meals Capital	0	1,085	1,085	0	0	0	0	0	0
Other Children are Safe and Healthy	640	0	640	0	0	0	0	0	0
Sub Total	640	1,085	1,725	0	0	0	0	0	0
Adult Care									
<u>Adult Frailty, Long Term Conditions and Physical Disability</u>									
Adult Care	313	1,848	2,161	490	1,875	2,365	0	0	0
Better Care Fund - Disabled Facility Grants	0	0	0	0	2,970	2,970	0	0	0
Sub Total	313	1,848	2,161	490	4,845	5,335	0	0	0
Community Wellbeing and Public Health									
<u>Community Resilience and Assets</u>									
Libraries	77	0	77	1,028	0	1,028	0	0	0
Other Community Resilience and Assets	253	0	253	0	0	0	0	0	0
Sub Total	330	0	330	1,028	0	1,028	0	0	0
Economy and Economy									
<u>Sustaining and Developing Prosperity Through Infrastructure</u>									
Highways Asset Protection	6,671	29,865	36,536	0	31,012	31,012	0	105,909	105,909
Integrated Transport	3,748	7,423	11,171	75	3,312	3,387	0	13,248	13,248
Lincoln Eastern Bypass	2,000	0	2,000	14,687	33,291	47,978	28,000	16,659	44,659
Lincoln East-West Link	4,958	0	4,958	7,989	0	7,989	1,403	0	1,403
Spalding Relief Road (Phase I)	0	0	0	0	0	0	10,000	0	10,000
Grantham Southern Relief Road	0	800	800	1,000	9,200	10,200	35,000	18,000	53,000

Capital Programme (2015/16 Plus Future Years)	Net Programme 2014/15 £'000	Grants and Contributions 2014/15 £'000	Gross Programme 2014/15 £'000	Net Programme 2015/16 £'000	Grants and Contributions 2015/16 £'000	Gross Programme 2015/16 £'000	Net Programme future years £'000	Grants and Contributions future years £'000	Gross Programme future years £'000
A16/A1073 Spalding to Eye Road Improvement	1,661	0	1,661	0	0	0	0	0	0
Grantham Growth Point	2,298	0	2,298	0	0	0	0	0	0
Lincolnshire Waterways	1,025	0	1,025	300	0	300	0	0	0
Skegness Countryside Business Park	1,100	0	1,100	0	0	0	0	0	0
Historic Lincoln	-306	7,283	6,977	0	3,952	3,952	0	0	0
Other Sustaining and Developing Prosperity	1,145	0	1,145	0	0	0	0	0	0
Sub Total	24,300	45,371	69,671	24,051	80,767	104,818	74,403	153,816	228,219
Protecting and Sustaining the Environment									
Flood Defence	0	0	0	6,000	0	6,000	0	0	0
Boston Barrier	0	0	0	0	0	0	11,000	0	11,000
Other Protecting and Sustaining the Environment	1,178	0	1,178	650	0	650	0	235	235
Energy from Waste	320	0	320	0	0	0	0	0	0
Sub Total	1,498	0	1,498	6,650	0	6,650	11,000	235	11,235
Sustaining and Growing Business and the Economy									
Other Sustaining and Growing Business and the Economy	1,248	0	1,248	339	0	339	0	0	0
Sub Total	1,248	0	1,248	339	0	339	0	0	0
Finance and Public Protection									
Protecting the Public									
Youth Offending	38	0	38	0	0	0	0	0	0
Fire & Rescue and Emergency Planning	569	885	1,454	5,679	0	5,679	500	0	500
Fire Fleet Vehicles and Associated Equipment	1,141	0	1,141	1,420	0	1,420	16,489	0	16,489
Sub Total	1,748	885	2,633	7,099	0	7,099	16,989	0	16,989
Enablers and Support to Council's Outcomes									
Broadband	200	14,041	14,241	12,464	4,500	16,964	0	0	0
Infrastructure and Refresh Programme	921	0	921	2,421	0	2,421	0	0	0
Replacement ERP Finance System	7,000	0	7,000	0	0	0	0	0	0
Care Management System (CMPP)	1,616	0	1,616	483	0	483	0	0	0
IMP Development	543	0	543	0	0	0	0	0	0
ICT Development Fund	0	0	0	2,690	0	2,690	0	0	0
Property	4,923	0	4,923	3,200	0	3,200	0	0	0
Property Rationalisation Programme	2,500	0	2,500	2,732	0	2,732	0	0	0
Property Contingency	0	0	0	0	0	0	7,298	0	7,298
Sub Total	17,703	14,041	31,744	23,990	4,500	28,490	7,298	0	7,298
Other programmes									
New Developments Capital Contingency Fund	3,230	0	3,230	15,000	0	15,000	0	0	0
Sub Total	3,230	0	3,230	15,000	0	15,000	0	0	0
TOTAL	73,288	83,296	156,584	80,362	108,311	188,673	109,690	166,057	275,747

SUMMARY OF CAPITAL SCHEMES FROM THE 2015/16 PROGRAMME

The Council's Capital Programme includes the following schemes which are due to be undertaken in 2015/16:

Children's Services:

- Programme of expansion and new build construction of school buildings to meet the statutory responsibility for provision of educational places. Significant projects for 2015/16 include: construction of a new Primary Academy school in North Hykeham; major expansions of primary schools in Lincoln (St Faith's Church of England Infant School) and Spalding (Parish Church of England Day School).
- Programme to improve the condition of the school estate, for example roofing, boiler replacements and window replacements.

Adult Care

- Schemes including: Extra Care Housing; Telecare/Telehealth; Disabled Facilities Grants; Modernisation and Minor Works & Health and Safety.

Community Wellbeing and Public Health:

- Libraries funding set aside for one-off investment, most of it in Community Hubs offering library facilities.

Environment and Economy:

- Maintenance of roads, bridges, safety fencing, street lighting, signs and lines and traffic signals.
- Integrated transport schemes across the County including minor capital improvements, rights of way, road safety, public transport and town/village enhancements.
- Lincoln Eastern Bypass, Lincoln East-West Link Road and Grantham Southern Relief Road – three major new roads projects.
- Historic Lincoln – redevelopment of the Castle and other associated projects, including Magna Carta pavilion and refurbishment of the prison.
- Flood Defence - contribution towards Environment Agency led flood defence schemes in Louth and Horncastle.

Finance and Public Protection:

- New fire station builds at Sleaford and maintenance and improvement programme to ensure fire properties remain fit for purpose.
- Replacement of fire-fighters' personal protective equipment.
- Rolling programme for the replacement of fire and rescue fleet vehicles and associated equipment.
- Repairs, maintenance and improvement to council properties.
- Property rationalisation programme, projects throughout the County.
- Broadband – a programme to install high speed internet infrastructure in communities and businesses, particularly in rural areas.
- General IT programmes including: IT development; Replacement of PC's and other IT equipment and ICT infrastructure.

Other Programmes:

- A Council wide budget has been created to fund any schemes that are currently in the development stage. This funding will be awarded to these schemes on the approval of their business cases throughout 2015/16.

CAPITAL GOVERNMENT GRANTS 2015/16

The Capital Programme for 2015/16 includes the following Government Grants which have been allocated to the County Council:

	£'000
Adult's Social Care Capital Grant	1,875
Better Care Fund - Disabled Facility Grants (*1)	2,970
Highways Asset Maintenance	31,012
Highways Integrated Transport	3,312
Schools Basic Needs	11,434
Schools Condition Allocation	5,421
Schools Devolved Formula Capital	1,344
Total Capital Grants	57,368

(*1) Better Care Fund - Disabled Facility Grants

Funding to be passported to the Lincolnshire District Council's for delivery of the service.

Further grants included in the programme will be received on a claim basis as spend is incurred.

SUMMARIES OF COMMISSIONING STRATEGY REVENUE ESTIMATES

REVENUE EXPENDITURE - READINESS FOR SCHOOL

Ref No	Main Area of Expenditure	2015/16 Estimate £	Notes
1	2014/15 BUDGET	9,176,588	
	BUDGET CHANGES:		
2	Inflation	41,700	Ref 2 An allocation for inflation.
	<u>Cost Pressures</u>		
	<u>Savings:</u>		
3	Commissioned activities in Children's Centres	- 934,514	Ref 3 A reduction in a limited number of commissioned activities in Children's Centres whilst retaining those services directly affecting the prioritised outcomes.
4	2015/16 BUDGET	8,283,774	
			Please note that the Healthy Child Programme is expected to be transferred to the Council as commissioner in October 2015 but the budget figures have not yet been notified.

REVENUE EXPENDITURE - READINESS FOR SCHOOL

(1) Line No	(2) Description	(3) 2014/15 Budget £	(4) Budget Changes £	(5) 2015/16 Original Estimate £
1	HEALTHY CHILD PROGRAMME			
2	CHILDREN'S CENTRES - CENTRE COSTS	4,642,464	133,556	4,776,020
3	CHILDREN'S CENTRES - COMMISSIONED SERVICES	2,760,322	- 1,035,175	1,725,147
4	EARLY EDUCATION	1,773,802	8,805	1,782,607
5	NET TARGET BUDGET	9,176,588	- 892,814	8,283,774

REVENUE EXPENDITURE - LEARN AND ACHIEVE

Ref No	Main Area of Expenditure	2015/16 Estimate £	Notes
1	2014/15 BUDGET	35,981,462	
	BUDGET CHANGES:		
2	Inflation	88,964	Ref 2 An allocation for inflation.
	<u>Cost Pressures:</u>		
3	Home to School/College Transport	380,000	Ref 3 An inflationary increase required as a result of market factors affecting transport provision.
4	University Technology College transport	142,000	Ref 4 Transportation of pupils to the University Technology College, which provides education with a high level engineering focus for Lincolnshire pupils from the age of 14.
5	SEND grant	423,493	Ref 5 Special Education Needs and Disabilities (SEND) Reform grant for 2015-2016.
	<u>Savings:</u>		
6	School Improvement	- 500,000	Ref 6 Savings to be achieved through contract negotiations and a move towards a sector led approach due to a reduction in LA responsibilities following schools transferring to Academy status and Education Support Grant reductions.
7	Children with Disabilities	- 393,325	Ref 7 Changes to the delivery model of short break contracts that deliver a range of activities for children with disabilities. In addition the provision of high cost equipment will be met by another funding source.
8	Music Service	- 204,000	Ref 8 The removal of the Council's contribution towards the Music Service. Central government grants will remain with the service. It is intended that, in time, the service will be a fully traded model.
9	2015/16 BUDGET	35,918,594	

REVENUE EXPENDITURE - LEARN AND ACHIEVE

(1) Line No	(2) Description	(3) 2014/15 Budget £	(4) Budget Changes £	(5) 2015/16 Original Estimate £
1	SCHOOL SUPPORT SERVICES	1,063,139	- 200,343	862,796
2	PARENT PARTNERSHIP	165,921	18,270	184,191
3	SCHOOL IMPROVEMENT	2,831,331	- 500,810	2,330,521
4	STATEMENTING PROCESS AND INTERVENTION	2,661,161	364,972	3,026,133
5	HOME TO SCHOOL/COLLEGE TRANSPORT	24,645,388	522,000	25,167,388
6	SCHOOL ADMISSIONS AND OTHER EDUCATION COSTS	318,551	- 52,460	266,091
7	CHILDREN WITH DISABILITIES	3,946,587	- 214,497	3,732,090
8	SUPPORTED EMPLOYMENT	349,384	0	349,384
9	NET TARGET BUDGET	35,981,462	- 62,868	35,918,594

REVENUE EXPENDITURE - READINESS FOR ADULT LIFE

Ref No	Main Area of Expenditure	2015/16 Estimate £	Notes
1	2014/15 BUDGET	7,103,902	
	BUDGET CHANGES:		
2	Inflation	53,775	Ref 2 An allocation for inflation.
	<u>Cost Pressures:</u>		
	<u>Savings:</u>		
3	14 - 19 Provision	- 132,000	Ref 3 Retention of minimal staffing provision to enable the Local Authority to exercise its statutory duties to support sufficiency of provision for post 16 places and curriculum.
4	Positive Activities for Young People	- 173,800	Ref 4 Decommissioning of the REAL Bus which is a mobile information and advice centre for young people. The Fire Service are planning to take over responsibility for this activity.
5	Supported Accommodation	- 530,000	Ref 5 Partial decommissioning of supported accommodation by reducing housing related support from support for young people aged 17-25 to only those 16/17 year olds plus care leavers (statutory duty). Public Health will continue to commission services for vulnerable young people aged 18-25.
6	2015/16 BUDGET	6,321,877	

REVENUE EXPENDITURE - READINESS FOR ADULT LIFE

(1) Line No	(2) Description	(3) 2014/15 Budget £	(4) Budget Changes £	(5) 2015/16 Original Estimate £
1	14-19 EDUCATION/TRAINING AND APPRENTICESHIPS	302,506	- 132,000	170,506
2	CAREER GUIDANCE	1,291,334	- 9,573	1,281,761
3	POSITIVE ACTIVITIES FOR YOUNG PEOPLE	1,962,547	- 147,802	1,814,745
4	TEENAGE PREGNANCY	229,939	0	229,939
5	SUPPORTED ACCOMMODATION/LODGINGS	1,866,303	- 530,000	1,336,303
6	LINCS SECURE UNIT	- 445,057	53,775	- 391,282
7	LEAVING CARE	1,896,330	- 16,425	1,879,905
8	NET TARGET BUDGET	7,103,902	- 782,025	6,321,877

REVENUE EXPENDITURE - CHILDREN ARE SAFE AND HEALTHY

Ref No	Main Area of Expenditure	2015/16 Estimate £	Notes
1	2014/15 BUDGET	50,031,765	
	BUDGET CHANGES:		
2	Inflation	331,591	Ref 2 An allocation for inflation.
	<u>Cost Pressures:</u>		
3	Fostering and Adoption	664,000	Ref 3 An increase in Fostering Allowances (£0.107m), Regulation 24 payments (£0.268m) and Special Guardianship payments (£0.271m) as a result of the rise in the number of looked after children. In addition there is funding for a 2% inflationary uplift to Foster Care Allowances (£0.018m).
4	Out of County Residential Placements	869,000	Ref 4 Additional funding required as a result of an increase in looked after children with more complex and challenging needs that can not be met by in-house provision.
	<u>Savings:</u>		
5	Healthy Schools and Food for Life	- 407,826	Ref 5 Consult and remodel services which support schools to address health outcomes using universal services to promote positive health messages.
6	Child Protection	- 400,000	Ref 6 Lower third party insurance costs as a result of a reduced number of claims in recent years.
7	Commissioning Support	- 582,528	Ref 7 Savings as a result of the senior management review, a reduction in the staffing infrastructure and other staff related costs
8	2015/16 BUDGET	50,506,002	

REVENUE EXPENDITURE - CHILDREN ARE SAFE AND HEALTHY

(1) Line No	(2) Description	(3) 2014/15 Budget £	(4) Budget Changes £	(5) 2015/16 Original Estimate £
1	SCHOOL NURSING	2,629,040	0	2,629,040
2	HEALTHY SCHOOLS AND HEALTHY CHILD	586,826	- 407,826	179,000
3	CHILD PROTECTION (CONTACT, REF AND ASSESSMENT)	15,436,785	- 196,856	15,239,929
4	TARGETED SUPPORT - YOUNG PEOPLE	1,746,570	- 24,615	1,721,955
5	LOOKED AFTER CHILDREN	3,326,588	14,308	3,340,896
6	FOSTERING AND ADOPTION	11,225,564	664,191	11,889,755
7	RESIDENTIAL HOMES	5,095,502	869,000	5,964,502
8	CHILD AND ADOLESCENT MENTAL HEALTH SERVICES (SECTION 75)	835,444	- 4	835,440
9	UNACCOMPANIED CHILDREN	0	0	0
10	FAMILY SUPPORT	5,435,713	- 1,003	5,434,710
11	COMMISSIONING SUPPORT FOR ALL CHILDREN'S STRATEGIES	3,713,733	- 442,958	3,270,775
12	NET TARGET BUDGET	50,031,765	474,237	50,506,002

REVENUE EXPENDITURE - ADULT SAFEGUARDING

Ref No	Main Area of Expenditure	2015/16 Estimate £	Notes
1	2014/15 BUDGET	1,348,091	
	BUDGET CHANGES:		
2	Inflation	14,548	Ref 2 An allocation for inflation.
	<u>Cost Pressures:</u>		
3	Additional Staffing	75,306	Ref 3 Extra staff required for the increased DOLS assesments due to the Cheshire West judgement
4	Additional Dols application in year	442,200	Ref 4 Significant increase per month in DOLS assesments due to the Cheshire West judgement
5	Additional court of protection applic	937,500	Ref 5 Increase in Community Supported living costs on account of the Cheshire West judgement
6	Additional DOLS reassessments	260,898	Ref 6 Increase in the number of DOLS re-assements as a result of the Cheshire West judgement
7	Additional legal costs in year	177,000	Ref 7 Legal costs increase alongside all of the additional DOLS assessments and re assessments
	Savings		
8	2015/16 BUDGET	3,255,543	

REVENUE EXPENDITURE - ADULT SAFEGUARDING

(1) Line No	(2) Description	(3) 2014/15 Budget £	(4) Budget Changes £	(5) 2015/16 Original Estimate £
1	FIELDWORK TEAM	1,155,514	89,854	1,245,368
2	BEST INTEREST ASSESSMENTS	112,577	1,817,598	1,930,175
3	SAFEGUARDING BOARD	80,000	0	80,000
4	NET TARGET BUDGET	1,348,091	1,907,452	3,255,543

REVENUE EXPENDITURE - ADULT FRAILITY, LONG TERM CONDITIONS AND PHYSICAL DISABILITY

Ref No	Main Area of Expenditure	2015/16 Estimate £	Notes
1	2014/15 BUDGET	90,431,660	
	BUDGET CHANGES:		
2	Inflation	148,336	Ref 2 An allocation for inflation.
	<u>Cost Pressures:</u>		
3	LARS service	- 300,000	Ref 3 one off increase for 14/15 pressure only
4	Direct Payments	737,867	Ref 4 Inflation and Demographic pressures in 15/16
5	Community /Home support	1,878,640	Ref 5 Inflation and Demographic pressures in 15/16
6	Long term placements	2,937,874	Ref 6 Inflation and Demographic pressures in 15/16
7	Short term Placements	280,970	Ref 7 Inflation and Demographic pressures in 15/16
8	Other services	89,215	Ref 8 Inflation and Demographic pressures in 15/16
9	Care Act implementation	6,000,000	Ref 9 Additional funding for the implementation of the Care Act
10	Family Dementia support/short breaks	318,000	Ref 10 Inflation and Demographic pressures in 15/16
11	Seasonal pressure	700,000	Ref 11 Inflation and Demographic pressures in 15/16
	<u>Savings:</u>		
12	Staffing	- 445,000	Ref 12 Senior management review and other staff savings
13	Intermediate care step down	- 300,000	Ref 13 Savings due to contract renegotiations
14	BCF	- 1,000,000	Ref 14 Additional funding from the Better Care Fund
15	Income Maximisation	- 2,087,631	Ref 15 Review of contributions policy to reflect Care Act and maximising income
16	OP/PD day care and transport	- 100,000	Ref 16 Renegotiation of Transport contracts
17	Sensory impairment contract	- 53,000	Ref 17 Savings due to contract renegotiations
18	Care Act efficiencies	- 1,000,000	Ref 18 Efficiency savings
19	Demographic growth -BCF	- 2,125,000	Ref 19 Additional funding from the Better Care Fund
20	BCF Care act implementation	- 2,000,000	Ref 20 Additional funding from the Better Care Fund
21	Family Dementia support/short breaks	- 318,000	Ref 21 Additional funding from reserves for Family Dementia support
22	Use of Reserves	- 700,000	Ref 22 Additional funding from reserves for seasonal pressures
23	2015/16 BUDGET	93,093,931	

REVENUE EXPENDITURE - ADULT FRAILTY, LONG TERM CONDITIONS AND PHYSICAL DISABILITY

(1) Line No	(2) Description	(3) 2014/15 Budget £	(4) Budget Changes £	(5) 2015/16 Original Estimate £
1	LONG AND SHORT TERM RESIDENTIAL CARE	44,478,950	2,056,820	46,535,770
2	HOME BASED CARE SERVICES	16,845,600	699,400	17,545,000
3	DIRECT PAYMENTS	8,718,484	401,766	9,120,250
4	DAY CARE SERVICES	715,680	-	268,000
5	INTERMEDIATE CARE	2,405,502	-	2,034,835
6	HIRED AND CONTRACTED SERVICES	155,871	-	100,000
7	FIELDWORK TEAM	9,619,973	1,625,531	11,245,504
8	COMMISSIONING SUPPORT	7,491,600	-	6,244,572
9	NET TARGET BUDGET	90,431,660	2,662,271	93,093,931

REVENUE EXPENDITURE - CARERS

Ref No	Main Area of Expenditure	2015/16 Estimate £	Notes
1	2014/15 BUDGET BUDGET CHANGES: Inflation Cost Pressures Savings	2,044,492	
2	2015/16 BUDGET	2,044,492	

REVENUE EXPENDITURE - CARERS

(1) Line No	(2) Description	(3) 2014/15 Budget £	(4) Budget Changes £	(5) 2015/16 Original Estimate £
1	ADULT AND YOUNG CARERS SERVICE CONTRACTS	1,294,492	0	1,294,492
2	PERSONAL BUDGETS	750,000	0	750,000
3	NET TARGET BUDGET	2,044,492	0	2,044,492

REVENUE EXPENDITURE - ADULT SPECIALTIES

Ref No	Main Area of Expenditure	2015/16 Estimate £	Notes
1	2014/15 BUDGET	47,213,730	
	BUDGET CHANGES:		
2	Inflation	29,003	Ref 2 An allocation for inflation.
	<u>Cost Pressures:</u>		
3	Long and Short term Residential Care	1,258,023	Ref 3 Inflation and Demographic pressures in 15/16
4	Home Based Care services	1,397,622	Ref 4 Inflation and Demographic pressures in 15/16
5	Direct Payments	507,334	Ref 5 Inflation and Demographic pressures in 15/16
6	Day Care services	352,894	Ref 6 Inflation and Demographic pressures in 15/16
7	Mental Health section 75 agreement	178,351	Ref 7 Inflation and Demographic pressures in 15/16
	<u>Savings:</u>		
8	Long and Short term Residential Care	- 128,594	Ref 8 Increase in service user income
9	Demography BCF	- 2,125,000	Ref 9 Additional funding from the Better Care Fund
10	Use of Reserves	- 1,440,630	Ref 10 Additional funding from Reserves
11	2015/16 BUDGET	47,242,733	

REVENUE EXPENDITURE -ADULT SPECIALTIES

(1) Line No	(2) Description	(3) 2014/15 Budget £	(4) Budget Changes £	(5) 2015/16 Original Estimate £
1	LONG AND SHORT TERM RESIDENTIAL CARE	9,371,678	289,758	9,661,436
2	HOME BASED CARE SERVICES	19,187,051	-	18,818,976
3	DIRECT PAYMENTS	4,921,970	61,558	4,983,528
4	DAY CARE SERVICES	5,680,615	-	5,519,023
5	FIELDWORK TEAM	2,416,895	29,003	2,445,898
6	COMMISSIONING SUPPORT	5,635,521	178,351	5,813,872
7	NET TARGET BUDGET	47,213,730	29,003	47,242,733

REVENUE EXPENDITURE - COMMUNITY RESILIENCE & ASSETS

Ref No	Main Area of Expenditure	2015/16 Estimate £	Notes
1	2014/15 BUDGET	12,381,345	
	BUDGET CHANGES:		
2	Inflation	108,667	Ref 2 An allocation for inflation.
	<u>Cost Pressures:</u>		
3	Local Welfare Provision	918,474	Ref 3 Funding for Local Welfare Provision is now made through RSG instead of a local specific grant.
	<u>Savings:</u>		
4	Customer services switchboard	- 107,635	Ref 4 Savings resulting from revised switchboard solutions.
5	Printed guides	- 30,000	Ref 5 Move to digital versions of the Good Life Guide and the Really Useful Stuff Guide.
6	Community Engagement Team	- 6,723	Ref 6 A small saving from the community Engagement Team reflecting a part time vacant post.
7	Health & Wellbeing Board set up	- 7,000	Ref 7 Removal of costs of setting up and consulting on the Health and Wellbeing Strategy Board.
8	Senior Forums	- 4,000	Ref 8 This engagement work will be done more efficiently by including it within the Peoples Partnership.
9	Voluntary Organisations infrastructure	- 13,851	Ref 9 Efficiencies provided by the voluntary organisations.
10	Community Activity grants	- 100,000	Ref 10 Reduction in grants across all the Community grants available for community activities.
11	Heritage Trust SLA	- 8,600	Ref 11 Efficiencies provided by the voluntary organisation.
12	CSC	- 398,207	Ref 12 Savings provided from the Serco contract.
13	Trading Standards/Financial Inclusion	- 63,074	Ref 13 Savings from bringing together a number of LCC CAB agreements
14	2015/16 BUDGET	12,669,396	

REVENUE EXPENDITURE - COMMUNITY RESILIENCE & ASSETS

(1) Line No	(2) Description	(3) 2014/15 Budget £	(4) Budget Changes £	(5) 2015/16 Original Estimate £
1	ADVICE, INFORMATION AND SUPPORT FROM COMMUNITY AND VOLUNTEER SECTOR INFRASTRUCTURE ORGANISATIONS	949,400	- 57,999	891,401
2	COMMUNITY ENGAGEMENT AND DEVELOPMENT (COMMUNITY GRANTS)	618,055	- 108,170	509,885
3	COMMUNITY ENGAGEMENT AND DEVELOPMENT (BIG SOCIETY FUND)	154,000	0	154,000
4	COMMUNITY ENGAGEMENT AND DEVELOPMENT (CONTRIB TO SPORTS CENTRE FACILITIES)	451,455	0	451,455
5	FINANCIAL INCLUSION	810,742	- 63,074	747,668
6	LIBRARY AND INFORMATION SERVICES	6,587,824	63,982	6,651,806
7	CUSTOMER SERVICE CENTRE	2,809,869	- 465,162	2,344,707
8	LOCAL WELFARE SUPPORT	0	918,474	918,474
9	NET TARGET BUDGET	12,381,345	288,051	12,669,396

REVENUE EXPENDITURE - WELLBEING

Ref No	Main Area of Expenditure	2015/16 Estimate £	Notes
1	2014/15 BUDGET	39,821,869	
	BUDGET CHANGES:		
2	Inflation	28,283	Ref 2 An allocation for inflation.
	Cost Pressures:		
	<u>Savings:</u>		
3	Coroners office costs	- 10,000	Ref 3 Savings resulting from a review of Coroners office expenses and operating costs.
4	Health Improvement activities	- 291,000	Ref 4 Reduction in health improvement and self management activities.
5	Statutory Public Health service	- 214,285	Ref 5 Savings resulting from the senior management review, staff re-organisation and reduced GEM support payments to NHS
6	Mental Health admin costs	- 21,826	Ref 6 Reduction in admin costs for mental health training
7	Celebratory service income	- 24,500	Ref 7 Additional income from booking fees and a tiered offer for ceremonies.
8	Housing related support	- 1,001,284	Ref 8 Efficiencies from reviewing and re-modelling current contracts.
9	2015/16 BUDGET	38,287,257	

REVENUE EXPENDITURE - WELLBEING

(1) Line No	(2) Description	(3) 2014/15 Budget £	(4) Budget Changes £	(5) 2015/16 Original Estimate £
1	HEALTH IMPROVEMENT, PREVENTION AND SELF MANAGEMENT	7,278,158	- 175,955	7,102,203
2	PUBLIC HEALTH STATUTORY SERVICE	4,207,715	- 350,241	3,857,474
3	MENTAL HEALTH	218,261	- 21,826	196,435
4	REGISTRATION, CELEBRATORY AND CORONERS SERVICE	1,376,411	- 20,135	1,356,276
5	WELLBEING SERVICE (INCL SPECIALIST EQUIPMENT, ASSISTIVE TECHNOLOGY AND DFG'S	8,158,335	- 1,960	8,156,375
6	SEXUAL HEALTH	5,977,378	46,770	6,024,148
7	HOUSING RELATED SERVICE	4,986,106	- 1,001,284	3,984,822
8	PREVENTION AND TREATMENT OF SUBSTANCE MISUSE	7,619,505	- 9,981	7,609,524
9	NET TARGET BUDGET	39,821,869	- 1,534,612	38,287,257

REVENUE EXPENDITURE - SUSTAINING & DEVELOPING PROSPERITY THROUGH INFRASTRUCTURE

Ref No	Main Area of Expenditure	2015/16 Estimate £	Notes
1	2014/15 BUDGET	49,793,881	
	BUDGET CHANGES:		
2	Inflation	195,252	Ref 2 An allocation for inflation
	<u>Cost Pressures:</u>		
3	Aviation Heritage Partnership	- 130,000	Ref 3 Removal of previous year contribution to Aviation Heritage Partnership
4	Transportation	60,000	Ref 4 Lincoln - Nottingham rail improvements
5	Third Party Insurance	270,000	Ref 5 Increase in Third Party Insurance premium
6	Magna Carta	500,000	Ref 6 Temporary park and ride for Magna Carta
	<u>Savings:</u>		
7	Transportation	- 146,285	Ref 7 Reduction in Other Transport Initiatives, Smarter Choices and Transport Policy
8	Highways Maintenance	- 858,000	Ref 8 A reduction in the number of Area Maintenance Teams (-£0.470m), reduction in staffing support to Highways Maintenance (-£0.200m), and a reduction in Countryside (-£0.188m)
9	New Investments	- 156,029	Ref 9 Reduction in the capacity to develop future Major Schemes
10	Infrastructure & Regeneration	- 36,485	Ref 10 Reduction in Economic Infrastructure & Regeneration
11	2015/16 BUDGET	49,492,334	

REVENUE EXPENDITURE - SUSTAINING & DEVELOPING PROSPERITY THROUGH INFRASTRUCTURE

(1) Line No	(2) Description	(3) 2014/15 Budget £	(4) Budget Changes £	(5) 2015/16 Original Estimate £
1	TRANSPORTATION INCLUDING CONCESSIONARY FARES AND OTHER GOVERNMENT GRANTS ETC	14,328,606	453,975	14,782,581
2	HIGHWAYS ASSET MAINTENANCE	23,411,787	-	22,692,650
3	HIGHWAY NETWORK MANAGEMENT	9,159,685	242,304	9,401,989
4	NEW TRANSPORT INVESTMENTS INCLUDING HIGHWAYS IMPROVEMENTS AND BYPASSES, GROWTH CORRIDORS AND PROGRAMMES	816,284	-	681,397
5	ECONOMIC INFRASTRUCTURE AND REGENERATION	252,970	-	219,763
6	HERITAGE & TOURISM OPERATION AND DEVELOPMENT	1,824,549	-	1,713,954
7	NET TARGET BUDGET	49,793,881	-	49,492,334

REVENUE EXPENDITURE - PROTECTING AND SUSTAINING THE ENVIRONMENT

Ref No	Main Area of Expenditure	2015/16 Estimate £	Notes
1	2014/15 BUDGET	22,384,373	
	BUDGET CHANGES:		
2	Inflation	37,950	Ref 2 An allocation for inflation
	<u>Cost Pressures:</u>		
3	Waste Management	680,000	Ref 3 Business rates for new EfW site at Whisby
	<u>Savings:</u>		
4	Flood Risk Management	- 150,000	Ref 4 Reduction in Government Grant for flood and water risk management
5	Waste Management	- 402,000	Ref 5 A review of the fly tipping service (-£0.067), other savings from contract efficiencies at Gainsborough HWRC (-£0.300m) and project development (-£0.035m)
6	Waste Recovery & Recycling	- 63,451	Ref 6 Cessation of Lincolnshire County Council public awareness education work
7	Partnership Projects	- 20,000	Ref 7 Reduction in support to partnership projects
8	2015/16 BUDGET	22,466,872	

REVENUE EXPENDITURE - PROTECTING AND SUSTAINING THE ENVIRONMENT

(1) Line No	(2) Description	(3) 2014/15 Budget £	(4) Budget Changes £	(5) 2015/16 Original Estimate £
1	REDUCING CARBON EMISSIONS	204,009	1,915	205,924
2	FLOOD RISK MANAGEMENT	1,515,154	- 147,895	1,367,259
3	PROTECTING AND ENHANCING THE NATURAL & BUILT ENVIRONMENT	350,883	- 15,370	335,513
4	WASTE MANAGEMENT	19,110,763	293,384	19,404,147
5	WASTE RECOVERY & RECYCLING	63,451	- 63,451	0
6	SUSTAINABLE PLANNING	1,140,113	13,916	1,154,029
7	NET TARGET BUDGET	22,384,373	82,499	22,466,872

REVENUE EXPENDITURE - SUSTAINING AND GROWING BUSINESS AND THE ECONOMY

Ref No	Main Area of Expenditure	2015/16 Estimate £	Notes
1	2014/15 BUDGET	2,032,400	
	BUDGET CHANGES:		
2	Inflation	27,389	Ref 2 An allocation for inflation
3	Cost Pressures:		Ref 3
4	Savings:	- 288,250	Ref 4 Savings relating to staffing and general budget capacity in Skills (£0.083m), Enterprise (£0.121m), Investment (£0.040m) and Lobbying (£0.044m).
5	2015/16 BUDGET	1,771,539	

REVENUE EXPENDITURE - SUSTAINING AND GROWING BUSINESS AND THE ECONOMY

(1) Line No	(2) Description	(3) 2014/15 Budget £	(4) Budget Changes £	(5) 2015/16 Original Estimate £
1	IMPROVING SKILLS & EMPLOYABILITY	545,925	- 74,341	471,584
2	ENCOURAGE ENTERPRISE THROUGH SUPPORT TO BUSINESS & OUR GROWTH SECTORS	584,929	- 111,004	473,925
3	ATTRACTING & EXPANDING BUSINESS INVESTMENT	417,655	- 36,388	381,267
4	LOBBYING & ATTRACTING FUNDING FOR LINCOLNSHIRE	483,891	- 39,128	444,763
5	NET TARGET BUDGET	2,032,400	- 260,861	1,771,539

REVENUE EXPENDITURE - PROTECTING THE PUBLIC

Ref No	Main Area of Expenditure	2015/16 Estimate £	Notes
1	2014/15 BUDGET	26,057,809	
	BUDGET CHANGES:		
2	Inflation	224,528	Ref 2 An allocation for inflation
	<u>Cost Pressures:</u>		
3	Retained Ill Health Payment	131,000	Ref 3 Protected rights whole time equivalent compensatory payment to retained firefighters, who were employed before 6th April 2006 and have been ill health retired due to a qualifying injury
4	New Dimension Grant	105,000	Ref 4 Reduction on Section 31 grant for Urban Search and Rescue Team
	<u>Savings:</u>		
5	Preventing and Tackling Fire and Emergencies	- 532,000	Ref 5 Savings resulting from new ways of working, senior management review and staff re-organisation
6	Planning and Responding to Emergencies	- 19,121	Ref 6 Savings resulting from staff re-organisation
7	Community Safety - commissioned activities	- 827,404	Ref 7 Reduction in funding for the SLA with the PCC for PCSO's/Local Policing and general commissioning budget
8	Trading Standards	- 120,000	Ref 8 Savings resulting from staff re-organisation and vacancy management
9	Lincolnshire Road Safety Partnership	- 71,874	Ref 9 Additional income from speed awareness courses resulting to reduction in fatal accident investigations
10	Youth Offending Service	- 146,625	Ref 10 Savings resulting from new ways of working and staff re-organisation
11	2015/16 BUDGET	24,801,313	

REVENUE EXPENDITURE - PROTECTING THE PUBLIC

(1)	(2)	(3)	(4)	(5)
Line No	Description	2014/15 Budget £	Budget Changes £	2015/16 Original Estimate £
1	PREVENTING AND REDUCING CRIME	2,211,629	- 417,523	1,794,106
2	TACKLING DOMESTIC ABUSE	530,797	- 224,903	305,894
3	PREVENTING AND TACKLING FIRES AND EMERGENCIES	19,884,379	- 119,842	19,764,537
4	TRADING STANDARDS	1,606,911	- 142,904	1,464,007
5	PLANNING AND RESPONDING TO EMERGENCIES	436,037	- 12,949	423,088
6	IMPROVING ROAD SAFETY	509,883	- 63,498	446,385
7	REDUCING YOUTH OFFENDING	733,195	- 129,899	603,296
8	REDUCING ANTI-SOCIAL BEHAVIOUR	144,978	- 144,978	0
9	NET TARGET BUDGET	26,057,809	- 1,256,496	24,801,313

REVENUE EXPENDITURE - HOW WE DO OUR BUSINESS

Ref No	Main Area of Expenditure	2015/16 Estimate £	Notes
1	2014/15 BUDGET	9,059,494	
	BUDGET CHANGES:		
2	Inflation	49,749	Ref 2 An allocation for inflation.
3	Cost Pressures:		Ref 3 No cost pressures.
	<u>Savings:</u>		
4	Finance and Audit	- 506,021	Ref 4 Financial Strategy - Savings to be achieved from team restructure, increased income from schools buyback and savings from the Serco contract (-£0.456m). Audit - Savings from Senior Management Review and team restructure (-£0.050m).
5	Corporate Standards and Culture	- 213,937	Ref 5 Removal of Director of Performance and Governance post (-£0.164m) and consultations budget (-£0.050m).
6	Democratic Processes	- 56,100	Ref 6 Savings from staffing restructure (-£0.045m) and Chairman's Fund (-£0.011m).
7	2015/16 BUDGET	8,333,185	

REVENUE EXPENDITURE - HOW WE DO OUR BUSINESS

(1)	(2)	(3)	(4)	(5)
Line No	Description	2014/15 Budget £	Budget Changes £	2015/16 Original Estimate £
1	BUDGET AND POLICY FRAMEWORK - FINANCE AND AUDIT	5,643,743	- 462,469	5,181,274
2	CORPORATE STANDARDS AND CULTURE INCLUDING CHIEF EXECUTIVE	652,993	- 213,937	439,056
3	DECISION MAKING INCLUDING DEMOCRATIC PROCESSES	2,272,758	- 49,903	2,222,855
4	FISHERIES LEVY	490,000	0	490,000
5	NET TARGET BUDGET	9,059,494	- 726,309	8,333,185

REVENUE EXPENDITURE - ENABLERS & SUPPORT TO COUNCILS OUTCOMES

Ref No	Main Area of Expenditure	2015/16 Estimate £	Notes
1	2014/15 BUDGET	40,524,971	
	BUDGET CHANGES:		
2	Inflation	295,111	Ref 2 An allocation for inflation.
	<u>Cost Pressures:</u>		
3	People Strategy and Support	550,000	Ref 3 Additional budget to cover cost of the Serco contract (£0.500m) and pension administration costs (£0.050m).
4	Commissioning	796,013	Ref 4 Removal of a legacy income budget relating to the Mouchel contract.
5	Business Support	70,000	Ref 5 Cost of offsite document storage.
	<u>Savings:</u>		
6	ICT Strategy and Support	- 21,156	Ref 6 Savings from staffing restructure.
7	Property Strategy and Support	- 1,025,731	Ref 7 Savings from staffing restructure (-£0.298m), closure of buildings as part of the Property Rationalisation project (-£0.139m), re-procurement of Property contract (-£0.400m), carbon tax levy no longer required (-£0.140m) and the disposal costs of empty properties to be funded from capital financing charges (-£0.048m).
8	People Strategy and Support	- 121,412	Ref 8 Savings from staffing restructure including graduate programme.
9	Legal	- 60,325	Ref 9 Post reduction following Senior Management Review.
10	Commissioning	- 1,011,013	Ref 10 Savings from staffing restructure and Senior Management Review.
11	Business Support	- 927,000	Ref 11 Savings from staffing restructure.
12	Strategic Communications	- 23,587	Ref 12 Savings from staffing restructure.
13	2015/16 BUDGET	39,045,871	

REVENUE EXPENDITURE - ENABLERS & SUPPORT TO COUNCILS OUTCOMES

(1) Line No	(2) Description	(3) 2014/15 Budget £	(4) Budget Changes £	(5) 2015/16 Original Estimate £
1	ICT STRATEGY AND SUPPORT	9,247,196	3,881	9,251,077
2	PROPERTY STRATEGY AND SUPPORT - COUNTY FARMS	- 1,460,149	0	- 1,460,149
3	PROPERTY STRATEGY AND SUPPORT - OTHER	11,987,854	- 1,011,656	10,976,198
4	PEOPLE STRATEGY AND SUPPORT	3,559,894	448,876	4,008,770
5	LEGAL	- 415,921	- 60,325	- 476,246
6	COMMISSIONING	4,259,056	- 162,585	4,096,471
7	BUSINESS SUPPORT	12,327,138	- 684,726	11,642,412
8	STRATEGIC COMMUNICATIONS	1,019,903	- 12,565	1,007,338
9	NET TARGET BUDGET	40,524,971	- 1,479,100	39,045,871

GLOSSARY OF FINANCIAL TERMS

Budget carry forward - The actual under/overspending at the end of the financial year compared with the revised budget target which is allowed to be carried forward into the next financial year.

Budget requirement - Net revenue expenditure to be financed from Business Rates, Revenue Support Grant, other non-ring fenced Government Grants and Council Tax Income.

Budget Target - A corporately determined spending limit for an individual service.

Capital Grants - Government grants received that contribute towards capital expenditure incurred on a particular service or project e.g. Highways Asset Protection Grant received from the government which contributes towards planned capital expenditure on roads.

Capital Receipts - Proceeds received from the sale of property and other fixed assets (assets which have a value beyond one financial year). These can be used to contribute towards the cost of capital expenditure, but not revenue expenditure.

Central support - A charge to a service which is the service's share of the cost of the central administration and professional departments which support direct service provision.

Contingency - A sum of money set aside to provide for foreseen but unquantifiable commitments and for unforeseen expenditure that may occur at any time in the future.

County precept - The income which District Councils collect on the County Council's behalf from Council Tax payers.

Capital financing charges - Charges to the revenue account which fund capital expenditure. Such charges comprise debt charges, direct revenue financing and leasing payments.

Dedicated Schools Grant (DSG) - The main grant paid by central government to support schools within the county. This must all be spent on supporting schools.

Education Services Grant – New grant from 2013/14 non ring fenced grant paid by central government to local authorities. This grant is to cover central services costs of providing services to schools, e.g. admissions policy and administration.

Revenue Support Grant - The main grant paid by central government to local authorities to support the provision of all services, except for schools.

Interest on revenue balances - The money earned or paid in relation to the temporary investment of, or temporary borrowing to support, the County Council's cash balances.

Local retention of Business rates – Business rates set by central government and levied on business properties. This is collected by District Councils who pay this income over to the County Council.

Precept - An amount levied by one body on another e.g. the Environment Agency precepts on the County Council.

Reserves - The revenue reserves available to provide a working balance during the financial year, for example in periods when expenditure exceeds income.

Specific grants - Grants made to a local authority by central government for a particular project or service e.g. Private Finance Initiative.

Total Expenditure - Budget requirement plus expenditure financed by drawing from balances (or the budget requirement less contributions to balances).

COMMISSIONING STRATEGY	COMMISSIONING ACTIVITIES	DEFINITION OF COMMISSIONING STRATEGY
Readiness for School	Children Centres - and commissioned services	This commissioning strategy aims to ensure all children will be ready to learn when they start school enabling them to achieve their full potential.
	Early Years sufficiency and support to the PVI sector	
	Birth to 5 Service	
Learn & Achieve	School Support Services	This commissioning strategy aims to ensure all children and young people will learn and achieve, enabling them to reach their potential.
	School Improvement	
	Statementing process and interventions (to be replaced with new health, education and social care plan)	
	Home to school/college transport	
Readiness for Adult Life	14-19 education/training and apprenticeship	This commissioning strategy aims to ensure all young people will be prepared and ready for adult life.
	Careers Service	
	Positive activities for young people	
	Teenage Pregnancy	
	Supported accommodation/lodgings	
	Supported employment	
	Lincs Secure Unit	
	Leaving Care Service	
Children are Safe and Healthy	School Nursing	This commissioning strategy aims to ensure all children and young people will be safe and healthy.
	Healthy schools & healthy child	
	Child protection (contact, referral and assessment)	
	Targeted Support - young people	
	Looked after Children	
	Fostering and adoption	
	Residential homes	
	CAMHS	
	Family support	
	Commissioning Support for all Children's Strategies	
Adult Frailty, Long Term Conditions and Physical Disability	Supporting Adult frailty (older people)	This commissioning strategy aims to ensure that individuals receive appropriate care and support that enables them to feel safe and live independently.
	Physical disability	
	Dementia	
Carers	Adult & Young carers	This commissioning strategy aims to ensure that carers feel respected and are able to balance their caring roles and maintain their quality of life.
Adult Specialities	Supporting Adults with learning disability	This commissioning strategy aims to improve outcomes for adults with mental health, learning disabilities and/or autism.
	Mental health	
	Autism	
Adult Safeguarding	Adult Safeguarding (including Mental Capacity Act)	This commissioning strategy aims to ensure all vulnerable adults rights are protected to live in safety and free from abuse and neglect.
Community Resilience and Assets	Advice, information and support services from community and voluntary sector infrastructure organisations	This commissioning strategy aims to assist communities in the county to support themselves. It will also include the community response to emergencies.
	Community Grants	
	Big Society Fund	
	Chance to share contributions	
	Financial Inclusion	
	Library and information services	
	Lincolnshire Community Assistance Scheme - local welfare support	
	Customer Service Centre	

Wellbeing	Health Improvement, prevention and self management	This commissioning strategy aims to assist improvements in the health and wellbeing of the population as a whole, it covers advice, information and preventative services.
	Public Health statutory service	
	Mental health	
	Registration, Celebratory and Coroners service	
	Wellbeing Service (including specialist equipment, assistive technology and Disabled Facility Grants)	
	Physical Activities	
	Water fluoridation	
	Sexual Health	
	Housing related support	
Prevention and treatment of substance misuse		
Protecting the Public	Preventing and reducing crime	This commissioning strategy will cover all of the work required in order to protect the communities in Lincolnshire.
	Tackling domestic abuse	
	Preventing and tackling fires & emergency response	
	Protecting the public through trading standards	
	Protecting the public by planning for and responding to emergencies	
	Improving road safety	
	Reducing youth offending	
	Reducing anti-social behaviour	
Sustaining & Developing Prosperity Through	Transportation including concessionary fares and other government grants etc	This commissioning strategy facilitates growth and prosperity through encouraging investment and enhancing the economic potential of the county.
	Highway asset maintenance	
	Highway network management	
	New transport investments including highways improvements and bypasses, growth corridors and programmes	
	Heritage & tourism operation and development	
Monitoring Officer requirements		
Protecting & Sustaining the Environment	Reducing carbon emissions	This commissioning strategy covers how the Council will protect, enhance and balance our environmental needs.
	Flood risk management	
	Protecting and enhancing the natural & built environment	
	Waste management	
	Waste recovery & recycling	
Sustainable Planning		
Sustaining & Growing Business & the Economy	Improving skills and employability	This commissioning strategy covers how the council will help businesses to be the drivers of economic growth through supporting a climate in which they are able to invest, enhance their business performance, and offer attractive jobs to a skilled workforce.
	Encourage enterprise through support to business and our growth sectors	
	Attracting and expanding business investment	
	Lobbying and attracting funding for Lincolnshire	
How We Do Our Business	Budget & Policy Framework - Finance & Audit	This commissioning strategy will include the overarching governance and standards for the Council, including decision making through the democratic process.
	Chief Executive's Office	
	Decision making, including the democratic processes and elections	
	Eastern Inshore Fisheries & Conservation Authority - Levy	
Enablers & Support to Council's Outcomes	Information Management & Technology Strategy & support	This commissioning strategy will include the enablers required to support the delivery of the Councils agreed outcomes.
	Property Strategy & support (including County Farms)	
	People Management Strategy & support	
	Legal Advice	
	Commissioning Strategy & Support	
	Business support	
Strategic Communications		
Enablers & Support to Key Relationships	Partnership engagement & support	This commissioning strategy encompasses the Council's corporate strategies and the support to our relationships with the public, service users, partners and outside bodies.

CONTACT INFORMATION FOR COMMISSIONING STRATEGY BUDGET DETAIL

The information on revenue budgets provided in this booklet summarises the detailed estimates approved by individual Commissioning Strategies. If you require further detail please contact:-

Email – finance@lincolnshire.gov.uk

Call our budget hotline answerphone at 01522 553648 where you can leave a message.

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Open Report on behalf of Judith Hetherington Smith, Chief Information and Commissioning Office

Report to:	County Council
Date:	20 February 2015
Subject:	Council Business Plan 2015 – 2016

Summary:

This report presents the outcomes and measures that are the Council Business Plan 2015 - 2016. The Council Business Plan is part of the Budget and Policy Framework and must be approved by full Council.

Recommendation:

Council approve the Council Business Plan 2015 - 2016.

1. Background

The recent changes in organisational structure, and focus on a commissioning approach, lead to a need to change the Council's Business Plan to report on the outcomes of the agreed 17 commissioning strategies.

The Council is also looking, where ever possible, to create channel shift to less costly ways of doing business with a move to more self-service. As such it makes sense to have a web based business plan that is the outcomes and measures from the commissioning strategies rather than duplicate information already provided elsewhere. Examples include the Leader's Statement, the budget (which is expected to be formally agreed by Council in February) and demographic and contextual information, provided by the Lincolnshire Research Observatory.

Once the outcomes and measures that are the Council Business Plan have been agreed by Council, we will commission an IT system to report progress against Council Business Plan performance. This will then provide elected members with a mechanism to hold commissioning strategy leads to account. A list of commissioning strategy leads is provided in Appendix B.

Commissioning strategies

To have a manageable mechanism for organising the Council Business Plan, the commissioning strategies have been organised in the following four headings:-

1. Our communities are safe and protected from harm.

2. The health and wellbeing of the population is improved, people remain independent for longer and feel responsible and in control of their own future.
3. Businesses are supported to grow and want to invest in the county; people have the skills and training to access local jobs, supported by the right infrastructure and environment.
4. We effectively target our resources, so that individuals and communities experience the desired benefits and results.

Expected performance in 2015/2016

The targets for expected performance in 2015/2016 are, in the main, based on Q2 performance and therefore may need to be updated in light of 2014/15 out turns and as the commissioning strategies are developed. Any changes will be discussed with the Portfolio Holder and presented in the performance reports to scrutiny and the Executive.

2. Conclusion

The outcomes and measures in Appendix A represent the Council Business Plan 2015/2016.

3. Legal Comments:

The decision to approve the Council Business Plan is within the remit of Full Council.

4. Resource Comments:

The financial resources required to deliver this plan are included in the Council budget which will also be considered by Council at its meeting on 20th February.

5. Consultation

a) Has Local Member Been Consulted?

Not applicable

b) Has Executive Councillor Been Consulted?

Yes

c) Scrutiny Comments

The draft Plan was considered by the Overview and Scrutiny Management Committee on 29th January. Committee commented on the focus on expected outcomes and suggested that measures relating to supporting young people

leaving care be considered for inclusion in the Council Business Plan. This has been agreed by the Executive Director for Children's and 16-18 year old Looked After Children participating in Learning; and Care Leavers in Suitable Accommodation have been included in the Council Business Plan.

d) Policy Proofing Actions Required

The Council's obligations under the Equality Act 2010 need to be taken into account by the Executive when considering the Plan.

The Council must, in the exercise of its functions, have due regard to the need to:

(1) eliminate discrimination, harassment, victimisation and any other conduct that is prohibited by or under the Equality Act 2010;

(2) advance equality of opportunity between persons who share a relevant protected characteristic and persons who do not share it;

(3) foster good relations between persons who share a relevant protected characteristic and persons who do not share it: Equality Act 2010 s 149(1). The relevant protected characteristics are age; disability; gender reassignment; pregnancy and maternity; race; religion or belief; sex; sexual orientation: s 149(7).

Having due regard to the need to advance equality of opportunity involves having due regard, in particular, to the need to:

(1) remove or minimise disadvantages suffered by persons who share a relevant protected characteristic that are connected to that characteristic;

(2) take steps to meet the needs of persons who share a relevant protected characteristic that are different from the needs of persons who do not share it;

(3) encourage persons who share a relevant protected characteristic to participate in public life or in any other activity in which participation by such persons is disproportionately low.

(4) The steps involved in meeting the needs of disabled persons that are different from the needs of persons who are not disabled include, in particular, steps to take account of disabled persons' disabilities.

(5) Having due regard to the need to foster good relations between persons who share a relevant protected characteristic and persons who do not share it involves having due regard, in particular, to the need to tackle prejudice, and promote understanding.

(6) Compliance with the duties in this section may involve treating some persons more favourably than others.

This duty cannot be delegated and must be discharged by the Executive.

In relation to the business plan, this is effectively made up of council priority activities, performance indicators and targets. It is the responsibility of each project manager to make sure equality considerations and an impact analysis of the project on different groups is undertaken as part of the project start up and design. Action from impact analysis are monitored through project reporting. The performance indicators reflect activities expressed in numerical terms. It is the responsibility of each service when it makes a change, stops, or starts a new service to make sure equality considerations and an impact analysis are completed.

6. Appendices

These are listed below and attached at the back of the report	
Appendix A	Council Business Plan 2015 - 2016
Appendix B	Commissioning Strategy Leads

7. Background Papers

No background papers within Section 100D of the Local Government Act 1972 were used in the preparation of this report.

This report was written by Jasmine Sodhi, who can be contacted on 01522 552124 or jasmine.sodhi@lincolnshire.gov.uk.

Our communities are safe and protected from harm

Commissioning Strategy	Outcomes	Measures	Current Target (2014/2015)	Current Performance (2014/2015) Q2	Target 2015/16	
<p>Protecting the public</p> <p>The purpose of this commissioning strategy is to create an environment that enables the people of Lincolnshire to succeed and prosper, to ensure the public feel protected and secure and that those that are most vulnerable are safeguarded.</p>	<p>The public are protected from unsafe and dangerous goods</p>	Number of successful operations for illicit alcohol and tobacco	N/A as new measure	Not available at time of writing report as baseline year	Tbc upon establishment of baseline	
		Amount of unsafe goods removed from the market				
		Number of businesses brought into compliance through utilisation of consumer protection legislation				
			Number of of intelligence reports received from the public through Crimestoppers	N/A as new measure	32 Q3	55
		<p>Improve public safety by the reduction in drugs and alcohol misuse, focussed on town centre alcohol fuelled violence and anti-social behaviour, young people and drug misuse</p>	<p>Improve the quality of information and analysis around New Psychoactive Substances (legal highs) to better target the prevention, education and enforcement work within the county and draw on best practice from elsewhere</p>	N/A as new measure for Council Business Plan		N/A as 2015/2016 is baseline year
			Alcohol related anti-social behaviour (Smaller is better)	N/A as new measure	6.9% increase in alcohol related antisocial behaviour incidents compared with previous year Q3	Reduce by 5% on 2014/2015 out turn
			Alcohol related violent crime (Smaller is better)		4.1% decrease in recorded alcohol related violence against the person offences compared with previous year Q3	Reduce by 5% on 2014/2015 out turn
		<p>Increase public confidence in how we tackle domestic abuse</p>	<p>Reports of domestic abuse (Bigger is better)</p>		1.34% increase on previous year. 7,934 incidents in Q3	3% increase on 2014/2015 out turn
			<p>Number of repeat victims of domestic abuse (Smaller is better) 2015/2016 target set at 20% as following quality assurance checks this accurately reflects number of cases of repeat incidents meeting the definition of this indicator</p>	20%	19.1% (Q3)	20%
		<p>Reduce the number of people killed and seriously injured on Lincolnshire's roads</p>	<p>People killed and seriously injured on roads in Lincolnshire Data is reported by calendar year, with 3 month (1 quarter lag)</p>	427 Calendar year 2014	197 April – June 2014 (1 quarter lag)	417 Calendar year 2015
			<p>Children killed or seriously injured in road traffic accidents in Lincolnshire Data is reported by calendar year, with 3 month (1 quarter lag)</p>	26 Calendar year 2014	13 April – June 2014 (1 quarter lag)	25.5 Calendar year 2015
		<p>Reduce adult reoffending</p>	<p>Number of domestic abuse reoffenders</p>	N/A as new measure for Council Business Plan		N/A as 2015/2016 is baseline year
			<p>Reoffending in Lincolnshire</p>	30%	34.7% (September 2011 latest data available from Probation Service)	Tbc following discussion with Probation Service
		<p>Reduce the number of young people committing a crime</p>	<p>Number of young people entering the criminal justice system (first time entrants) (Smaller is better) Youth Justice Board provide 12 months data on a rolling quarterly basis April – March, July – June, Oct to Sept, Jan- Dec</p>	278 July 2013 - June 2014 Actual number	278 Oct 2013–Sept 2014 Estimate. Actual figures available	278 Oct 2013/Sept 2014

Commissioning Strategy	Outcomes Outcomes are the results or benefits for individuals, families, groups, communities, organisations or systems. Outcomes reflect priorities and resources are allocated to achieve stated outcomes.	Measures Measures are how we will monitor and report progress in achieving the outcome.	Current Target (2014/2015)	Current Performance (2014/2015) Q2	Target 2015/16
				March 2015	
		Victim participation and victim satisfaction with the service received from the Youth Offending Service restorative justice initiatives (Bigger is better)		N/A as new measure	80%
		Youth reoffending (Percentage of young people who re-offend in the following 12 months post involvement with the Youth Offending Service) (Smaller is better)	28.3%	31.2%	29.2%
	Reduce fires and their consequences	Primary fires per 100,000 population (Primary fires are fires in buildings, vehicles and outdoor structures, fires including casualties or rescues, or fires attended by five or more fire engines). (Smaller is better)	148.82 (1,070 incidents)	71.64 (519 incidents)	141.45 (1,025 incidents)
		Fire fatalities in primary fires per 100,000 population (Smaller is better)	0.56 (This equates to 4 fatalities)	0.14 (1 fatality)	0.56 (This equates to 4 fatalities)
		Deliberate primary fires per 10,000 population (Smaller is better)	3.97 (285 incidents)	1.85 (134 Incidents)	3.77 (273 incidents)
		Deliberate secondary fires per 10,000 population (Smaller is better)	5.72 (411 incidents)	2.04 (148 incidents)	5.15 (373 incidents)
		Future Control project (mobilising infrastructure)		N/A project	
		Looked after children per 10,000 population aged under 18	45 (656 children)	45 (656 children)	45 (656 children)
		Children subject to a child protection plan per 10,000 population under 18	26 (366 children)	25.8 (363 children)	24 (340 children)
Children are safe and healthy The purpose of this commissioning strategy is that children growing up in Lincolnshire are safe and healthy. We think this can be achieved by children growing up in homes where they feel safe and are supported to make decisions to live a healthier life.	Children are safe and healthy	<u>Timeliness and stability of adoption of children looked after:</u>			
		Average time (days) between a child entering care and moving in with its adoptive family, for children who have been adopted (Smaller is better)	475	478	450
		Average time (days) between local authority receiving court authority to place a child and the local authority deciding on a match to an adoptive family (Smaller is better)	210	218	200
		Percentage of troubled families turned around. (Measures the percentage of families meeting the national criteria for an outcome payment). (Bigger is better) Phase 2 begins in 2015/2016 and target reflects challenges expected in Y1	86.4	69.9	75
		People report they feel safe (Bigger is better)	N/A as new measure in 2014/2015	72%	75%
Safeguarding adults The purpose of this commissioning strategy is that vulnerable adults' rights are protected so that everyone can live safely and free from abuse and neglect.	Safeguarding adults whose circumstances make them vulnerable, protecting them from avoidable harm and acting in their best interests where they lack capacity	Proportion of concluded safeguarding enquiries where the person's desired outcomes were:- a) identified b) fully or partially met (Bigger is better)		N/A as new measure	Tbc
		Proportion of cases where support was provided by an advocate, family or friend (for concluded safeguarding enquiries where the person at risk lacks capacity) (Bigger is better)	N/A as new measure	79.5%	100%
		Individuals involved in safeguarding adult reviews who suffered serious harm and died per 100,000 population		N/A as new measure	Tbc
		Proportion of safeguarding referrals where the 'Source of Risk' is a		N/A as new measure	Tbc

Commissioning Strategy	Outcomes	Measures	Current Target (2014/2015)	Current Performance (2014/2015) Q2	Target 2015/16
	Outcomes are the results or benefits for individuals, families, groups, communities, organisations or systems. Outcomes reflect priorities and resources are allocated to achieve stated outcomes.	Measures are how we will monitor and report progress in achieving the outcome.			
		'service provider'			
		Completed safeguarding referrals where a risk has been identified – proportion where the risk was reduced or removed (Smaller is better)	57%	44.3%	45%

The health and wellbeing of the population is improved, people remain independent for longer and feel responsible and in control of their own future

Commissioning Strategy	Outcome	Measures	Current Target (2014/2015)	Current Performance (2014/2015) Q2	Target 2015/16
	Outcomes are the results or benefits for individuals, families, groups, communities, organisations or systems. Outcomes reflect priorities and resources are allocated to achieve stated outcomes.	Measures are how we will monitor and report progress in achieving the outcome.			
Community resilience and assets Wellbeing The purpose of these commissioning strategies is for communities to be resilient and to improve the health and wellbeing of people in Lincolnshire. We think this can be best achieved when people and communities have the information they need to come together, solve the problems they face and build the county they want, when people are supported to be independent, make healthier choices and live healthier lives.	People are supported to live healthier lifestyles	People referred for alcohol treatment completing treatment in a planned way (The 2015/2016 target takes into account that these services are currently in the process of being re-commissioned and to ensure the incumbent providers maintain target level of performance during a period of uncertainty) (The wider impacts on society are measured by alcohol influenced antisocial behaviour and violence in Protecting the public commissioning strategy – see page 1).	60%	63% Q2	60%
	Older people are able to live life to the full and feel part of their communities	Older people receiving support from the Wellbeing Service to maintain their independence	N/A as change in definition of the measure means like for like comparison with 2014/2015 is not possible		60%
	Peoples' health and wellbeing is improved	Cumulative percentage of eligible population aged 40-74 offered an NHS health check who received an NHS health check (National definition change to measure cumulatively between 2013/14 to 2017/18)	N/A as change in definition of the measure means like for like comparison with 2014/2015 is not possible		58%
	Enable and encourage people to participate in Lincolnshire's culture	Chlamydia diagnoses (15-24 year olds) per 100,000 (The target is 2,182 for each quarter and is not cumulative)	2,182 (1,869 number of positive results)	2,073 (Q1 April – Jun 2014, as 1 quarter lag)	2,182 (1,869 number of positive results)
		Contact with the heritage service either in person, on the phone, by email or via the website (2015/16 target provisional based on current year end projection for 2014/15 which is 4,445,000)	5,084,912	2,306,749	4,500,000
	Communities and residents are supported to be involved in local decision making and have their views taken into account	Contact with the library service either in person, on the phone, by email or via the website	5,500,000	2,852,103	5,500,000
		Non-Government organisations advised and/ or supported	N/A as new measure		2,000
Readiness for adult life The purpose of this commissioning strategy is for all young people to be prepared and ready for adult life.	Young people are supported to reach their potential	Young People Not in Education, Employment or Training (Smaller is better)	3.5	5.3	4.5
	Achievement gap between disadvantaged pupils and their peers at Key Stage 4 (Smaller is better)		28 Summer 2014	28.9 Summer 2014	27 Summer 2015
	Pupils aged 16 – 18 participating in learning (Bigger is better)		N/A as new measure		86
	Number of young people who go into full time education or training; apprenticeship; employment combined with training; working towards		95	94.7	97

Commissioning Strategy	Outcome Outcomes are the results or benefits for individuals, families, groups, communities, organisations or systems. Outcomes reflect priorities and resources are allocated to achieve stated outcomes.	Measures Measures are how we will monitor and report progress in achieving the outcome.	Current Target (2014/2015)	Current Performance (2014/2015) Q2	Target 2015/16	
		participation age 16 (Bigger is better)				
		16-18 year old Looked After Children participating in Learning (Bigger is better)	80	83.95	85	
		Care Leavers in Suitable Accommodation (Bigger is better)	90	91.3	90	
Readiness for school	There is a secure foundation for all children to progress through school and life The purpose of this commissioning strategy is for all children to get the best possible start in life so that they are ready to learn when they start school.	Achievement at a good level of development in the Early Years Foundation Stage (Bigger is better)	65	67	69	
		Achievement gap between disadvantaged pupils and their peers at Foundation Stage (Smaller is better)	27	28.5	26	
Adult Specialties¹	Prevent people from dying prematurely	Excess under 75 mortality rate in adults with common mental illness Excess under 75 mortality rate in adults with serious mental illness Suicide and mortality from injury of undetermined intent among people with recent contact from NHS services Excess under 60 mortality rate in adults with learning disability Levels of self-harm	NHS measures which are in development. Targets will be available once trend data is received.			
	Enhanced quality of life and care for people with learning disability, autism and or mental illness	Proportion of adults with a learning disability or autism who live in their own home or with their family (Section 75 arrangement with Health) Proportion of adults in contact with secondary mental health services living independently, with or without support. (Section 75 arrangement with Health)	N/A as new measure	68.7% 12.6% 2013/2014	69% 25%	
	Help people to recover from episodes of ill health	Recovery rates from psychological therapies (NHS Measure)	53%	Data not provided by NHS at time of writing this report	50% (Provisional target set by NHS)	
	People have a positive experience of care	Overall satisfaction of people who use services with their care and support (learning disability and autism sub-sets) (NHS Measure) Patient experience of community mental health services (NHS Measure)	New annual measure. Data available May 2015			
			>6.7	Data not provided by NHS at time of writing this report	>6.8	
Carers	Carers feel valued and respected and able to maintain their caring roles The purpose of this commissioning strategy is to help carers build resilience in their caring role and to prevent young carers from taking on inappropriate caring roles, protecting them from harm. Carers should have appropriate access to support which enables them to improve their quality of life and help prevent crisis. The outcomes and measures detailed above for the Adult Specialties commissioning strategy are based on the work completed so far in developing the commissioning strategy and have yet to be considered by the Specialist Services Delivery Board.	Percentage of carers who receive a direct payment	50%	64%	Targets to be agreed after Q2 2015/16 once the impact of the Care Act on volume of activity required is better understood.	
		Carer reported quality of life (Survey every 2 years)	Data available May 2015			
		The proportion of carers who report that they have been included or consulted in discussions about the person they care for (Annual Measure) (Survey every 2 years)	Data available May 2015			
		Percentage of carers supporting people not known to adult care	N/A as new measure	19.3%		
		The proportion of carers who find it easy to find information about services (Survey every 2 years)	N/A as data available May 2015			

Adult frailty, long term conditions and physical disability The purpose of this commissioning strategy is for the most vulnerable individuals to feel safe and live independently. We think this can be achieved by eligible individuals receiving appropriate care and support, with greater choice and control over their lives.	People are supported to remain independent and at home	Permanent admissions to residential and nursing care homes aged 65+ per 100,000 population	758.97 (1,214 admissions)	401.4 (911 admissions) Q3	582.9 (982 admissions)
		Percentage of requests for support for new clients, where the outcome was universal services/ signposted to other services	32%	30.1%	32%
	The quality of life for the most vulnerable people is improved	Proportion of people using the service who have control over their daily life (Annual survey)	N/A as new measure	77.3% 2013/2014	Tbc
		Percentage of clients in receipt of long term support and carers who receive a direct payment	50%	47.7%	50%
	People have a positive experience of care and support	Delayed transfers of care from hospital and those that are attributable to adult social care or jointly to social care and the NHS per 100,000 population	1.9 (Average of 11 people delayed)	1.52 (Average of 9 people delayed) Q3	1.9 (Average of 11 people delayed)
		Percentage of people in receipt of long term support who have been reviewed	89%	87.7%	89%

Businesses are supported to grow and want to invest in the county; people have the skills and training to access local jobs supported by the right infrastructure and environment

Commissioning Strategy	Outcomes	Measures	Current Target (2014/2015)	Current Performance (2014/2015) Q2	Target 2015/16
Learn and achieve The purpose of this commissioning strategy is for all children and young people to learn and achieve, enabling them to reach their potential.	Improve educational attainment for all pupils	Pupils achieving Level 4+ at the end of Key Stage 2 (Bigger is better)	77 Summer 2014	77 Summer 2014	81 Summer 2015
		Attainment gap between disadvantaged pupils and their peers at Key Stage 2 (Smaller is better)	17 Summer 2014	21 Summer 2014	18 Summer 2015
		Achievement of 5 or more A*-C grades at GCSE or equivalent including English and maths (Bigger is better)	65 Summer 2014	53.9 Summer 2014	57 Summer 2015
		Achievement gap between disadvantaged pupils and their peers at Key Stage 4 (Smaller is better)	28 Summer 2014	28.9 Summer 2014	27 Summer 2015
		The percentage of Education, Health and Care Plans completed within 20 weeks. (Special Educational Needs and Disabilities Reform Implementation) (Bigger is better)	100%	Annual measure reported in Q4	100%
Sustaining and growing business and the economy The purpose of this commissioning strategy is for businesses in our most important sectors to be developed, to encourage investment in Lincolnshire and help to train people so that there is a skilled workforce to whom businesses can offer quality	Jobs created as a result of the Council's support	Number of jobs created and safeguarded result of the Council's support	482	533	758
		Number of businesses supported by the Council	395	241	350
		Number of qualifications achieved (Skills programmes, Vocational training Programmes, Adult and Community Learning) through programme support by the council	N/a as new measure		902
		Amount of external funding attracted to Lincolnshire (including Greater Lincolnshire Local Enterprise Partnership & EU funding programmes) by the council	£42,940,000	£40,740,000	£54,800,000

Commissioning Strategy	Outcomes Outcomes are the results or benefits for individuals, families, groups, communities, organisations or systems. Outcomes reflect priorities and resources are allocated to achieve stated outcomes.	Measures Measures are how we will monitor and report progress in achieving the outcome.	Current Target (2014/2015)	Current Performance (2014/2015) Q2	Target 2015/16
jobs.					
Protecting and sustaining the environment The purpose of this commissioning strategy is an environment that supports economic growth. We think this can be best achieved when the environmental opportunities for investment are emphasised whilst still making sure that the natural environment is protected.	Reduce the risk of flooding	Number of flood incidents Number of flood prevention schemes implemented by the Council (Annual measure)	N/A as contextual measure		
	Reduce carbon emissions	CO2 emissions from county council activity (Carbon management plan) <ul style="list-style-type: none"> • Buildings • Business mileage • Fleet mileage } Contextual measures	22% reduction on 2011/12 baseline of 83,600 tonnes by March 2018		
		Community greenhouse gas emission levels for Lincolnshire	N/A as contextual measure (National data issued annually 2 years in arrears. Last data is for 2012)		
	Increase recycling	Waste landfilled (ENVO1)	22,521 tonnes (12 month total)	7,172 tonnes (6 month estimate)	13,000 tonnes (based on estimated 163,000 tonnes waste to the Energy from Waste)
		Household waste recycled and composted (NI 192) 2015/2016 target to be revised in new Joint Municipal Waste Strategy	54.5% (12 month total)	54.7% (6 month estimate)	55%
		Composted waste (Green waste) (BV82b)	N/A as contextual measure	55,438 tonnes estimate	N/A as contextual measure
Sustaining and developing prosperity through infrastructure The purpose of this commissioning strategy is for infrastructure that supports economic growth and prosperity. We want to encourage investment and enhance the economic potential of Lincolnshire. We think this can be achieved by encouraging new investment in transport, supporting business, managing and maintaining a high quality highway network and encouraging a reliable and accessible transport service.	Reduce barriers to business growth	Lincoln East West Link Road Lincoln Eastern Bypass Grantham Southern Relief Road Spalding Western Relief Road Progress in preparation of the Southern Relief Road	N/A Projects		

We effectively target our resources so that individuals and communities experience the desired benefits and results

Commissioning Strategies	Outcomes Outcomes are the results or benefits for individuals, families, groups, communities, organisations or systems. Outcomes reflect priorities and resources are allocated to achieve stated outcomes.	Measures Measures are how we will monitor and report progress in achieving the outcome.	Current Target (2014/2015)	Current Performance (2014/2015) Q2	Target 2015/16
How we do our business Enablers to the business Partnership engagement and support These three commissioning strategies have been grouped together as they provide the corporate framework within which the Council works, supports other commissioning strategies and carries out its business.	Effective financial and management accounting arrangements	Unqualified annual external audit opinion on the financial statements (Annual Measure)	Unqualified	Unqualified 2013/14	Unqualified
	Dave Simpson	Accountancy service reconfigured to meet the future needs of the council	N/A Activity		
		Successful implementation of Aggresso	N/A Activity		
		Planning for the next spending review including maintenance of a 4 year financial model	N/A Activity		
	General reserves maintained within parameters set by the financial strategy Dave Simpson	General reserves are 2.5% to 3.5% of the annual budget requirement net of dedicated schools grant	3.5%	3.5%	3.5%
	Maintenance of an adequate governance, risk internal control, regime	Unqualified annual external audit opinion on the Council's Value for Money (Annual Measure)	Unqualified	2013/2014 Unqualified	Unqualified
		Audit plan, including monitoring through the Audit Committee (This includes Executive Directors assurance statement within their combined assurance report) (Annual Measure)	100% of revised plan	98% 2013/14	100%
		Annual governance statement by the Audit Committee (Review of Council's governance, risk and control framework and assurance arrangements) (Effective or ineffective) (Annual Measure)	Effective with governance issues	Effective with governance issues 2013/2014	Effective with governance issues
	Maximise the organisational strength, capacity, resilience and wellbeing to deliver the Council's strategic objectives through people	Reinforce the Council's commitment to be a good employer through improved employee feedback through the development of staff survey	N/A activity		
		Employee turnover	Work will take place to determine a definition and target to inform the practice and health of the organisation in line with the development of the Agresso system. A target will be proposed to the Portfolio Holder by end of quarter 2 (September 2015).		
		Sickness absence	8 days FTE	7.96 days FTE	7.5 days FTE
	Get better value from our use of land and buildings by assessing performance	Progression towards £1 million savings by March 2019	£1m identified to be removed from budget 1 st April 2015	on target Annual measure	£639,026 savings
		Progression towards the annual capital receipts target	£2m achieved by 31 st January 2015	£1.23m end of Q2 £1.72m end of Q3	Further £2m in 2015/16
	Staff are made aware of their information governance responsibilities	Percentage of staff who have successfully undertaken information governance training within a 12 month period (Annual measure)	N/A as new measure definition	50% 2013/2014	100% (Aspirational as new measure)
		Percentage of information governance framework policies reviewed and updated within a 12 month period (Annual measure)	N/A as new measure definition for 2015/16		100%
	Improve and support staff understanding of information risks and the impact of data breaches	Reported data breaches (Annual measure)	N/A as new measure for Council Business Plan in 2015/16 (No existing target)	74 2013/14	10% reduction on 2014/15 out turn
		Reported data breaches which are the result of human error (Annual measure)	N/A as contextual measure		
		Reported data breaches resulting from a reoccurrence of process failure (annual measure)			

Commissioning Strategies	Outcomes Outcomes are the results or benefits for individuals, families, groups, communities, organisations or systems. Outcomes reflect priorities and resources are allocated to achieve stated outcomes.	Measures Measures are how we will monitor and report progress in achieving the outcome.	Current Target (2014/2015)	Current Performance (2014/2015) Q2	Target 2015/16	
	Develop the enterprise approach to information governance/assurance to ensure external compliance requirements are met	Successful submission of the Department of Health information Governance toolkit (annual requirement) Categories of performance are Compliant/Not compliant/Improvement required	Compliant	Compliant	Compliant	
		Successful IMT submission of the Cabinet Office public services network code of connection (annual requirement) Categories of performance are Compliant/Not compliant/Improvement required	Compliant	Compliant	Compliant	
	New support services partnership contracts perform effectively and efficiently to allow the Council to achieve its commissioning outcomes	Achievement of key performance indicators for the Council Business Plan within the SERCO contract	We are finalising reporting with Serco and will report when this is completed			
		Achievement of key performance indicators for the Council Business Plan within the VINCI Mouchel contract (Property Services)	Overall contract performance measure achieving 75% of the agreed overall performance enabling the Council to access the gain share			
		Management of the customer interface and customer experience through service compliments, complaints, ombudsman complaints and Customer Service Centre key performance indicators	We are finalising reporting with Serco and will report when this is completed			

Appendix B - Commissioning Strategy Lead Officers

<i>Our communities are safe and protected from harm</i>		
<i>Commissioning Strategy</i>	<i>Executive Director</i>	<i>Commissioning Lead</i>
<i>Protecting the public</i>	<i>Pete Moore</i>	<i>Dave Ramscar and Mark Housley</i>
<i>Children are safe and healthy</i>	<i>Debbie Barnes</i>	<i>Sally Savage and Janice Spencer</i>
<i>Safeguarding adults</i>	<i>Glen Garrod</i>	<i>Mandy Cooke</i>

The health and wellbeing of the population is improved, people remain independent for longer and feel responsible for the future		
Commissioning Strategy	Executive Director	Commissioning Lead
Community resilience and assets	Tony Hill	Terri Roche and Nicole Hilton
Wellbeing	Tony Hill	Terri Roche and Robin Bellamy
Readiness for adult life	Debbie Barnes	Stuart Carlton
Readiness for school	Debbie Barnes	Stuart Carlton
Adult specialties	Glen Garrod	Justin Hackney
Carers	Glen Garrod	Glen Garrod
Adult frailty, long term conditions and physical disability	Glen Garrod	Pete Sidgwick

Businesses are supported to grow and want to invest in the county; people have the skills and training to access local jobs supported by the right infrastructure and environment		
Commissioning Strategy	Executive Director	Commissioning Lead
Learn and achieve	Debbie Barnes	Debbie Barnes
Sustaining and growing business and the economy	Richard Wills	Justin Brown
Protecting and sustaining the environment	Richard Wills	Andy Gutherson
Sustaining and developing prosperity through infrastructure	Richard Wills	Paul Rusted

We effectively target our resources so that individuals and communities experience the desired benefits and results		
Commissioning Strategy	Executive Director	Commissioning Lead
Enablers and support to the Council's outcomes	Pete Moore	Debbie Barnes, Judith Hetherington Smith, Kevin Kendall,
How we do business	Pete Moore	Pete Moore and David Forbes
Enablers and support to key relationships	Tony McArdle	Tony McArdle

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Open Report on behalf of Debbie Barnes, Executive Director for Children's Services

Report to:	County Council
Date:	20 February 2015
Subject:	Pay Policy Statement

Summary:

The Localism Act 2011 requires all local authorities to agree pay policy statements, which are compliant with the provisions of the Act, annually at a Full Council meeting and then subsequently to publish them.

The Council is requested to note that the policy has been updated to reflect:

- the national pay award in 2014-15 for grades 1-16 and Chief Officers pay award 2015
- the revised Senior Leadership Pay Bands
- the changes negotiated through the Collective Agreement on Pay and Reward, which will take effect from 1 April 2015.

Recommendation(s):

To agree the Pay Policy Statement in Appendix A

1. Background

The requirement for Councils formally to adopt Pay Policy Statements was introduced in the Localism Act 2011, followed by Guidance from DCLG. In line with this guidance it is considered good practice for the Pay Policy Sub-Committee to consider the Statement before it is presented to Full Council for approval. The Statement itself has been prepared in line with the requirements of the legislation and the best practice put forward in the guidance.

2. Conclusion

The Pay Policy Statement sets out the County Council's policy on pay and conditions for senior managers and employees (excluding operational fire fighters and schools based employees). This ensures that the Council has a fair and transparent approach to these matters.

3. Legal Comments:

By publishing the Council's Pay Policy annually ensures compliance with the Localism Act 2011.

4. Resource Comments:

This Policy ensures that all senior managers and employees are treated fairly and transparently.

5. Consultation

a) Has Local Member Been Consulted?

n/a

b) Has Executive Councillor Been Consulted?

Yes

c) Scrutiny Comments

The approval of the Pay Policy Statement is a decision for Full Council to make under the legislation and is accordingly not subject to call-in.

d) Policy Proofing Actions Required

n/a

6. Appendices

These are listed below and attached at the back of the report	
Appendix A	Pay Policy Statement

7. Background Papers

No background papers within Section 100D of the Local Government Act 1972 were used in the preparation of this report.

This report was written by Fiona Thompson, who can be contacted on 01522 552207 or fiona.thompson@lincolnshire.gov.uk.



Employment Manual

PAY POLICY STATEMENT

For year 2015/2016
People Management Service

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1 INTRODUCTION

This Pay Policy Statement sets out Council policy on pay and conditions for senior managers and employees (excluding operational Fire Fighters and schools' based employees) for 2015-16

The Council aims to attract and retain employees to deliver the Council's objectives. In determining pay policy for senior managers and all other employees, the Council is committed to ensuring a fair and transparent approach. Within this, it is recognised that different approaches may be required between groups of employees reflecting factors such as difficulties in attracting and retaining key skills.

2 KEY PRINCIPLES FOR PAY POLICY

- To be fair, reasonable and transparent
- To be affordable
- To reward employees for their contribution to the Council's achievements
- To maintain rates of pay which are both competitive in the market place and reflect the need to retain key skills

3 EMPLOYEES IN SCOPE OF THE PAY POLICY STATEMENT

This Pay Policy Statement covers all employees (except teachers and uniformed fire fighters except those defined as Senior Managers.) As such, it goes wider than minimum legal requirements of the Localism Act 2011.

4 THE SENIOR MANAGEMENT PAY STRUCTURE

Senior Managers are defined for this purpose as the Chief Executive; Executive Directors – (referred to as Chief Officers); , Chief Fire Officer, Deputy Chief Fire Officer, Assistant Chief Fire Officer and Senior Leadership,. The senior pay structure is attached at Appendix A.

Chief Executive and Executive Directors

Remuneration is determined by the Pay Policy Sub-Committee and is based on salary comparison against similar posts in other Shire Counties in the Eastern and Midlands region, against the market place and taking into account information from the annual NJC Salaries & Numbers Database. The aim is to ensure the Council retains and motivates key employees by maintaining rates of around median pay which are both competitive in the market place and reflect the need to retain key skills. The Chief Executive post is paid on a spot salary¹. Executive Director posts are all paid at the same single spot salary point because all roles have collective responsibility for the success of all service areas and for the Council as a whole.

Senior Leadership

Remuneration is determined by the Head of Paid Service and underpinned by the Hay Job Evaluation Scheme. Employees will be appraised in line with agreed objectives. Periodically the pay structure will be reviewed to ensure that salaries offered are competitive in the market place, taking into account the advice set out in the Joint Negotiating Committee² (JNC) for Chief Officers of Local Authorities Conditions of Service.

¹ See Glossary Page 12

² See Glossary Page 12

Fire & Rescue Service Management Team

The pay structure is determined in line with the NJC for Brigade Managers (Gold Book³) with the Deputy Chief Fire Officer and Assistant Chief Fire Officer receiving 80% and 75% respectively of the Chief Fire Officer salary.

In accordance with the 2011 Code of Recommended Practice for Local Authorities on Data Transparency, information on senior salaries is published on the Council's website - [Data on Senior Salaries](#) together with information about the structure of the workforce. Additional legal provisions about reporting payments over £50,000 in a year are in the Accounts & Audit (England) Regulations 2011, also available in the Council's published accounts on our website: [Statement of Accounts 2013/14](#).

5 OTHER EMPLOYEES' PAY STRUCTURE (including lowest paid employees)

Remuneration for other employees is normally determined by the Council's Job Evaluation (JE) Scheme⁴ which covers all staff on NJC Local Government Services terms and conditions of service. This includes the lowest paid council employees. The Council Pay spine for staff up to and including Service Managers is attached at [Appendix B](#).

The Pay and Grading structure used by the Council was implemented by Collective Agreement⁵ in July 2008, backdated to be effective from 1 April 2007 and is anchored to the national NJC pay spine for Local Government Services. The current pay spine is at 2014 and 2015 rates to reflect the phased approach to implementing the annual pay award, with the National pay award in January 2015 and the non-consolidated payments in December 2014. The JE Scheme, the Greater London Provincial Council Scheme, was selected through a process of consultation with staff and Trade Unions and complies with equal pay requirements.

The Council and Unions have signed a Collective Agreement in 2015 incorporating changes to modernise the local conventions for Job Evaluation.

6 NON-STANDARD TERMS AND CONDITIONS

Staff transferring into the Council under The Transfer of Undertakings (Protection of Employment) regulations 2006 (TUPE) arrangements, have the right to retain their existing terms and conditions. The largest group includes those staff who transferred from Public Health.

Additionally some specialist posts, mainly in education related services, such as Educational Psychologists and the Youth Service are recruited to specific terms and conditions although they are in scope of the [Local Scheme of Conditions of Service](#).

³ See Glossary Page 12

⁴ The Job Evaluation scheme ensures that all jobs are graded fairly and equitably between men and women

⁵ A Collective Agreement is a formal agreement signed between the County Council and the recognised Trade Unions

7 THE NATIONAL PAY AWARD

Pay levels are adjusted to take account of any cost of living increase negotiated nationally by the JNC for Local Authority Chief Executives⁶; the JNC for Chief Officers of Local Authorities and the NJC for Local Government Services. The pay rates in Appendix A are adjusted to reflect the 2% national pay award for 2015, which is applied to guaranteed FTE basic salary of £99,999 or less, as at 31 December 2014.

8 RECRUITMENT, RETENTION AND MARKET FORCE SUPPLEMENTS

The Council recognises that at times it may be difficult to recruit new employees or retain existing staff in key posts. To ensure the Council attracts and maintains a skilled and experienced workforce, supplements may be paid in addition to the post grade. Further details can be found in the [Recruitment, Retention and Market Force Supplements Policy](#).

9 RELOCATION EXPENSES AND DISTURBANCE ALLOWANCES

Relocation Expenses and Disturbance Payments are paid to employees to cover additional costs they may incur as a result of a change or disturbance to work base. These are paid in accordance with the [Relocation Expenses and Disturbance Allowances Policy](#).

10 STARTING PAY

Employees, when appointed to posts within the Council are paid on an incremental scale and will normally be appointed at the minimum point of the pay grade for that post. However, in certain circumstances it may be appropriate to appoint to a higher point within the pay grade. This should be objectively justifiable and have regard to the pay of existing employees within the service area. See [Green Book Employees Pay and Conditions Policy](#).

It is also necessary to be aware of any restrictions to this, e.g. the requirement of a qualification which prevents this normal sequence of events from occurring.

Where an employee is appointed who does not yet meet the minimum competency requirements for that role, they are appointed in accordance with the [Appointed One Point Below Policy](#).

11 PERFORMANCE RELATED PAY (PRP) AND “EARN BACK”

There is a performance related pay framework for employees in scope of the Senior Leadership Pay.

12 PAY PROGRESSION

The Chief Executive, Executive Directors and Fire & Rescue Senior Managers are excluded from this scheme within the Council. They are appointed to a spot salary so no pay progression applies.

For other employees, eligibility for incremental progression, including any acceleration through the grade with the use of Merit Increments, will be in accordance with the [Green Book Employees Pay and Conditions Policy](#) covering the

⁶ See Glossary Page 12

NJC for Local Government Services Group. An increment may be withheld following an adverse report on an employee's performance (subject to the Council's capability / disciplinary procedures being followed). Any increments withheld may subsequently be paid if the employee's performance becomes satisfactory, but are not backdated.

13 REVIEWING INDIVIDUAL PERFORMANCE

Individual achievement is assessed using the [Council's Appraisal Scheme](#) and all employees will take part in an appraisal process. In most cases this will be the full Council appraisal process; however, there may be some cases where the process is amended so that it is appropriate to the role of the employee.

Learning and development needs will be linked to the [County Council's Behaviours Framework](#) which are interchangeable with occupational national standards of competence where appropriate.

14 RESPONSIBILITY FOR REVIEWING PERFORMANCE

The Chief Executive's individual performance will be assessed by the Leader of the Council together with the appointed cross-party group. For individual Executive Directors, the assessment will be made by the Chief Executive and reported to the cross-party group.

For all other employees, the assessment will be made by the individual's line manager, as appropriate.

15 ACTING UP ARRANGEMENTS

Employees temporarily acting up into a role which is normally graded on a higher level should be paid at the appropriate level for the duties they are asked to perform. Further details can be found in the Council's [Green Book Employees Pay and Conditions Policy](#) covering the NJC for Local Government Services Group.

16 HONORARIA

An honorarium payment may be made for exceptional or special work undertaken on a short term basis of not more than 6 months and will be in accordance with the Council's [Green Book Employees Pay and Conditions Policy](#) covering the NJC for Local Government Services Group.

17 EMPLOYEES ON FIXED TERM/TEMPORARY CONTRACTS

The Council will not treat employees on fixed term or temporary contracts less favourably than employees on a permanent contract. See [Fixed Term and Temporary Contracts Policy and Procedure](#).

18 ALLOWANCES/EXPENSES

Chief Executive, Executive Directors and Senior Leadership

Allowances will be in accordance with the [Local Scheme of Conditions of Service](#) or jointly agreed schemes in Director Areas.. Business Travel will be reimbursed in accordance with the [Travel Policy](#). This policy applies to all staff in scope of the Local Scheme of Conditions of Service.

Fire & Rescue Service Senior Managers

Allowances and expenses will be in accordance with the NJC for Brigade Managers Conditions of Service and Service Order 19⁷. See on Council Intranet page: Service Order 19 - Pay and Allowances.

19 SALARY PROTECTION

Where an employee accepts a post on a lower grade as result of a restructuring or change in the workforce, personal salary protection will apply in accordance with the [Local Scheme of Conditions of Service](#) or Collective Agreement for those in the Fire & Rescue Service. See on Council Intranet the Collective Agreement Pay Protection Fire & Rescue Service.

20 SEVERANCE PAYMENTS

For those in the Local Government Pension Scheme, (including Chief Officers) payments relating to redundancy, early retirement and flexible retirement will be paid in accordance with the Council's [Redundancy and Early Retirement Policy](#) or [Flexible Retirement Policy](#).

All employees / recruits (including Chief Officers) in receipt of a redundancy payment will be subject to the Redundancy Payments (Continuity of Employment in Local Government etc.) (Modifications) Order 1999⁸.

21 PAYMENTS FOR RETURNING OFFICERS DURING LOCAL ELECTIONS

Payments for the Chief Executive and Executive Directors who are Returning Officers are made in accordance with their respective JNC Conditions of Service. The current Head of Paid Service relinquishes this payment in the favour of the District Chief Executives who fulfil the role of the Deputy Returning Officers.

Payments for employees at Head of Service and below for Local Election duties are made in accordance with the [Local Scheme of Conditions of Service](#).

22 PAY POLICY SUB-COMMITTEE

The Pay Policy Sub-Committee undertakes an annual review of the salaries of the Chief Executive and Executive Directors. The Sub-Committee comprises of Councillors from the Appointments Committee, representing the political balance of the Council overall in accordance with the terms of the Local Government and Housing Act 1989.

23 LCC GREEN BOOK⁹ NEGOTIATING TEAM

The Negotiating Team considers pay issues relating to all employees within the scope of NJC pay awards.

⁷ See Glossary Page 12

⁸ Under the Employment Rights Act 1996 (ERA), an employee can count service with an 'associated employer' towards the service requirement for a redundancy payment (i.e. two years) and, if appropriate, for calculating that payment.

⁹ See Glossary Page 12

24 RELATIONSHIP BETWEEN SENIOR OFFICERS PAY AND CONDITIONS WITH OTHER OFFICERS (including the lowest paid)

The approaches for determining senior management pay are set out in paragraph 4 above.

The approach for determining other employees' pay, including the lowest paid employees, is set out in paragraph 5 above.

25 PAY MULTIPLES (or pay dispersion)

Pay multiple is the ratio between the salary of the highest paid employee and the median full time equivalent salary of the organisation. The pay multiple is often referred to as 'pay dispersion.'

For 2015-16 the pay multiple is 7. which is lower than the previous year.

There is no formal mechanism for direct comparison between pay levels of the wider workforce with Senior Manager pay and there are no Council policies on reaching or maintaining a specific pay multiple.

26 RE-ENGAGEMENT OF FORMER SENIOR MANAGERS

The policy for appointing or re-engaging any Senior Manager who has previously been made redundant by this authority, or who is in receipt of a local government pension, is that there should be a presumption against re-employment for a period of 6 months following the end of their employment. However, in exceptional circumstances Senior Managers may be re-employed by the Council more quickly provided that it is not within one month and one day of their leaving date.

In approving a re-employment of a Senior Manager, Members will need to be satisfied that:

- the employee is not being re-employed in a role or capacity, which is broadly similar to the role from which they were made redundant;
- the rate of pay applied to the work undertaken by the re-engaged employee should be that appropriate to the work to be done and not the grading which applied to the employee prior to the end of their current contract;
- the employment should be for a fixed term, not exceeding one year, unless there are exceptional circumstances; and the arrangement must provide financial / operational advantage to the Council.

The policy of the Lincolnshire Pension fund is not to abate pensions should any officer retire and then return to work for the Council.

27 THE USE OF CONTRACTS FOR SERVICES AND APPOINTMENT OF CONSULTANTS

The HRMC requires the authority to determine whether an arrangement with a consultant or contractor constitutes a contract of employment or can be deemed to be on a self-employed basis.

The determination will need to be made for every agreement that is proposed as the decision on status relates to the contract, not the individual. This must be undertaken before any engagement is agreed or any contract signed.

Where it is determined that an engagement constitutes a contract of employment, normal Council terms and conditions will apply and the work must be paid for at the evaluated rate for the job.

It may be appropriate to re-engage a former employee as a consultant with a contract for service in certain circumstances. This may be appropriate:

- For discrete pieces of work where the former employee has the appropriate skill and experience which is not available elsewhere in the Council.
- Where it is more cost effective
- Where it is difficult to recruit due to market conditions
- Where work of an urgent nature arises at short notice.

Such arrangements should be time limited, and be subject to appropriate written agreements covering the nature, duration, quality standards, and the basis on which the agreement will be terminated. The written agreement must be signed before the arrangement commences.

Initial consideration for providing cover for urgent work should be through the use of temporary employment contracts advertised in the usual manner or through acting up or secondment arrangements made available to existing staff. This should particularly be true where the work relates to the normal business of the service area, as opposed to defined projects or one off tasks.

It is our duty under the Pensions Act 2008 to comply with auto-enrolment Regulations and an assessment will be made on whether the contractor is an employee rather than a contractor and therefore pensionable under the Act.

In determining whether a consultant is genuinely self-employed, the Council will take into account, not only the contractual terms agreed, but also the realities of the employment relationship. This will include whether there is provision for substitution and whether resources are provided by the Council or by the consultant. These are examples or not exhaustive and are purely illustrative of the type of factors to be taken into account.

28 PERSONAL SERVICE CONTRACTS

In the contracting sector, the generally accepted definition of a personal service company is a limited company that typically has a sole director, the contractor, who owns most or all of the shares.

Many contractors choose to work for clients using their own [limited companies](#) for many reasons, Limited companies can be a tax efficient way for contractors to work, as they often split their income between [salary and dividends](#), which means they do not pay, employers' or employees' Class 1 National Insurance Contributions on a large part of their overall income

Personal Service contracts prevent the risk of there being a contract of service, or an employment relationship with the Council which eliminates any income tax liability on the Council.

By using a limited liability company, contractors are also insulated to a certain extent from business risk.

Although the Council does not currently have any such contracts in place for normal employment it is possible that it will do so in the future as they are an acceptable way of reducing the legal liabilities that come from hiring employees.

APPENDIX A

Senior Manager Pay Structure – 2015- 16

Salary (£)	Chief Executive
	£173,226.00
	Executive Director of Public Health £159,820*
	Executive Directors £125,982.76

Senior Leadership Pay Band

Pay Band	Zones	Pay Range		
		Max	Med	Min
Director	Single Zone	122,966	108, 544	100,002
Senior Leaders	Zone A	102,006	89,465	80,996
	Zone B	87,519	76,688	69,922
	Zone C	74,775	66,549	61,430

Consultant (Public Health) reporting to Director of Public Health	
Band 8 *	
	£65,922.00
	£67,805.00
	£70,631.00
	£74,084.00
	£77,850.00
	£81,618.00

Band 9 *	
	£77,850.00
	£81,618.00
	£85,535.00
	£89,640.00
	£93,944.00
	£98,453.00

* N.B. Director and Consultant roles in Public Health transferred into the Council on the 1 April 2013 from the NHS as part of the Health and Social Care Act 2012. The transfer was under TUPE, therefore terms and conditions of employment, including salary, are protected.

Fire & Rescue Service Management Team	
Chief Fire Officer	£ 112,100
Deputy Chief Fire Officer	£ 89,768
Assistant Chief Fire Officer	£ 84,158

APPENDIX B

Lincolnshire County Council Salary Structure from 1st April 2014-15-16 NJC for Local Government Services

LCC Pay Spine for staff up to and including Head of Service				GLPC Points Score
	2013 Until 31 st Dec 2014	2014 1 st Jan 2015	December 2014 - Non Consolidated one-off payment (Scp 17 – Scp 48 = 0.45% non-consolidated payment of £100 has also incorporated April's remaining payment.)	
1	12266	13316	325	
2	12614	13614	325	
3	13321	13871	150	G1
4	13854	14207	150	
5	14351	14684	150	
6	14880	15208	100	G2
7	15455	15795	100	
8	16029	16381	100	
9	16604	16970	100	G3
10	17282	17662	100	
11	17961	18356	100	
12	18638	19048	100	G4
13	19447	19874	100	
14	20258	20703	100	
15	21067	21530	100	G5
16	21774	22253	100	
17	22481	22975	103	
18	23188	23698	107	G6
19	24033	24562	111	
20	24880	25428	114	
21	25727	26293	118	G7
22	26847	27437	123	
23	27864	28477	128	
24	28922	29559	133	G8
25	29980	30639	138	
26	31025	31708	143	
27	32072	32777	147	G9
28	33309	34042	153	
29	34547	35307	159	
30	35784	36572	165	G10
31	37273	38093	171	
32	38764	39617	178	
33	40254	41139	185	G11
34	42333	43264	195	
35	44413	45390	204	
36	46494	47517	214	G12
37	48054	49111	221	
38	49612	50704	228	
39	51172	52297	235	G13
40	52731	53891	243	
41	54291	55485	250	
42	55849	57078	257	G14
43	57408	58671	264	
44	58968	60265	271	
45	60527	61859	278	G15
46	62086	63452	286	
47	63645	65045	293	
48	65205	66639	300	G16

Grade 1 = 182 - 227

Grade 2 = 228 - 267

Grade 3 = 268 - 307

Grade 4 = 308 - 347

Grade 5 = 348 - 387

Grade 6 = 388 - 427

Grade 7 = 428 - 467

Grade 8 = 468 - 507

Grade 9 = 508 - 547

Grade 10 = 548 - 587

Grade 11 = 588 - 627

Grade 12 = 628 - 667

Grade 13 = 668 - 707

Grade 14 = 708 - 747

Grade 15 = 748 - 787

Grade 16 = 788 +

This pay spine is anchored to salary points on the NJC National Pay Spine and these salaries are shown in bold.
The relevant Lincolnshire points are SCPs 1, 2, 3, 6, 9, 12, 15, 18, 21, 24, 27, 30 & 33.

Part 3 Paragraph 2.6(e) Sleeping-in Duty Payment

1 Jan 15
£34.00

Paragraph 35 Standby Duty Allowance - Social Workers (1)(a)(i) Allowance - Per Session

1 Jan 15
£27.35

APPENDIX C

Glossary of Terms

Spot Salary:

Spot salaries within Lincolnshire County Council are fixed to specifically defined spinal column point. There is no progression up to or beyond the rate for each position. Spot salaries are one of the least discriminatory of pay methods because everyone is paid the rate for the job from day one and the pay structure cannot be distorted by differential progression.

JNC for Local Authority Chief Officers

The primary role of the Joint Negotiating Committee is a national body to reach agreement on a national framework on all national pay and service conditions and items related to any dispute for all chief officers.

NJC for Brigade Managers (Gold Book)

The primary role of the National Joint Committee for Brigade Managers of Fire and Rescue Services (the NJC) is to reach agreement on a national framework of pay and conditions for Brigade Managers for local application throughout the Fire and Rescue Service in the UK.

JNC for Local Authority Chief Executives

The Joint Negotiating Committee (JNC) for Chief Executives of Local Authorities is the national negotiating body for the pay and conditions of service of chief executives in England and Wales. The Authorities' Side consists of elected members nominated by the Local Government Association. The Staff Side consists of chief executives nominated by the Association of Local Authority Chief Executives (ALACE). ALACE is registered as an independent trade union.

NJC for Local Government Services

The pay and terms of conditions of employment for local government services' workers is determined by the National Joint Council for Local Government Services. The NJC for Local Government Services has 70 members: 12 on the employers' side and 58 on the trade union side.

In 1997, the NJC for Local Government Services agreed a national framework with potential for local modification to suit local service requirements. Known as The Single Status Agreement, these pay and conditions of service agreements are published in **The Green Book: Local Government Scheme of Conditions of Service**.

Greater London Provincial Council (GLPC) Job Evaluation Scheme

Lincolnshire County Council use the scheme developed to support local authorities in carrying out their obligations under the national agreement on single status. The job evaluation scheme was the subject of consultation with the Equal Opportunities Commission. The scheme is jointly agreed by the employers and unions in London local government. It was developed by a working party of experienced evaluators and tested jointly at regional and local authority levels.

The scheme is accompanied by a code of good practice and a framework procedure to inform local arrangements.

Open Report on behalf of Richard Wills, Executive Director responsible for Democratic Services

Report to:	County Council
Date:	20 February 2015
Subject:	Members Allowances 2015/16

Summary:

This report recommends a Members Allowances Scheme for the financial year 2015/16 based on the decisions of Council on 21 February 2014, when it was agreed that the Allowances should be adjusted annually in line with local government 'green book' pay awards.

Recommendation(s):

That Council agrees the Members Allowances Scheme as detailed in Appendix A to this report.

1. Background

The County Council sets a Scheme of Members' Allowances and expenses in accordance with the Local Authorities (Members' Allowances) (England) Regulations 2003 and other relevant legislation.

At its meeting on February 21 2014 the County Council agreed a revised Scheme of Members Allowances for 2014-18, following recommendations from the Independent Remuneration Panel.

In addition, the Council agreed to adjust the allowances annually in line with local government 'green book' pay awards. This year this equates to an increase of 2.2%, approximately £29,000.

Council must vote to adopt a Scheme each year. The proposed Scheme for 2015/16, which will apply from April 1, 2015, is attached as Appendix A.

Other than the adjustments to the payment bands, the only proposed change to the Scheme approved in 2014 is the removal of the word 'buffet' in the section on 'Lunches at Council', which would provide more flexibility for the caterers for the provision of lunch when time is limited on Council days.

2. Conclusion

Under the 2003 Regulations the Council is required to vote to adopt a Scheme of Members' Allowances each year. The proposed Scheme for 2015/16 is attached at Appendix A, taking into account this year's local government 'green book' pay award.

3. Legal Comments:

Regulation 10 of the Local Authorities (Members' Allowances) (England) Regulations 2003 requires the Council to make a Scheme of Members Allowances prior to April 1 in every year.

Approval of the Scheme of Members' Allowances is reserved to full Council.

4. Resources Comments:

The additional cost of accepting the recommendation in this report will be funded within the budget for members' allowances to be approved at this meeting as part of the Council's budget for next year.

5. Consultation

a) Has Local Member Been Consulted?

n/a

b) Has Executive Councillor Been Consulted?

Yes

c) Scrutiny Comments

n/a

d) Policy Proofing Actions Required

n/a

6. Appendices

These are listed below and attached at the back of the report

Appendix A	Proposed Members Allowances Scheme 2015/16
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7. Background Papers

The following background papers as defined in the Local Government Act 1972 were relied upon in the writing of this report.

Document title	Where the document can be viewed
Independent Remuneration Panel Report to Lincolnshire County Council 21 February 2014	Lincolnshire County Council website and Democratic Services

This report was written by Nigel West, who can be contacted on 01522 552840 or nigel.west@lincolnshire.gov.uk.

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Members' Allowances and Travel and Subsistence Scheme

General

This Members' Allowance Scheme for Lincolnshire County Council has been prepared in accordance with the Local Authorities (Members' Allowances) (England) Regulations 2003 ('the 2003 Regulations') and other appropriate legislation. In particular, the Scheme takes account of recommendations of an Independent Remuneration Panel reporting to Council in February 2014.

This Scheme is effective from 1 April 2014. It is applicable to all elected Members of the County Council. Specific provisions relating to co-opted members are also included.

Within the scheme:

- 'year' refers to the financial year ending on the 31 March and
- 'day' and 'daily' refers to a 24 hour period beginning at 3am
- 'approved duties' are those defined in Schedule 2

An Elected Member who is a member of two separate authorities may not receive an allowance from each authority in respect of the same duties or for the same purpose.

Administrative guidelines relating to Members allowances, travel and subsistence will be published separately.

Members should initially seek advice from the Democratic Services Manager if necessary. In all cases of interpreting this Scheme, the decision of the Monitoring Officer shall be final.

Record of allowances

The 2003 Regulations require the County Council to maintain records of payments made under this scheme specifying the name of the recipient of the payment, the amount and the nature of each payment. The records must be available for inspection at any reasonable time by members of the public.

The 2003 Regulations also require annual publication of the total paid to each recipient for each of the types of allowance and expenses in this scheme. Lincolnshire County Council publishes these on our website.

Government transparency legislation may require additional information regarding Members' allowances to be published.

Allowances for Elected Members

There is no power to pay an attendance allowance to Members.

There are three types of Elected Members allowance in this Scheme:

Basic Allowance payable to all Elected Members – see Schedule 1 for values.

Special Responsibility Allowance payable in addition to those Elected Members who hold the posts shown in Schedule 1 to the values shown in that Schedule. In the event of one Member holding more than one Special Responsibility post, only one Special Responsibility Allowance, whichever is the greater, will be paid.

Childcare and Dependants' Carers' Allowance payable in addition to reimburse Elected Members for the cost of caring for their children or dependent relatives whilst undertaking approved duties. The maximum rate payable is set out in Schedule 1.

Claims and payments

Basic and Special Responsibility Allowances will normally be paid monthly into Members' bank accounts. Such allowances are paid in respect of each year or part year. For example, in the event of a Member giving up a Special Responsibility Allowance mid-year the part-year allowances are paid on a pro-rata daily basis for the period of a year to which they apply.

Claims for travel and subsistence expenses and for Childcare and Dependant's Carer's Allowance should be supported by receipts and made in accordance with any guidance issued by the County Council. Claims must normally be made within two months of the duty for which the claim is made.

Renouncing allowances

A Member may elect to forego any or all of their entitlement to any allowance under this Scheme. Election must be made by written notice to the Democratic Services Manager and will continue until amended by a further notice.

Travel and Subsistence Expenses

Travel expenses incurred whilst on approved duties as defined in Schedule 2 will be paid in accordance with rates set out in Schedule 3.

Subsistence expenses incurred whilst on approved duties as defined in Schedule 2 will be paid in accordance with rates set out in Schedule 3 except that subsistence expenses will not be paid for '*County Councillors' activities within their Division including surgeries, formal meetings of any relevant Parish Council, Residents Association or similar organisation.*'

All reasonable steps should be taken to minimise the need to travel by using telephone or video conferencing, telephone or e-mail or by combining meetings at the same location.

Pensions for Councillors

The County Council has resolved that any Elected Member of the Council will be entitled to a pension in accordance with a scheme made under section 7 of the Superannuation Act 1972 and that both basic and special responsibility allowances will be taken into account.

Suspension of Payments to Members

The County Council has resolved to exercise the power available to it under the 2003 Regulations to withdraw all allowances (including travel & subsistence) from any Member of the Council who has been or is in custody pursuant to a custodial sentence.

In the event that any Member is in custody pursuant to a custodial sentence, their entitlement to allowances will cease from the point of conviction. Allowances will only recommence at a point when they are no longer in custody and are able to perform the full range of duties. No retrospective payment of allowances forgone will be made in any circumstances.

Where payment of any allowance has already been made in respect of any period during which the member concerned ceases to be a member of the County Council; or is in any other way not entitled to receive the allowance in respect of that period, the County Council may require that such part of the allowance as relates to any such period be repaid to the County Council.

Annual Increases (Indexing) of Allowances

The County Council has resolved to exercise the power available to it under the 2003 Regulations to increase allowances annually in line with the movement in an appropriate index.

The index to be applied is the average % increase in pay for employees covered by the National Joint Council for Local Government Services for the previous 12 months (usually referred to as 'Green Book' employees).

Indexation will be applied to the basic, special responsibility and co-opted members' allowances for the four-year period up to May 2018 unless the Council resolves otherwise. (The 2003 Regulations allow indexing for a maximum of four years but also require that Council votes to adopt a Scheme of Members' Allowances each year.)

Backdating Of Allowances

The County Council has resolved to adopt the backdating provisions in the 2003 Regulations.

Where an amendment is made which affects an allowance payable for the year in which the amendment is made, the amendment will apply from the beginning of the year in which the amendment is made or such later date as specified by the County Council.

Co-opted Members Allowance

The County Council has resolved to exercise the power available to it under the 2003 Regulations to pay a co-optee's allowance in respect of the attendance of individuals co-opted onto committees, select committees, sub-committees, working groups and task and finish groups of the Council. The allowance will cover attendance at such meetings and any other activity arising directly from that role (e.g. seminars, conferences, training courses, etc.).

The Co-opted Members Allowance is set out in Schedule 1.

The Council Committees etc. relevant to this allowance are those set out in the Articles of the Constitution.

Entitlement to this allowance will be restricted to co-optees who are not remunerated by way of an allowance, salary, etc. from another body as a direct result of their membership of the Committee in question. For example, a District Councillor representing that body would not qualify for this allowance.

The allowance will be paid monthly and in the case of part year service, pro-rata to the service undertaken.

Where a co-optee undertakes any role that would otherwise qualify for receiving a Special Responsibility Allowance set out in Schedule 1 they will receive the relevant Special Responsibility Allowance (but not the basic allowance) that would have been paid to an

Elected Member discharging that role. In such circumstances the co-optee will not also receive the standard co-optees allowance for the period they are in receipt of the Special Responsibility Allowance.

The provisions of this scheme relating to renunciation, travel and subsistence expenses, suspension of payments, annual increases and backdating also apply to the Co-Opted Members Allowance.

IT Related expenses

The Council will facilitate use of Information Technology to assist Elected Members and Co-opted Members (Members) in their approved duties.

Where Members' personal IT equipment is approved and used for Council purposes, the Council will meet the costs of facilitating such use, such as installation and maintenance of synchronisation software. No allowances or depreciation will be paid for use of their own equipment by a Member. Where Members incur expenditure on consumables (such as printer cartridges) for their personal IT equipment used for Council purposes, actual expenditure will be reimbursed supported by receipts.

Where the Council supplies IT equipment, costs will be met by the Council. IT consumables used for such equipment (such as printer cartridges) will normally be supplied by the Council, but if not supplied, actual expenditure will be reimbursed supported by receipts.

Members are expected to meet the cost of their own broadband connection.

Schedule 1 – Allowances

Responsibilities and allowances within bands 1-10 in the table below are 'Special Responsibility Allowances'

Band	Responsibility	Allowance
-	Basic Allowance	£10,322.28
1	Leader of the Council	£32,704.08
2	Deputy Leader of the Council	£21,462
3	Members of the Executive	£18,396
4	Chairman of the County Council	£12,386.64
	Chairman of the Overview and Scrutiny Management Committee	
	Chairman of the Health Scrutiny Committee for Lincolnshire	
	Chairman of the Audit Committee	
5	Chairmen of the Scrutiny Committees	£9,290.04
	Chairman of the Planning & Regulation Committee	
	Leader of the Opposition	
	Chairman of the Pensions Committee	
6	Executive Support Councillor	£8,176.08
7	Minority Group Leaders	£5,110.08
	Chief Whip	
8	Vice-Chairman of the County Council	£4,128.96
	Vice-Chairman of the Overview and Scrutiny Management Committee	
	Vice-Chairman of the Health Scrutiny Committee for Lincolnshire	
	Vice-Chairman of the Audit Committee	
	Chairman of the Definitive Map & Statement of Public Rights of Way Sub Committee	
	Vice-Chairmen of the Scrutiny Committees	£3,096.72
	Vice-Chairman of the Planning & Regulation Committee	
	Vice-Chairman of the Pensions Committee	
10	Vice-Chairman of the Definitive Map & Statement of Public Rights of Way Sub Committee	£1,032.24
	Member of the Shadow Executive	
-	Childcare and dependants' carers' allowance The Monitoring Officer has discretion to increase the rate in particular cases of need.	An hourly rate equivalent to the National Minimum Wage for the time being
-	Co-opted Member	£766.56

Schedule 2 – Approved Duties

The 2003 Regulations specify the circumstances in which dependant's carer's allowance, travel and subsistence expenses may be paid. These are all encompassed in the definition of 'approved duties' below.

Approved duties are duties undertaken in exercise of the role of County Councillor

That includes, but is not limited to:

- Meetings of, and activities related to, the County Council, any of its Committees, Executive functions or any bodies of which the County Council is a Member or appoints members
- Any legislative requirement for Members to be present
- Any Standing Orders of the County Council
- The exercise of any function of the County Council
- Any meeting where two or more political groups are invited by an Officer
- Any meeting where one political group is invited by the Chief Executive or an Executive Director
- County Councillors' activities within their Division including surgeries, formal meetings of any relevant Parish Council, Residents Association or similar organisation

Meetings and other activities related to the management or operation of any political group or political party are not approved duties.

Schedule 3 - Travelling & Subsistence and Other Allowances

Public Transport

Travel by public transport should be made at the lowest rate available for the journey(s) in question.

Air travel, foreign travel and, in exceptional cases, travel at rates higher than lowest available fares should be approved in advance by Democratic Services Manager.

Travel costs will be reimbursed at the actual cost incurred with claims supported by receipts.

Members are encouraged to order tickets for travel by public transport through their administrative support who will use the County Council's travel procurement arrangements to secure good value for money that will normally be paid direct by the County Council.

Private vehicles and car parking

Rates payable for travel by a private vehicle used by a Member and for official passengers will be those equivalent to HM Revenue & Customs Approved Mileage Rates for the time being. Rates and changes in rates will be notified to Members.

Members are responsible for ensuring that private vehicles used by them comply with all relevant legislation for the purposes for which they are used including safety, taxation and insurance.

Car parking will be reimbursed at the actual cost incurred with claims supported by receipts.

Taxis

In cases of urgency, or where no public transport is reasonably available, Members may travel by taxi and claim the amount of the actual cost incurred, supported by receipts.

Subsistence Expenses

In cases where the County Council provides a meal or a voucher for a meal no other meal allowance will be paid. On County Council meeting days Members will be provided with a lunch in the County Restaurant and will consequently not be entitled to claim expenses.

In other cases, the County Council will reimburse reasonable costs of meals incurred whilst undertaking approved duties except that subsistence expenses will not be paid for '*County Councillors' activities within their Division including surgeries, meetings of any relevant Parish Council, Residents Association or similar organisation.*'

Claims must be for actual costs incurred supported by receipts.

Overnight accommodation should be booked in advance on behalf of the Member by their administrative support using the County Council's standard procurement arrangements to secure best value for money that will normally be paid direct by the County Council.

In cases where a Member incurs reasonable costs for overnight accommodation, it will be reimbursed at actual cost incurred with claims supported by receipts.

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Report on behalf of Kevin Kendall, County Property Officer, Corporate Property

Report to:	County Council
Date:	20 February 2015
Subject:	Bourne Town Hall

Summary:

To delegate the fulfilment of the responsibilities of the Council as sole corporate trustee in relation to Bourne Town Hall from the full Council to a committee.

Recommendation(s):

That Council,

1. Establish a Committee to be known as the Bourne Town Hall Trust Management Committee with the membership and terms of reference attached at Appendix A;
2. Appoint five Councillors as members of the Committee in accordance with paragraph 5.1(a) of the Terms of Reference attached at Appendix A;
3. Authorise the Monitoring Officer to make such amendments (including consequential amendments) to the Council's Constitution as are necessary to incorporate the said Committee within the Constitution as a Regulatory or other committee.

1. Background

When Lincolnshire County Council acquired Bourne Town Hall in 1974 on local government reorganisation it acquired it as a trust of which the Council became the sole corporate trustee.

Lincolnshire County Council has commissioned specialist legal advice from Geldards and this Report follows up on that advice to suggest the establishment of a committee as the appropriate mechanism through which the Council carries out its responsibilities regarding the Council's duties as corporate trustee of the Hall

Terms of the charitable trust

The Hall is a charity in law, with its governing document being an indenture dated 11 October 1821. The Council is the sole corporate trustee of the charity.

The spirit of the original gift is the provision of a town hall and market for Bourne, in order to provide a public benefit to the town, and contribute to the town's general prosperity and

welfare. In providing such a facility, the gift was aimed at accommodating and enhancing various public functions including the judicial, military, civic and commercial functions of the town.

Duties of governing the independent charity

The Hall is an independent trust, with a charitable purpose that is wholly separate from the activities of the Council. In general terms, the Council as charity trustee is responsible for the control and management of the administration of the charity. It also has a general duty to act at all times in the best interests of the charity. The Council must ensure compliance with; charity law and its governing document, and other legislation, such as health and safety and equality law.

As the Council has a dual role in owing duties as a local authority and separately as the trustee of an independent charity this could create a potential conflict of interest.

As well as pursuing an effective arrangement for the governance of the charity, the Council as trustee will need to explore and consider the various options available and draw up a list of preferred or possible options for dealing with the charity. This exercise should include seeking public opinion via a consultation on the future use of the building, once an initial list of potential options is prepared. This will inform a provisional decision by the Council, and appropriate applications to the Charity Commission to request consent for required actions and to grant new charitable objects.

As per specialist legal advice received it is recommended that the trustee function in relation to the Hall should be delegated from the full Council to a committee:

A membership of 5 is recommended as appropriate for the committee to allow a range of views to be put forward. The individuals appointed by the full Council to the committee should so far as possible be un-conflicted i.e. individuals who have no personal interest in or loyalties to any other body with whom the interests of the Trust would conflict. This principle is essential to ensure good governance. On external legal advice the committee should not include members who are elected by the town of Bourne.

Support may be provided to cover clerking and administration. Depending on the matters being considered by the committee, legal and accountancy support from internal departments may be also provided, maintaining appropriate governance to avoid conflict of interest as necessary. These individuals will not be members of the committee.

Draft terms of reference for the Committee are attached at Appendix A. These seek to strike an appropriate balance between enabling suitably efficient decision-making in the management of the Council's trust obligations with the proper reservation of major decision-making to the full Council.

It is proposed that the terms of reference of the Committee are included in the Constitution and that this committee is included as a Regulatory or other committee.

It is important to note however that the Committee is not established to fulfil the Council's public law functions as other committees are. The committee exists to fulfil the Council's private law role as a trustee under a property transaction. The role of a trustee carries with it legal obligations to administer the trust in accordance with its terms and act in the interests of the beneficiaries. Where the trust is charitable additional requirements need to be met as laid down in charities legislation.

This committee is that it is not covered by the political proportionality rules of the Local Government and Housing Act 1989. Membership of the Committee should reflect the particular status of this committee and the particular nature of the obligations.

These considerations have been taken into account in identifying the membership proposed in the recommendations.

2. Conclusion

The Council has obligations as sole corporate trustee of Bourne Town Hall. At present only full Council is authorised to take decisions in that capacity. It is recommended that full Council establish a committee to fulfil certain aspects of its role. This allows for more flexible and efficient decision-making in relation to the Trust.

Legal advice has been taken on the responsibilities that come with the status of trustee and the first task of the proposed committee would be to review the current position and identify options for the future use of the building consistent with the trust obligations.

3. Legal Comments:

The Report proposes arrangements to assist the Council in fulfilling its responsibilities as sole corporate trustee of Bourne Town Hall. The legal issues relating to the proposal are set out in the Report.

In coming to its decision the Council is not exercising its public law functions but is fulfilling its role as a trustee.

The decision is within the remit of the full Council in its capacity as sole corporate trustee of the Trust.

4. Resource Comments:

There will be additional costs in setting up the committee, public consultation and further legal advice depending on which option is chosen. Any costs of managing the Hall will be met by the Council from existing budgets in the absence of any funds within the charity

5. Consultation

a) Has Local Member Been Consulted?

Yes

b) Has Executive Councillor Been Consulted?

Yes

c) Scrutiny Comments

n/a

d) Policy Proofing Actions Required

n/a

6. Appendices

These are listed below and attached at the back of the report	
Appendix A	Draft Terms of Reference

7. Background Papers

No background papers within Section 100D of the Local Government Act 1972 were used in the preparation of this report.

This report was written by Wendy Lanes, who can be contacted on wendy.lanes@lincolnshire.gov.uk.

Lincolnshire County Council

Trusteeship of Bourne Town Hall

Terms of reference for the trust committee

1. Overview

- 1.1 Lincolnshire County Council (“the Council”) is trustee of Bourne Town Hall (“the Hall”). The Council has a number of duties in respect of its trusteeship of the Hall and has established a trust committee to whom certain of its responsibilities for managing the trusteeship of Bourne Town Hall (“the Charity”) is delegated.
- 1.2 This document sets out the terms to which the trust committee (“the Committee”) should refer.
- 1.3 In addition, by way of background information it should be noted that the Council has instructed Geldards LLP (“Geldards”) to provide legal advice in respect of its duties as a trustee and the options available to it, which are set out in the options paper dated 27 October 2014 (“the Options”).

2. Duties as a trustee

- 2.1 The Council as the corporate charity trustee is responsible for the control and management of the administration of the Charity independently of its duties as a local authority. In exercising its duties, the Council must act in the best interests of the Charity whilst ensuring that it complies with charity law and other relevant legislation (including health and safety legislation and the Equality Act 2010), and also the governing documents of the Charity.
- 2.2 The terms of the trusts of the Charity are contained in an indenture dated 11 October 1821 (“the Governing Document”).
- 2.3 The Council must at all times seek to deliver the charitable purposes of the Charity for the benefit of the public and must act in the best interests of the Charity.
- 2.4 This duty to the Charity may conflict with its duty as a local authority. For this reason, in order to minimise such conflict and to demonstrate a degree of independence, the Council has agreed this delegation of charity functions to the Committee.
- 2.5 Generally, a charity trustee owes a duty of care, prudence and compliance to the Charity and this will be the responsibility of the Committee to the extent of the matters delegated to it.
- 2.6 Charity trustees also have a duty to avoid conflicts of interest and of confidentiality. The individuals who serve on the Committee must bear this in mind.

3. Delegated functions of the Committee

3.1 The Committee shall carry out the following tasks (“the Tasks”) on behalf of the Council as trustee of the Charity:

- (a) undertake an appraisal of the Options;
- (b) undertake public consultation with the residents of Bourne town in respect of the Options and future use of the Hall;
- (c) deliver a comprehensive report to the Council setting out the Committee’s recommendations as to the future use of the Hall, such recommendations to have regard to the outcome of the Committee’s public consultation with the residents of Bourne (“the Report”), in accordance with paragraph 8.3 below.

3.2 In carrying out the Tasks the Committee shall consider the following documents annexed to this document:

- (a) the Governing Document;
- (b) report on the Council’s duties as corporate trustee provided by Geldards dated 27 October 2014;
- (c) options paper provided by Geldards dated 27 October 2014; and
- (d) correspondence with the Charity Commission relating to the Hall.

3.3 The Council may determine any other functions to be carried out by the Committee from time to time and shall notify the Committee accordingly.

4. Retained responsibilities of the Council

4.1 The Council shall retain the following trustee responsibilities in respect of the Charity and the Hall:

- (a) all general trustee duties, and especially the duty of compliance with regulatory requirements;
- (b) day to day management of the Charity and the Hall;
- (c) carrying out any repairs to the Hall as may be required;
- (d) maintaining appropriate insurance policies;
- (e) management of the Charity bank accounts and maintenance of financial records;
- (f) overall supervision and authority over the Committee.

5. Committee membership

5.1 The Committee shall consist of:

- (a) a minimum of 5 Councillors (“the Voting Members”) as selected by the Council, so long as the Voting Members have not been elected by the residents of Bourne town; and
 - (b) such members of staff and supporting officers as selected and considered reasonable and appropriate by the Council from time to time, having regard to all relevant circumstances (“the Supporting Members”).
- 5.2 The Voting Members and Supporting Members shall collectively be referred to as “the Members”.
- 5.3 The Supporting Members shall not have voting rights and as such, shall not be able to vote on any decision of the Committee.
- 5.4 The Council shall be entitled to review the Committee membership from time to time and to remove and appoint members as it sees fit.

6. Committee meetings

- 6.1 The Committee shall hold monthly meetings. Notice of such meetings must be given at least 14 days in advance and must specify the date, time and place of the meeting.
- 6.2 Notice may be given electronically but the Members may agree to accept a lesser period of notice by way of simple majority.
- 6.3 A quorum at a Committee meeting shall be 3 Voting Members present in person or by proxy.
- 6.4 Committee meetings shall also be attended by such Supporting Members as may be required (but no less than two to include a note taker), having regard to the matters to be considered at such meetings from time to time.
- 6.5 A chairperson (“Chairperson”) and (“Vice Chairperson”) shall be selected by the Voting Members at the beginning of the first meeting of the Committee by way of simple majority.

7. Decision-making

- 7.1 Any decisions required shall be put to a vote of the Voting Members. Decisions shall be made by way of simple majority on a show of hands and each Voting Member shall have one vote.
- 7.2 Where there are equal votes for and against a decision the Chairperson (or in the Chairperson’s absence the Vice Chairperson) shall have a casting vote.

8. Reporting obligations

- 8.1 The Committee shall ensure that accurate minutes of Committee meetings are circulated to all Members
- 8.2 The Committee shall update the Council on a monthly basis as to its progress of completing the Tasks and delivering the Report, to include advising on the timescales involved and key dates.

- 8.3 The Report should include:
 - (a) significant issues considered by the Committee in respect of each of the Options;
 - (b) an explanation of how the Committee has reached its recommendation;
 - (c) any issues that may have arisen during the public consultation;
- 8.4 The Report should be delivered within a timescale agreed with the Council of the date on which the Committee is established.
- 8.5 The Council shall consider the Report and decide on the course of action to be taken in respect of the Hall; however, following its consideration of the Report the Council may raise further queries or instruct the Committee to undertake additional tasks before reaching its decision.
- 8.6 The Council shall provide appropriate and reasonable officer support to the Committee as may be required to enable the Committee to carry out the Tasks.

9. General duties of the Members

- 9.1 The Members have the following general duties that they must comply with when carrying out the Tasks:
 - (a) duty to disclose and manage any conflicts of interests that may arise during the course of a Committee meeting (in this regard Voting Members shall not be entitled to vote on any matter in which they have an interest unless the other Voting Members agree that the conflict may be disregarded for the purposes of the meeting);
 - (b) duty to comply with the Governing Document;
 - (c) duty to carry out the Task with due skill and care;
 - (d) duty to maintain accurate minutes of all Committee meetings and records of decisions taken by the Committee;
 - (e) duty of confidentiality;

Signed:

Name:

Position:

Date:

Open Report on behalf of Pete Moore, Executive Director of Finance and Public Protection

Report to:	County Council
Date:	20 February 2015
Subject:	Local Pension Board for Lincolnshire Pension Fund

Summary:

The Public Sector Pensions Act 2013 introduced a requirement for all public sector pension schemes to put in place a Local Pension Board for the 1st April 2015, to be fully operational within 4 months thereafter. This will require the creation of a Local Pension Board for the Lincolnshire Pension Fund, which is part of the Local Government Pension Scheme. This paper details the requirements of the Act and seeks decisions to enable the establishment of the Board within the statutory timeframe.

Recommendation(s):

That the Council:

- 1) Notes the legal requirement for consultation in accordance with the Regulations on the Pension Committee's Governance Compliance Statement and delegates the scope and process of this to the Executive Director of Finance and Public Protection, as the delegated officer.
- 2) Delegate the decision to approve the establishment, composition and terms of reference for the Local Pension Board, having first had regard to the outcome of the consultation, to the Executive Director of Finance and Public Protection, as the delegated officer.
- 3) Approve a change to the constitution to provide for the Pension Committee to have regard to the advice of the Local Pension Board once established.

1. Background

- 1.1 The Public Service Pensions Act (PSPA) 2013 introduces a number of changes to public service pension schemes, including a number of key changes impacting on the governance of public service pension schemes. One of the key changes is the requirement for each Administering Authority in the Local Government Pension Scheme (LGPS) to create a local Pension Board. The Secretary of State for Communities and Local Government

(DCLG) has considering how these changes are to be incorporated into the LGPS and the final Regulations were laid on 28th January 2015 and are attached at appendix A for information.

- 1.2 The Lincolnshire Pension Fund is administered by Lincolnshire County Council as the administering authority which is, under the PSPA 2013, the "Scheme Manager". The County Council have previously delegated responsibility for the management of pension issues to the Pensions Committee, with day-to-day operational matters delegated to the Executive Director of Finance and Public Protection. It is the Scheme Manager's responsibility to establish the Local Pension Board.
- 1.3 In very simple terms, the Pension Board can be seen as performing an advisory function in terms of certain decisions taken by the Pensions Committee (as opposed to the employer), in meeting the requirements of the regulations and acting in the best interests of its scheme members.
- 1.4 The key elements of the regulations and draft guidance relating to local Pension Boards are outlined below and were taken to the Value For Money Scrutiny Committee on 25th November 2014:

Establishment

- Each LGPS Administering Authority is required to establish a Local Pension Board no later than 1 April 2015.
- Where a pension committee already exists as a committee of a local authority (which is the case with most administering authorities), there is an option to create one combined pension committee and Pension Board. However, this will be subject to the Secretary of State's approval because the practical and legal hurdles for doing so are considered extremely challenging. Accordingly, it is expected most local authority Administering Authorities will create a separate Pension Board (i.e. in addition to any existing Pension Committee).
- The role of the Pension Board is to assist the Administering Authority with:
 - securing compliance with regulations and requirements imposed by the Pensions Regulator; and
 - ensuring effective and efficient governance and administration of the Scheme, including funding and investments.
- The Pension Board will have an oversight role, but not a decision-making role.
- Each Administering Authority will be required to determine its own procedures relating to the establishment and operation of the Pension Board.

- Expenses of the Board are to be regarded as costs of administration of the Fund, and are therefore paid by the Pension Fund.

Membership and Appointment

- The Administering Authority shall determine the membership of the Board, including the manner in which members may be appointed and removed.
- There must be equal numbers of scheme member representatives and employer representatives.
- There must be at least two of each of these representatives (so a Pension Board must comprise of at least four individuals).
- These representatives must have "capacity to represent" their respective stakeholders as well as meeting an ongoing legal requirement in relation to knowledge of pension matters.
- The Administering Authority should provide high quality pre-appointment training to proposed members.
- Board members cannot be elected members on a Pension Committee, or officers involved with the management of the Pension Fund, for that authority.
- Other elected members can be appointed to the Pension Board, but this must be as either an employer representative or a scheme member representative.
- Methodology for appointment must ensure that representative Board members are truly representative.
- All employers and members within a Fund must have equal opportunity to be nominated through an open and transparent process.

Conflicts of Interest

- Each Administering Authority must be satisfied that appointees to a Pension Board do not have a conflict of interest (initially and on an ongoing basis).
- This is defined in the PSPA as "'a financial or other interest which is likely to prejudice the person's exercise of functions as a member of the board (but does not include a financial or other interest arising merely by virtue of membership of the scheme or any connected scheme)".

Guidance

- An Administering Authority must have regard to guidance issued by the Secretary of State (draft attached at Appendix B).

1.5 Within existing Regulations it is a requirement of the Administering Authority that they publish a Governance Compliance Statement, which details how it delegates its functions, and it is required to consult on any material changes to this statement. The creation of the Local Pension Board is considered a material change so the existing Governance Compliance Statement will have to be revised to take account of the Local Pension Board which triggers an obligation to consult with such persons as it thinks necessary, as per the statutory guidance. The guidance specifically refers to this consultation duty. In this instance, 'such persons as it thinks necessary' are the scheme members and the scheme employers.

1.6 Therefore the Council, acting in its capacity as the Administering Authority, is asked to:

Note the legal requirement for consultation in accordance with the Regulations about the revised governance compliance statement which includes 'details of the terms, structure and operational procedures relating to the Local Pension Board', prior to the establishment of the Local Pension Board on 1st April 2015. In addition, that it delegate the scope and process of this to the Executive Director for Finance and Public Protection, as the delegated officer.

1.7 The guidance makes it clear that the establishment of the Board, its composition and terms of reference, must have been approved in accordance with the Administering Authority's own Constitution by 1st April 2015 (it must be fully operational by four months thereafter). This may be done by the Administering Authority (Full Council) or delegated to the Pensions Committee or an officer. However, the establishment of the Board cannot happen until after the consultation, which itself cannot happen until final regulations are laid.

1.8 Therefore this paper seeks a **recommendation** to the Council that:

Full Council delegates the decision to approve the establishment, composition (including appointments) and terms of reference for the Local Pensions Board, having first had regard to the outcome of the consultation process, to the Executive Director for Finance and Public Protection, as the delegated Officer.

1.9 The creation of a Local Pensions Board has an impact of the Council's Constitution in relation to the existing Pension Committee function. This change in the law will require the Pension Committee to have regard to the advice of the Local Pension Board in fulfilling their functions. That will mean that the Constitution will also need to be amended to reflect this change.

1.10 Therefore this paper seeks a **recommendation** to the Council that:

Full Council approve a change to the constitution to provide for the Pension Committee to have regard to the advice of the Local Pension Board in exercising its functions.

1.11 Legal and Democratic Services have provided advice and support and will continue to assist with the establishment of the Local Pension Board in line with the Regulations and Guidance.

2. Equality & Diversity Considerations

2.1 Consideration has been given to the Council's duties under the Equality Act 2010 and these will be taken into account by the Executive Director of Finance and Public Protection in the exercise of his delegated functions.

2. Conclusion

2.1 The Public Service Pensions Act (PSPA) 2013 requires that all Public Sector Pension Schemes create Local Pension Boards. For Lincolnshire County Council this means the establishment of a Local Pension Board for the Lincolnshire Pension Fund, as part of the Local Government Pension Scheme. This paper brings three recommendations to the Council to ensure that the Pensions Board is established, following consultation, by the statutory deadline of 1st April 2015, and amends the constitution to provide for the Pension Committee to have regard to the advice of the Local Pension Board, once established.

3. Legal Comments:

The legal basis on which the Recommendations are put forward are accurately set out, including the duty to consult at paragraph 1.5 of this report.

The decisions are within the remit of Full Council, which is taking such decisions acting in its role as Administering Authority on behalf of the Lincolnshire Pension Fund.

4. Resource Comments:

There will be modest additional costs presently estimated to be up to £10k pa in operating the Pensions Board. These costs will fall to the pension fund and not the County Council.

5. Consultation

a) Has Local Member Been Consulted?

n/a

b) Has Executive Councillor Been Consulted?

Yes

c) Scrutiny Comments

n/a

d) Policy Proofing Actions Required

n/a

6. Appendices

These are listed below and attached at the back of the report	
Appendix A	The Local Government Pension Scheme (Amendment) (Governance) Regulations 2015
Appendix B	Local Government Pension Scheme Guidance on the creation and operation of Local Pension Boards in England and Wales (NOTE: due to the size of this document, it has only been circulated electronically. Paper copies are available on request)

7. Background Papers

No background papers within Section 100D of the Local Government Act 1972 were used in the preparation of this report.

This report was written by Jo Ray, who can be contacted on 01522 553656 or jo.ray@lincolnshire.gov.uk.

STATUTORY INSTRUMENTS

2015 No. 57

**PUBLIC SERVICE PENSIONS,
ENGLAND AND WALES**

**The Local Government Pension Scheme
(Amendment) (Governance) Regulations 2015**

Made - - - - 26th January 2015

Laid before Parliament 28th January 2015

Coming into force in accordance with regulation 1(3)

These Regulations are made in exercise of the powers conferred by sections 1, 3, 5(7), 7(2), 12(6) and 12(7) of, and Schedule 3 to, the Public Service Pensions Act 2013⁽¹⁾.

In accordance with section 21 of that Act, the Secretary of State has consulted the representatives of such persons as appeared to the Secretary of State to be likely to be affected by these Regulations.

In accordance with section 3(5) of that Act, these Regulations are made with the consent of the Treasury.

The Secretary of State makes the following Regulations:

Citation, interpretation, commencement and extent

1.—(1) These Regulations may be cited as the Local Government Pension Scheme (Amendment) (Governance) Regulations 2015.

(2) In these Regulations “the Principal Regulations” means the Local Government Pension Scheme Regulations 2013⁽²⁾.

(3) These Regulations come into force as follows—

(a) on 20th February 2015, this regulation and regulations 2, 8 and 9—

(i) so far as they insert regulation 105 (delegation) into the Principal Regulations,

(ii) so far as they insert regulation 106 (local pension boards: establishment) into the Principal Regulations for the purposes of the obtaining of approval from the Secretary of State under paragraphs (2) to (4) of that regulation, and

(1) [2013 c. 25](#). Sections 5, 7 and 12 of that Act come into force in relation to regulations relating to local government workers on 1 April 2015 – see [S.I. 2015/4](#).

(2) [S.I. 2013/2356](#).

- (iii) so far as they insert regulations 107 (local pensions boards: membership), 108 (local pensions boards: conflicts of interest), 111 (scheme advisory board: membership) and 112 (scheme advisory board: conflict of interest) into the Principal Regulations for the purposes of appointment of members of local pension boards and the Local Government Pension Scheme Advisory Board; and
- (b) on 1st April 2015—
 - (i) this regulation and regulations 2, 8 and 9 so far as not already commenced, and
 - (ii) the remainder of these Regulations.
- (4) These Regulations extend to England and Wales.

Amendment of the Local Government Pension Scheme Regulations 2013

2. The Principal Regulations are amended in accordance with regulations 3 to 9.
3. Omit regulation 53(4) (scheme managers: establishment of pension board).
4. In regulation 55(1)(d) for “regulation 53(4) (Scheme managers)” substitute “regulation 106 (local pension boards: establishment)”.
5. Omit regulation 63 (aggregate Scheme costs).
6. Omit regulation 65 (aggregate Scheme costs: revised certificates).
7. In regulation 66 (supply of copies of valuations, certificates etc) for “regulations 62 (actuarial valuations of pension funds), 64 (special circumstances where revised actuarial valuations and certificates must be obtained) or 65 (aggregate Scheme costs: revised certificates)” substitute “regulations 62 (actuarial valuation of pension funds) or 64 (special circumstances where revised actuarial valuations and certificates must be obtained)”.
8. In Schedule 1 (interpretation)—
 - (a) after the entry for “local government service” insert—
 - ““Local Government Pension Scheme Advisory Board” means the board established under regulation 110 (Scheme advisory board: establishment);
 - “local pension board” means a board established under regulation 106 (local pension boards: establishment);”” and
 - (b) after the entry for “the Scheme” insert—
 - ““Scheme actuary” means the actuary appointed under regulation 114 (Scheme actuary);””.
9. After regulation 104(3) insert—

“PART 3

Governance

Delegation

- 105.—(1) The Secretary of State may delegate any function under these Regulations.
- (2) An administering authority may delegate any function under these Regulations including this power to delegate.

(3) Regulation 104 was inserted by [S.I. 2014/1146](#).

Local pension boards: establishment

106.—(1) Each administering authority shall no later than 1st April 2015 establish a pension board (“a local pension board”) responsible for assisting it—

- (a) to secure compliance with—
 - (i) these Regulations,
 - (ii) any other legislation relating to the governance and administration of the Scheme and any connected scheme⁽⁴⁾, and
 - (iii) any requirements imposed by the Pensions Regulator in relation to the Scheme and any connected scheme; and
- (b) to ensure the effective and efficient governance and administration of the Scheme and any connected scheme.

(2) Where the Scheme manager is a committee of a local authority the local pension board may be the same committee if approval in writing has been obtained from the Secretary of State.

(3) Where the administration and management of a Scheme is wholly or mainly shared by two or more administering authorities, those administering authorities may establish a joint local pension board if approval in writing has been obtained from the Secretary of State.

(4) Approval under paragraphs (2) or (3) may be given subject to such conditions as the Secretary of State thinks fit.

(5) The Secretary of State may withdraw an approval if any conditions under paragraph (4) are not met or if in the opinion of the Secretary of State it is no longer appropriate for the approval to continue.

(6) Subject to paragraph (7), an administering authority may determine the procedures applicable to a local pension board, including as to the establishment of sub-committees, formation of joint committees and payment of expenses.

(7) Except where a local pension board is a committee approved under paragraph (2), no member of a local pension board shall have a right to vote on any question unless that member is an employer representative or a member representative⁽⁵⁾.

(8) A local pension board shall have the power to do anything which is calculated to facilitate, or is conducive or incidental to, the discharge of any of its functions.

(9) The expenses of a local pension board are to be regarded as part of the costs of administration of the fund held by the administering authority.

Local pension boards: membership

107.—(1) Subject to this regulation each administering authority shall determine—

- (a) the membership of the local pension board;
- (b) the manner in which members of the local pension board may be appointed and removed;
- (c) the terms of appointment of members of the local pension board.

(2) An administering authority must appoint to the local pension board an equal number, which is no less than 4 in total, of employer representatives and member representatives and for these purposes the administering authority must be satisfied that—

(4) See section 4(6) of the Public Service Pensions Act 2013 for the definition of connected scheme.

(5) See section 5(6) of the Public Service Pensions Act 2013 for definitions of these terms.

- (a) a person to be appointed to the local pension board as an employer representative has the capacity to represent employers; and
 - (b) a person to be appointed to the local pension board as a member representative has the capacity to represent members.
- (3) Except where a local pension board is a committee approved under regulation 106(2) (committee that is a Scheme manager is also local pension board)—
- (a) no officer or elected member of an administering authority who is responsible for the discharge of any function under these Regulations (apart from any function relating to local pension boards or the Local Government Pension Scheme Advisory Board) may be a member of the local pension board of that authority; and
 - (b) any elected member of the administering authority who is a member of the local pension board must be appointed as either an employer representative or a member representative.
- (4) Where a local pension board is a committee approved under regulation 106(2) (committee that is a Scheme manager is also local pension board) the administering authority must designate an equal number which is no less than 4 in total of the members of that committee as employer representatives and member representatives and for these purposes the administering authority must be satisfied that—
- (a) a person to be designated as an employer representative has the capacity to represent employers; and
 - (b) a person to be designated as a member representative has the capacity to represent members.

Local pension boards: conflict of interest

108.—(1) Each administering authority must be satisfied that any person to be appointed as a member of a local pension board does not have a conflict of interest⁽⁶⁾.

(2) An administering authority must be satisfied from time to time that none of the members of a local pension board has a conflict of interest.

(3) A person who is to be appointed as a member of a local pension board by an administering authority must provide that authority with such information as the authority reasonably requires for the purposes of paragraph (1).

(4) A person who is a member of a local pension board must provide the administering authority which made the appointment with such information as that authority reasonably requires for the purposes of paragraph (2).

Local pension boards: guidance

109. An administering authority must have regard to guidance issued by the Secretary of State in relation to local pension boards.

Scheme advisory board: establishment

110.—(1) A scheme advisory board (“the Local Government Pension Scheme Advisory Board”) is established.

(2) The function of the Local Government Pension Scheme Advisory Board is to provide advice to the Secretary of State on the desirability of making changes to the Scheme.

⁽⁶⁾ See section 5(5) of the Public Service Pensions Act 2013 for the meaning of “conflict of interest”.

(3) The Local Government Pension Scheme Advisory Board also has the function of providing advice to administering authorities and local pension boards in relation to the effective and efficient administration and management of the Scheme and any connected scheme and their pension funds.

(4) Subject to these Regulations, the Local Government Pension Scheme Advisory Board may determine its own procedures including as to voting rights, the establishment of sub-committees, formation of joint committees and the payment of remuneration and expenses.

(5) The Local Government Pension Scheme Advisory Board shall have the power to do anything which is calculated to facilitate, or is conducive or incidental to, the discharge of any of its functions.

Scheme advisory board: membership

111.—(1) The Local Government Pension Scheme Advisory Board shall consist of a Chairman and at least 2, and no more than 12 members appointed by the Secretary of State.

(2) When deciding whether to make appointments under paragraph (1), the Secretary of State must have regard to the desirability of there being equal representation of persons representing the interests of Scheme employers and persons representing the interests of members.

(3) A member of the Local Government Pension Scheme Advisory Board is to hold and vacate office in accordance with the terms of that member's appointment.

(4) The Chairman of the Local Government Pension Scheme Advisory Board may, with the agreement of the Board, appoint a maximum of 3 persons to be non-voting advisory members of the Board.

(5) An advisory member of the Local Government Pension Scheme Advisory Board is to hold and vacate that position in accordance with the terms of that member's appointment.

(6) The Chairman of the Local Government Pension Scheme Advisory Board may, with the agreement of the Board, appoint persons who are not members of the Local Government Pension Scheme Advisory Board to be members of sub-committees of that Board.

(7) A member of a sub-committee of the Local Government Pension Scheme Advisory Board is to hold and vacate office in accordance with the terms of that member's appointment.

Scheme advisory board: conflict of interest

112.—(1) Before appointing any person to be a member of the Local Government Pension Scheme Advisory Board, the Secretary of State must be satisfied that the person does not have a conflict of interest⁽⁷⁾.

(2) The Secretary of State must be satisfied from time to time that none of the members of the Local Government Pension Scheme Advisory Board has a conflict of interest.

(3) A person who is to be appointed as a member of the Local Government Pension Scheme Advisory Board must provide the Secretary of State with such information as the Secretary of State reasonably requires for the purposes of paragraph (1).

(4) A person who is a member of the Local Government Pension Scheme Advisory Board must provide the Secretary of State with such information as the Secretary of State reasonably requires for the purposes of paragraph (2).

(7) See section 7(5) of the Public Service Pensions Act 2013 for the meaning of "conflict of interest".

Scheme advisory board: funding

113.—(1) The expenses of the Local Government Pension Scheme Advisory Board are to be treated as administration costs of the Scheme and are to be defrayed by the administering authorities within the Scheme in such proportions as shall be determined by the Board.

(2) The Local Government Pension Scheme Advisory Board must identify the amount to be paid by each administering authority towards its annual costs based on—

- (a) its annual budget approved by the Secretary of State; and
- (b) the number of persons for which the administering authority is the appropriate administering authority.

(3) An administering authority must pay the amount it is required to pay under this regulation at such time or times as the Local Government Pension Scheme Advisory Board may determine.

Scheme actuary

114.—(1) The Secretary of State must appoint an actuary as Scheme actuary to carry out valuations of the Scheme and any connected scheme in accordance with Treasury directions made under section 11 of the Public Service Pensions Act 2013⁽⁸⁾ (“the Treasury directions”).

(2) The person appointed as Scheme actuary under paragraph (1) must, in the opinion of the Secretary of State, be appropriately qualified to carry out a valuation of the Scheme.

(3) The Secretary of State must secure that the Scheme actuary carries out actuarial valuations of the assets and liabilities of the Scheme on the dates specified in regulation 62(1)(a) (actuarial valuations of pension funds) and prepare valuation reports in accordance with the Treasury directions, within such period as enables the requirements in those directions to be met.

(4) An administering authority must provide the Scheme actuary with any data that the Scheme actuary reasonably requires, in accordance with the Treasury directions, in order to carry out a valuation and prepare a report on the valuation.

Employer cost cap

115.—(1) The employer cost cap for the Scheme is 14.6% of pensionable earnings of members of the Scheme.

(2) Where the cost of the Scheme, calculated following a valuation in accordance with Treasury directions under section 11 of the Public Service Pensions Act 2013 is more than the margins specified in regulations made under section 12(5) of the Public Service Pensions Act 2013⁽⁹⁾ (“the Cost Cap Regulations”) above or below the employer cost cap, the Secretary of State must follow the procedure specified in paragraph (3) for reaching agreement with administering authorities, employers and members (or representatives of employers and members) as to the steps required to achieve the target cost specified in the Cost Cap Regulations.

(3) The procedure specified for the purposes of section 12(6)(a) of the Public Service Pensions Act 2013 is consultation for such period as the Secretary of State considers appropriate with the Local Government Pension Scheme Advisory Board with a view to reaching an agreement endorsed by all members of that Board.

⁽⁸⁾ 2013 c. 25.

⁽⁹⁾ 2013 c. 25; see regulation 3 of S.I. 2014/575.

(4) If, following such consultation, agreement is not reached within 3 months of date on which the consultation period ends, the Secretary of State must take steps to adjust the rate at which benefits accrue under regulation 23(4) or (5) (active member's pension accounts) so that the target cost for the Scheme is achieved.

Scheme advisory board: additional functions

116.—(1) The Local Government Pension Scheme Advisory Board (“the Board”) must obtain a Scheme cost assessment from the Scheme actuary detailing the overall cost of the Scheme and the proportions of that cost being met by Scheme employers and members on the dates specified in regulation 62(1)(a) (actuarial valuations of pension funds).

(2) Subject to paragraphs (5) and (6), where the overall cost of the Scheme is above or below the target overall cost, the Board may make recommendations to the Secretary of State as to the steps to take to bring the overall cost of the Scheme back to the target overall cost.

(3) Where the proportion of the overall cost of the Scheme which is met by contributions by employers is above or below the target proportion, the Board may make recommendations to the Secretary of State as to the steps to take to bring the proportion of the overall cost of the Scheme which is met by contributions by employers and members back to the target proportion.

(4) The Board must, before obtaining a Scheme cost assessment under paragraph (1), prepare and publish a statement setting out its policy concerning recommendations to the Secretary of State about the steps to be taken to bring the overall cost of the Scheme back to the target overall cost and the proportions of that cost met by Scheme employers and members, back to the target proportion.

(5) The Board must not make recommendations under paragraph (2) if steps are required to be taken under regulation 115 (employer cost cap).

(6) Subject to paragraph (5) the Board must make recommendations under paragraph (2) if the overall cost of the Scheme is above or below the target overall cost by 2% or more of pensionable earnings of members.

(7) In this regulation—

“the overall cost of the Scheme” means the total cost as calculated by the Scheme actuary as part of a Scheme cost assessment making use of the data provided under regulation 114(4) (Scheme actuary) according to such methodology and assumptions as are determined by the Board;

“the target overall cost” is 19.5% of the pensionable earnings of members of the Scheme;

“the target proportion” means Scheme employers meeting two-thirds and members meeting one-third of the overall cost of the Scheme.

(8) Each administering authority must provide the Scheme actuary with any data that the Scheme actuary requires in order to carry out any valuations and produce reports in accordance with directions from the Board for the purposes of this regulation.

(9) Unless the Board is prevented by paragraph (5) from making recommendations under this regulation, it must, within 23 months of the date on which a Scheme cost assessment is obtained under paragraph (1), publish a report setting out—

- (a) the overall cost of the Scheme;
- (b) the proportions of the overall costs of the Scheme met by employers and members;
- (c) the assumptions and methodology used by the Scheme actuary; and

Status: This is the original version (as it was originally made). This item of legislation is currently only available in its original format.

- (d) any recommendations made to the Secretary of State under this regulation.
- (10) The Board must send a copy of a report published under paragraph (9) to the Secretary of State and the Scheme actuary.
- (11) The Secretary of State must publish a response to a report received under paragraph (10) within six months of the date on which that report is received.”.

We consent to the making of these Regulations

23rd January 2015

Mark Lancaster
Gavin Barwell
Two of the Lords Commissioners of Her
Majesty’s Treasury

Signed by authority of the Secretary of State for Communities and Local Government

26th January 2015

Kris Hopkins
Parliamentary Under Secretary of State
Department for Communities and Local
Government

EXPLANATORY NOTE

(This note is not part of the Regulations)

These Regulations amend the Local Government Pension Scheme Regulations 2013 (“the 2013 Regulations”) to make provision in respect of governance of the Scheme.

Regulation 1 commences the substantive provisions from 20th February 2015 for the purposes of making appointments to local pension boards and the Scheme Advisory Board, and brings the provisions fully into force from 1st April 2015.

Regulations 3 to 8 make minor amendments to the 2013 Regulations consequential to the substantive provisions.

Regulation 9 inserts a new Part 3 into the 2013 Regulations.

New regulation 105 permits the Secretary of State to delegate functions under the 2013 Regulations. It permits administering authorities to delegate their functions and also for any delegated function to be sub-delegated.

New regulations 106 to 109 make provision for each administering authority to establish a local pension board to assist it to comply with its legal obligations relating to the Scheme. Where a local authority discharges its pension functions through a committee, it can, with the approval of the Secretary of State appoint that existing committee to be the local pension board. Local pension boards must have equal representation of employer representatives and member representatives who must not be officers or councillors of the administering authority responsible for the discharge of local government pension functions.

Regulations 110 to 113 establish the Local Government Pension Scheme Advisory Board to advise the Secretary of State, administering authorities and local pension boards in relation to the Scheme. Provision is made for the appointment of members to the Board and for its funding.

Regulation 114 requires the Secretary of State to appoint a Scheme actuary to carry out valuations of the Scheme.

Regulation 115 sets the employer cost cap and requires the Secretary of State to seek agreement from those affected as to the changes to the design of the Scheme necessary to bring costs back to that level if valuation reports indicate that costs have varied by more than a margin specified in regulations made by the Treasury. If agreement can not be reached the Secretary of State must make amendments to the Scheme to vary the rate of accrual of benefits to bring the costs of the Scheme back to the employer cost cap level.

Regulation 116 confers additional functions on the Local Government Pension Scheme Advisory Board to monitor the overall costs of the Scheme and the proportion of those costs met by employers and members respectively and to make recommendations to the Secretary of State for changes to the Scheme where overall costs or respective proportions met by employer or member contributions vary from the initial costs.

No impact assessment has been prepared for this instrument as no impact on the costs of business or the voluntary sector is foreseen.

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Local Government Pension Scheme (LGPS)

Guidance on the creation and operation of Local Pension Boards in England and Wales

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1. Introduction

- 1.1 The LGPS is a common pension scheme throughout England and Wales, administered locally by 90 separate Administering Authorities.
- 1.2 In the context of the UK public service pension schemes, the LGPS is the largest funded occupational pension scheme in the UK.
- 1.3 Administering Authorities are required to establish a new body to be known as a Local Pension Board to assist the Administering Authority in its role as the Scheme Manager of its Fund in accordance with the requirements of the 2013 Act.
- 1.4 This Guidance is designed to assist Administering Authorities in the creation and operation of Local Pension Boards in line with relevant legislation and in particular the 2013 Act and the Regulations.
- 1.5 This Guidance should not be taken as a definitive interpretation of legislation and it should always be read in conjunction with the relevant legislation. Administering Authorities are advised to secure their own legal advice on the interpretation and application of the legal framework.
- 1.6 Unless otherwise stated, this Guidance is correct as at 28 January 2015.
- 1.7 The following is an explanation of defined terms used in this Guidance:

1972 Act	The Local Government Act 1972.
1989 Act	The Local Government & Housing Act 1989.
2000 Act	The Local Government Act 2000.
2004 Act	The Pensions Act 2004.
2011 Act	The Localism Act 2011.
2013 Act	The Public Service Pensions Act 2013.
Administering Authority	A body listed in Part 1 of Schedule 3 of the Regulations who maintains a fund within the LGPS.
Code of Practice	The Regulator's Code of Practice no. 14 entitled " <i>Governance and administration of public service</i> "

	<i>pension schemes”</i> .
DCLG	The Department for Communities and Local Government.
DPA	Data Protection Act 1998.
FOIA	Freedom of Information Act 2000.
Investment Regulations	The Local Government Pension Scheme (Management and Investment of Funds) Regulations 2009.
IPSPC	Independent Public Service Pensions Commission.
LGPS	The Local Government Pension Scheme - a scheme for the payment of pensions and other benefits to or in respect of persons working in local government service in England and Wales or for other bodies that participate in the LGPS.
Local Pension Board	The board established to assist the Administering Authority as the Scheme Manager for each Fund.
Pension Committee	A committee or sub-committee to which an Administering Authority has delegated its pension function.
Regulations	The Local Government Pension Scheme Regulations 2013 (as amended).
Regulator	The Pensions Regulator.
Responsible Authority	The Secretary of State for Communities and Local Government being the person who makes regulations for a pension scheme established under section 1 of the 2013 Act.
Rules of Procedure	The rules governing the decision making process of the Administering Authority as set out in its constitution.

Scheme Advisory Board	The Local Government Pension Scheme Advisory Board established under the Regulations.
Scheme Manager	A person or body responsible for managing or administering a pension scheme established under section 1 of the 2013 Act. In the case of the LGPS, each Fund has a Scheme Manager which is the Administering Authority.
Secretary of State	The Secretary of State for Communities and Local Government.
Transitional Regulations	The Local Government Pension Scheme (Transitional Provisions, Savings and Amendment) Regulations 2014.

2. **Background**

LGPS Governance Structure Prior to April 2015

- 2.1 The LGPS is a statutory funded public service pension scheme. It differs in legal status from trust based pension schemes in the private sector because it is established under statute and not set up under a trust. It also differs from most other statutory public service pension schemes which are unfunded schemes. Matters of governance in the LGPS therefore need to be considered on their own merits and with proper regard to the unique legal status of the LGPS.
- 2.2 Prior to 1 April 2015, the LGPS has had a relatively straightforward governance structure which includes the Secretary of State and the Administering Authority.
- 2.3 Each Administering Authority is responsible for managing and administering the LGPS in relation to any person for which it is the appropriate administering authority under the Regulations. The Administering Authority is responsible for maintaining and investing its own Fund within the LGPS.
- 2.4 How an Administering Authority delegates its LGPS function is largely a matter for each Administering Authority. The majority of Administering Authorities are local authorities and therefore operate in accordance with local government law. However some Administering Authorities are not local authorities such as the Environment Agency, the London Pensions Fund Authority and the South Yorkshire Pensions Authority. Such bodies operate in accordance with their own legal constitutions.

The Road to Reform

- 2.5 June 2010: Lord Hutton of Furness is appointed by Government to chair the IPSPC and undertake a fundamental structural review of public service pension provision and to make recommendations to the Chancellor and Chief Secretary to the Treasury on future pension arrangements.
- 2.6 October 2010: The IPSPC produces its interim report.
- 2.7 March 2011: The IPSPC produces its final report making 27 recommendations for the reform of public service pension schemes including:

- properly constituted, trained and competent pension board with member nominees, responsible for meeting good standards of governance including effective and efficient administration;
- a pension policy group for each public service pension scheme at national level for considering major changes to scheme rules; and
- independent oversight of the governance, administration and data transparency of public service pension schemes.

2.8 December 2011: Following a meeting in November 2011, the Local Government Association and lead members and officials from GMB, UNISON and Unite conclude that discussions should be progressed with the aim of reaching agreement on a set of high level principles for the LGPS.

2.9 May 2012: The Local Government Association, GMB, UNISON and Unite announce the outcome of their negotiations on new LGPS proposals to take effect from 1 April 2014.

2.10 April 2013: The 2013 Act implementing most of the IPSPC's recommendations receives Royal Assent.

2.11 April 2014: The new career-average LGPS comes into force.

2.12 April 2015: The new governance structure for the LGPS and other public service pension schemes come into force.

3. **Legislative background and structure of governance arrangements from 2015**

Legislative requirements for governance in the LGPS

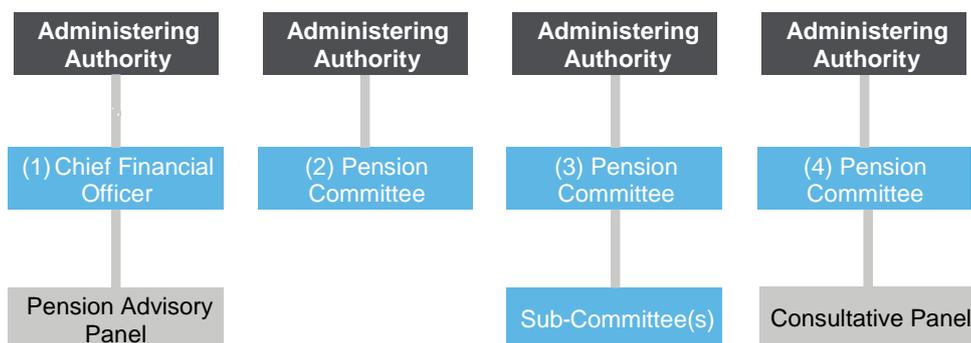
- 3.1 The Regulations require each Administering Authority to establish a Local Pension Board for the purposes of assisting the Administering Authority in line with the requirements set out in paragraph 3.27.
- 3.2 Local Pension Boards must be established no later than 1 April 2015. Established in this context means that the Administering Authority must have approved the establishment of the Local Pension Board, its composition and also the terms of reference, in accordance with its constitution. It does not necessarily mean that the Local Pension Board has to be fully operational by this date. However, it is anticipated that a Local Pension Board should be operational within a reasonably practicable period after 1 April 2015 (being no longer than 4 months).
- 3.3 The Regulations set out the requirements relating to the new Local Pension Boards.

Governance structure in the LGPS

- 3.4 Each Administering Authority is responsible for managing and administering the LGPS in relation to any person for which it is the appropriate administering authority under the Regulations. The Administering Authority is responsible for maintaining and investing its own Fund for the LGPS.
- 3.5 Administering Authorities are defined in Part 1 of Schedule 3 of the Regulations.
- 3.6 The majority of Administering Authorities are local authorities and therefore operate in accordance with local government law requirements. However some Administering Authorities are not local authorities such as the Environment Agency, the London Pensions Fund Authority and the South Yorkshire Pensions Authority. Such bodies operate in accordance with their own legal constitutions.
- 3.7 In some instances, two or more Administering Authorities may share their administration function, for example through a shared service arrangement, or in other ways. However, where this happens each local authority still retains its own individual Administering Authority status and therefore legal responsibility for its own Fund.

- 3.8 The membership structure for the Local Pension Board required by regulation 107 of the Regulations does not fit neatly into the standard arrangements which exist for decision making on pensions issues and existing established governance arrangements for Administering Authorities. This section of the Guidance sets out the general legal provisions which will assist in placing the Local Pension Board in the context of decision making on wider pensions and financial matters.
- 3.9 For local authority Administering Authorities it is not permissible for decisions about pension allowances or the amount of pension to be paid to employees to be an executive decision (see The Local Authorities (Functions and Responsibilities) (England) Regulations 2000 and The Local Authorities Executive Arrangements (Functions and Responsibilities) (Wales) Regulations 2001. This means that the executive (usually cabinet or the elected mayor) cannot make decisions in relation to LGPS matters, for example, how to exercise discretions under the Regulations.
- 3.10 This means in practice that decisions about pensions are delegated in accordance with Section 101 of the 1972 Act to:
- 3.10.1 committees or sub-committees made up of that Administering Authority's councillors from all the political groups and will be politically balanced (and some of these committees or sub-committees also have additional co-opted members such as employer and scheme member representatives); or
 - 3.10.2 Administering Authority officers.
- Some decisions will be reserved for full council, for example decisions which have an impact on the budget.
- 3.11 Regulation 105 also provides that Administering Authorities may delegate functions under the Regulations. This confirms the authority in Section 101 of the 1972 Act.
- 3.12 The delegation of pension functions varies from Administering Authority to Administering Authority depending on local circumstances. The Regulations require an Administering Authority's governance compliance statement to set out whether the Authority delegates its functions and the detail of the delegation given. This includes the terms, structure and operation of the delegation, the frequency of meetings, membership and voting rights.

3.13 Examples of delegation structures used by Administering Authorities can be summarised as follows:



Governance compliance statements

3.14 To ascertain how an individual Administering Authority actually delegates its pension function it is necessary to review its governance compliance statement. Each Administering Authority must have in place a statement setting out whether the Administering Authority delegates its functions, or part of its functions under the Regulations to a committee, a sub-committee or an officer of the authority.

3.15 Where the Administering Authority does delegate its functions, the statement must include:

- 3.15.1 the terms, structure and operational procedures of the delegation;
- 3.15.2 the frequency of any committee or sub-committee meetings;
- 3.15.3 whether such a committee or sub-committee includes representatives of scheme employers or members, and if so, whether those representatives have voting rights;
- 3.15.4 the extent to which a delegation, or the absence of a delegation, complies with guidance given by the Secretary of State and, to the extent that it does not so comply, the reasons for not complying; and
- 3.15.5 details of the terms, structure and operational procedures relating to the Local Pension Board.

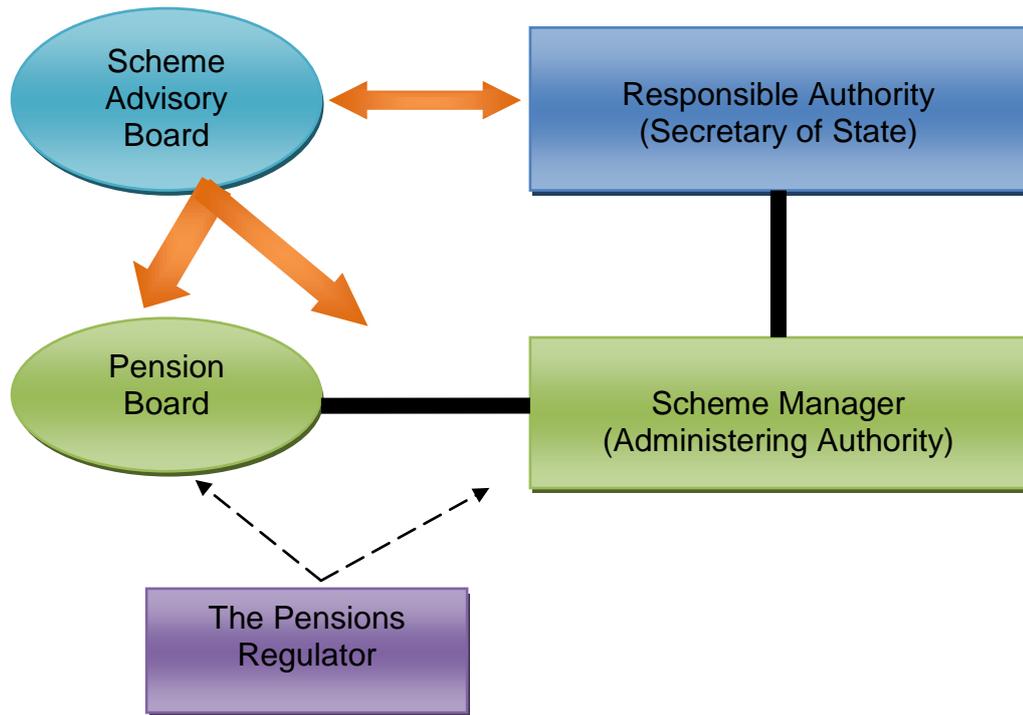
3.16 Current governance compliance statements will need to be revised to include the new information referred to in paragraph 3.15.5. The

Administering Authority will firstly need to consult with such persons as it thinks necessary about the revised statement and then publish it once it has been revised.

New governance structure in the LGPS

3.17 From 1 April 2015, the new governance structure of the LGPS can be summarised in the following diagram:

Post April 2015 LGPS Governance Structure



The Responsible Authority

3.18 In accordance with section 2 of the 2013 Act, each pension scheme established under section 1 of the 2013 Act must have a 'responsible authority' which is the person who may make regulations for that scheme.

3.19 In the case of the LGPS, the Responsible Authority is the Secretary of State.

Administering Authority/Scheme Manager

3.20 Section 4 of the 2013 Act requires that, in the case of a pension scheme established under section 1 of that Act, regulations must provide for a 'scheme manager'. The scheme manager is the person who is responsible for managing or administering the scheme.

- 3.21 The Regulations specify that the ‘scheme manager’ responsible for the local administration of pensions and other benefits payable under the LGPS shall be each Administering Authority.
- 3.22 In the case of the LGPS, each Fund therefore has a Scheme Manager which is the Administering Authority. This contrasts with other public service pension schemes administered on a national basis, such as the Teachers’ Pension Scheme, where there is a single scheme manager for the whole scheme.
- 3.23 As noted at paragraph 3.4 an Administering Authority is responsible for managing and administering the LGPS in relation to any person for which it is the appropriate administering authority under the Regulations. The Administering Authority is responsible for maintaining and investing its own Fund for the LGPS. This means the Administering Authority is responsible for making all decisions relating to the operation of the Fund.
- 3.24 The creation of new Local Pension Boards does not change the core role of the Administering Authority or the way it delegates its pension functions. However, when establishing its Local Pension Board, the Administering Authority may wish to take the opportunity to review its current delegation structure to see if it remains fit for purpose.
- 3.25 For example, where there is an advisory panel advising a Pension Committee, the Administering Authority may wish to consider the extent to which the advisory panel’s functions are superseded by the new Local Pension Board. An existing panel of this nature is not a Local Pension Board and should not be re-badged as such. A new Local Pension Board should be properly established and the existing arrangements then reviewed.

Local Pension Boards

- 3.26 Section 5 of the 2013 Act requires that, in the case of a pension scheme established under section 1 of that Act, regulations must provide for the establishment of a board with responsibility for assisting the scheme manager(s) in relation to specified matters. In turn, this has resulted in the requirement for Local Pension Boards for each Administering Authority in the LGPS under the Regulations.

3.27 Regulation 106(1) of the Regulations specifies that each Administering Authority shall establish its own Local Pension Board with responsibility for assisting the Administering Authority:

3.27.1 to secure compliance with:

3.27.1.1 the Regulations;

3.27.1.2 other legislation relating to the governance and administration of the LGPS; and

3.27.1.3 the requirements imposed by the Regulator in relation to the LGPS, and

3.27.2 to ensure the effective and efficient governance and administration of the LGPS.

3.28 Assisting the Administering Authority should be interpreted as helping the Administering Authority, including doing work requested by the Administering Authority. The role of the Local Pension Board should be interpreted as covering all aspects of governance and administration of the LGPS, including funding and investments. However, the Local Pension Board does not replace the Administering Authority or make decisions which are the responsibility of the Administering Authority under both the Regulations and other overriding legislation. The Administering Authority can choose to delegate duties to the Local Pension Board within the parameters of the Regulations.

3.29 The role and remit of a Local Pension Board is considered in more detail in Schedule A.

3.30 Regulation 106(9) of the Regulations specifies that the expenses of a Local Pension Board shall be regarded as part of the costs of administration of the Fund. This is considered in more detail in section 9, Resourcing and Funding.

Scheme Advisory Board

3.31 Section 7 of the 2013 Act requires that, in the case of a pension scheme established under section 1 of that Act, regulations must provide for the establishment of a board with responsibility for providing advice to the responsible authority, at the authority's request, on the desirability of

changes to the scheme. The responsible authority must have regard to such advice.

- 3.32 Where a scheme has more than one scheme manager (and accordingly there is more than one pension board for the scheme), regulations may also provide for the Scheme Advisory Board to provide advice (on request or otherwise) to the scheme managers or the scheme's pension boards in relation to the effective and efficient administration and management of the scheme or any pension fund of the scheme.
- 3.33 In turn, Section 7 has resulted in the requirement for the Scheme Advisory Board for the LGPS under the Regulations. The Scheme Advisory Board for the LGPS is established by the Regulations and is responsible for providing advice:
- 3.33.1 to the Secretary of State on the desirability of making changes to the LGPS; and
 - 3.33.2 to the Administering Authorities and Local Pension Boards in relation to the effective and efficient administration and management of the LGPS and the Funds.
- 3.34 In both cases, the Secretary of State and Administering Authorities (including those with delegated responsibility, i.e. Pension Committees (or sub-committees) and Officers) or Local Pension Boards must have regard to advice issued by the Scheme Advisory Board in accordance with section 7(3) of the 2013 Act.

4. **The Pensions Regulator**

- 4.1 The regulatory powers of the Regulator were extended under section 17 and Schedule 4 of the 2013 Act to cover some aspects of public service pension schemes, including the LGPS.
- 4.2 The Regulator is an existing body corporate established by the 2004 Act. Prior to 1 April 2015, the Regulator regulated occupational and personal pension schemes provided primarily through private sector employers.
- 4.3 The Regulator has a number of statutory objectives including to:
 - 4.3.1 protect the benefits of pension scheme members,
 - 4.3.2 promote, and improve understanding of, the good administration of work-based pension schemes,
 - 4.3.3 maximise compliance with the duties and safeguards of the Pensions Act 2008; and
 - 4.3.4 minimise any adverse impact on the sustainable growth of an employer (in relation to the exercise of the Regulator's functions under Part 3 of the Pensions Act 2004 only).
- 4.4 The 2013 Act introduces a framework for the regulatory oversight of aspects of the governance and administration of public service pension schemes by the Regulator from 1 April 2015, through expanding its current role.
- 4.5 The Regulator has oversight in areas such as those listed in paragraph 4.6 below and may issue codes of practice for public service pension schemes in these areas.
- 4.6 The Regulator has issued the Code of Practice which covers:
 - 4.6.1 knowledge and understanding required by pension board members (see paragraphs 33 to 60 of the Code of Practice);
 - 4.6.2 conflicts of interest and representation (see paragraphs 61 to 91 of the Code of Practice);
 - 4.6.3 reporting breaches of the law (see paragraphs 241 to 275 of the Code of Practice);
 - 4.6.4 publishing information about schemes (see paragraphs 92 to 99 of the Code of Practice);

- 4.6.5 internal controls (see paragraphs 101 to 120 of the Code of Practice);
 - 4.6.6 scheme record-keeping (see paragraphs 122 to 146 of the Code of Practice);
 - 4.6.7 maintaining contributions (see paragraphs 147 to 186 of the Code of Practice);
 - 4.6.8 providing information to members (see paragraphs 187 to 211 of the Code of Practice) ; and
 - 4.6.9 internal dispute resolution (see paragraphs 213 to 240 of the Code of Practice).
- 4.7 However, only the areas of knowledge and understanding, conflicts of interest and representation and reporting breaches of the law have direct application to Local Pension Boards. The other areas apply to Administering Authorities, although there are areas that a Local Pension Board will need to be aware of in order to assist the Administering Authority.
- 4.8 This Guidance takes into account the principles of the Code of Practice where relevant and applies them to the LGPS.
- 4.9 For the avoidance of doubt the powers of the Regulator were not extended to cover areas such as the funding and investment of Funds.

The Regulator's Powers

- 4.10 The Regulator will have a range of enforcement powers under the 2013 Act including:
- 4.10.1 the power to appoint a person to assist a Local Pension Board in the discharge of its functions if the Regulator considers it desirable for the purpose of ensuring compliance with relevant “pensions legislation”;
 - 4.10.2 the power to issue an ‘improvement notice’ to an Administering Authority or to a member(s) of a Local Pension Board directing them to take, or refrain from taking, such steps as are specified in the notice in order to remedy or prevent a recurrence of a contravention of “pensions legislation”;

- 4.10.3 the power to issue a 'third party notice' directing a third party to take, or refrain from taking, such steps as are specified in the notice in order to remedy or prevent a recurrence of a contravention of "pensions legislation";
 - 4.10.4 the power to issue a 'report notice' to an Administering Authority or to a member(s) of a Local Pension Board requiring them to provide a report on a specified matter(s) which are relevant to the exercise of any of the Regulator's functions;
 - 4.10.5 the power to require Administering Authorities and members of Local Pension Boards to produce documents and information;
 - 4.10.6 the power to inspect premises;
 - 4.10.7 the power to apply for an injunction;
 - 4.10.8 the power to apply for restitution where there has been a misuse or misappropriation of any Fund assets;
 - 4.10.9 the power to recover unpaid contributions on behalf of an Administering Authority; and
 - 4.10.10 the power to impose civil penalties for breaches of certain pensions legislation including the duty for Administering Authorities and members of Local Pension Boards to report breaches of the law, the duty for Administering Authorities to report the late payment of employer contributions and the failure to comply with an 'improvement notice' or a 'report notice'.
- 4.11 As noted above, certain powers of the Regulator are limited to contravention of "pensions legislation". For this purpose, "pensions legislation" has a specific meaning and includes certain pieces of core pensions legislation which apply to both public and private sector schemes (the Pension Schemes Act 1993; parts of the Pensions Act 1995; the Pensions Act 2004; and statutory provisions on pension sharing on divorce). In terms of the legislation contained in the 2013 Act, "pensions legislation" only includes sections 5(4) (pension board: conflicts of interest and representation), 6 (pension board: information), 14 (information about benefits) and 16 (records).

- 4.12 Of the 2013 Act provisions, only section 5(4) (pension board: conflicts of interest and representation) has direct relevance to a Local Pension Board, as the other sections relate to Scheme Manager responsibilities.
- 4.13 The other listed statutory provisions are relevant to the extent that a Local Pension Board is responsible for assisting the Administering Authority to comply with legislation relating to the governance and administration of the LGPS (which will include certain elements of the listed statutes). In all cases, the term “pensions legislation” covers both the statutory provisions listed and any secondary legislation made under those provisions.

Reporting Local Pension Board Members to the Administering Authority

- 4.14 If the Regulator has reasonable grounds to suspect or believe that a member of a Local Pension Board:
- 4.14.1 has misappropriated any assets of the Fund or is likely to do so;
or
 - 4.14.2 has a conflict of interest in relation to the investment of assets of the Fund

the Regulator must report the matter to the Administering Authority. However, given that a member of Local Pension Board should not have access to Fund assets or be involved in the investment of Fund assets then the exercise of this duty should be rare in practice.

5. **Constitution and Membership of a Local Pension Board**

- 5.1 As noted at paragraph 3.2, Local Pension Boards must be established no later than 1 April 2015. Established in this context means that the Administering Authority must have approved the establishment of the Local Pension Board, its composition and also the terms of reference, in accordance with its constitution. It does not necessarily mean that the Local Pension Board has to be fully operational by this date. However, it is anticipated that a Local Pension Board should be operational within a reasonably practicable period after 1 April 2015 (being no longer than 4 months).
- 5.2 The responsibility for establishing a Local Pension Board rests with the Administering Authority of each Fund. This is something the Administering Authority must do; it is not optional.
- 5.3 For many Administering Authorities, all existing pension functions are likely to be delegated to a Pension Committee or an officer. However, it is open to an Administering Authority to exercise directly any function which it has delegated.
- 5.4 In light of the fact that the role of the Local Pension Board is to assist the Administering Authority, the Administering Authority will need to carefully consider the establishment of the Local Pension Board and the appointment of its members. It should therefore be a function undertaken by the Administering Authority (for example full council) rather than by the delegated Pension Committee or officer.
- 5.5 An Administering Authority is given power under regulation 106(6) of the Regulations to determine the procedures applicable to its Local Pension Board, including the establishment of sub-committees and the payment of expenses. When exercising this power (as provided for in the 2013 Act), the Administering Authority must do so in accordance with usual local government principles, acting reasonably and within the powers set out in the Regulations.
- 5.6 Regulation 106(2) of the Regulations provides that where a local authority Administering Authority delegates its pension functions to a Pensions Committee, then with Secretary of State approval, the Pensions Committee may also undertake the role of the Local Pension Board. Please see section 10 of this guidance for further details.

Membership of a Local Pension Board

- 5.7 A Local Pension Board must include an equal number of employer and member representatives with a minimum requirement of no fewer than four in total. In addition, the Regulations do not preclude that other members may also be appointed to the Board.
- 5.8 No officer or councillor of an Administering Authority who is responsible for the discharge of any function under the Regulations (apart from any function relating to Local Pension Boards or the Scheme Advisory Board) may be a member of the Local Pension Board of that authority.
- 5.9 The officers of the Administering Authority who would be precluded from being a member of the Local Pension Board would be any officer named in the scheme of delegation for that Administering Authority, for example the section 151 officer and the head of investments. It would also be appropriate to consider whether officers of the Fund at a senior level, who are not named in the formal scheme of delegation but who are responsible for discharging functions under the Regulations should also be precluded from being a member of the Local Pension Board.
- 5.10 Where an elected member of the Administering Authority is appointed as a member of the Local Pension Board this can only be as either an employer or member representative under the provisions of regulation 107(3)(b).
- 5.11 When determining the size of its Local Pension Board, the Administering Authority should consider the capacity of the Board to undertake its role in assisting the Administering Authority with the governance and administration of the scheme. The Administering Authority will need to consider a number of factors including (without limitation):
- 5.11.1 the number of scheme members, the number and size of employers;
 - 5.11.2 the breadth and diversity of scheme members and employers,
 - 5.11.3 the assets within the Fund and any collective arrangements in place for them to make decisions or provide input in relation to Fund matters;
 - 5.11.4 the cost of establishing and operating the Board;
 - 5.11.5 the existence or proposal to form any other advisory groups; and

5.11.6 the scope of the Board's remit and workplan.

- 5.12 As indicated in the Code of Practice the Administering Authority should consider providing high quality pre-appointment training to proposed members of the Local Pension Board.

Appointment of Local Pension Board Members

- 5.13 Each employer or member representative on a Local Pension Board will potentially represent a significant range of employers or members (as appropriate). It is therefore important that the methodology for appointment ensures that representative Board members are truly representative.
- 5.14 All employers and members within a Fund must have equal opportunity to be nominated for the role of employer or member representative through an open and transparent process.
- 5.15 The Regulations also allow for the appointment of other Local Pension Board members i.e. members who are not there to represent employers or scheme members, this would include for example where an Administering Authority wishes to appoint an independent chairperson to the Local Pension Board.

Capacity of Representative Members

- 5.16 Regulation 107 of the Regulations also requires that the Administering Authority must ensure that any person it wishes to appoint as an employer or member representative has the capacity to represent the employers or members (as appropriate) of the Fund.
- 5.17 It will be important to appoint members who have the time to commit to attend meetings, undertake training and effectively represent employers and members (as appropriate).
- 5.18 Whilst it is the responsibility of those members appointed to have the capacity to represent employers and members respectively consideration should also be given by employers to reasonable time off or 'facilities time' to allow employees who are members of the Local Pension Board to effectively carry out their role. Administering Authorities should highlight to employers the work needed to carry out the role to encourage employers to allow for reasonable time off for Local Pension Board members. Administering Authorities could for example reimburse employers who provide their employees (who are members of the Board) with paid time off

for and to attend Board meetings. See section 9 for more information on the resourcing of Local Pension Boards. In addition whilst no member of the Board should be better or worse off by undertaking a role on the Local Pension Board the Administering Authority should encourage policies which enable active participation on the Board and therefore help in developing an effective Board.

- 5.19 The Regulations specify a Local Pension Board member should not have a conflict of interest, and then go on to clarify that a financial or other conflict of interest will not arise merely by virtue of a member of a Local Pension Board being a member of the LGPS and/or Fund. The potential for conflicts of interest is considered in section 7 of this guidance.
- 5.20 An individual's ability to properly represent the interests of employers or members (as appropriate) and channel information back to those persons effectively should also be a key factor in selecting members of the Local Pension Board. This needs to take account of the wide range of membership of the Fund to ensure all employers and members are represented.

Appointment of Other Members

- 5.21 As noted at paragraph 5.8, no officer or councillor of an Administering Authority who is responsible for the discharge of any function under the Regulations (apart from any function relating to Local Pension Boards or the Scheme Advisory Board) may be a member of the Local Pension Board of that authority.
- 5.22 The requirement for capacity does not explicitly apply to other (i.e. non-representative) members appointed by the Administering Authority. Nevertheless, the Administering Authority should have an open and transparent process for the appointment of such members.
- 5.23 As noted at paragraph 5.10 an elected member of the Administering Authority cannot be appointed to the Local Pension Board as an 'other member'.
- 5.24 Where an Administering Authority decides to appoint an independent chair to the Board, that chair would be considered an 'other member'.

The Process for Appointing Employer and Member Representatives

- 5.25 The methodology for appointing employer and member representatives is not prescribed by the Regulations. It will therefore fall to each Administering Authority to establish an appropriate process. Options may include (but are not limited to):

Direct Appointment Process

- 5.25.1 Selecting employer representatives through existing employer forums, for example nominations and voting at employer AGMs.
- 5.25.2 Selecting member representatives through existing representative organisations for example recognised trade unions, staff committees, member representative committees, pensioner organisations or nominations and voting at member AGMs (this could include active, deferred and pensioner members of the scheme).

Two Stage Nomination and Selection Process

- 5.25.3 Administering authorities may wish to consider methodologies used by private sector trust based schemes to appoint member-nominated trustees (“MNTs”). MNTs must be:
- 5.25.3.1 nominated as the result of a process which includes at least all the active and pensioner members of the scheme (or an organisation which adequately represents them); and
 - 5.25.3.2 selected as a result of a process which involves some or all of the members of the scheme.
- 5.25.4 Seeking nominations by advertising in local newspapers and on websites (including employer and member representative bodies websites).
- 5.25.5 Encouraging partner organisations or admission bodies to nominate members.
- 5.26 When selecting members, proper regard must be given to the obligations of the Administering Authority in relation to equal opportunities in any recruitment process. In practice, this means having an open and

transparent process, with a role specification. Depending on the appointment process used by the Administering Authority, it may also be necessary to have a formal interview process before appointments are made (if for example more nominations are received than available places on the Board). The interview process should assess the ability of the individual to meet the requirements of the role and make appointment on merit.

- 5.27 It is also important to ensure that those who are appointed have a range of experience so that there is a good balance and breadth of experience on the Local Pension Board.

Making Appointments

- 5.28 As noted in other sections, the appointment process provides an ideal opportunity for the Administering Authority to obtain confirmation from the appointee in the form of a written undertaking that they understand the requirements of the role and to commit to those requirements, for example by:

- 5.28.1 disclosing all interests and responsibilities which have the potential to become conflicts of interest (see paragraph 7.36);
- 5.28.2 committing to attend a minimum number of meetings a year;
- 5.28.3 committing to undertake and attend the necessary knowledge and understanding training (see paragraph 6.23); and
- 5.28.4 undertaking to abide by the Board's terms of reference and wider constitutional documents.

Term of Office

- 5.29 Consideration should be given to the term of office so that experience is retained on the Local Pension Board. This could be by a proportion of members retiring on a rolling basis so that the Local Pension Board has the benefit of gaining new members with new experience whilst also retaining existing experienced members and stability for the Local Pension Board.
- 5.30 The ability of members to seek re-appointment for a further term needs to be considered. Given the complexity of the subject matter there is a case for renewing membership over an extended period.

Termination

- 5.31 As well as dealing with the terms of appointment, the Administering Authority should also consider the circumstances in which a member of a Local Pension Board should cease to be a member.
- 5.32 Clearly this will arise at the expiry of a member's term of office, although there may well be other circumstances in which a member's term of office may end, for example the Administering Authority should consider suitable provisions if:
- 5.32.1 a member has a conflict of interest which cannot be managed in accordance with the Board's conflicts policy;
 - 5.32.2 a member dies or becomes incapable of acting;
 - 5.32.3 a member who is a councillor of the Administering Authority is appointed to a Pensions Committee;
 - 5.32.4 a member is appointed to the role of an officer of the Administering Authority with responsibility for the discharge of functions under the Regulations;
 - 5.32.5 a member wishes to resign, for example how much notice should be given and in what form;
 - 5.32.6 a representative member ceases to represent his constituency, for example if an employer representative leaves the employment of his employer and therefore ceases to have the capacity to represent the Fund's employers; and
 - 5.32.7 a member fails to attend meetings or otherwise comply with the requirements of being a Board member, for example fails to attend the necessary knowledge and understanding training. The Administering Authority should consider who would decide this, whether the member should be given an opportunity to change their behaviour and how much notice should be given and in what form. Where issues of this nature arise, the chair of the Local Pension Board should have lead responsibility for an initial informal discussion with the member about the concerns. It would be helpful for the chair of the Local Pension Board to be supported and advised by professional advisers with that discussion. This could be an Administering Authority officer provided there was no conflict

of interest. The matter could also be raised with any body which had nominated the individual for appointment.

- 5.33 Where a vacancy arises for a representative member mid-term, the Administering Authority should consider the process to be used to fill that vacancy.

Terms of Reference

- 5.34 The Administering Authority when establishing its Local Pension Board should create terms of reference for the Board on the basis that the Board is a stand-alone body. The terms of reference are the rules setting out how the Board will be constituted and operate on a day to day basis. The terms of reference for a Local Pension Board should be reviewed periodically and at each material change in regulations impacting on Local Pension Boards.

- 5.35 It is worth noting that under regulation 106(8) of the Regulations a Local Pension Board shall have the general power to do anything which is calculated to facilitate, or is conducive or incidental to, the discharge of any of its functions. However, as a minimum a Board's terms of reference should include areas such as:

5.35.1 **Function of the Board** – The terms should set out the function of the Board to assist the Administering Authority to secure compliance and ensure the effective and efficient governance and administration of the LGPS in line with the requirements set out at paragraph 3.27 and Schedule A.

5.35.2 **Membership** – This should include the number of each category of Board member (including other representatives), the appointment and selection process, term of office and procedures for termination of office.

5.35.3 **Code of Conduct** – The terms of reference should refer to the requirement for the Local Pension Board to have a code of conduct for its members and that members of the Board should abide by the code (see paragraph 7.9).

5.35.4 **Voting Rights** – The terms should set out that employer and member representatives of the Board have equal voting rights. The terms should also indicate where the chair is from either the employer or member representatives whether the chair has a

casting vote. It should be noted that other members do not have voting rights on the Board.

- 5.35.5 **Conflict of Interests** – The terms should refer to the requirement for the Board to always act within the terms of reference. The Local Pension Board should have a conflicts policy for its members and that members should abide by the policy and provide information that the Administering Authority may reasonably require from time to time to ensure that members do not have a conflict of interest (see paragraph 7.40).
- 5.35.6 **Appointment of a Chair/Vice-Chair** – The terms should specify whether the Board is to have a chair and/or vice-chair and if so specify the roles of the chair and/or vice-chair, how they are appointed and whether the chair is to be given a casting vote (only where the chair is from the member or employer representatives on the Local Pension Board). This should include the leadership responsibilities of the chair to ensure that meetings are properly conducted, decision making is clear and professional advice is followed. It will also set out the role of the chair in agreeing the agenda and approving the minutes for each meeting.
- 5.35.7 **Role of Advisors** – The terms should set out the role of professional advisers, or other advisors to the Board and the process for their appointment and agreeing their fees. In addition the process for the Board accessing existing advisors to the Administering Authority should also be set out. Administering Authorities may wish to use a shared pool of potential advisors, for example having access to an agreed pool of senior pension fund officers from other (possibly neighbouring) authorities.
- 5.35.8 **Role of Officers** – The terms should set out the role of officers of the Administering Authority to the Board, for example in the provision of secretariat services to the Board or providing pension fund information to the Board.
- 5.35.9 **Administration, Papers, Communication and Obtaining Information** – The terms should specify the terms for notice of Board meetings, the circulation of papers in advance of meetings, how meetings are to be run, the decision making process, recording minutes of meetings, a procedure for dealing with urgent items of business and the publication of information if considered relevant.

In addition where specific information may be required by the Board details of where such information may be obtained from should be provided to the Board. As the Local Pension Board is considered a committee of the Administering Authority for certain overriding statutory purposes such as FOIA and the Administering Authority is a FOIA public authority, minutes should be carefully dealt with and separated as appropriate into open and closed business, so that open minutes (including agendas and relevant papers) can be promptly published in the Administering Authority's FOIA publication scheme (see paragraph 8.22 to 8.23).

- 5.35.10 **Organisation of meetings:** The terms should specify how meetings will be organised. It is anticipated that meetings will take place separately from those of the Pension Committee. Should both bodies choose to meet at the same time to consider the same agenda, the terms should specify how those concurrent meetings are chaired as well as acknowledging that the statutory roles and function of the Pension Committee and the Board are separate
- 5.35.11 **Number of Meetings** – The terms should specify whether there should be a minimum number of meetings in a year. The frequency of Pension Committee meetings may serve as a useful benchmark for how often the Board should meet. There should also be an ability for a specified number of Board members or the Administering Authority to require a special meeting to be convened on notice.
- 5.35.12 **Location and time of meetings** – The terms should specify any restrictions in relation to the time (for example, during working hours only), and location of meetings and whether the meetings are to be public or not. Decisions about the time and location of meetings should be made whilst also being aware of the capacity requirements placed upon Board members.
- 5.35.13 **Quorum** – The terms should specify a quorum for meetings and in particular whether the quorum should include a minimum number of employer and member representatives.
- 5.35.14 **Attendance Requirements** – The terms should specify the requirements for attending meetings and the consequences of continued failure to attend Board meetings.

- 5.35.15 **Role of Substitutes** – The terms should specify whether members are allowed to send substitutes to meetings where they are unable to attend themselves. This may be more appropriate for employer and member representatives. Training requirements should also be considered where substitutes are permitted.
- 5.35.16 **Creation of Working Groups/Sub-Committees** – The terms should specify whether the Board has the power to set up working groups or sub-committees and if so on what terms (including terms of reference for those working groups or sub-committees).
- 5.35.17 **Allowances/Expenses** – The terms should specify the policy in relation to the payment of allowances and expenses to Board members (see section 9 of this guidance for further information).
- 5.35.18 **Budget** – The terms of reference should also set out a process for the Local Pension Board to have access to a budget for specified purposes, for example seeking professional advice, training for members, accommodation costs or meeting the costs of any claim for expenses and the timetable for approving that Budget.
- 5.35.19 **Knowledge and Understanding** – The terms should refer to the requirement for the Board to have a policy and framework to meet the knowledge and understanding requirements of the 2004 Act (see section 6 of this guidance).
- 5.35.20 **Reporting** – The terms should include arrangements for the reporting of information to the Administering Authority, including direct reporting arrangements where the Board has material concerns (see section 8 of this guidance). In addition the methods used to communicate to scheme members and employers should be included.
- 5.35.21 **Data Protection** – The terms should take account of the Administering Authority's role as a 'data controller' under data protection legislation and any policies, such as a data protection policy, with which it must comply as well as ensuring personal data processing by the Local Pension Board is within the Administering Authority's notification registered with the Information Commissioner from time to time (which should be reviewed and updated as necessary) – see paragraphs 8.17 to 8.21 for further details.

- 5.36 The terms of reference should be approved by the Administering Authority. The terms of reference should also be formally adopted by the Local Pension Board once it is established. This would normally be expected to occur at the Board's first meeting.

Chair of the Local Pension Board

- 5.37 As per 5.34.6 the appointment of a chair/vice chair should be detailed in the Local Pension Board's terms of reference.

- 5.38 A chair could be appointed in a number of ways including:

5.38.1 a chair may be appointed by the employer and member representatives of the Board from amongst their own number or on a rotating basis with the term of office shared between an employer and a member representative on an equal basis.

5.38.2 an independent chair may be appointed by the Administering Authority. Such a chair would count in the number of other representatives on the Board. An independent chair would have no pre-existing employment, financial or other material interest in either the Administering Authority or any scheme employer in a fund or funds administered by the Administering Authority or would not be a scheme member of the LGPS in a fund administered by the Administering Authority. The appointment of an independent chair should be subject to the passing of a motion to confirm this by a majority of the employer and member representatives of the Board.

- 5.39 In their role the Chair of the Board:

5.39.1 shall ensure the Board delivers its purpose as set out in the Board's terms of reference,

5.39.2 shall ensure that meetings are productive and effective and that opportunity is provided for the views of all Board members to be expressed and considered, and

5.39.3 shall seek to reach consensus and ensure that decisions are properly put to a vote when that cannot be reached ensuring that instances of a failure to reach a consensus position will be recorded and published.

- 5.40 Where an Administering Authority appoints an independent chair consideration should be given to a clause within their contract for the role where they must agree to treat any confidential information as such and not to use for any potential financial or material gains.

Other Constitutional Documents

- 5.41 In addition to the terms of reference a Board is likely to have other key documents which would be included in its wider constitution. These may include:

5.41.1 A code of conduct (see paragraphs 7.9 to 7.11);

5.41.2 A conflicts policy (see paragraphs 7.40 to 7.41);

5.41.3 A knowledge and understanding policy document (see paragraph 6.8) including a list of the core documents recording policy about the administration of the Fund; and

5.41.4 Policies dealing with data protection, information security, acceptable use (and monitoring) and subject access request (see paragraph 8.21).

Failure to Establish a Local Pension Board

- 5.42 If an Administering Authority fails to establish its Local Pension Board by 1 April 2015, or having done so the Board fails to exercise its role, the question then arises as to what steps might be taken and by whom to challenge the action or lack of action of the Administering Authority. There are a number of potential possibilities:

5.42.1 Intervention by the Regulator.

5.42.2 Intervention by legal action - In principle an action by way of judicial review could be launched to ensure compliance where there has been failure to comply with a statutory obligation. It will be necessary to consider who might have interest or standing to bring such an action. Potentially this could be a body or person who has been denied representation by the failure to establish the Local Pension Board.

5.42.3 Complaint to the Local Government Ombudsman or Pensions Ombudsman. A failure by the Administering Authority to establish a

Local Pension Board is likely to constitute maladministration on the part of the Administering Authority.

5.42.4 Adverse comment by the Administering Authority's external auditor in the context of the Annual Audit letter.

5.42.5 Adverse comment by the Scheme Advisory Board.

5.43 The Secretary of State has overarching responsibility for the Scheme as the Responsible Body - with a clear interest in the successful implementation of local pension boards.

Action Points:

- Administering Authority to have approved the establishment (including Terms of Reference) of the Local Pension Board by 1 April 2015.
- The Local Pension Board must be operational (i.e. had its first meeting no later than 4 months after the 1 April 2015).

6. **Board Knowledge and Understanding**

Legal requirements

6.1 In accordance with section 248A of the 2004 Act, every individual who is a member of a Local Pension Board must:

6.1.1 be conversant with:

6.1.1.1 the rules of the LGPS, in other words the Regulations and other regulations governing the LGPS (including the Transitional Regulations, earlier regulations and the Investment Regulations); and

6.1.1.2 any document recording policy about the administration of the Fund which is for the time being adopted in relation to the Fund, and

6.1.2 have knowledge and understanding of:

6.1.2.1 the law relating to pensions; and

6.1.2.2 such other matters as may be prescribed.

6.2 A Local Pension Board member should be aware that their legal responsibilities begin from the date they take up their role on the Board and so should immediately start to familiarise themselves with the documents as referred to in paragraph 6.1.1 and the law relating to pensions.

6.3 In accordance with section 248A, the knowledge and understanding requirement applies to every individual member of a Local Pension Board rather than to the members of a Local Pension Board as a collective group.

General Principles

6.4 Administering Authorities should also take account of this Guidance to support them in understanding the requirement and to enable them to help members of the Local Pension Board to meet their knowledge and understanding obligations.

6.5 Administering Authorities should make appropriate training available to Local Pension Board members to assist them in undertaking their role and where possible support all members of the Board in undertaking that training. Where Local Pension Board members do not demonstrate their

capacity to attend and complete training then the Administering Authority may need to consider whether that Local Pension Board member has the capacity to undertake their role on the Board. See paragraph 5.31.7 for further information.

- 6.6 Knowledge and understanding must be considered in light of the role of a Local Pension Board to assist the Administering Authority in line with the requirements set out at paragraph 3.27.
- 6.7 However, members of a Local Pension Board clearly need to understand the duties and obligations of the Administering Authority, including funding and investment matters, in order to be able to assist it.
- 6.8 Once created, a Local Pension Board should establish and maintain a policy and framework to address the knowledge and understanding requirements that apply to its members. Where the Pensions Committee has an existing knowledge and understanding policy already in place, it may be sensible to see if this could be incorporated to cover both the Pensions Committee and the Local Pension Board to avoid unnecessary duplication. However the knowledge and understanding requirements of a Local Pension Board and a Pension Committee may differ, especially given the former's statutory requirements.
- 6.9 The Local Pension Board may wish to designate a person to take responsibility for ensuring that the knowledge and understanding framework is developed and implemented. This could be a member of the Local Pension Board or an external person, for example an officer of the Administering Authority or a professional adviser.

Knowledge and Understanding for Pension Committee Members

- 6.10 The legal requirement for knowledge and understanding for members of a Local Pension Board does not apply to members of a Pension Committee. However, the requirement serves as a useful benchmark for the knowledge and understanding that a member of a decision-making Pension Committee should have.

The Regulator's Code of Practice

- 6.11 The issue of knowledge and understanding is dealt with in the Regulator's Code of Practice (see paragraphs 34 to 60 of the Code of Practice). This Guidance is intended to reflect the principles of the Code of Practice and apply them in a LGPS context.

Degree of Knowledge and Understanding

- 6.12 Being conversant with the rules of the LGPS and any document recording policy about the administration of the Fund means having a working knowledge (i.e. a sufficient level of familiarity) of them so that members of a Local Pension Board can use them effectively when carrying out their role of assisting the Administering Authority.
- 6.13 In particular members of a Local Pension Board should understand the rules and documents in enough detail to know where they are relevant to an issue and where a particular provision or policy may apply.
- 6.14 In order to assist the Administering Authority, it is implicit that members of a Local Pension Board understand the duties and obligations that apply to the Administering Authority as well as to themselves.
- 6.15 The rules of the LGPS would include:
- 6.15.1 the Regulations;
 - 6.15.2 the Investment Regulations; and
 - 6.15.3 the Transitional Regulations (including any earlier Regulations as defined in the Transitional Regulations to the extent they remain applicable),
- and any statutory guidance referred to in these regulations.
- 6.16 A Local Pension Board should prepare and keep updated a list of the core documents recording policy about the administration of the Fund and make sure that the list and documents (as well as the rules of the LGPS) are accessible to its members.
- 6.17 Part 1 of Schedule B of this Guidance contains a list of documents which are likely to be regarded as recording policy about the administration of a Fund. This list should not be relied upon as being definitive and actual lists are likely to vary from Fund to Fund. This Schedule has been added to this guidance to assist Administering Authorities and Local Pension Boards to quickly identify documents which record policy about the administration of a Fund.
- 6.18 Members of a Local Pension Board should also be aware of the range and extent of overriding law which applies to the LGPS and have sufficient

knowledge and understanding of the content and effect of that law to recognise when and how it impacts on their role, responsibilities and duties.

- 6.19 Part 2 of Schedule B of this Guidance contains a summary of some of the key areas of law relating to pensions generally and the LGPS in particular. This summary should not be relied upon as being a definitive list of all the areas of law that members of a Local Pension Board need to know about and understand. This Schedule been added to this guidance to assist Administering Authorities and Local Pension Boards to quickly identify key areas of law that may be relevant.
- 6.20 Given the role of the Local Pension Board to assist the Administering Authority, members of a Local Pension Board should have sufficient knowledge and understanding to challenge any failure by the Administering Authority to comply with the Regulations and other legislation relating to the governance and administration of the LGPS (which should be interpreted as including the Regulations and other legislation relating to investment and funding matters) and/or any failure to meet the standards and expectations set out the Code of Practice.
- 6.21 Members of a Local Pension Board should have a breadth of knowledge and understanding that is sufficient to allow them to understand fully any professional advice the Local Pension Board is given. Members should be able to challenge any information or advice they are given and understand how that information or advice impacts on any decision relating to the Local Pension Board's duty to assist the Administering Authority.

Acquiring, Reviewing and Updating Knowledge and Understanding

- 6.22 A Local Pension Board's knowledge and understanding policy and framework should provide for the acquisition and retention of knowledge and understanding for its members.
- 6.23 Members of the Local Pension Board should commit sufficient time in their learning and development alongside their other duties. Training is an important part of the individual's role and will help to ensure that they have the necessary knowledge and understanding to effectively meet their legal obligations to assist the Administering Authority.
- 6.24 Members of the Local Pension Board must be aware that their knowledge and understanding responsibilities technically begin from the date they take up their post. Therefore, members should immediately start to familiarise

themselves with the Regulations, key Fund documents and relevant pensions law.

- 6.25 The Administering Authority should offer high quality induction training and should provide relevant ongoing training for Board members. This could be included in the normal training programme for members of the Pensions Committee as well as a specific training programme for the Local Pension Board.
- 6.26 It may also be useful for the Local Pension Board to have shared training events with the Pensions Committee and/ or Pension Committees and Local Pension Boards from other Funds to share knowledge and experience.
- 6.27 There must be a practical recognition that it will take a newly appointed member a reasonable period to attain the required full level of knowledge and understanding (see paragraph 6.1). Consideration should also be given to permitting newly appointed Local Pension Board members to overlap with the outgoing member to allow them to shadow that Board member for at least one Board meeting (where possible) as well as providing them with high quality induction training.
- 6.28 A Local Pension Board's knowledge and understanding policy and framework should require its members to undertake a personal training needs analysis and regularly review their skills, competencies and knowledge to identify gaps or weaknesses.
- 6.29 Part 2 of Schedule B contains examples of areas of knowledge and understanding that a member of a Local Pension Board might be expected to have. These examples may assist a Board member in undertaking a personal training needs analysis.
- 6.30 A personalised training plan should then be used to document and address these promptly. This would be supported by any person the Local Pension Board has designated to implement the knowledge and understanding policy and framework.
- 6.31 Learning programmes should be flexible, allowing members of the Local Pension Board to update particular areas of learning where required and acquire new areas of knowledge in the event of any change. For example, members of the Local Pension Board who take on new responsibilities in

their role will need to have knowledge and understanding which is relevant to carry out those new responsibilities.

- 6.32 Learning programmes should deliver the appropriate level of detail to ensure that Local Pension Board members have the required level of knowledge and understanding specific to the LGPS.
- 6.33 The Regulator will be providing an e-learning programme which has been developed to meet the needs of all members of public sector scheme pension boards, whether or not they have access to other learning. It is not anticipated that this e-learning module alone would provide the sufficient level of LGPS specific training required for Local Pension Board members.
- 6.34 Members of a Local Pension Board and the Administering Authority should investigate what other third party learning tools and courses are available both for initial training requirements and any ongoing training needs identified for members of the Local Pension Board. Administering Authorities and Local Pension Boards should contact relevant advisors to identify any training resources being made available. For example the LGPC Secretariat will be providing training events for Local Pension Board members with details available from their website.
- 6.35 Once a Local Pension Board is in operation and new appointments are made in the future, mentoring by existing members could also be considered. This could also help to ensure that historical and scheme specific knowledge is retained when members of a Local Pension Board change.

Demonstrating Knowledge and Understanding

- 6.36 The Local Pension Board should keep appropriate records of the learning activities of individual members and the Local Pension Board as a whole. This will assist members in demonstrating their compliance, if necessary, with the legal requirement and how they have mitigated risks associated with knowledge gaps. For example a good external learning programme will maintain records of the learning activities of individuals on the programme or of group activities, if these have taken place, which can be provided to the Local Pension Board.

Action Points:

- Once established a Local Pension Board should adopt a knowledge and understanding policy and framework (possibly in conjunction with the Pensions Committee if appropriate).
- A Local Pension Board should designate a person to take responsibility for ensuring that the knowledge and understanding policy and framework is developed and implemented.
- The Administering Authority should offer access to high quality induction training and provide relevant ongoing training to the appointed members of the Local Pension Board.
- A Local Pension Board should prepare (and keep updated) a list of the core documents recording policy about the administration of the Fund and make the list and documents (as well as the rules of the LGPS) accessible to its members.
- Members of a Local Pension Board should undertake a personal training needs analysis and put in place a personalised training plan.

7. **Conduct of Members and Conflicts of Interest**

Introduction

- 7.1 There are various legal requirements which need to be considered to make sure that sound governance principles are followed, and in particular that conflicts of interest are properly managed. These include:
- 7.1.1 Section 5(5) of the 2013 Act, which defines “conflict of interest” for the purpose of a Local Pension Board;
 - 7.1.2 Regulation 108 of the Regulations, which places duties on the Administering Authority to satisfy itself that Local Pension Board members do not have conflicts of interest on appointment or whilst they are members of the Board;
 - 7.1.3 The 2011 Act, which requires councillors to comply with the code of conduct of their local authority and to disclose interests;
 - 7.1.4 The ‘Seven Principles of Public Life’, also known as the ‘Nolan Principles’, with which any holder of public office is also expected to comply; and
 - 7.1.5 The expectations contained in the Code of Practice.
- 7.2 This section of the Guidance takes account of the above requirements and gives guidance on how the different duties can be reconciled in a practical way.
- 7.3 The importance of following these requirements needs to be clearly appreciated at the outset. Failure to follow applicable codes of conduct or declare a conflict of interest can impact on good governance in various ways. For example, such failure may result in a Local Pension Board actually acting improperly, may lead to a perception that the Local Pension Board has acted improperly, or may result in a challenge to the work carried out by the Board.

Codes of Conduct and Disclosure of Interests for Councillors

- 7.4 The elected and co-opted members of a local authority (referred to as “councillors” for the purposes of this section of the Guidance) are governed by their local authority’s code of conduct for councillors. This code is required of every local authority by the 2011 Act and sets out the standards of behaviour expected of individuals in their capacity as councillors.

7.5 In addition, there is a legal obligation for councillors to disclose, in a register maintained by the authority's monitoring officer, certain pecuniary interests, as defined in regulations made under the 2011 Act.

7.6 Both of these requirements will apply to any members of a Local Pension Board who are also councillors of a local authority (whether that is the Administering Authority or another local authority). They will not apply to members of a Local Pension Board who are not councillors unless they are specifically adopted in terms of reference or other policy document to apply to the other members of the Local Pension Board.

Seven Principles of Public Life

7.7 The members of a Local Pension Board should have regard to the 'Seven Principles of Public Life' (known as the Nolan Principles), which are:

7.7.1 **Selflessness** - Holders of public office should act solely in terms of the public interest. They should not do so in order to gain financial or other benefits for themselves, their family or their friends.

7.7.2 **Integrity** - Holders of public office should not place themselves under any financial or other obligation to outside individuals or organisations that might seek to influence them in the performance of their official duties.

7.7.3 **Objectivity** - In carrying out public business, including making public appointments, awarding contracts, or recommending individuals for rewards and benefits, holders of public office should make choices on merit.

7.7.4 **Accountability** - Holders of public office are accountable for their decisions and actions to the public and must submit themselves to whatever scrutiny is appropriate to their office.

7.7.5 **Openness** - Holders of public office should be as open as possible about all the decisions and actions that they take. They should give reasons for their decisions and restrict information only when the wider public interest clearly demands it.

7.7.6 **Honesty** - Holders of public office have a duty to declare any private interests relating to their public duties and to take steps to

resolve any conflicts arising in a way that protects the public interest.

7.7.7 Leadership - Holders of public office should promote and support these principles by leadership and example.

7.8 As members of a publicly-funded body involved in the discharge of public business, all members of a Local Pension Board should comply with these principles in the exercise of their functions. They require the highest standards of conduct.

Code of Conduct for Local Pension Boards

7.9 When establishing its Local Pension Board, the Administering Authority should prepare and approve a code of conduct for the Board to adopt. The code of conduct should set out the standards of behaviour expected of members, incorporating the Seven Principles. An Administering Authority may wish to effectively adopt some or all of an existing Code of Conduct for the Local Pension Board. Once adopted, the Local Pension Board should keep this code of conduct under regular review.

7.10 The code of conduct should also make reference to the need for members of the Local Pension Board who are councillors to comply with any separate code of conduct and disclosure requirements which apply to them in their capacity as councillors (in other words, the Local Pension Board's code should make it clear that it is not an exhaustive statement of the standards of behaviour required of Board members).

7.11 It is important that individual members of the Local Pension Board are familiar with and understand the importance of following the principles in the Board's code of conduct, and the Board should arrange appropriate training for members on this issue.

Conflicts of Interest – General Comments

7.12 As an introductory point, although there is a requirement for Local Pension Board members not to have a conflict of interest, it is important to note that the issue of conflicts of interest must be considered in light of the Local Pension Board's role, which is to assist the Administering Authority. The Local Pension Board does not make decisions in relation to the administration and management of the Fund: these rest with the Administering Authority. As a result, it is not anticipated that significant conflicts will arise in the same way as would be the case if the Board were

making decisions on a regular basis (compared, for example, to a Pensions Committee). Nevertheless, steps need to be taken to identify, monitor and manage conflicts effectively.

The Regulator's Code of Practice on Conflicts of Interest

- 7.13 The Regulator has a particular role in relation to members of a Local Pension Board and conflicts of interest. Whilst members of a Local Pension Board may be subject to other legal requirements, when exercising functions as a member of a Local Pension Board, the Regulator expects the requirements which specifically apply by virtue of the 2013 Act to be met and the standards of conduct and practice set out in its Code of Practice to be complied with.
- 7.14 The Code of Practice offers guidance about managing potential conflicts and the identification, monitoring and management of actual conflicts. This Guidance is intended to reflect the principles of the Code of Practice and apply them in a LGPS context.

What is a Conflict of Interest?

- 7.15 For the purposes of a member of a Local Pension Board, a 'conflict of interest' is defined in section 5(5) of the 2013 Act as a financial or other interest which is likely to prejudice a person's exercise of functions as a member of a Local Pension Board.
- 7.16 The 2013 Act also specifies that a conflict does not include a financial or other interest arising merely by virtue of that person being a member of the LGPS and/or Fund (or any connected scheme).
- 7.17 Therefore, a conflict of interest may arise when a member of a Local Pension Board:
- 7.17.1 must fulfil their legal duty to assist the Administering Authority;
and
 - 7.17.2 at the same time they have:
 - 7.17.2.1 a separate personal interest (financial or otherwise); or
 - 7.17.2.2 another responsibility in relation to that matter,giving rise to a possible conflict with their first responsibility as a Local Pension Board member.

Examples of Conflicts of Interest

- 7.18 Some examples of potential conflicts in this context would include:
- 7.18.1 A finance officer appointed as a member of a Local Pension Board may, from time to time, be required to review a decision which may be, or appear to be, in opposition to another interest or responsibility. For example, they may be required as a member of the Local Pension Board to review a decision which involves the use of departmental resources to improve scheme administration, whilst at the same time being tasked, by virtue of their employment, with reducing departmental spending.
 - 7.18.2 A member representative who works in the Administering Authority's internal audit department may be required as part of his work to audit the Fund. For example, the employee may become aware of confidential breaches of law by the Fund which have not yet been brought to the attention of the Local Pension Board.
 - 7.18.3 An employer representative from the private sector may also have a conflict of interest as a decision-maker in their own workplace. For example, if an employer representative is drawn from a company to which the Administering Authority has outsourced its pension administration services and the Board are reviewing the standards of service provided by it.

Identifying, Monitoring and Managing Conflicts – The Role of the Administering Authority

- 7.19 The Regulations place a duty on the Administering Authority to satisfy itself that those appointed to its Local Pension Board do not have an actual conflict of interest prior to appointment and “from time to time” thereafter.
- 7.20 There is a corresponding duty on any person who is proposed to be appointed to a Local Pension Board, and on an appointed member of a Local Pension Board, to provide the Administering Authority with such information as the Administering Authority reasonably requires to satisfy itself that such person has no conflicts of interest.
- 7.21 To comply with its duty in relation to conflicts, the Administering Authority needs to put procedures in place in respect of the appointment of members and establish policies to be included in the Board's constitution to ensure

that interests are declared, potential conflicts are identified and members of the Board are trained and receive advice on conflicts. In doing so, the Administering Authority may wish to delegate its duty in relation to conflicts to a particular officer or officers, for example, the monitoring officer.

- 7.22 Looking first at the process of appointments, the Administering Authority should ensure that members of a Local Pension Board are appointed under procedures that require them to disclose any interests or responsibilities, which could become conflicts of interest and which may adversely affect their suitability for the role, before they are appointed. The appointment process should facilitate scrutiny of potential areas of difficulty by eliciting relevant information. The fact an individual could potentially have a conflict of interest at some point in the future should not preclude an individual being appointed provided he or she does not have an actual conflict of interest when appointed.
- 7.23 All terms of engagement (for example, appointment letters and any contracts for services) should include a clause requiring disclosure of all interests and responsibilities which have the potential to become conflicts of interest, as soon as they arise. All interests and responsibilities disclosed should be recorded.
- 7.24 As regards the Administering Authority's ongoing obligation to ensure that members of the Local Pension Board do not have a conflict of interest, the Administering Authority will need to keep appointments under review and also monitor whether appointed members have potential conflicts of interest and are declaring them appropriately. This could be achieved by requesting reports from the Local Pension Board, perhaps annually.

Identifying, Monitoring and Managing Conflicts – The Role of the Local Pension Board

- 7.25 Local Pension Boards should cultivate a culture of openness and transparency. The need for continual consideration of conflicts should be recognised. Disclosure of interests and responsibilities, which have the potential to become conflicts of interest, should not be ignored.
- 7.26 The Local Pension Board should ensure that its members have a clear understanding of their role and the circumstances in which they may find themselves in a position of conflict of interest, and should know how potential conflicts should be managed. Many Local Pension Board members are likely to be familiar with the concept of a conflict of interests

and it should not be difficult to adapt established procedures to meet the obligations in the 2013 Act and the Regulations.

- 7.27 Local Pension Boards should identify, monitor and manage dual interests and responsibilities which are or have the potential to become conflicts of interest.
- 7.28 Local Pension Boards should evaluate the nature of any dual interests and responsibilities and assess the impact on their operations and good governance were a conflict of interest to materialise.
- 7.29 When seeking to prevent a potential conflict of interest becoming detrimental to the conduct or decisions of a Local Pension Board, the Board should consider obtaining professional legal advice when assessing any option.
- 7.30 A register of interests should provide a simple and effective means of recording and monitoring dual interests and responsibilities.
- 7.31 Local Pension Boards should also capture decisions about how any identified potential conflicts of interest should be managed – ideally, in their register of interests.
- 7.32 Options for managing a potential conflict of interest from becoming an actual conflict of interest, include:
- 7.32.1 a member withdrawing from the discussion and any decision-making process;
 - 7.32.2 the Board establishing a sub-board to review the issue (where the terms of reference give the power to do so); or
 - 7.32.3 a member resigning from the Board if the conflict is so fundamental that it cannot be managed in any other way.
- 7.33 The Local Pension Board's register of interests should be circulated to the Local Pension Board for ongoing review it should be made available to the Administering Authority and it should be published (for example, on the Fund's website). The Local Pension Board should report any concerns to the Administering Authority and include in an annual report a section on good governance and management of conflicts.
- 7.34 Conflicts of interest should be included as an opening agenda item at Local Pension Board meetings, and revisited during the meeting where

necessary. This provides an opportunity for those present, including non-Board members, to declare any dual interests and responsibilities, which have the potential to become conflicts of interest, and to minute discussions about how they will be managed so as to prevent an actual conflict arising.

- 7.35 Local Pension Boards should take time to consider what key decisions are likely to be made during, for example, the year ahead and identify and consider any conflicts of interest that may arise in respect of these future decisions.

Considering Conflicts of Interest – Responsibilities of Board Members

- 7.36 It is important that individual members of the Local Pension Board know how to identify when they have a potential conflict of interest which needs to be declared and which may also restrict their ability to participate in meetings or decision-making. They also need to appreciate that they have a legal duty under the Regulations to provide information to the Administering Authority in respect of conflicts of interest.

- 7.37 Individual Local Pension Board members should seek professional advice from a nominated officer (for example, the monitoring officer or the chief finance officer) or external advisers where necessary and the importance of doing so should be emphasised in the Local Pension Board's conflicts policy.

Managing Adviser and Officer Conflicts

- 7.38 A Local Pension Board may need to seek specialist advice or support, for example legal advice. The Board may use an officer of the Administering Authority or a third party adviser. However, in both cases the Board should be confident that such advice is independent and any potential or actual conflicts are disclosed by the officer or adviser on a timely basis to the Board. For example, an adviser may have a conflict of interest if he or she (or the same firm) is also advising the Administering Authority.

- 7.39 The risk to the Local Pension Board is that the adviser does not provide, or is not seen to provide, independent advice. Where there is likely to be a conflict of interest in giving advice, the Board should consider carefully whether it is appropriate to appoint the adviser in the first place. It may also be necessary to consider carefully whether they should take steps to remove an adviser who has already been appointed.

Conflicts Policy

- 7.40 When establishing its Local Pension Board, the Administering Authority should prepare and approve a conflicts policy for the Board to adopt. The conflicts policy should cover the points discussed in the preceding paragraphs relating to the identification, monitoring and management of potential conflicts of interest (including adviser conflicts). Once adopted, the Local Pension Board should keep this policy under regular review.
- 7.41 The conflicts policy should include as a minimum:
- 7.41.1 examples of scenarios giving rise to conflicts of interest (which may include those set out at paragraph 7.18 above);
 - 7.41.2 how a conflict might arise specifically in relation to a member of a Local Pension Board; and
 - 7.41.3 the process to be followed by members of a Local Pension Board and the Administering Authority to address a situation where members are subject to a potential or actual conflict of interest.

Action Points:

- An Administering Authority should prepare a code of conduct and a conflicts policy for its Local Pension Board for approval in accordance with the Administering Authority's constitution and at the first meeting of the Local Pension Board. The Local Pension Board should keep these under regular review.
- Training should be arranged for officers and members of a Local Pension Board on conduct and conflicts.
- A Local Pension Board should establish and maintain a register of interests for its members.

8. Reporting

Internal Reporting

- 8.1 Each Administering Authority has the prime responsibility for establishing its Local Pension Board and it is therefore appropriate and consistent with good governance for the Local Pension Board to report to the Administering Authority.
- 8.2 The reporting requirements will be for each Administering Authority to determine and could include reporting and communicating with a range of individuals and decision making bodies. This could include communication with internal and external audit as well as reporting to the audit committee, scrutiny or a corporate resources committee, as well as full council or equivalent where appropriate. The agreed reporting requirements should be reflected in the Local Pension Board's terms of reference.
- 8.3 There should also be more frequent reporting (perhaps quarterly or after the Local Pension Board meets) to the Administering Authority/Pension Committee and the chief finance officer and/or monitoring officer for example, this could be achieved through sharing the minutes of Board meetings in a timely manner.
- 8.4 The Local Pension Board should take responsibility in conjunction with the Administering Authority for ensuring the necessary reports are prepared and delivered.
- 8.5 Whilst the process for internal reporting will need to be determined locally, the following examples may assist Administering Authorities and Local Pension Boards when formalising their reporting lines:
- 8.5.1 The Local Pension Board should in the first instance report its requests, recommendations or concerns to the Administering Authority/Pension Committee based on the remit of the Board (see paragraph 3.27 and Schedule A).
 - 8.5.2 The Local Pension Board could report any concerns over a decision made by the Pension Committee to that Committee within a reasonable period of the decision coming to the Board's attention.

- 8.5.3 On receipt of a report from the Local Pension Board the Pension Committee should consider and respond to it within a reasonable period.
 - 8.5.4 The Local Pension Board could report any concerns over a decision made by the Pension Committee to that Committee and where it considers that a decision was in breach of the Regulations (or overriding legislation) they may seek to challenge that decision. Such requests for a motion to review or challenge a decision must be subject to the agreement of the majority of the voting Board members.
 - 8.5.5 The Pension Committee should within a reasonable period, consider and respond to a motion to review or in the case of a motion to challenge to revisit the original decision.
 - 8.5.6 Where the Local Pension Board is satisfied that there has been a breach of the Regulations which has been reported to the Pension Committee which has not been rectified within a reasonable period of time the Local Pension Board is under an obligation to escalate the breach using the appropriate route for reporting breaches within that Administering Authority.
 - 8.5.7 In addition where the Board fail to reach consensus on a decision this should be recorded as such and noted in the minutes of the meeting.
- 8.6 A report to full council (or equivalent) or another committee/officer the Administering Authority has delegated to receive it, could include:
- 8.6.1 a summary of the work of the Local Pension Board;
 - 8.6.2 details of areas reported to the Board to be investigated by the Local Pension Board and how they have been dealt with;
 - 8.6.3 details of any conflicts of interest that have arisen in respect of individual Local Pension Board members and how these have been managed;
 - 8.6.4 whether there are any risks or other areas of potential concern which the Board wishes to raise with the Administering Authority (although legal advice to the Local Pension Board should not be shared with a full council meeting and nor should a summary of

it, since once legal advice goes beyond the intended 'client' and / or confidentiality is lost, privilege will be waived and this would also have an impact on the availability of the FOIA exemption for legally privileged information);

8.6.5 details of training received and future training needs;

8.6.6 the work plan for the last year and a draft of the work plan for the following year; and

8.6.7 details of any expenses and other costs incurred by the Local Pension Board and anticipated expenses for the forthcoming financial year. These costs will be met as part of the administration costs of the Fund.

8.7 The above topics should also form the basis of ongoing regular reports to the Administering Authority/Pension Committee who should be asked to comment on the draft work plan, for views on how complaints and risks reported to the Board have been managed and confirm that the Local Pension Board is acting within its terms of reference and in accordance with good governance principles.

8.8 Information being reported from the Local Pension Board should also be communicated to members and employers of the scheme to encourage engagement and promote a culture of transparency.

Escalation by the Local Pension Board of more serious concerns

8.9 The terms of reference for the Local Pension Board should include procedures for the Local Pension Board to report concerns which are sufficiently serious to be reported directly at a higher level, or where a concern has been raised with the Pension Committee and the Local Pension Board consider the Pension Committee have not taken appropriate action to rectify the issue (or appropriate action within a reasonable time period). Such concerns may include a fundamental breach of the Regulations or a fundamental failure by the Administering Authority to ensure the effective governance of the Fund.

8.10 The terms of reference would need to identify to whom such concerns are reported to. This could be to named officer(s), a sub-committee or Council (or equivalent), or combination of these to avoid issues having to be reported immediately to full Council.

- 8.11 Escalation via the Scheme Advisory Board or the Responsible Authority where internal channels are not appropriate or considered to have failed may also be an option used by the Local Pension Board. In addition it may be appropriate to report serious concerns to the Regulator.

Internal Reporting - Conflicts of interest

- 8.12 All members of the Local Pension Board must provide the Administering Authority with such information it reasonably requires for the purposes of satisfying itself that none of the members of the Local Pension Board has a conflict of interest. This is considered in more detail in section 7 of this guidance.

Internal Reporting - Record-keeping

- 8.13 Where the Local Pension Board is established as a local authority committee with the Secretary of States consent, in accordance with regulation 106(2) of the Regulations, the usual provisions about transparency in respect of access to information and reports will apply. In that case, the terms of reference for the Local Pension Board should include provisions dealing with the provision of agendas and reports in advance of Local Pension Board meetings and making those publically available (with the exception of confidential or personal information).
- 8.14 As a Local Pension Board is considered a committee of local government it should consider publishing information as would be required by committees of local government. The Regulator's Code of Practice advises that the Local Pension Board should consider publishing reports, agendas, papers and minutes, see paragraph 97 of that Code for further information. Any confidential or personal information should not be published.
- 8.15 Minutes of meetings should also be available and published in accordance with procedures for other meetings, for example on the website of the Administering Authority.
- 8.16 All papers and records should be prepared to minimise personal data, to separate all general confidential information and should be drafted wherever possible as if they may be made public (whether directly or, if received by the Administering Authority, through them).

Data Protection

- 8.17 For legal purposes a Local Pension Board is considered a committee of and part of the Administering Authority legal entity (but a Local Pension Board is not a committee created under section 101 of the 1972 Act). The Administering Authority is and remains the data controller responsible for DPA compliance, including for processing carried out by the Local Pension Board, where processing is carried out as a data controller, or where personal data use by the Local Pension Board is not carried out for and on behalf of any other separate legal entity.
- 8.18 Since the Local Pension Board is not a separate legal entity processing personal data, it cannot be a data controller itself under the DPA (even to the extent that the Local Pension Board independently uses personal data of its Board members, processes information about its relationships with other individuals and scrutinises records containing personal data of Fund members from the Administering Authority).
- 8.19 The Administering Authority must already comply with DPA data protection principles and must (amongst other requirements):
- 8.19.1 **Notification** – notify the DPA regulator, the Information Commissioner’s Office (“ICO”), of all of the purposes for which they may be using personal data (including Local Pension Board purposes) and renew this annually (unless exempt).
 - 8.19.2 **Fair and lawful processing** – provide privacy notices to individuals whose personal data is processed (including by the Local Pension Board) in most but not all cases.
 - 8.19.3 **Disclosures** – if using data processors (service providers using personal data on behalf of the Local Pension Board), have an appropriate written contract in place containing legally required and ICO recommended provisions to protect personal data.
 - 8.19.4 **Transfers** – not directly or indirectly ‘export’ personal data to a country outside the European Economic Area and European Commission’s ‘white list’ countries unless “adequate safeguards” have been put in place (such as entering into a data transfer agreement on the basis of the EU Commission’s model clauses).
- 8.20 To better comply with the ICO’s expectations and evidence compliance with data protection principles, it is recommended that (to the extent not yet done)

the Administering Authority implement additional measures (also covering their Local Pension Board and their staff and operations), including:

- 8.20.1 adopting policies such as a data protection policy, information security policy, acceptable use (and monitoring) policy and subject access request policy; and
 - 8.20.2 training on key DPA issues, requirements and policy compliance. This should form part of the knowledge and understanding requirements (see paragraph 6.1 for further information).
- 8.21 Given that the Local Pension Board is not considered a separate legal entity, the Administering Authority remains the responsible data controller. Accordingly:
- 8.21.1 the Administering Authority's notification registered with the Information Commissioner should be reviewed and, if necessary amended to cover proposed personal data processing by the Local Pension Board (failure to have a current up to date notification being a criminal offence);
 - 8.21.2 the Local Pension Board and Administering Authority should liaise to understand the Authority's requirements and controls and policies for data protection compliance so that the Local Pension Board is aware of them and can comply with them (avoiding duplication and inconsistency of approach) and where necessary so that appropriate changes can be made to such requirements, controls and policies before adoption and implementation by the Local Pension Board;
 - 8.21.3 the Local Pension Board and Administering Authority should be able to discuss and agree appropriate procedures for dealing with material data protection compliance issues, such as a potential security breach.

Freedom of Information

- 8.22 To be bound by the FOIA a body must be a FOIA public authority. Administering Authorities are already FOIA public authorities.
- 8.23 Local Pension Boards are not legal entities in their own right and so cannot be FOIA public authorities in their own right (and do not meet any of the FOIA public authority criteria as a Local Pension Board at present). However, Local

Pension Boards will be part of that same legal entity as the Administering Authority, and so the Local Pension Board will already be part of that FOIA public authority. Accordingly, information records created or obtained by the Local Pension Board will be accessible from it, or any part of its Administering Authority under FOIA. The Local Pension Board must liaise with the Administering Authority to:

- 8.23.1 understand the Authority's requirements and controls and policies for FOIA compliance so that the Local Pension Board is aware of them and can comply with them (avoiding duplication and inconsistency of approach) and, where necessary so that appropriate changes can be made to such requirements, controls and policies before adoption and implementation by the Local Pension Board;
- 8.23.2 agree what details are made available through the Administering Authority's publication scheme and so that it can be updated as necessary;
- 8.23.3 agree what procedure applies in relation to FOIA information requests received by the Local Pension Board and / or received by the Administering Authority about the Local Pension Board to ensure proper and consistent consultation, action and response within applicable time limits.

External Reporting - Breaches of Law

- 8.24 In accordance with section 70 of the 2004 Act, certain individuals must report to the Regulator as soon as reasonably practicable where that individual has reasonable cause to believe that:
 - 8.24.1 a duty which is relevant to the administration of the LGPS, and is imposed by or by virtue of an enactment or rule of law, has not been or is not being complied with; and
 - 8.24.2 the failure to comply is likely to be of material significance to the Regulator in the exercise of any of its functions.
- 8.25 This obligation directly applies to each individual who is a member of the Local Pension Board. In addition, it also extends to the Administering Authority, participating employers in the LGPS, any person who is otherwise involved in the administration of the LGPS, any person who is otherwise

involved in advising the Administering Authority and, in some circumstances, professional advisors of the Administering Authority.

Implementing adequate arrangements

- 8.26 The Local Pension Board should have effective arrangements in place to meet its duty to report breaches of law. Please refer to paragraphs 245 to 246 of the Code of Practice as to the procedures that should be established and operated to ensure that members of the Local Pension Board are able to meet their legal obligations.

Judging whether a breach must be reported

- 8.27 The decision whether to report requires two key judgments:
- 8.27.1 Is there reasonable cause to believe there has been a breach of law?
 - 8.27.2 If so, is the breach likely to be of material significance to the Regulator?
- 8.28 Paragraphs 248 to 262 of the Code of Practice provides guidance as to what is meant by 'reasonable cause' and how to judge whether a breach is likely to be of 'material significance' to the Regulator.

Submitting a report to the Regulator

- 8.29 Reports must be submitted in writing. Paragraphs 263 to 271 of the Code of Practice specifies how and the format in which a report should be submitted.
- 8.30 The requirement to report applies to all those subject to the reporting duty who become aware of a breach that is likely to be of material significance to the Regulator; it is not automatically discharged by another party reporting the breach. However, in practice, where the Local Pension Board considers there has been a breach it may be appropriate to inform and review this with the Administering Authority and (where appropriate) the Fund advisor(s) so that a collective report can be submitted. Details on how such a report should be submitted can be found in the Regulator's Code of Practice (paragraphs 263 to 271). An exception to this arrangement will apply in cases where there is a suspicion or dishonesty or other serious wrongdoing by the Administering Authority and/or the Fund advisor(s).

Non-compliance

- 8.31 Failure to comply with the obligation imposed to report breaches of law without 'reasonable excuse' is a civil offence under section 10 of the Pensions Act 1995. An individual member of a Local Pension Board could be fined up to £5,000.

External Reporting - Annual Report

- 8.32 It would be good practice for the Local Pension Board to consider publishing an annual report of the Local Pension Board's activities for that year.
- 8.33 The Local Pension Board should consider with the Administering Authority whether it would be appropriate to detail these activities as part of the Fund's annual report.

External Reporting - Governance Compliance Statement

- 8.34 Section 6 of the 2013 Act requires a scheme manager to publish information about its pension board.
- 8.35 In terms of the LGPS, this requirement is dealt with under regulation 55 of the Regulations which requires the Administering Authority to include within its governance compliance statement details of the terms, structure and operational procedures relating to its Local Pension Board. This Governance Compliance Statement must be published by the Administering Authority.
- 8.36 Current governance compliance statements will need to be revised to include this new information. The Administering Authority will firstly need to consult with such persons as it thinks necessary about the revised statement and then publish it once it has been revised.

External Reporting - The Regulator

- 8.37 If the Regulator has reasonable grounds to suspect or believe that a member of a Local Pension Board:
- 8.37.1 has misappropriated any assets of the Fund or is likely to do so;
or
 - 8.37.2 has a conflict of interest in relation to the investment of assets of the Fund,

the Regulator must report the matter to the Administering Authority. However, given that a Board member should not have access to Fund assets or be involved in the investment of Fund assets then the exercise of this duty should be rare in practice.

Action Points:

- An Administering Authority should agree the ongoing reporting arrangements between the Local Pension Board and the Administering Authority.
- A Local Pension Board should understand the Administering Authority's requirements, controls and policies for FOIA compliance so that the Local Pension Board is aware of them and can comply with them.
- A Local Pension Board should put in place arrangements to meet the duty of its members to report breaches of law.
- A Local Pension Board should consider (with its Administering Authority) the need to publish an annual report of its activities.
- An Administering Authority should consult on, revise and publish its governance compliance statement to include details of the terms, structure and operational procedures relating to its Local Pension Board.

9. **Resourcing and Funding**

Resourcing of Local Pension Boards

- 9.1 It is appropriate that a Local Pension Board is given adequate resources to fulfil its task, in the same way that statutory officers of the Administering Authority and scrutiny committees are entitled.
- 9.2 As a minimum, the Board will require:
- 9.2.1 allowances and expenses for Board members (where this has been agreed and confirmed in the Board's terms of reference);
 - 9.2.2 accommodation and administrative support to conduct its meetings and other business;
 - 9.2.3 training; and
 - 9.2.4 legal, technical and other professional advice (where required).
- 9.3 Regulation 106(8) provides that the Board has the power to do anything which is calculated to facilitate, or is conducive or incidental to, the discharge of any of its functions. In line with the provisions of this regulation when determining its budget, consideration will need to be given to whether the Board requires an allocation for using advisors. Advisors, if used may be called upon on an adhoc or ongoing basis to assist in areas of technical, legal or policy matters. Such advisors would not be members of the Local Pension Board.
- 9.4 Given the role of a Local Pension Board to assist the Administering Authority to secure compliance with legal and regulatory matters and to ensure the effective and efficient governance and administration of the LGPS, the need for the Local Pension Board to seek its own legal, technical and other professional advice cannot be discounted.

Funding of Local Pension Boards

- 9.5 Regulation 106(9) of the Regulations specifies that the expenses of a Local Pension Board shall be regarded as part of the costs of administration of the Fund.
- 9.6 These expenses will include (but are not limited to) the cost of secretarial support and any necessary advisory support, overheads attaching to the arranging of meetings and, if the Administering Authority makes provision,

payment of allowances and/or expenses to members of the Local Pension Board (see paragraph 5.34.17).

- 9.7 The Administering Authority will also need to give early consideration to how the arrangements for meeting the Local Pension Board's expenditure will be administered. The options include:
- 9.7.1 allocating a budget which is managed by the Local Pension Board; or
 - 9.7.2 requiring the Local Pension Board to seek approval from the Administering Authority for expenditure.
- 9.8 Given the statutory responsibilities of the Local Pension Board and its relationship with the Administering Authority, it will be a matter for early consideration by the Local Pension Board as to compiling its budget.
- 9.9 In considering the budget for a Local Pension Board that budget should also set out to whom the Local Pension Board will be financially accountable to. This would be expected to be the Administering Authority (rather than the Pensions Committee). In addition a timetable for approving the Local Pension Board's budget should be set out in the Board's terms of reference.
- 9.10 Consideration should be given by the Administering Authority to whether or not members of the Local Pension Board are paid allowances or reimbursed expenses. One option would be to set levels of allowance in a similar way to the elected members allowances scheme, perhaps with regard to allowances for co-opted members, and in accordance with established processes for declaring allowances which have been received in an open and transparent way. In deciding whether to award an allowance, and if so how much, the Administering Authority may wish to consider some or all of the following matters:
- whether the Board members are carrying out duties (including preparation and/or training) during personal time or whether it is during a period of authorised paid absence,
 - whether a Board member who has taken on the role of Chair is carrying out a range of additional responsibilities that merit additional payment,

- whether an annual or per meeting allowance is more appropriate, and how a per meeting allowance should be extended to attendance at training and
- whether employers whose staff sit on a Local Pension Board and spend work time on Local Pension Board matters wish to reclaim that cost from the Local Pension Board through allowances/expenses.

10. **Other possible structures**

Combining a Local Pension Board and a Pension Committee

- 10.1 Where an Administering Authority discharges its pensions functions through a committee, it can, with the approval of the Secretary of State, appoint the existing committee as the Local Pension Board.
- 10.2 Where an Administering Authority chooses to use an existing committee (subject to the approval of the Secretary of State) careful consideration will need to be given to the membership of the committee so that it complies with the requirement in regulation 107 of the Regulations, to designate an equal number of employer and member representatives and to include at least two employer and two member representatives. These individuals must have the capacity to represent members and employers, as appropriate. Officers or members who have responsibilities for functions under the Regulations cannot be appointed. It is likely that the employee representatives will be co-opted members.
- 10.3 As well as complying with the Regulations, a Local Pension Board which is established as a local authority Pensions Committee will be subject to general requirements in the 1972 Act and the 1989 Act. We have summarised in Schedule C the key legal requirements which need to be considered where an authority wishes to seek approval from the Secretary of State to use an existing committee. This is a complex area and any authority intending to follow this route will need to take legal advice from their monitoring officer to make sure the plans comply with the different legal duties and their own Constitution.
- 10.4 At first sight it might seem attractive to combine the functions of a Local Pension Board and a Pension Committee to enable the Board to be included in existing decision making processes, including delegation to officers and publication of agendas and minutes. However, in practice it may be difficult to meet the requirements of the 1972 Act, the 1989 Act, the 2013 Act and the Regulations when combining a Local Pension Board and a local authority Pension Committee.
- 10.5 Firstly, if the Local Pension Board is to be a Pension Committee this can only be where written approval has been obtained from the Secretary of State.

- 10.6 Secretary of State approval may be given subject to such conditions as the Secretary of State thinks fit and equally may be withdrawn if such conditions are not met. The Secretary of State may also withdraw approval if in his or her opinion it is no longer appropriate for the Local Pension Board to be the Pension Committee.
- 10.7 Where an Administering Authority has delegated pension functions to more than one committee and it does not wish to create a separate Local Pension Board, it will be necessary to determine which of its committees is most appropriate to undertake the function of the Board.
- 10.8 It will also be necessary to review the membership of the existing Pension Committee as regulation 107 of the Regulations says that the Pension Committee must designate at least two employer and two member representatives to act as Local Pension Board members.
- 10.9 If the Local Pension Board is to be a Pension Committee, it is difficult to see how the Local Pension Board can effectively and objectively fulfil its statutory function of assisting itself (as the Pensions Committee) to secure compliance with legal and regulatory matters and to ensure the effective and efficient governance and administration of the LGPS (which is the prime responsibility of the Pension Committee).

Joint Pension Boards

- 10.10 Where the administration and management of a scheme is wholly or mainly shared by two or more Administering Authorities, those Administering Authorities may establish a joint local pension board, with the approval of the Secretary of State.
- 10.11 In practice there are no current situations which meet the requirement of regulation 106(3).
- 10.12 In order to meet the regulation two or more Administering Authorities will have to demonstrate to the Secretary of State that either the entirety or the significant elements of the management and administration (including investments) are formally delegated (with appropriate legal arrangements) to a single body. For example, this could be best evidenced by the existence of a joint committee established under section 102 of the 1972 Act which exercises the functions on behalf of constituent authorities.
- 10.13 In support of the above the Administering Authorities will need to provide documentary evidence of the existence of and the delegations to the joint

committee. Such evidence should also include details of how such a joint pension board fully represents the members and employers of all the constituent Administering Authorities as well as the structure of the reporting lines necessary to ensure that all relevant stakeholders fully aware of the work of the Joint Pension Board.

10.14 Where the Secretary of State is satisfied by this evidence then approval for the formation of a Joint Pension Board to cover the functions of the constituent Administering Authorities may be granted.

10.15 Secretary of State approval may be given subject to such conditions as the Secretary of State thinks fit and equally may be withdrawn if such conditions are not met. The Secretary of State may also withdraw approval if in his or her opinion it is no longer appropriate for the Local Pension Board to be a Joint Pension Board.

11. **Other guidance**

- The Pensions Regulator's Code of Practice no. 14 Governance and Administration of public service pension schemes.

<http://www.thepensionsregulator.gov.uk/public-service-schemes/regulating-public-service-pension-schemes.aspx>

- The Pensions Regulator's website:

www.thepensionsregulator.gov.uk

- Dedicated Public Service Pension Scheme area on the Pensions Regulator's website:

www.thepensionsregulator.gov.uk/public-service-schemes.aspx

- The Pensions Regulator's Pension Board member toolkit:

www.trusteetoolkit.com/arena/index.dfm

SCHEDULE A

Example of a remit of a Local Pension Board

Administering Authorities should remember that the Local Pension Board does not replace the Administering Authority or make decisions or carry out other duties which are the responsibility of the Administering Authority.

The first core function of the Board is to assist the Administering Authority in securing compliance with the Regulations, any other legislation relating to the governance and administration of the Scheme, and requirements imposed by the Pensions Regulator in relation to the Scheme. Within this extent of this core function the Board may determine the areas it wishes to consider including but not restricted to:

- a) Review regular compliance monitoring reports which shall include reports to and decisions made under the Regulations by the Committee.
- b) Review management, administrative and governance processes and procedures in order to ensure they remain compliant with the Regulations, relevant legislation and in particular the Code of Practice.
- c) Review the compliance of scheme employers with their duties under the Regulations and relevant legislation.
- d) Assist with the development of and continually review such documentation as is required by the Regulations including Governance Compliance Statement, Funding Strategy Statement and Statement of Investment Principles.
- e) Assist with the development of and continually review scheme member and employer communications as required by the Regulations and relevant legislation.
- f) Monitor complaints and performance on the administration and governance of the scheme.
- g) Assist with the application of the Internal Dispute Resolution Process.
- h) Review the complete and proper exercise of Pensions Ombudsman cases.

- i) Review the implementation of revised policies and procedures following changes to the Scheme.
- j) Review the arrangements for the training of Board members and those elected members and officers with delegated responsibilities for the management and administration of the Scheme.
- k) Review the complete and proper exercise of employer and administering authority discretions.
- l) Review the outcome of internal and external audit reports.
- m) Review draft accounts and scheme annual report.
- n) Review the compliance of particular cases, projects or process on request of the Committee.
- o) Any other area within the core function (i.e. assisting the Administering Authority) the Board deems appropriate.

The second core function of the Board is to ensure the effective and efficient governance and administration of the Scheme. Within this extent of this core function the Board may determine the areas it wishes to consider including but not restricted to:

- a) Assist with the development of improved customer services.
- b) Monitor performance of administration, governance and investments against key performance targets and indicators.
- c) Review the effectiveness of processes for the appointment of advisors and suppliers to the Administering Authority.
- d) Monitor investment costs including custodian and transaction costs.
- e) Monitor internal and external audit reports.
- f) Review the risk register as it relates to the scheme manager function of the authority.
- g) Assist with the development of improved management, administration and governance structures and policies.
- h) Review the outcome of actuarial reporting and valuations.

- i) Assist in the development and monitoring of process improvements on request of Committee.
- j) Assist in the development of asset voting and engagement processes and compliance with the UK Stewardship Code.
- k) Any other area within the core function (i.e. ensuring effective and efficient governance of the Scheme) the Board deems appropriate.

In support of its core functions the Local Pension Board may make a request for information to Committee with regard to any aspect of the Administering Authority function. Any such request should be reasonably complied with in both scope and timing.

In support of its core functions the Local Pension Board may make recommendations to Committee which should be considered and a response made to the Board on the outcome within a reasonable period of time.

***Schedule A has been added as an example only - it should not be considered an exhaustive list and full consideration should be given locally to the remit of the Local Pension Board.**

Schedule B

PART 1

Examples of documents recording policy about the administration of the scheme (please read in conjunction with paragraphs 6.16 and 6.17)

1.	Member booklets, announcements and other key member and employer communications, which describe the Fund's policies and procedures (including any separate AVC guides) including documents available on the Fund's website	
2.	Any relevant policies of the Administering Authority and/or Pension Committee, for example policies on: <ul style="list-style-type: none"> • conflicts of interests • record-keeping • data protection and freedom of information • internal dispute resolution procedure 	

	<ul style="list-style-type: none"> reporting breaches 	
3.	The Administering Authority's governance compliance statement (as required by regulation 55 of the Regulations)	
4.	The Administering Authority's funding strategy statement (as required by regulation 58 of the Regulations)	
5.	The Administering Authority's pension administration statement (as required by regulation 59 of the Regulations)	
6.	The Administering Authority's discretionary policy statement (as required by regulation 60 of the Regulations)	
7.	The Administering Authority's communications policy statement (as required by regulation 61 of the Regulations)	
8.	The Administering Authority's statement of investment principles (as required by regulation 12 of the Investment Regulations)	
9.	The Administering Authority's internal controls risk register (for the purposes of section 249B of the 2013 Act)	
10.	The Fund's actuarial valuation report and rates and adjustment certificate (as required by regulation 62 of the Regulations)	
11.	The Fund's annual report and accounts (as required by regulation 57 of the Regulations) including any summary report (as required by regulation 56 of the Regulations)	
12.	Any accounting requirements relevant to the Fund	
13.	Any third party contracts and service level agreements	
14.	Any internal control report produced by third party service providers and investment managers	
15.	The Fund's standard form of admission agreement and bond and related policies and guidance	

PART 2

Examples of knowledge and understanding of the law relating to pensions (please read in conjunction with paragraphs 6.18 and 6.19)

1.	Background and Understanding of the Legislative Framework of the LGPS	
	<ul style="list-style-type: none"> • Differences between public service pension schemes like the LGPS and private sector trust-based schemes • Role of the IPSPC and its recommendations • Key provisions of the 2013 Act • The structure of the LGPS and the main bodies involved including the Responsible Authority, the Administering Authority, the Scheme Advisory Board, the Local Pension Board and the LGPS employers • An overview of local authority law and how Administering Authorities are constituted and operate • LGPS rules overview (including the Regulations, the Transitional Regulations and the Investment Regulations) 	
2.	General pensions legislation applicable to the LGPS	
	<p>An overview of wider legislation relevant to the LGPS including:</p> <ul style="list-style-type: none"> • Automatic Enrolment (Pensions Act 2008) • Contracting out (Pension Schemes Act 1993) • Data protection (Data Protection Act 1998) • Employment legislation including anti-discrimination, equal treatment, family related leave and redundancy rights • Freedom of Information (Freedom of Information Act 2000) • Pensions sharing on divorce (Welfare Reform and Pensions Act 1999) • Tax (Finance Act 2004) 	

	<ul style="list-style-type: none"> • IORP Directive 	
3.	Role and responsibilities of the Local Pension Board	
	<ul style="list-style-type: none"> • Role of the Local Pension Board • Conduct and conflicts • Reporting of breaches • Knowledge and understanding • Data protection 	
4.	Role and responsibilities of the Administering Authority	
	<ul style="list-style-type: none"> • Membership and eligibility • Benefits and the payment of benefits • Decisions and discretions • Disclosure of information • Record keeping • Internal controls • Internal dispute resolution • Reporting of breaches • Statements, reports and accounts 	
5.	Funding and Investment	
	<ul style="list-style-type: none"> • Requirement for triennial and other valuations • Rates and adjustments certificate • Funding strategy statement • Bulk transfers • Permitted investments 	

	<ul style="list-style-type: none"> • Restrictions on investments • Statement of investment principles • CIPFA guidance • Appointment of investment managers • Role of the custodian 	
6.	Role and responsibilities of Scheme Employers	
	<ul style="list-style-type: none"> • Explanation of different types of employers • Additional requirements for admission bodies • Automatic Enrolment • Deduction and payment of contributions • Special contributions • Employer decisions and discretions • Redundancies and restructuring (including the Local Government (Early Termination of Employment) (Discretionary Compensation) (England and Wales) Regulations 2006) • TUPE and outsourcing (including Fair Deal and the Best Value Authorities Staff Transfers (Pensions) Direction 2007) 	
7.	Tax and Contracting Out	
	<ul style="list-style-type: none"> • Finance Act 2004 • Role of HMRC • Registration • Role of 'scheme administrator' • Tax relief on contributions • Taxation of benefits 	

	<ul style="list-style-type: none"> • Annual and lifetime allowances • Member protections • National Insurance • Contracting out (Pensions Scheme Act 1993) • Impact of abolition of contracting out in 2016 • VAT and investments 	
8.	Role of advisors and key persons	
	<ul style="list-style-type: none"> • Officers of the Administering Authority • Fund actuary • Auditor • Lawyers • Investment managers • Custodians • Administrators – in house v. third party • Procurement of services • Contracts with third parties 	
9.	Key Bodies connected to the LGPS	
	<p>An understanding of the roles and powers of:</p> <ul style="list-style-type: none"> • Courts • Financial Services Authority • HMRC • Information Commissioner • Pensions Advisory Service 	

	<ul style="list-style-type: none">• Pensions Ombudsman• The Pensions Regulator (including powers in relation to Local Pension Boards)	
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SCHEDULE C

Summary of Legal Provisions to consider where an Administering Authority wishes to use an existing pensions committee as its Local Pension Board

If you wish to use your existing pensions committee as the Local Pension Board you should take legal advice to ensure that the following provisions are complied with:

1. The provisions of Section 101 – Section 107 of the Local Government Act (the 1972 Act) which provides for the arrangements for the discharge of functions by local authorities. This enables non-executive functions to be discharged by a committee, a sub-committee, a joint committee, another local authority or delegated to officers.
2. Section 102 (3) of the 1972 Act allows for people other than elected members to be co-opted to a committee. This is not permitted where a committee is responsible for regulating or controlling the finances of a local authority.
3. Section 102 (4) allows a local authority to appoint an advisory committee.
4. Section 106 provides for the procedures and quorum of meetings to be determined in Standing Orders or where provisions are not made in Standing Orders for the committee to determine its procedures.
5. Section 13 of the Local Government and Housing Act 1989 describes the voting rights for co-opted members of committees and gives rights of voting to co-opted members in specified circumstances. The general proposition is that co-opted members do not have voting rights. The provisions in section 13 which make exceptions to this rule are complex and their application will differ depending on whether functions are discharged by a committee or sub committee and whether a committee is decision making or advisory. There are exceptions for advisory committees and also where committees are established in accordance with regulations under the Superannuation Act 1972 (i.e. co-opted members have voting rights on these committees) and the Public Service Pensions Act 2013.
6. The provisions of regulation 106 (establishment) and regulation 107 (membership) of the LGPS Regulations 2013 (as amended) relating to Local Pension Boards.

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Open Report on behalf of Pete Moore, Executive Director of Finance and Public Protection

Report to:	County Council
Date:	20 February 2015
Subject:	Local Pension Board for Lincolnshire Firefighters Pension Schemes

Summary:

The Public Sector Pensions Act 2013 introduced a requirement for all public sector pension schemes to put in place Local Pension Boards. This will require the creation of a Local Pension Board for the Lincolnshire Firefighters' Pension Schemes. In addition, as well as the Council being the scheme manager for existing Firefighters' Pension Schemes, it will also become the scheme manager for the new Firefighters' Pension Scheme coming into effect from 1 April 2015.

This paper details the requirements of the Act and seeks a decision to enable the establishment of the Board.

Recommendation(s):

That the Council:

1) Notes that from 1 April 2015 the Council will become the scheme manager for the Firefighters' Pension Scheme 2015. As scheme manager for existing schemes and the Firefighters' Pension Scheme 2015, it is under a duty to establish a Local Pension Board for the schemes from 1 April 2015.

2) Delegate the decision to approve the establishment, composition and terms of reference for the Local Pension Board to the Executive Director of Finance and Public Protection, as the delegated officer.

1. Background

- 1.1 The Public Service Pensions Act (PSPA) 2013 introduces a number of changes to public service pension schemes, including a number of key changes impacting on the governance of public service pension schemes. One of the key changes is the requirement for each Fire & Rescue Authority (in this case Lincolnshire County Council) to create a local Pension Board.

The final Regulations are yet to be laid but are expected in advance of 1 April 2015 (draft regulations are attached at appendix A for information). Unlike the Local Government Pension Scheme (LGPS) there is no requirement for the Board to be established by 1 April 2015, but as there is national training planned for Fire Pension Board members in June 2015 it would be of assistance to have the Board established before this date to allow the Board members to be appointed and avail themselves of the national training.

- 1.2 The Firefighters' Pension Schemes are administered by Lincolnshire County Council which is, under the PSPA 2013, the "Scheme Manager". The Council has delegated responsibility for the management of pension issues to the Executive Director of Finance and Public Protection. It is the Scheme Manager's responsibility to establish the Local Pension Board.
- 1.3 In very simple terms, the Local Pension Board can be seen as performing an advisory function in terms of certain decisions taken by the scheme manager), in meeting the requirements of the regulations and acting in the best interests of its scheme members.
- 1.4 The key elements of the draft regulations relating to local Pension Boards are outlined below and were taken to the Value For Money Scrutiny Committee on 25th November 2014. Draft Guidance for the establishment and operation of the Boards has not yet been issued but the scheme manager must have regard to such Guidance.

Establishment

- Each Fire & Rescue Authority is required to establish a Local Pension Board from 1 April 2015.
- The role of the Pension Board is to assist the scheme manager with:
 - securing compliance with the scheme regulations and other legislation relating to the governance and administration of the scheme, and any connected scheme
 - securing compliance with any requirements imposed by the Pensions Regulator; and
 - in relation to any other matter specified in scheme regulations.
 - ensuring the effective and efficient governance and administration of the scheme and any connected scheme
- The Pension Board will have an oversight role, but not a decision-making role.
- Each Scheme Manager will be required to determine its own procedures relating to the establishment and operation of the Pension Board.
- It is for the scheme manager to determine whether any expenses should be paid in relation to the running of the Board.

Membership and Appointment

- The Scheme Manager shall determine the membership of the Board, including the manner in which members may be appointed and removed.
- There must be equal numbers of scheme member representatives and employer representatives.
- There must be at least two of each of these representatives (so a Pension Board must comprise of at least four individuals).
- The employee representatives must be in scheme employment so former firefighters or pensioner members cannot be representatives.
- These representatives must have the necessary capacity and understanding to represent the employer or scheme member.
- Board members cannot be elected members or officers who are involved in decision making on Pension matters for that authority.

Conflicts of Interest

- Each Scheme Manager must be satisfied that appointees to a Pension Board do not have a conflict of interest (initially and on an ongoing basis).
- This is defined in the PSPA as “a financial or other interest which is likely to prejudice the person’s exercise of functions as a member of the board (but does not include a financial or other interest arising merely by virtue of membership of the scheme or any connected scheme)”.

Guidance

- A Scheme Manager must have regard to guidance issued by the Secretary of State.

Unlike the LGPS there is currently no requirement to consult on the local options in relation to the establishment and operation of such boards.

- 1.5 The draft regulations permit the establishment of a local pensions board from 1st April 2015. This may be done by the Scheme Manager (Full Council) or delegated to an officer. However, the establishment of the Board cannot happen until after the final regulations are laid.
- 1.6 Therefore, given the time constraints explained in paragraph 1.1, this paper seeks a **recommendation** to the Council that:

Full Council delegates the decision to approve the establishment, composition (including appointments) and terms of reference for the Local Pensions Board, to the Executive Director for Finance and Public Protection, as the delegated Officer.

- 1.7. As a result of the increased governance requirements introduced by the PSPA 2013, it would seem appropriate to review whether the Council's existing governance arrangements are the most appropriate. Therefore a review of current arrangements will be take place and the outcome of such review will be presented the next meeting in May 2015.
- 1.8 Legal and Democratic Services have provided advice and support and will continue to assist with the establishment of the Local Pension Board in line with the Regulations and Guidance.

2. Equality & Diversity Considerations

- 2.1 Consideration has been given to the Council's duties under the Equality Act 2010 and these will be taken into account by the Executive Director of Finance and Public Protection in the exercise of his delegated functions.

3. Conclusion

- 3.1 The Public Service Pensions Act (PSPA) 2013 requires that all Public Sector Pension Schemes create Local Pension Boards. For Lincolnshire County Council this means the establishment of a Local Pension Board for the Fire & Rescue service. This paper brings a recommendation to the Council to ensure that the Local Pensions Board is established.

4. Legal Comments:

The legal basis on which the Recommendations are put forward are accurately set out in this report.

The decisions are within the remit of Full Council, which is taking such decisions acting in its role as Scheme Manager on behalf of Lincolnshire Fire & Rescue Service.

5. Resource Comments:

There will be modest additional costs presently estimated up to £10k pa in operating the Board. Representations have been made to Government to have this cost either charged to the fire pension schemes or to be Government funded as a new burden on Local Government. In the event these representations are unsuccessful the cost can be met from within existing budgets.

5. Consultation

a) Has Local Member Been Consulted?

n/a

b) Has Executive Councillor Been Consulted?

Yes

c) Scrutiny Comments

n/a

d) Policy Proofing Actions Required

n/a

6. Appendices

These are listed below and attached at the back of the report	
Appendix A	The Firefighters' Pension Scheme (Amendment) (Governance) Regulations 2015

7. Background Papers

No background papers within Section 100D of the Local Government Act 1972 were used in the preparation of this report.

This report was written by Jo Ray, who can be contacted on 01522 553656 or jo.ray@lincolnshire.gov.uk.

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2015 No. 0000

PUBLIC SERVICE PENSIONS, ENGLAND

**The Firefighters' Pension Scheme (Amendment) (Governance)
Regulations 2015**

<i>Made</i>	- - - -	2015
<i>Laid before Parliament</i>		2015
<i>Coming into force</i>	- -	1 st April 2015

These Regulations are made in exercise of the powers conferred by sections 1, 3, 7(2), 12(6) and 12(7) of, and Schedule 3 to, the Public Service Pensions Act 2013(a).

In accordance with section 21 of that Act, the Secretary of State has consulted the representatives of such persons as appeared to the Secretary of State to be likely to be affected by these Regulations.

In accordance with section 3(5) of that Act, these Regulations are made with the consent of the Treasury.

The Secretary of State makes the following Regulations:

Citation, interpretation, commencement and application

1.—(1) These Regulations may be cited as the Firefighters' Pension Scheme (Amendment) (Governance) Regulations 2015.

(2) In these Regulations “the Principal Regulations” means the Firefighters' Pension Scheme (England) Regulations 2014(b).

(3) These Regulations come in to force on 1st April 2015.

(4) These Regulations apply in England only.

Amendment of the Firefighters' Pension Scheme (England) Regulations 2013

2. The Principal Regulations are amended in accordance with regulations 3 to 5.

3. In regulation 3 (interpretation)—

(a) after the entry for “financial year” insert—

(a) 2013 c. 25
(b) S.I. 2014/????.

““Firefighters’ Pensions Scheme Advisory Board” means a board established under regulation 4E (scheme advisory board: establishment)”; and

(b) after the entry for “leaving year” insert—

“local pension board” means a board established under regulation 4A (local pension boards: establishment);”.

4. After regulation 4 (scheme manager) insert—

“Local pension boards: establishment

4A.—(1) Each scheme manager must establish a pension board (“a local pension board”) responsible for assisting it—

(a) to secure compliance with—

(i) these Regulations,

(ii) any other legislation relating to the governance and administration of this scheme and any connected scheme, and

(iii) any requirements imposed by the Pensions Regulator in relation to this scheme and any connected scheme; and

(b) to ensure the effective and efficient governance and administration of this scheme and any connected scheme.

(2) A scheme manager may determine the procedures applicable to a local pension board, including as to voting rights, the establishment of sub-committees, formation of joint committees and payment of expenses.

(3) A local pension board shall have the power to do anything which is calculated to facilitate, or is conducive or incidental to, the discharge of any of its functions.

Local pension boards: membership

4B.—(1) Subject to paragraphs (2) and (3) each scheme manager shall determine—

(a) the membership of the local pension board;

(b) the manner in which members of the local pension board may be appointed and removed;

(c) the terms of appointment of members of the local pension board.

(2) A local pension board must include an equal number, which is no less than 4 in total, of employer representatives and member representatives^(a) and for these purposes the scheme manager must be satisfied that—

(a) a person to be appointed as an employer representative has the capacity and understanding to represent employers on the local pension board; and

(b) a person to be appointed as a member representative is in scheme employment and has the capacity and understanding to represent members on the local pension board.

(3) No member or officer of an authority responsible for the discharge of any function under these regulations (apart from any function relating to a local pension board or the Firefighters’ Pension Scheme Advisory Board) may be a member of a local pension board.

Local pension boards: conflict of interest

4C.—(1) Each scheme manager must be satisfied that any person to be appointed as a member of a local pension board does not have a conflict of interest^(b).

(a) See section 5(6) of the Public Service Pensions Act 2013 for definitions of these terms.

(b) See section 5(5) of the Public Service Pensions Act 2013 for the meaning of “conflict of interest”.

(2) A scheme manager must be satisfied from time to time that none of the members of a local pension board has a conflict of interest.

(3) A person who is to be appointed as a member of a local pension board by a scheme manager must provide that authority with such information as the authority reasonably requires for the purposes of paragraph (1).

(4) A person who is a member of a local pension board must provide the scheme manager which made the appointment with such information as that authority reasonably requires for the purposes of paragraph (2).

Local pension boards: guidance

4D. A scheme manager must have regard to guidance issued by the Secretary of State in relation to local pension boards.

Scheme advisory board: establishment

4E.—(1) A scheme advisory board (“the Firefighters’ Pension Scheme Advisory Board”) is established.

(2) The Firefighters’ Pension Scheme Advisory Board is responsible for providing advice in response to a request from the Secretary of State on the desirability of making changes to this scheme and any connected scheme.

(3) The Firefighters’ Pension Scheme Advisory Board is also responsible for providing advice to scheme managers and local pension boards in relation to the effective and efficient administration and management of this scheme and any connected scheme.

(4) Subject to these Regulations, the Firefighters’ Pension Scheme Advisory Board may determine its own procedures including as to voting rights, the establishment of sub-committees, formation of joint committees and the payment of remuneration and expenses.

(5) The Firefighters’ Pension Scheme Advisory Board shall have the power to do anything which is calculated to facilitate, or is conducive or incidental to, the discharge of any of its functions.

Scheme advisory board: membership

4F.—(1) The Firefighters’ Pension Scheme Advisory Board is to consist of a chairman and at least two, and no more than 14, persons appointed by the Secretary of State.

(2) When deciding whether to make an appointment under paragraph (1), the Secretary of State must have regard to the desirability of there being equal representation of persons representing the interests of scheme employers and persons representing the interests of members.

(3) A member of the Firefighters’ Pension Scheme Advisory Board is to hold and vacate office in accordance with the terms of that member’s appointment.

(4) The chairman of the Firefighters’ Pension Scheme Advisory Board may, with the agreement of the Board, appoint a maximum of three persons to be non-voting advisory members of the Boards.

(5) An advisory member of the Firefighters’ Pension Scheme Advisory Board is to hold and vacate office in accordance with the terms of that member’s appointment.

(6) The chairman of the Firefighters’ Pension Scheme Advisory Board may, with the agreement of the Board, appoint persons who are not members of the Firefighters’ Pension Scheme Advisory Board to be members of sub-committees of that Board.

(7) A member of a sub-committee of the Firefighters’ Pension Scheme Advisory Board is to hold and vacate office in accordance with the terms of that member’s appointment.

Scheme advisory board: conflict of interest

4G.—(1) Before appointing any person to be a member of the Firefighters’ Pension Scheme Advisory Board, the Secretary of State must be satisfied that the person does not have a conflict of interest^(a).

(2) The Secretary of State must be satisfied from time to time that none of the members of the Firefighters’ Pension Scheme Advisory Board has a conflict of interest.

(3) A person who is to be appointed as a member of the Firefighters’ Pension Scheme Advisory Board must provide the Secretary of State with such information as the Secretary of State reasonably requires for the purposes of paragraph (1).

(4) A person who is a member of the Firefighters’ Pension Scheme Advisory Board must provide the Secretary of State with such information as the Secretary of State reasonably requires for the purposes of paragraph (2).

Scheme advisory board: funding

4H.—(1) The Firefighters’ Pension Scheme Advisory Board must prepare an annual budget for approval by the Secretary of State.

(2) The expenses of the Firefighters’ Pension Scheme Advisory Board are to be defrayed by authorities in such proportions as are determined by the Board based on the approved budget and the number of members of this scheme and connected schemes for which each authority is responsible.

(3) A scheme manager must pay the amount it is required to pay under this regulation at such time or times as the Firefighters’ Pension Scheme Advisory Board may determine.”

5. After regulation 150 insert—

“Employer cost cap

150A.—(1) The employer cost cap for this scheme is []% of pensionable earnings of members of this scheme.

(2) Where the cost of this scheme, calculated following a valuation in accordance with Treasury directions under section 11 of the 2013 Act is more than the margins specified in regulations made under section 12(5) of the 2013 Act^(b) (“the Cost Cap Regulations”) above or below the employer cost cap, the Secretary of State must follow the procedure specified in paragraph (3) for reaching agreement with scheme managers, employers and members (or representatives of employers and members) as to the steps required to achieve the target cost specified in the Cost Cap Regulations.

(3) The procedure specified for the purposes of section 12(6)(a) of the 2013 Act is consultation for such period as the Secretary of State considers appropriate with the Firefighters’ Pension Scheme Advisory Board with a view to reaching an agreement endorsed by all members of that Board.

(4) If, following such consultation, agreement is not reached within 3 months of the end of the consultation period, the Secretary of State must take steps to adjust the rate at which benefits accrue under regulation 34 (amount of pension for a scheme year) so that the target cost for this scheme is achieved.”.

We consent to the making of these Regulations

(a) See section 7(5) of the Public Service Pensions Act 2013 for the meaning of “conflict of interest”.

(b) See regulation 3 of S.I. 2014/575.

Date *Names*
Two of the Lords Commissioners of Her Majesty's Treasury

Signed by authority of the Secretary of State for Communities and Local Government

Date *Name*
Parliamentary Under Secretary of State
Department for Communities and Local Government

EXPLANATORY NOTE

(This note is not part of the Regulations)

These Regulations amend the Firefighters' Pension Scheme (England) Regulations 2014 ("the 2014 Regulations") to make provision in respect of governance of the Scheme.

Regulation 2 commences the regulations from 1st April 2015.

Regulation 4 inserts new regulations 4A to 4H into Part 3 of the 2014 Regulations.

New regulations 4A to 4D make provision for each scheme manager to establish a local pension board to assist it to comply with its legal obligations relating to the scheme and connected schemes. Local pension boards must have equal representation of employer representatives and member representatives.

Regulations 4E to 4H establish the Firefighters' Pension Scheme Advisory Board to advise the Secretary of State, administering authorities and local pension boards in relation to this scheme and connected schemes. Provision is made for the appointment of members to the Board and for its funding.

Regulation 5 inserts new regulation 150A into the 2014 Regulations. It sets the employer cost cap and requires the Secretary of State to seek agreement from those affected as to the changes to the design of the scheme necessary to bring costs back to that level if valuation reports indicate that costs have varied by more than a margin specified in regulations made by the Treasury. If agreement can not be reached the Secretary of State must make amendments to the scheme to vary the rate of accrual of benefits to bring the costs of the scheme back to the employer cost cap level.

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**PLANNING AND REGULATION
COMMITTEE
8 DECEMBER 2014**

PRESENT: COUNCILLOR I G FLEETWOOD (CHAIRMAN)

Councillors D McNally (Vice-Chairman), J W Beaver, D Brailsford, G J Ellis, D C Hoyes MBE, D M Hunter-Clarke, Ms T Keywood-Wainwright, N H Pepper, Mrs H N J Powell, Mrs J M Renshaw, C L Strange, T M Trollope-Bellew and W S Webb

Councillors: R G Davies and Mrs M J Overton MBE attended the meeting as observers

Officers in attendance:-

Steve Blagg (Democratic Services Officer), Graeme Butler (Project and Technical Support Manager), Dave Clark (Traffic Orders Manager), Andy Gutherson (County Commissioner for Economy and Place), Nurainatta Katevu (Solicitor, Legal Services), Paul Little (Network Manager North), Neil McBride (Development Manager), Brian Thompson (Head of Highways West) and Marc Willis (Principal Planning Officer (Development Management))

76 APOLOGIES/REPLACEMENT MEMBERS

An apology for absence was received from Councillor M S Jones.

77 DECLARATIONS OF MEMBERS' INTERESTS

Councillor D M Hunter-Clarke requested that a note should be made in the minutes that officer's had accidentally stated in the report that he supported the recommendations. This would prevent him from voting on the matter as this showed bias by openly declaring his position before the Committee meeting. Therefore, he would speak as the local Member but not vote on the matter.

**78 MINUTES OF THE PREVIOUS MEETING OF THE PLANNING AND
REGULATION COMMITTEE HELD ON 3 NOVEMBER 2014**

RESOLVED

That the minutes of the previous meeting of the Planning and Regulation Committee held on 3 November 2014, be approved as a correct record and signed by the Chairman.

2
PLANNING AND REGULATION COMMITTEE
8 DECEMBER 2014

79 TRAFFIC ITEMS

80 ROMAN PAVEMENT, LINCOLN - PROPOSED NO WAITING AT ANY TIME RESTRICTION

The Committee received a report in connection with an objection received to a proposal to extend an existing 24 hour waiting restriction along Roman Pavement off Greetwell Road, Lincoln.

The objection received and the comments of officers on the objection were detailed in the report.

On a motion by Councillor W S Webb, seconded by Councillor Mrs H N J Powell, it was -

RESOLVED (unanimous)

That the objection be overruled and that the Order be confirmed as proposed at consultation.

81 STAMFORD - SHEEPMARKET PROPOSED ZEBRA CROSSING INSTALLATION AND REMOVAL OF PARKING ORDER

The Committee received a report in connection with objections received to improve pedestrian facilities in the Castle Dyke/Sheepmarket area of Stamford. The proposal would remove approximately six parking bays on Castle Dyke to allow the footway to be widened and would provide a pedestrian crossing on Sheepmarket. The Sheepmarket area was part of a public realm improvement scheme (Stamford Gateway) that had won awards from the Civic Trust.

The report detailed the objections received and the response of officers to the objections.

Comments made by the Committee included:-

1. The Gateway project had not been popular at the time of its introduction.
2. Road safety was important and there were a lot of pedestrians in this area.
3. There were alternative locations for the siting of a pedestrian crossing in this area.
4. The Committee needed to visit the site.
5. Traffic was slow in this area and it was safe to cross the road.
6. The Eleanor Cross should be protected from visual intrusion.
7. Signage should be installed to slow traffic down.

On a motion by Councillor T M Trollope-Bellew, seconded by Councillor D Brailsford, it was –

RESOLVED (unanimous)

That consideration of the report be deferred pending a site visit.

82 SKEGNESS, CAVENDISH ROAD / BRUNSWICK DRIVE PROPOSED
 TRAFFIC CALMING & WAITING / LOADING RESTRICTIONS

The Committee received a report on proposals for traffic calming (road humps) and amendments to waiting restrictions aimed at improving conditions for residents, parents, children and road users generally, on Cavendish Road and Brunswick Drive, Skegness.

The report detailed the objections received and the response of officers to the objections.

Officers stated that they wished to amend the recommendation in the report to reflect that the objections should be overruled and that the Orders be confirmed as proposed at consultation with respect to (a) the waiting / loading restrictions and (b) the road humps.

Councillor D M Hunter-Clarke speaking as the local Member only gave his full support to the recommendations in the report.

Officers responded to comments made by the Committee as follows:-

1. The school gates had been closed following an incident with a child who had attended the school which had led to more cars being parked on the nearby roads. The gate leading to the school had been originally left open and this allowed parents to park in the school grounds.
2. It was proposed to install road humps across the whole width of the road.

On a motion by Councillor Mrs H N J Powell, seconded by Councillor I G Fleetwood, it was –

RESOLVED (9 votes for and 3 votes against)

That the objections be overruled and that the Orders be confirmed as proposed at consultation with respect to (a) the waiting/loading restrictions and (b) the road humps.

83 COMMONS ACT 2006 - APPLICATION TO REGISTER LAND AS A TOWN
 OR VILLAGE GREEN

The Committee received a report in connection with the outcome of a non-statutory local inquiry held by an independent inspector on an application to register land to the north of Alexander Road, Woodhall Spa, as a Town or Village Green.

Councillor D C Hoyes MBE, in his capacity as the local Member, stated that he had not received any representations in support of the registration of the land.

On a motion by Councillor I G Fleetwood, seconded by Councillor T M Trollope-Bellew, it was –

4

PLANNING AND REGULATION COMMITTEE

8 DECEMBER 2014

RESOLVED (unanimous)

That the application to register land to the north of Alexander Road, Woodhall Spa as a Town or Village Green, be rejected.

84 TRAFFIC REGULATION ORDERS - PROGRESS REVIEW

The Committee received a report in connection with the position on all current Traffic Regulation Orders and petitions received since the last meeting of the Committee.

RESOLVED (unanimous)

That the Traffic Regulation Orders be noted and the petitions be received.

85 COUNTY MATTER PLANNING APPLICATIONS

86 TEMPORARY PLANNING PERMISSION FOR THE CONSTRUCTION OF A NEW ACCESS TRACK, TEMPORARY WELL SITE AND FLARE PIT, WITH ASSOCIATED PORTABLE CABINS FOR THE STORAGE OF EQUIPMENT AND FOR STAFF OFFICE ACCOMMODATION, THE DRILLING OF AN EXPLORATORY BORE HOLE FOR CONVENTIONAL HYDROCARBONS, UNDERTAKING OF PRODUCTION TESTS AND RETAINING THE SITE AND WELLHEAD VALVE ASSEMBLY GEAR FOR EVALUATION AT LAND OFF SMITHFIELD ROAD, NORTH KELSEY - EGDON RESOURCES UK LTD - W97/131952/14

Since the publication of the report responses to consultation had been received as follows:-

County Councillor Turner – Subject to adhering to the conclusions in the report, the County Council should ensure the speed of vehicles travelling to the site is monitored.

Applicant – In relation to proposed condition 13 consider that in order to retain the tree at the access point and to comply with the requirements of the Drainage Board of a 1.5m clearance from the track to the top of the ditches, propose to reduce the entrance width below the normal required standard of 7.3m.

Agreed with Highways to provide an access arrangement, with minimum width of 5m and a 10m radius to the tarmac on the north side. To avoid conflict between vehicles, a priority system will be implemented where existing vehicles give way to incoming vehicles. This will be enforced by security personnel manning the entrance gates.

Appreciate that if an application is made to retain the site in the event of a discovery of hydrocarbons the layout of the entrance would be reviewed.

County Commissioner for Economy and Place – In view of the request from the applicant and having confirmed with the Highways Officer propose that Condition 13 is amended as follows:

The vehicular access shall incorporate 10 metres radii tangential to the nearside edge of the carriageway of Smithfield Road and the minimum width of the access shall be 5 metres.

Also insert an additional condition as follows:

At all times HGV deliveries are hereby permitted to visit the site, except during the period of production testing, a banksman shall be used to control the access to and egress from the site at the junction with Smithfield Road.

Reason: To ensure that two HGV deliveries do not meet at the access at the same time, in the interests of highway safety.

In addition following discussions with the applicant's noise consultant the table in proposed Condition 17 is amended as set out below:-

Noise sensitive location	Construction Noise Limit dB LAeq, 1hr (hours as specified in condition 16)	Drilling Noise Limit dB LAeq, 1hr (07:00 – 23:00 hours)	Drilling Noise Limit dB LAeq, 1hr (23:00 – 07:00 hours)
Ellmore Farm	40	38	33
Paddock View	42	41	39
Coppice House	42	41	40
Station House	40	39	36
The Pines	41	39	36
The Gables	40	37	33
The Bungalow	41	39	37
The Willows	39	36	28
Big Wood Caravan Park	39	36	28
Eastgate	39	37	32
Smithfield House	39	37	30

Local Resident – Questions the inaccuracy in the submitted in the Traffic and Transport report submitted with the application regarding the width of Smithfield Road being 5m.

The resident contends that Smithfield Road is the width of a car, with few passing places and provides photographic evidence that for most of its length the carriageway width is about 3-3.2m in width but acknowledges it is wider at the proposed access point.

Also points out that whilst the applicant is proposing to prevent HGV traffic to access from the north as it goes through Brigg and residential areas, the proposed route goes through Holton-le-Moor and Moortown which are residential areas. The most direct route to the M180 is through Brigg where the roads are wide enough to accommodate HGVs.

6
PLANNING AND REGULATION COMMITTEE
8 DECEMBER 2014

Robert Kerr, an objector, commented as follows:-

1. He lived half a mile from the site and represented nine residents who lived on the B1434.
2. The public consultation was not long enough.
3. Many residents were unaware of the application.
4. Inadequate investigation into the proposals.
5. Screening of the site was inadequate as the site overlooked several houses. Straw bales were required to screen the site.
6. Smithfield Road was too narrow to accommodate two passing HCVs.
7. "Blind" bends existed on the B1434 on the approach to the entrance to Smithfield Road and a speed limit was required on the B1434 on the approach to the entrance at Smithfield Road.
8. Barn Owls had been seen in the vicinity of the application site and needed to be protected.

Robert Kerr responded to questions from the Committee as follows:-

1. Smithfield Road was only 3.2 metres wide reducing to 2.9 metres in certain places. If, as stated in the report, the width of the road was 5 metres wide passing places for HCVs would still be needed.
2. There had not been any consultations with the local Parish Councils about the application and residents living further down Smithfield Road had not been informed.
3. Screening, speeding traffic and lighting were the main issues which needed to be addressed.
4. The 40mph speed limit in Moortown needed to be extended to before the entrance to the application site at the junction of Smithfield Road and the B1434.

Officers stated that details of the publicity and consultation about the application were detailed in the report, including the residents consulted and location of site notices. Monitoring of the site and the complaints procedure for residents was explained.

Chris Collett, representing the applicant, commented as follows:-

1. This was a temporary planning application.
2. No fracking was proposed.
3. There had been pre-application discussions with local neighbours, North Kelsey, South Kelsey and Holton le Moor Parish Councils.
4. The drilling, testing and restoration timescale was explained.
5. The site had been assessed to ensure there was least impact on residents as possible.
6. Safety precautions were in place.
7. There had been no objections from statutory consultees.

(NOTE: Councillor T Keywood-Wainwright arrived in the meeting)

Officers responded to comments made by the Committee as follows:-

1. An archaeological evaluation of the site was required by conditions and if anything of importance was discovered this would be addressed in the scheme required to be submitted to comply with this condition. As a desk top assessment had been undertaken by the County Archaeologist and from this information it was considered satisfactory to impose a condition rather than require further archaeological investigative works to be undertaken prior to the application being determined.
2. The details in connection with the width of the road had been provided by the applicant and highways and planning officers had viewed the local highway. The highways conclusions were based on the highways officer own assessment of the local highway network not the details of the highway outlined in the applicant's submission. The passing place would be extended to accommodate the vehicles visiting the site. Also, Sheepmarket Road was a straight road with good visibility and was able to accommodate traffic.
3. The applicant proposed to widen the junction of Sheepmarket Road and the B1434 and that, in consultation with highways, appropriate signage could be installed to warn on-coming traffic approaching this junction.

A motion moved by Councillor Mrs H N J Powell, seconded by Councillor T Keywood-Wainwright, proposing that consideration of the planning application should be deferred pending a site visit was defeated by 2 votes for and 8 votes against.

A motion moved by Councillor C L Strange, seconded by Councillor D McNally, it was –

RESOLVED (10 votes for and 2 votes against)

(a) That planning permission be granted subject to the conditions detailed in the report and the amendment and additional conditions detailed in the Update to the Committee as follows:-

1. Condition 13 is amended as follows:-

The vehicular access shall incorporate 10 metres radii tangential to the nearside edge of the carriageway of Smithfield Road and the minimum width of the access shall be 5 metres.

2. Condition 17 amended as follows:-

Noise sensitive location	Construction Noise Limit dB LAeq, 1hr (hours as specified in condition 16)	Drilling Noise Limit dB LAeq, 1hr (07:00 – 23:00 hours)	Drilling Noise Limit dB LAeq, 1hr (23:00 – 07:00 hours)
Ellmore Farm	40	38	33
Paddock View	42	41	39
Coppice House	42	41	40
Station House	40	39	36
The Pines	41	39	36
The Gables	40	37	33
The Bungalow	41	39	37

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The Willows	39	36	28
Big Wood Caravan Park	39	36	28
Eastgate	39	37	32
Smithfield House	39	37	30

3. An additional condition as follows:-

At all times HCV deliveries are hereby permitted to visit the site, except during the period of production testing, a banksman shall be used to control the access to and egress from the site at the junction with Smithfield Road.

Reason: To ensure that two HCV deliveries do not meet at the access at the same time, in the interests of highway safety.

4. Prior to the commencement of development details of temporary signs to be erected at the junction of Smithfield Road and the B1434 shall be submitted for the written approval of the Minerals Planning Authority. The approved signs shall be erected and maintained for the duration of the development.

Reason: In the interests of the safety of users of the public highway and the safety of users of the site.

87 APPLICATION FOR THE RESTORATION OF THE SOUTHERN SECTION OF THE QUARRY TO AN AGRICULTURAL AFTERUSE USING QUARRY FINES AND SOILS SCREENED FROM EXISTING ON-SITE MATERIALS AT HIGHFIELD QUARRY, A1028, BLUESTONE HEATH ROAD, WELTON LE MARSH - WELTON AGGREGATES LTD - (E)N199/2021/14

Oliver Craven, representing the applicant, commented as follows:-

1. The applicant had worked with consultees in connection with the restoration of the site and no objections had been received from them.
2. The proposals had no significant impact.
3. All of the waste materials had been present on the site for twenty years and there was no need to import waste material.
4. Former agricultural land would be restored.

The applicant responded to questions from the Committee as follows:-

1. The expansion of the quarry was not dependent on the approval of this application.
2. Approval of the application would provide three hectares of agricultural.
3. The applicant had worked closely with other agencies to prepare the application.
4. A large percentage of the waste could be used for aggregates and the remainder of the waste could be used for restoration purposes.

Officers responded to comments made by the Committee as follows:-

1. The loss of agricultural land had already been accepted as planning permission for the quarry existed and the restoration plans for the site already provided for restoration to nature conservation after-uses. This application would seek to change those plans.
2. The conditions for the site did not allow for the use of residual waste material for landfill purposes and restoration could be achieved by the use of mineral wastes already available within the quarry.
3. The application would undermine the objectives of national and local waste policies.

A motion moved by Councillor Mrs H N J Powell, that the application should be approved, was not seconded.

On a motion by Councillor I G Fleetwood, seconded by Councillor D M Hunter-Clarke, it was –

RESOLVED (9 votes for and 3 votes against)

That planning permission be refused for the reasons detailed in the report.

88 TO EXTEND OPERATING HOURS FOR THE EXISTING QUARRY UP TO 6PM MONDAY TO FRIDAY AT HARMSTON QUARRY, TOWER LANE, HARMSTON - HARMSTON WASTE MANAGEMENT - N30/1493/14; N30/1494/14; N30/1495/14; N30/1496/14; N30/1497/14

Since the publication of the report responses to consultation had been received as follows:-

County Councillor Mrs Overton MBE – Objects to the extension of hours on the basis of planning policy paragraphs 120 and 123 of the NPPF and Policy C5 of the saved Local Plan as it creates unacceptable impact on amenities of neighbouring land uses by reason of noise and disturbance. The east-west route is one used by the lorries winding through the village of Harmston which is too narrow for two lorries to pass, as evidenced by the damaged walls of buildings either side of the road. The extension of hours into the period when people are home from work and walking on this road which has no footpath in places is unjustified and unacceptable. The suggestion that the extra time would allow loading in the evening which is not allowed currently is hard to credit. Even if it were true that some quarries were allowed extra hours they don't all use them, adding evidence against the extension demonstrating it is unnecessary. The reason this needs to be limited at this particular quarry is the specific impact of early evening traffic on a very narrow and winding road through the neighbouring village. Other quarries may be better situated for expansion.

North Kesteven District Council – Objects to the proposed variation of conditions as the proposed extension of hours would have an adverse impact on the amenities of the surrounding area and communities and properties that lie within the District as a consequence of noise and disturbance from the operations at the quarry site and from associated vehicles using the local highway network in particular heavy vehicles returning to their Operating Centre at the end of each day outside of the proposed extended operational hours of the quarry. As such it is considered that the proposal

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would adversely affect the amenities of residents of the District to an unacceptable degree contrary to the provisions of saved policy C5 of the North Kesteven Local Plan 2007 and to advice within the National Planning Policy Framework, in particular at Paragraph 123.

Harmston Parish Council – Objected strongly to the original applications on the grounds of intrusive disturbance and increased danger caused by the heavy quarry traffic passing through the village in the evening hours.

Quarry traffic routinely uses the road through the village starting well before 7am and continues throughout the day until significantly after 6pm. The noise, pollution and disturbance from the sheer volume of lorries are considerable. With any extension to the current operating hours the disruption will extend further into what should be quieter hours.

The traffic makes the road far more dangerous than it should be. Highways accept that the road through Harmston is below the minimum recommended width for two opposing HGVs to pass one another with reasonable separation distance. Also there is a problem with limited visibility. The road bisects the village meaning anyone wishing to walk through the village has to cross the road without a designated crossing which is hazardous.

Without a southern bypass it is acknowledged the route will be used by heavy vehicles despite this disruption and danger it requests that every consideration is given to limiting rather than extending such traffic.

Requests the commercial interests of the quarry are balanced against the effects of extended hours. Noise and disturbance are valid considerations and contend that this will be increased significantly during what should be a quieter part of the day.

Draws attention to previous breaches of permitted hours of operation by the operator. Contends that previous adherence to conditions is relevant in reaching a decision and should be taken into consideration.

Precedent suggests that quarry traffic road use will begin before opening hours and continue afterwards increasing disruption. Request the application is refused as contrary to saved Policy C5 of the NKDC Local Plan 2007.

Following publication of the Committee report the Parish Council have had sight of the report and has considerable concern regarding the logic, balance and objectivity of the report. These concerns are set out below (summarised):-

Paragraph 5 states the applicant's contention that there is an increase demand for building materials.

Paragraph 19 setting out the Officer analysis states that the applications are not seeking to increase the output at the site or change operations and therefore vehicular movements would not expect to increase.

These statements are contradictory.

Paragraph 14 sets out the Highways comments as having no objection. But the Parish Council note Highways have advised them in the past the minimum recommended width of the carriageway needs to be 6m to accommodate HGVs passing. For about 400m Church Lane varies in width between 5.2 to 5.4m. The current solution is to improve the signage but the problem exists so any extra traffic increases the risk of an accident.

In terms of consultation responses note that whilst Harmston Parish Council comments were submitted and acknowledged on 21 November were not included in the report, comments received from Councillor Woodman were received on 22 November but included in the report. This is relevant because the report gives the impression that the Parish Council could not be bothered to reply.

The report at Paragraph 19 makes references to not receiving comments from Aubourn and Haddington Parish Council this was due to an error from the clerk thinking that the comments of Cllr Woodman represented both her comments as District and Parish Councillor. The comments were then submitted on 1 December.

Finally should make it clear that because there are five permissions covering the activities at the quarry there is no control whatsoever over the amount of tonnage removed from or taken into the quarry nor is the number of traffic movements quantified. Council Officers in the past during enforcement investigations have attempted to quantify the permitted number of movements to and from the quarry but the plethora of consents mean that this is impossible so there is no effective bar on the applicant increasing the quantity of movements that he wishes – no further permissions are required to do this.

Consequently should permission be granted compliance with any new condition cannot be enforced. This makes the Council vulnerable should there be any serious incident or example of major non-compliance.

Aubourn and Haddington Parish Council – Objects strongly to the applications for the following reasons:

1. despite existing operating hour restrictions G S lorries regularly convoy and rattle through Aubourn from 5am daily and some weekends;
2. lorries to and from the site are still passing through the village at 6pm most evenings;
3. vehicles travel in convoy to and from the quarry increasing their nuisance value in noise and pollution; and
- 4 loads of aggregate are frequently spilled on the bends to and from Aubourn and Haddington.

A finishing time of 6pm will result in empty lorries returning to their base in Eagle long after that.

All residents live on the main roads through the villages and are consequently in close proximity to traffic noise and vibration especially that caused by empty vehicles which rattle when travelling at speed.

Hope the application is refused having weighed the commercial concerns of the operators against the damage it will cause to the quality of life of your rate payers.

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Coleby Parish Council – Objects to the application and fully supports Harmston Parish Council as see no justification for extending operating hours.

There is no guarantee that traffic movements through Harmston would be reduced at peak traffic congestion hours. The quarry does work in the dark.

There is no reason for extended hours other than commercial and no benefits to the health and safety of Harmston residents.

Applicant – Revised the figures down to saving 40 vehicle movements per day after giving further consideration to this matter as not every lorry will have the chance to go to the quarry in the evenings or the mornings due to other commitments hence the revised potential savings of 40 movements per day. Number of lorries has not changed just the number of trips that would be saved to the quarry.

County Commissioner for Economy and Place - In response to the comments that have been received from the Local County Councillor, District Council, the local Parish Councils and further comments received from Harmston Parish Council all these comments are noted but it needs to be put in context that Harmston Quarry has planning permissions in place for various operations without any restriction on vehicle movements and throughputs of material. Therefore the applicant can increase the activities at the site within the permitted hours without a need for further permissions. The applicant argues that by increasing the hours of operation this will enable a reduction in vehicle movements to and from the quarry. Also the distribution of vehicle movements can be spread over a potential longer period of time.

It should also be noted that the applicant's operating bases for their construction operations is based in Eagle. Consequently not all the applicant's vehicles passing through the local villages can be assumed to be going to or coming from the quarry. Also any reduction in vehicle numbers may not necessarily benefit local villages as these vehicles may then make trips to other destinations and still legitimately travel through the villages. As has been acknowledged the roads through the villages act as a 'southern bypass' linking the A46 with the A607 and A15. Consequently the vehicles passing through the villages before and after the permitted closing hours of the quarry may well be heading to or from these A roads to access the southern part of the County.

To refuse these applications due to the impact of quarry traffic passing through local villages when these HGVs can legitimately use the local roads at any time to travel to other destinations could not be substantiated.

In relation to the receipt of comments it is the case that these do sometimes arrive at the time the Committee report is being completed prior to dispatch and therefore are not incorporated in the report. To address this a procedure has been in place for many years where comments received after the completion of the report but before date of the Committee are incorporated in this update. Whilst it is appreciated that those making comments would like to see them in the report, this procedure ensures Councillors are aware of these comments and can take them into account, as if they were included in the report, in coming to a decision on an application.

Finally in relation to the enforcement issue raised, it is not a legitimate reason to refuse planning permission because an operator has breached planning controls in the past. It

would be expected that if permissions are granted and subsequently breached the appropriate enforcement tools would be used to ensure compliance. If permissions are granted there is no reason why it would be any more difficult to enforce the conditions than the current situation. In effect five new permissions would be granted incorporating the existing conditions and a new condition in respect of the hours of operation.

Officers reminded the Committee that at its meeting on 6 October 2014, the applicant had submitted planning applications for an extension of the opening hours for the site to 7pm but the Committee resolved that it was minded to refuse the applications subject to a report on the reasons for refusal being submitted to a future meeting. Immediately following that meeting the applicant withdrew these applications and the applications before today's meeting were new ones.

Parish Councillor Mike Wylie, an objector, commented as follows:-

1. He had the authority to speak on behalf of Aubourn and Haddington Parish Councils as well as Harmston Parish Council.
2. The applicant withdrew his applications after the meeting of the Committee on 6 October 2014, before the next meeting when the 'refusal' would have been confirmed thus avoiding a decision notice which would have made this current set of applications more difficult.
3. Disappointed with the officer's report.
4. The applicant had provided further information but this did not answer our specific concern about what was in and what was not in the report.
5. On 21st November 2014, Harmston Parish Council's comments had been received and acknowledged but their comments had been omitted.
6. On 22nd November 2014, District Councillor Mrs Woodman's, local Member, comments had been received. Her comments included:-
 Paragraph 20 quoted Councillor Woodman's concerns but the rider implied that while a District Councillor had commented, the Parish Councils had not and so implied that the Councillor's comments should be given less weight. The perception of bias was there.
7. There remained inconsistencies. For example, how could the applicant argue that one of the reasons for staying open longer was because more building material was required and then said that there would be fewer movements?
8. Paragraph 22 of the report said "the applicant maintains that the current closing hours of 5.30pm put it at a disadvantage when compared to other operators in the area". The report then cites other closing times of up to 6pm.
 I contacted the following quarries and was told:- Whisby and Swinderby closed at 4.30pm, Longwood and Brauncewell closed at 5pm and only Norton Bottoms closed at 6pm.
9. It was not just a question of other opening hours. A relevant factor was the positioning of the quarry in relation to local villages. In this case what was relevant in that all the G S Hughes' quarry traffic routes – Eagle, bypass Haddington, Aubourn and Harmston at the start of the day and the reverse at the end of the day. G S Hughes, alone, had a licence to locate 20 vehicles at Eagle.
10. At the last meeting, one Member pointed to the position of the quarry being located between two A roads (A15 and A607) and surmised that the majority of the traffic would use those roads as they were more suited to HCVs. If only this was

true. Please make these HCVs use A roads and impose a 7.5 ton weight limit like Thorpe on the Hill.

11. During the day some traffic did use the A roads but it was at the start and end of the day that HCVs exclusively used the route through local villages.

12. Paragraph 23 – there was no intention to increase output or alter operations at the site – this was a direct contradiction of the applicant’s argument that one of the reasons for staying open longer was because of the increased demand for building materials. The officer repeats the applicant’s statement that traffic might well decrease – again, in direct contradiction of the applicant’s own statement.

13. There were five permissions and nowhere were total tonnages or number of movements quantified so there was no effective bar on the applicant increasing the quantity of movements as he wished – he needed no extra permissions to do so.

14. The report implied that the moment the clock struck 6pm all noise and movements ceased. This was not true. Vehicles would travel through the local villages well after that time and this assumed that the applicant would cease working at 6pm.

15. Aubourn, Haddington and Harmston were traditional villages with many properties on the road side. Allow this application and those who get back from work and reasonably expected a little peace and quiet would now be faced with the rumble of heavy traffic until well after 6pm.

16. The roads through the villages were on record as being inadequate for the traffic they now carried. Highways had advised that the recommended minimum width for two opposing HCVs to pass was six metres and a length of Harmston’s Church Lane, on a bend, varied between 5.2 and 5.4 metres. It was difficult for two HCVs to pass each other.

17. Paragraph 25 claimed that because the site was not floodlit it would only be able to operate until 6pm from April to September. This was not true – it would depend on weather conditions and certainly the site could be in operation well after most other quarries were closed.

18. North Kesteven District Council had unanimously rejected the application. The Council was of the view that these applications would, if allowed, be contrary to saved Policy C5 of the North Kesteven Local Plan and to advice given in paragraph 123 of the National Planning Policy Framework.

19. In conclusion:-

- There was a considerable amount of traffic to and from the quarry. It started before ‘opening time’ and ended after ‘closing time’.
- Extant permissions did not quantify the number of movements so it was not possible to check the applicant’s assertion that there would be no increase in heavy traffic. History tells us that there would be more.

20. The disruption caused was real. Adding another 30 minutes every working day was neither reasonable nor acceptable.

21. The Committee was asked to accept the arguments put forward, the clear decision of North Kesteven District Council and, in line with the views expressed by the Committee in October 2014, resolve to be ‘minded to refuse’ these applications.

Councillor Mrs M J Overton, the local Member, commented as follows:-

1. The roads were narrow and not suitable for HCVs to pass at the same time.
2. The quarry was not well located for expansion.
3. A weight limit had been sought for Harmston but had been refused. The only alternative east west link route was for HCVs to go to Leadenham but this was considered too long a diversion for HCVs.
4. Supported the reasons for rejection submitted by North Kesteven District Council's detailed in the report.
5. Quoted guidance from the National Planning Policy Framework which did not support the extension of opening hours.
6. Did not understand the logic of more materials yet no increase in HCV traffic.
7. The applicant's site was difficult to monitor because of all the numerous applications on the site.
8. There was a need to consider the adverse effects of the application local villages in accordance with the planning policies.

In response to the comments made by Councillor Mrs M J Overton, officers stated that the Update sent out on Friday 28 November 2014, and addressed her comments and added that in accordance with the Council's planning policies, there was a need to demonstrate that HCVs connected with the application site were causing a particular disturbance to Harmston as the local roads were used by a variety of HCVs not just from the application site.

Officers responded to comments made by the Committee as follows:-

1. By allowing an extra half an hour in the evening to allow HCVs to load up and go to their depot at Eagle and then go on to their destination this avoided the need for HCVs to visit the quarry at Harmston early the following morning.
2. Noted that while it was the applicant's contention that there would be a reduction of HCVs on the highway network visiting the quarry there might still be a need for them to pass through local villages from the applicant's depot in Eagle to get to other destinations.
3. The quarry had operated for many years.
4. The quarry could only operate from April to October when it was light as there was no lighting on the site.
5. The Council's enforcement process addressed any breaches of conditions.

A motion moved by Councillor Mrs H N J Powell, seconded by Councillor T Keywood-Wainwright, that the application should be refused lapsed because suitable reasons for refusal were not suggested.

A motion by Councillor T M Trollope-Bellew, seconded by Councillor D Brailsford, it was –

RESOLVED (7 votes for and 5 votes against)

That planning permission be granted as follows:-

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(1) Application No. N30/1495/14

That planning permission be granted subject to all other conditions, except Condition 11, set out in the Council's Decision Notice reference No. N30/0716/02, dated 26 July 2002, so far as the same are still subsisting and capable of taking effect, and subject to the following new condition which replaces condition 11:

11. No activities or operations associated with the development hereby permitted shall take place outside the hours of:

07:30-18:00 Monday to Friday: and
07:30-13:00 Saturdays

No activities or operations associated with the hereby permitted development shall take place on Sundays, Bank Holidays or Public Holidays.

Reason

11. In the interest of local amenity.

(2) Application N30/1496/14

That planning permission be granted subject to all other conditions, except Condition 5, set out in the Council's Decision Notice reference N30/1035/03 dated 15 September 2003, so far as the same are still subsisting and capable of taking effect, and subject to the following new condition which replaces condition 5:

5. No activities or operations associated with the development hereby permitted shall take place outside the hours of:

07:30-18:00 Monday to Friday: and
07:30-13:00 Saturdays

No activities or operations associated with the hereby permitted development shall take place on Sundays, Bank Holidays or Public Holidays

Reason

5. In the interest of local amenity.

(3) Application No N30/1494/14

That planning permission be granted subject to all other conditions, except Condition 8, set out in the Council's Decision Notice reference N30/0941/04 dated 1 December 2004, so far as the same are still subsisting and capable of taking effect, and subject to the following new condition which replaces condition 8:

8. No activities or operations associated with the development hereby permitted shall take place outside the hours of:

07:30-18:00 Monday to Friday: and
07:30-13:00 Saturdays

No activities or operations associated with the hereby permitted development shall take place on Sundays, Bank Holidays or Public Holidays.

Reason

8. In the interest of local amenity.

(4) Application No. N30/1497/14

That planning permission be granted subject to all other conditions, except Condition 4, set out in the Council's Decision Notice reference N30/0056/12 dated 14 February 2012, so far as the same are still subsisting and capable of taking effect, and subject to the following new condition which replaces condition 4:

4. No activities or operations associated with the development hereby permitted shall take place outside the hours of:

07:30-18:00 Monday to Friday: and
07:30-13:00 Saturdays

No activities or operations associated with the hereby permitted development shall take place on Sundays, Bank Holidays or Public Holidays.

Reason

4. In the interest of local amenity.

(5) Application No. N30/1493/14

That planning permission be granted subject to all other conditions, except Condition 3, set out in the Council's Decision Notice reference N30/0486/13 dated 2 September 2013, so far as the same are still subsisting and capable of taking effect, and subject to the following new condition which replaces condition 3:

3. No activities or operations associated with the development hereby permitted shall take place outside the hours of:

07:30-18:00 Monday to Friday: and
07:30-13:00 Saturdays

No activities or operations associated with the hereby permitted development shall take place on Sundays, Bank Holidays or Public Holidays

Reason

3. In the interest of local amenity.

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89 RETIREMENT OF BRIAN THOMPSON - HEAD OF HIGHWAYS WEST

The Chairman stated that this was Brian Thompson's last meeting of the Committee prior to taking early retirement. He thanked him for his service to the Committee and wished him health and happiness for the future.

The meeting closed at 1.00 pm



**PLANNING AND REGULATION
COMMITTEE
12 JANUARY 2015**

PRESENT: COUNCILLOR I G FLEETWOOD (CHAIRMAN)

Councillors D McNally (Vice-Chairman), J W Beaver, D Brailsford, G J Ellis, D C Hoyes MBE, D M Hunter-Clarke, Ms T Keywood-Wainwright, N H Pepper, Mrs H N J Powell, Mrs J M Renshaw, C L Strange and W S Webb

Councillors R G Davies and D C Morgan attended the meeting as the local Members (minute 94)

Officers in attendance:-

Steve Blagg (Democratic Services Officer), Mark Heaton (Area Highways Manager (Grantham)), Nurainatta Katevu (Solicitor, Legal Services) and Satish Shah (Network Manager South)

90 APOLOGIES/REPLACEMENT MEMBERS

Apologies for absence were received from Councillors M S Jones and T M Trollope-Bellew.

91 DECLARATIONS OF MEMBERS' INTERESTS/REPLACEMENT MEMBERS

No declarations were made at this stage of the meeting.

92 MINUTES OF THE PREVIOUS MEETING OF THE PLANNING AND REGULATION COMMITTEE HELD ON 8 DECEMBER 2014

RESOLVED

That the minutes of the previous meeting of the Planning and Regulation Committee held on 8 December 2014, be agreed as a correct record and signed by the Chairman.

93 TRAFFIC ITEM

94 GRANTHAM, HARROWBY ROAD - PROPOSED ZEBRA CROSSING

The Committee received a report in connection with objections received to a proposed zebra crossing on Harrowby Road. Since the despatch of the report to the Committee officers submitted an addendum outlining further responses received, all of which, were in support of a proposed zebra crossing.

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Councillor D C Morgan, the local Member, commented as follows:-

1. Thanked everyone who had been involved in the design and public consultations of the proposals.
2. She lived on Harrowby Road and had worked at St Anne's Primary School so knew the area very well.
3. The objectors had expressed concern about loss of car park space, poor visibility on the approach to the zebra crossing and the non-replacement of the school crossing patrol following an accident outside of the school and whose presence had been so popular with parents and children.
4. Agreed that there was not a simple solution but supported the proposals before today's Committee.

Councillor R G Davies, a neighbouring local Member, commented as follows:-

1. Supported the proposals for a zebra crossing.
2. Had met the St Anne's Action Group and parents when this had been previously considered by the Committee and they supported the proposals.
3. Read out a letter from a child who attended the school in support of the proposals and School Crossing Patrol.

Comments by the Committee included:-

1. Expressed concern about the loss of twenty four car park spaces when the report had previously been considered by the Committee but noted that this had now been reduced to the loss of six car park places.
2. The need to ensure the safety of children crossing Harrowby Road.

Officers stated that in addition to the proposed measures detailed in the report the Lincolnshire Road Safety Partnership was also proposing to provide funding for a temporary School Crossing Patrol.

On a motion by Councillor D Brailsford, seconded by Councillor I G Fleetwood, it was
—

RESOLVED (unanimous)

That a zebra crossing be installed close to the school with associated built-out areas in the immediate area of the crossing, that the built-out areas proposed as part of the previous scheme be replaced with hatched lines which will help reduce the impact on parking while maintaining safety, the introduction of a 20mph advisory speed limit, the enhancement of signing and road markings, the fitting of the zebra crossing beacons with a screen to minimise light pollution, improvement to road surfacing and the provision of funding by the Lincolnshire Road Safety Partnership for the employment of a temporary School Crossing Patrol.

The meeting closed at 10.50 am



PENSIONS COMMITTEE 8 JANUARY 2015

PRESENT: COUNCILLOR M G ALLAN (CHAIRMAN)

Councillors R J Phillips (Vice-Chairman), N I Jackson, B W Keimach, Mrs S Rawlins and A H Turner MBE JP

Co-Opted Members: Mr A N Antcliff (Employee Representative), M G Leaning (District Councils Representative) and Mr J Grant (Non-District Council Employers Representative)

Officers in attendance:- David Forbes (County Finance Officer), Jo Ray (Pensions and Treasury Manager), Nick Rouse (Investment Manager), Catherine Wilman (Democratic Services Officer)

40 APOLOGIES/REPLACEMENT MEMBERS

Apologies were received from Councillor C E D Mair.

41 DECLARATIONS OF MEMBERS' INTERESTS

Councillor M G Allan requested that a note be made in the minutes that he was currently a contributing member of the Pension Fund as a North Kesteven District Councillor and as a County Councillor.

Mr A Antcliff requested that a note be made in the minutes that he was currently a contributing member of the Pension Fund as an employee of Lincolnshire County Council.

Councillor M Leaning stated he was now a pensioner and in receipt of a pension from the fund.

Councillor R J Phillips declared a personal interest in all items on the agenda as a member of the Upper Witham Internal Drainage Board and as a contributing member of the Pension Fund.

42 MINUTES OF THE PREVIOUS MEETING OF THE PENSIONS COMMITTEE HELD ON 11 DECEMBER 2014

Owing to the omission of the Added Members of the Committee in the minutes which accompanied the agenda pack, a revised set was circulated at the meeting

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RESOLVED

That the minutes be approved and signed by Chairman as a correct record.

43 INDEPENDENT ADVISORS REPORT

Consideration was given to a report by the Committee's Independent Advisor on the current state of global investment markets.

It was reported that the price of oil had fallen by 50% in 6 months which could be seen as a positive step for the global economy.

Compared to long term economic growth rates, 2015 was predicted to be a slow year for the UK economy and 2016 was forecast to be slower still.

RESOLVED

That the report be noted.

44 PENSION FUND UPDATE REPORT

Consideration was given to a report which updated the Committee on the current issues and Fund matters over the quarter ending 30 September 2014. Jo Ray summarised the report to Members.

The LAPFF Annual Conference had been held in Bournemouth and attendees had been updated on current engagements, investment in infrastructure, international activism and changes in pension governance.

Discussion took place regarding joining together with another fund. Officers confirmed that managing funds and liabilities together was an option, but amalgamating would require new legislation. It was felt that joining together voluntarily would be a better situation to be in than being forced to merge.

The Committee would receive an update on the collaborative working currently underway in the LGPS at the next meeting.

Another meeting of the Asset Allocation Working Group had taken place and it was reported the Group had questioned whether the Fund needed a more passive approach to asset management. The Group will await the outcome of the Government's consultation on passive investment and CIV's before preparing a recommendation paper to bring before the Committee.

It was reported that the final regulations for the Pensions Board had not yet been received by Officers. Information on the requirements of the draft legislation had already been presented to the Value for Money Scrutiny Committee and would be

presented to full Council at its February meeting. The Committee's training session in early February would cover the new Pensions Board.

RESOLVED

That the report be noted.

45 INVESTMENT MANAGEMENT REPORT

Consideration was given to a report which covered the management of the Lincolnshire Pension Fund assets over the period from 1 July to 30 September 2014.

Officers reported that there would be a fund rebalancing in January/February 2015. The process would take approximately 3 weeks and money would be re-allocated across managers in line with the strategic benchmark.

Nick Rouse summarised the report which outlined the performance of the Fund's managers during the period covered.

Some members of the Committee agreed that Hymans Robertson needed to be more proactive in scrutinising the Fund's managers rather than waiting to be asked for feedback. This had been raised with them previously. It was agreed that Hymans Robertson be invited to the April meeting of the Committee to allow them to comment on their performance.

The performance summary to 30 September 2014 showed that whilst the absolute performance was good, the fund had underperformed against its benchmark since inception. David Forbes reflected that this had not been due to the Fund's asset allocation, but was due to the selection of active managers. It was noted that the passive elements of the Fund had performed well against their benchmarks.

RESOLVED

1. That the report be noted;
2. That Hymans Robertson be invited to attend the meeting of the Pensions Committee on 9 April 2015.

46 PENSION ADMINISTRATION REPORT

The Committee considered a quarterly report by the Pensions Administrator, Mouchel and Stuart Duncombe, the Communications Coordinator presented it to the Committee.

The Local Performance Indicators illustrated better performance of the administration of pensions this quarter, compared to the previous quarter. Backlogs of work were generally due to the time-lag between the changes in the Scheme from 1 April 2014

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and the updating of the Pensions Administration system, Heywood's Altair. All authorities using this software would have been in the same position.

All members of the pension fund would have received information about the shared service with West Yorkshire Pension Fund in their annual statements which were distributed in October and November 2014. As the statements for Councillors were sent out before the contract for the scheme had been signed, they had not received official notification of the shared service as yet. All Scheme members would be written to in February/March 2015 to inform them of the change in administration services.

RESOLVED

That the report be noted.

47 PENSIONS ADMINISTRATION TRANSITION UPDATE

Consideration was given to a report which updated the Committee on progress with the transition of the pensions' administration service from Mouchel to West Yorkshire Pension Fund (WYPF).

The contract with Mouchel to provide Pensions Administration services to the Fund was due to end on 31 March 2015. Committee members had been notified in May 2014 that WYPF was the preferred provider for pensions administration services from 1 April 2015.

The project team, put in place to deal with the transfer, had a number of discussions around current practice. WYPF adhered to the Quality management System (ISO 9001:2008) and therefore their procedures and processes were well documented and applied consistently.

The Committee were requested to consider four recommendations to amend the Council's policy to that of WYPF as follows:

1. Whether to turn down a request to pay an APC/SCAPC over a period of time where it would be impractical to allow such a request (e.g. where the sum being paid is very small and could be paid as a single payment) – Lincolnshire currently apply this on a case by case basis, WYPF will only accept a request to pay an APC/SCAPC over a period of time where the regular monthly contribution is at least £10. Recommendation – to amend our policy to WYPF's;
2. Whether to require a satisfactory medical before agreeing to an application to pay an APC/SCAPC and whether to turn down an application to pay an APC/SCAPC if not satisfied that the member is in reasonably good health – Lincolnshire require any scheme member to complete a medical questionnaire and that they are in reasonably good health, WYPF require completion of a GP declaration unless it is to cover lost pension due to

absence of up to 36 months or they have already reached their state retirement age.

Recommendation – to amend our policy to WYPF's;

3. Charges in relation to the supply of information – currently Lincolnshire only charge members in two instances; for requests for cash equivalent values in divorce cases or where a second transfer value request is received within a twelve month period. WYPF have a set of charges for third party information requests. These cover calculation requests, printing and supply of information, FOI requests, and also recharge any 3rd party costs incurred. Recommendation – to amend our policy to WYPF's;
4. 100th birthday flowers – WYPF send a bouquet of flowers to pensioners reaching 100 years of age. This is not something that Lincolnshire currently does. The Committee's decision on whether to adopt this practice is required.

Following discussion, all four recommendations were agreed.

RESOLVED:

1. That the report be noted;
2. That the recommendations to amend the Lincolnshire policies to WYPF's as stated above, be agreed.

The meeting closed at 11.45 am

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