



County Offices  
Newland  
Lincoln  
LN1 1YL

16 November 2015

## **Value for Money Scrutiny Committee**

A meeting of the Value for Money Scrutiny Committee will be held on **Tuesday, 24 November 2015 at 10.00 am in Committee Room One, County Offices, Newland, Lincoln LN1 1YL** for the transaction of business set out on the attached Agenda.

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 Value for Money Scrutiny Committee** **(11 Members of the Council)**

Councillors Mrs A M Newton (Chairman), Mrs J Brockway (Vice-Chairman), P M Dilks, I G Fleetwood, A G Hagues, S F Kinch, C E D Mair, Mrs M J Overton MBE, R B Parker, M A Whittington and P Wood



**VALUE FOR MONEY SCRUTINY COMMITTEE AGENDA  
TUESDAY, 24 NOVEMBER 2015**

<b>Item</b>	<b>Title</b>	<b>Pages</b>
<b>1</b>	<b>Apologies for Absence/Replacement Members</b>	
<b>2</b>	<b>Declarations of Councillors' Interests</b>	
<b>3</b>	<b>Minutes of the Meeting of the Value for Money Scrutiny Committee held on 21 September 2015</b>	5 - 8
<b>4</b>	<b>Contract Performance</b> <i>(To receive a report from Judith Hetherington Smith, Chief Information and Commissioning officer, which provides information on the service provided by Serco over the first six months of the contract and the problems resulting from the implementation of the Agresso system)</i>	9 - 22
<b>5</b>	<b>Council Business Plan 2015-2016 Performance Report, Quarter 2</b> <i>(To receive a report from Jasmine Sodhi, Performance and Equalities Manager, which presents the Committee with Quarter 2 data in a new style performance report against the Council Business Plan)</i>	23 - 62
<b>6</b>	<b>Treasury Management Update 2015/16 - Mid Term Report to 30 September 2015</b> <i>(To receive a report from Karen Tonge, Treasury Manager, which details the Council's treasury management activities for the first half of 2015/16, to 30 September 2015, comparing this activity to the Treasury Management Strategy for 2015/16, and details any issues arising in treasury management during this period)</i>	63 - 86
<b>7</b>	<b>Corporate Health and Safety Annual Report 2014/15</b> <i>(To receive a report from Fraser Shooter, Health and Safety Team Leader, which provides an overview of the health and safety performance of the Council, for the period April 2014 to March 2015)</i>	87 - 104
<b>8</b>	<b>Value for Money Scrutiny Committee Work Programme</b> <i>(To receive a report from David Hair, Member Services Manager, which provides the Committee with the opportunity to consider its work programme for the forthcoming year)</i>	105 - 110

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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.

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**VALUE FOR MONEY SCRUTINY  
COMMITTEE  
21 SEPTEMBER 2015**

**PRESENT: COUNCILLOR MRS A M NEWTON (CHAIRMAN)**

Councillors Mrs J Brockway (Vice-Chairman), P M Dilks, I G Fleetwood, C E D Mair, Mrs M J Overton MBE, R B Parker, M A Whittington and P Wood

Officers in attendance:-

Steve Blagg (Democratic Services Officer), David Forbes (County Finance Officer), David Hair (Team Leader - Scrutiny and Member Support), Brian Goodwin (Contracts Manager), Kevin Kendall (County Property Officer), Sylvia Mercer (Senior Programme/Project Manager, VINCI Mouchel), Pete Moore (Executive Director of Finance and Public Protection), Jasmine Sodhi (Performance and Equalities Manager) and Karen Tonge (Treasury Manager)

10 COUNCILLOR MARK WHITTINGTON - NEW MEMBER

The Chairman welcomed Councillor Mark Whittington to his first meeting of the Committee.

11 APOLOGIES FOR ABSENCE/REPLACEMENT MEMBERS

Apologies for absence were received from Councillors A G Hagues and S F Kinch.

12 DECLARATION OF COUNCILLORS' INTERESTS

There were no declarations of interest declared at this stage of the meeting.

13 MINUTES OF THE MEETING OF THE VALUE FOR MONEY SCRUTINY  
COMMITTEE HELD ON 23 JUNE 2015

RESOLVED

That the minutes of the previous meeting of the Value for Money Scrutiny Committee held on 23 June 2015, be agreed as a correct record and signed by the Chairman.

14 COUNCIL BUSINESS PLAN 2015/16 PERFORMANCE REPORT,  
QUARTER 1

The Committee received a report and a presentation of Quarter 1 data in a new style performance report against the Council Business Plan. Officers stated that the Council Business Plan 2015/16 was developed as a simple, easy to read document with a view to using infographics to "bring the plan to life" as part of the new style of

**VALUE FOR MONEY SCRUTINY COMMITTEE  
21 SEPTEMBER 2015**

reporting. Feedback on the new style of reporting from Members had been positive and had been taken into consideration in the preparation of the new format. Officers stated that due to the extent of changes in suppliers of information and systems all of the available data to report on Quarter 1 for the measures within the remit of the Committee was not available.

Officers stated that the dissemination of information to Members and the public presentation of the information on the Council's website were currently being progressed.

The Committee welcomed the new format for the presentation of performance information.

**RESOLVED**

That the new format for the presentation of performance information against the Council's Business Plan, be welcomed.

**15      TREASURY MANAGEMENT UPDATE 2015/16 - QUARTER 1 UPDATE  
REPORT TO 30 JUNE 2015**

(Note: Councillor R B Parker arrived in the meeting)

The Committee received a report in connection with the Council's treasury activities for the 1<sup>st</sup> quarter of 2015/16 to 30 June 2015 and a comparison of this activity to the Treasury Management Strategy for 2015/16 which had been approved by the Executive Councillor on 23 March 2015.

During the discussion, the following points were noted:-

1. The effect on liquid and short term deposits would be small if there was a reduction in the Base Rate.
2. The return achieved on the Council's investments reflected the prudent approach taken on creditworthiness as stated in the Council's Strategy on the Council's investment position.
3. Despite the recent announcement by Germany to allow numerous immigrants to settle in the country, the inclusion of German financial institutions on the Authorised Lending List was due to their excellent credit rating.

**RESOLVED**

That the report be noted and the comments made by the Committee be passed onto the Executive Councillor with responsibility for finance.

**16      PROPERTY SERVICES CONTRACT UPDATE**

The Committee received a progress report and presentation on the Property Services contract with VINCI mouchel.

The Committee also received a presentation on the property database (Concerto) which gave details of individual contracts and proposals to let Building Managers have access to the database.

Officers stated that performance of the contract was linked to payments, they stressed the importance of the Key Performance Indicators (KPIs) being delivered and the importance of Contract Notices in flagging up issues that might affect the project.

The following points were noted during consideration of the report:-

1. Every property which the Council owned or had an interest in was included on Concerto including the County Farms.
2. Concerto provided up to date details of the cost of project but this area was still being developed.
3. Concerto did not have any problems receiving statistical information.
4. With regard to access to Concerto on the internet work was still on-going to ensure officers could access the information.
5. The configuration of Concerto with Agresso was explained.
6. The County Property Officer had a threshold of £25,000 to spend on an individual property before the need to seek further approval.

RESOLVED

That the report and comments made by the Committee be noted and that the County Property Officer be requested to submit a progress report to the Committee on 22 February 2016.

17     VALUE FOR MONEY SCRUTINY COMMITTEE WORK PROGRAMME  
          2015/16

The Committee received a report in connection with its Work Programme.

RESOLVED

That the Work Programme be noted and updated accordingly, subject to the following:-

- (a) The consideration of Budget Options for the 2016/17 Budget – 24 November 2015 (Following a seminar on the Budget for all Members of the Council arranged for 22 October 2015)
- (b) An assessment of financial risk (to be programmed after the Chancellor of the Exchequer had made his statement to Parliament on the Budget for 2016/17)
- (c) Regular update report on Serco's performance and Agresso (exempt nature of the report to be examined so that information could be considered in the public domain)
- (d) Quarter 1 performance – 24 November 2015
- (e) Property Services Contract update – 22 February 2015

**VALUE FOR MONEY SCRUTINY COMMITTEE  
21 SEPTEMBER 2015****18 EXCLUSION OF THE PUBLIC AND PRESS**

Before the motion for the exclusion of the press and public was considered the Committee discussed the reasons for exemption with some Members stating that due to wide spread interest by the public in the report there was a need for less secrecy and more transparency. Therefore, it was agreed in future, that where appropriate the report should be in the open part of the agenda.

**RESOLVED**

(a) That under Section 100 (A) (4) of the Local Government Act 1972, the public and press be excluded from the meeting for the following items of business on the grounds that it involves the likely disclosure of exempt information as defined in paragraph 3 of Part 1 of Schedule 12 of the Act.

(b) That when the Committee considers this matter in the future every effort should be made to consider this item in the open part of the agenda.

(c) That, in the meantime, consideration be given by officers to those areas of the report, at today's meeting, that could be made available to the public.

**19 SERCO CONTRACT PERFORMANCE - OPINION OF THE COMMITTEE**

The Committee discussed a report which had been considered by the Audit Committee on 21 September 2015, and to which members of this Committee had been invited to attend and participate in the discussion. The purpose of this Committee was to consider the key messages arising from the discussion at the Audit Committee in the context of scrutinising the performance of the Serco contract.

**RESOLVED**

That in respect of future reporting to scrutiny on the performance of the Serco contract, it was agreed:-

(a) That performance be scrutinised at every meeting.

(b) That, where appropriate, reports should be considered in the public part of the agenda.

(c) That it be recommended that Councillor R B Parker be appointed to the Recovery Group.

The meeting closed at 4.50 pm



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

Report to:	<b>Value for Money Scrutiny Committee</b>
Date:	<b>24 November 2015</b>
Subject:	<b>Contract Performance</b>

**Summary:**

The service provided by Serco in the first 6 months has had a number of problems principally resulting from problems with implementation of Agresso. There is evidence of improvement but the satisfactory achievement of all contract KPIs is dependent on the continued resolution of issues with the implementation of Agresso.

**Actions Required:**

The Committee is asked to note the contents of this report.

**1. Background**

Serco took over delivery of People Management, Financial Administration, IMT and CSC services from 1 April 2015 following a year of transformation activity which included the implementation of the Agresso Business World ERP system to replace the SAP ERP system used by the previous contractor to provide Finance and People Management services.

Serco have had difficulties in delivering some services to the expected standards since April with particular problems resulting from the way in which Agresso Business World has been implemented and some other areas of technology transformation. The difficulties have led to problems including payments to staff and to suppliers of the Council and those maintained schools in Lincolnshire that have contracted with Serco and the Council for these services. The Council and these schools also have difficulties in accessing information about expenditure during 2015/16 as the ledger is not up to date and reports are only just becoming

available. The financial risk issues associated with these difficulties are being reviewed by the Council's Audit Committee.

This report is to provide contract performance information to enable the Value for Money Scrutiny Committee to fulfil their role in scrutinising performance of one of the Council's key contracts.

## **2. Performance**

Appendix A to the report provides the KPI results for the period April to September, October's figures are currently being prepared. The contract has target service levels (TSL) and minimum service levels (MSL), when the contract was agreed it was anticipated that the minimum service levels should be capable of being met and the target service levels should be capable of being reached but may need service improvement to achieve this. Where the colour shows as green the target service level has been achieved and amber shows that the minimum service level has been achieved. Red shows that the minimum has not been achieved. The blue colour indicates a "glide" period; this means that at the start of the contract it was recognised that Serco could not realistically be expected to achieve the minimum service e.g. through lack of prior information or a dependency outside of Serco's control e.g. implementation of Mosaic; and it would take some time to reach a normal service. The performance is shown by service area.

## **3. People Management**

The results for the People Management KPIs demonstrate the difficulties that the Agresso implementation has caused for payroll. For example, PM KPI 01 shows that there is a good record of paying staff on time, but the fact that many payments have not been correct and a number will have been emergency payments is demonstrated by PM KPI 02 not being achieved.

## **4. IMT**

The IMT service area shows a steady improvement overall and user satisfaction remains high. The major issue is related to the delivery of new technology change projects and remedial technology transformation projects which are yet to be completed. Where data has not been provided, it is related to the monitoring of services being put into place, rather than an absence of service

## **5. CSC**

The CSC was a transfer of an established and performant service area and the KPI results have, in the main, continued to demonstrate this.

## **6. Adult Care Finance**

Adult Care finance is performing as expected in most areas, with KPI06 requiring significant improvement. Improvements have been made in quarter 2 on the availability of data and there is evidence of improvements in the area of financial assessments. Many of the adult care finance indicators are linked with the implementation of Mosaic and as such Serco have been unable to deliver all the required level of improvement across the KPI's. Additional glide has been applied

to KPI03 and KPI04 to allow for this and until Mosaic is implemented Serco cannot deliver the full requirements of KPI05 and KPI08. The poor performance on KPI06 is linked to the challenges Serco face with Agresso implementation. The data that is being produced is not yet robust enough to provide assurances that the level of performance is accurate. Serco have committed to undertake further remedial work on this by the end of the next reporting period.

An external audit by the Office for the Public Guardian took place last month for the Court of Protection service. Excellent feedback was received from the audit team in relation to the Court of Protection service delivery.

## **7. Financial Administration**

The performance of the financial administration service demonstrates the dependence on the Agresso implementation with F KPI 02 showing that regular payment runs are being made, but F KPI 01 demonstrating the difficulties in achieving timely and correct payments to all suppliers. Similar to ACF KPI 06, debt collection remains an area where improvement is required.

## **8. Conclusion**

A number of services are performing well and there is evidence of improvement in performance in others. Continued resolution of issues with the implementation of Agresso remains critical to achieving the expected service levels in all areas.

## **9. 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 Judith Hetherington Smith who can be contacted on 01522 553603 or at [Judith.hetheingtonsmith@lincolnshire.gov.uk](mailto:Judith.hetheingtonsmith@lincolnshire.gov.uk).

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Serco KPI performance April to September 2015

People Management

KPI	KPI Short Description	Reporting Frequency	TSL	MSL
PM_KPI_01	% of Payroll Recipients paid on the Payment Date per month	M	99.9	99
PM_KPI_02	% of errors in Payments (caused by Service Provider) identified and resolved per month	M	100	99
PM_KPI_03	% of Payment Deductions paid within Third Party Payment Date per month	M	100	100
PM_KPI_04	% Avoidable People Mgt Contact Rate per month	M	15	20
PM_KPI_05	% People Mgt First Contact Resolution Rate per month	M	85	80
PM_KPI_06	Number of People Mgt. Records assessed in Spot Checks to contain errors, omissions or inaccuracies	M	1	3
PM_KPI_07	% of recruitments via electronic vacancy form taking 40 Business Days or less from Authorisation to Appointment to Post	M	99	96
PM_KPI_08	% of managers rating their experience of contact as "Good" or better per month	M	95	90
PM_KPI_09	% of Employees rating their experience of L & D as "Good" or better per month	M	95	90
PM_KPI_10	% of projects/interventions that reduce sickness absence levels delivered on time and in accordance to agreed requirements	M	90	80

April	May	June	July	August	Sept
99.92	99.29	99.95	99.98	99.98	99.98
Data not available	Data not available	Data not available	Data not available	Data not available	Data not available
Data not available	Data not available	Data not available	Data not available	Data not available	Data not available
Not Measured	Not Measured	Not Measured	Data not available	Data not available	Data not available
Not Measured	Not Measured	Not Measured	Data not available	Data not available	Data not available
Not Measured	Not Measured	Not Measured	Not Measured	Not Measured	Under Review
100.00	100.00	100.00	100.00	100.00	100.00
Not Measured	Not Measured	100.00	96.97	100.00	100.00
90.83	100.00	85.84	93.16	90.62	84.57
100.00	100.00	100.00	100.00	100.00	100.00

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Key

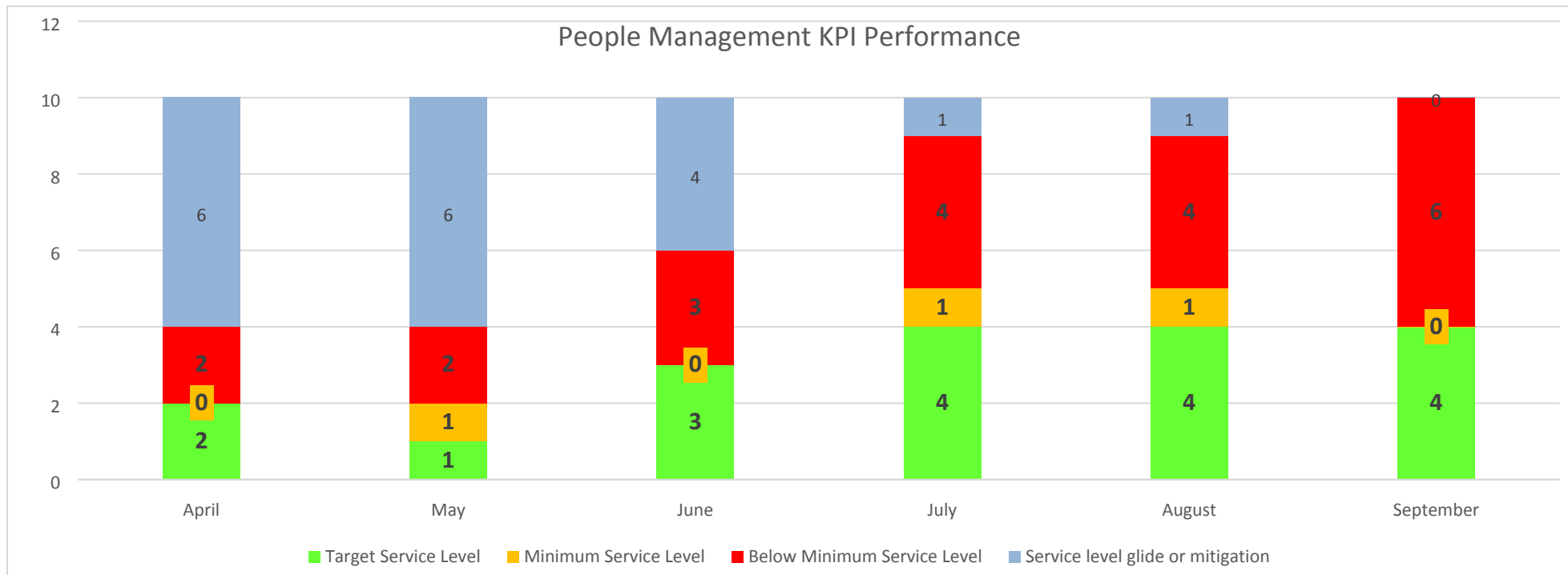
Service level glide or mitigation	At TSL or above	Between MSL and TSL	MSL not met
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Serco KPI performance April to September 2015

People Management KPI Performance Overview

	April	May	June	July	August	September
Target Service Level	2	1	3	4	4	4
Minimum Service Level	0	1	0	1	1	0
Below Minimum Service Level	2	2	3	4	4	6
Service level glide or mitigation	6	6	4	1	1	0
<b>Total</b>	<b>10</b>	<b>10</b>	<b>10</b>	<b>10</b>	<b>10</b>	<b>10</b>

People Management KPI Performance



Serco KPI performance April to September 2015

IMT

KPI	KPI Short Description	Reporting Frequency	TSL	MSL
IMT_KPI_01	% Users are able to raise Incidents and make Service Requests (Service Availability?) during Service Desk Hours	M	100	97.5
IMT_KPI_02	Priority 1 Incidents not Resolved within Resolution Time	M	1	5
IMT_KPI_03	Priority 2 Incidents not Resolved within Resolution Time	M	3	5
IMT_KPI_04	Priority 1 VIP Incidents not Resolved within Resolution Time	M	1	5
IMT_KPI_05	Number of Priority 1 Incidents reported to Service Desk	M	1	5
IMT_KPI_06	Number of Priority 2 Incidents reported to Service Desk	M	3	5
IMT_KPI_07	% Availability of Platinum Applications & Specified Services	M	99.8	99.3
IMT_KPI_08	% Availability of Gold Applications & Specified Services	M	97.5	95
IMT_KPI_09	% Achievement of Service Request Fulfilment within Service Request Fulfilment Time	M	95	85
IMT_KPI_10	% of CMDB Changes applied within 14 Core Support Hours of the move or change	M	100	90
IMT_KPI_11	% of project milestones achieved each month	M	85	70
IMT_KPI_12	% of users who score the IT Service as "Good" or above for IT Incident handling	M	70	50

April	May	June	July	August	Sept
100.00	99.94	99.77	99.86	99.99	100.00
16.00	5.00	0.00	0.00	0.00	0.00
2.00	1.00	1.00	0.00	0.00	1.00
4.00	5.00	8.00	3.00	1.00	5.00
33.00	10.00	3.00	2.00	1.00	2.00
7.00	1.00	1.00	5.00	1.00	1.00
Data not available	Data not available	Data not available	Data not available	99.99	99.62
Data not available	Data not available	Data not available	Data not available	100.00	100.00
Data not available	Data not available	Data not available	Data not available	Data not available	Data not available
Data not available	Data not available	Data not available	Data not available	Data not available	94.23
Data not available	Data not available	Data not available	Data not available	Data not available	Data not available
Data not available	Data not available	86.00	80.00	95.80	81.00

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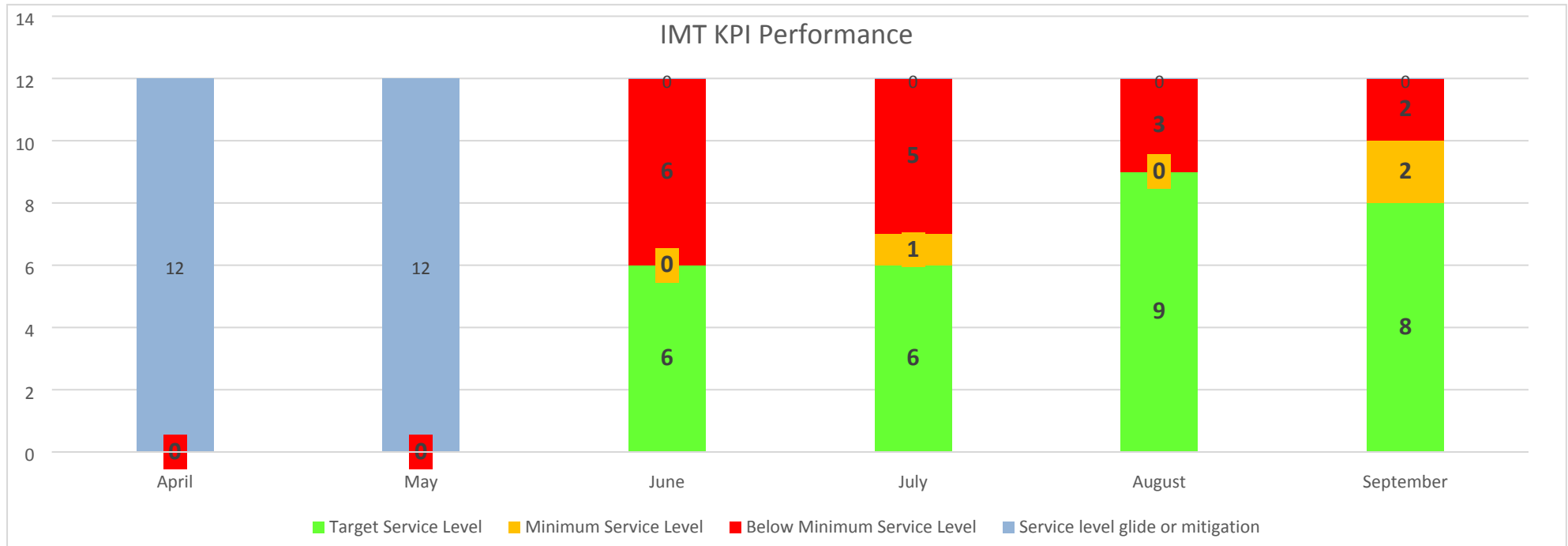
Key

Service level glide or mitigation	At TSL or above	Between MSL and TSL	MSL not met
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Serco KPI performance April to September 2015

IMT KPI Performance Overview

	April	May	June	July	August	September
Target Service Level	0	0	6	6	9	8
Minimum Service Level	0	0	0	1	0	2
Below Minimum Service Level	0	0	6	5	3	2
Service level glide or mitigation	12	12	0	0	0	0
Total	12	12	12	12	12	12





## Serco KPI performance April to September 2015

## CSC

KPI	KPI Short Description	Reporting Frequency	TSL	MSL	April	May	June	July	August	Sept
CSC_KPI_01	% of all Contacts received through Digital Access Channels per month	M	10	7	11.00	10.00	33.90	33.90	37.00	34.42
CSC_KPI_02	% of Contacts received and Resolved via Digital Access Channel per month	M	90	85	99.80	94.00	98.00	98.80	96.00	97.00
CSC_KPI_03	% avoidable Contact Rate per month - consolidated...	M	15	20	7.01	6.50	7.90	7.20	6.20	8.28
CSC_KPI_04	% of total Calls that are Abandoned Calls	M	7	10	9.90	10.20	13.10	12.00	8.40	7.97
CSC_KPI_05	% of Contacts referred to in CSC_PI_01, _02 & _03 responded to within timescale per month	M	95	90	99.90	100.00	100.00	100.00	100.00	100.00
CSC_KPI_06	% First Contact Resolution Rate	M	85	80	73.30	93.20	94.90	96.00	95.70	93.99
CSC_KPI_07	% of Customers rating their experience of contact as "Good" or better per month	M	90	85	92.00	92.00	91.00	92.00	98.00	97.61
CSC_KPI_08	% of Council Service Teams rating the quality of service received as "Good" or better per month	M	85	80	100.00	100.00	96.00	100.00	100.00	100.00
CSC_KPI_09	% of carers assessments (reviews and new), as completed by the CSC, completed accurately and within 20 Business Days	M	100	100	100.00	100.00	88.50	84.70	100.00	100.00

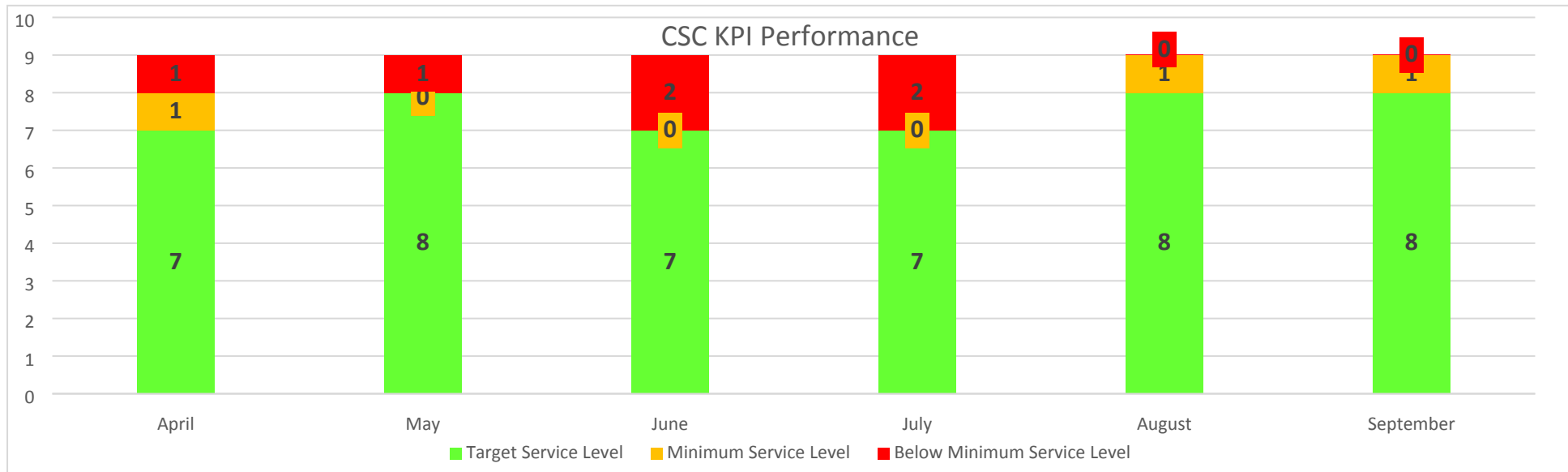
## Key

Service level glide or mitigation	At TSL or above	Between MSL and TSL	MSL not met
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Serco KPI performance April to September 2015

CSC KPI Performance Overview

	April	May	June	July	August	September
Target Service Level	7	8	7	7	8	8
Minimum Service Level	1	0	0	0	1	1
Below Minimum Service Level	1	1	2	2	0	0
<b>Total</b>	<b>9</b>	<b>9</b>	<b>9</b>	<b>9</b>	<b>9</b>	<b>9</b>



## Serco KPI performance April to September 2015

## Adult Care Finance

KPI	KPI Short Description	Reporting Frequency	TSL	MSL	April	May	June	July	August	Sept
ACF_KPI_01	% of ACF First Contact Resolution Rate per month	M	85	75	Data not available	74.60	75.79	83.57	88.82	89.60
ACF_KPI_02	% of Adult Care service users within checking sample, requiring financial assessment, where Adult Care Services Contribution is accurately identified	M	99	90	100.00	100.00	100.00	100.00	100.00	100.00
ACF_KPI_03	% of new, and change of circumstance, financial assessments for non-res care completed within 15 Business Days of referral from the Council	M	75	60	Data not available	Data not available	Data not available	75.00	70.43	84.25
ACF_KPI_04	% of new, and change of circumstance, financial assessments for residential care completed within 15 Business Days of referral from the Council	M	75	60	Data not available	Data not available	Data not available	87.00	88.29	89.32
ACF_KPI_05	% of Adult Care Service Users who receive their first Direct Payment within 10 Business Days of referral from the Council	M	95	80	Data not available	Data not available	Data not available	100.00	100.00	100.00
ACF_KPI_06	% of Adult Care Income due which is more than 28 days old	M	5	10	Data not available	29.00	30.36	60.51	18.27	47.18
ACF_KPI_07	% of cases where necessary paperwork to enable Council's legal services to secure charges are submitted within time	M	100	90	100.00	100.00	100.00	100.00	100.00	100.00
ACF_KPI_08	% of court protection and apointeeship cases that have been actioned correctly and commenced within 5 Business Days of referral	M	90	85	100.00	100.00	100.00	100.00	100.00	100.00
ACF_KPI_09	% of Adult Care Finance Users rating their experience of contact with the Council as "Good" or better per month	M	95	90	Data not available	100.00	97.73	95.44	91.92	90.00

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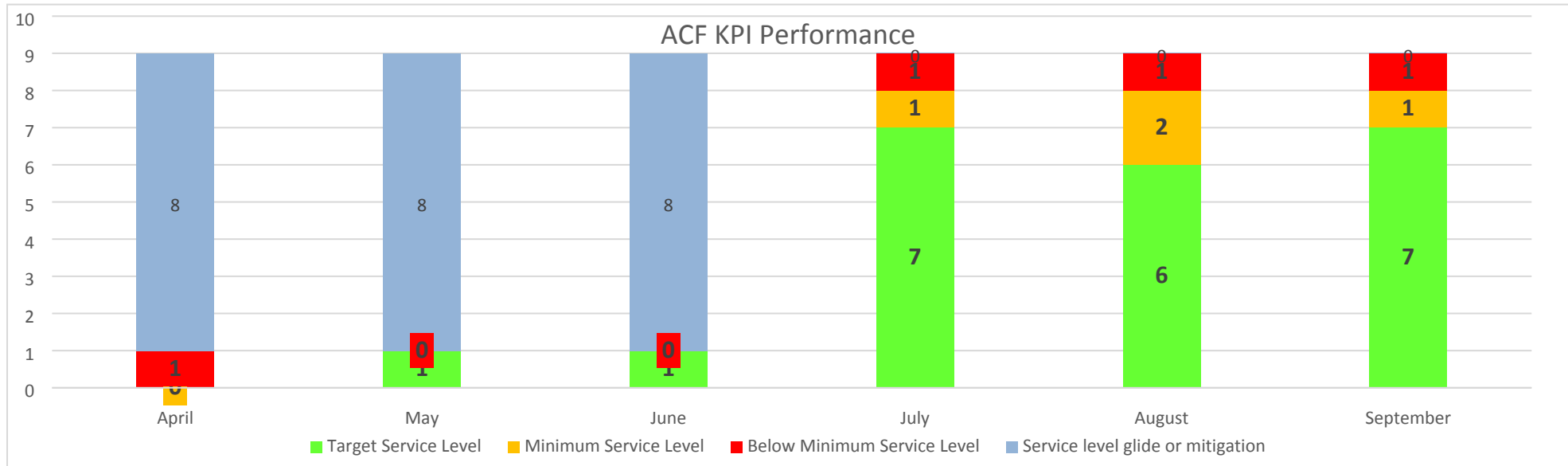
Service level glide or mitigation	At TSL or above	Between MSL and TSL	MSL not met
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Serco KPI performance April to September 2015

ACF KPI Performance Overview

	April	May	June	July	August	September
Target Service Level	0	1	1	7	6	7
Minimum Service Level	0	0	0	1	2	1
Below Minimum Service Level	1	0	0	1	1	1
Service level glide or mitigation	8	8	8	0	0	0
<b>Total</b>	<b>9</b>	<b>9</b>	<b>9</b>	<b>9</b>	<b>9</b>	<b>9</b>

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Serco KPI performance April to September 2015

Finance

KPI	KPI Short Description	Reporting Frequency	TSL	MSL	April	May	June	July	August	Sept
F_KPI_01	% of Undisputed invoices paid in accordance with vendor terms	M	95	80	Data not available	Data not available	Data not available	Data not available	Data not available	41.77
F_KPI_02	% of payment runs executed to agreed schedule (as agreed one Business Day in advance)	M	100	95	100.00	100.00	95.45	100.00	100.00	100.00
F_KPI_03	% of debt (exc. Adult Care Income and Health Auth. Debt) collected and paid in to relevant Council Account(s) within 30 days of invoice being issued	M	90	70	Data not available	29.00	50.77	21.99	60.21	44.07

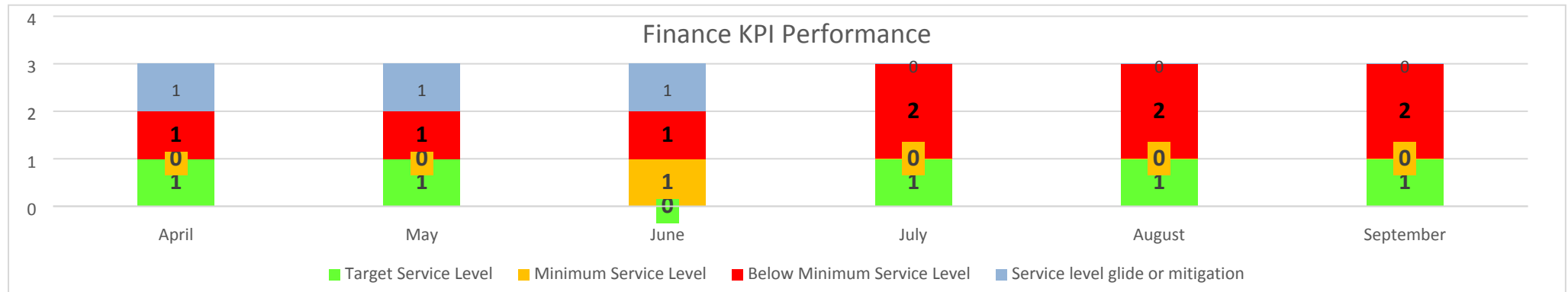
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Service level glide or mitigation	At TSL or above	Between MSL and TSL	MSL not met
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Finance KPI Performance Overview

	April	May	June	July	August	September
Target Service Level	1	1	0	1	1	1
Minimum Service Level	0	0	1	0	0	0
Below Minimum Service Level	1	1	1	2	2	2
Service level glide or mitigation	1	1	1	0	0	0
<b>Total</b>	<b>3</b>	<b>3</b>	<b>3</b>	<b>3</b>	<b>3</b>	<b>3</b>

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

Report to:	Value for Money Scrutiny Committee
Date:	24 November 2015
Subject:	Council Business Plan 2015 - 2016 Performance Report, Quarter Two

**Summary:** To present Q2 data in a new style performance report against the Council Business Plan.

**Actions Required:**

Committee:

- Review, scrutinise and comment on Quarter 2 performance.

### 1. Background

New style performance reporting using infographics was introduced in Q1 and received good feedback from scrutiny committees. The new style of reporting is intended to be web based and VFM Committee members can view performance on the web in a secure area on the Lincolnshire Research Observatory. A link to the relevant area, username and password will be emailed to VFM Committee Members along with the papers for the meeting. This will allow members to comment on the ease of access and any issues encountered.

### Reporting by exception

Measures where performance against target has been achieved or not achieved two quarters in a row is highlighted in Appendix A. This allows Members to be aware of areas that have performed consistently well and those where performance has not been achieved.

### Measures within the remit of VFM Committee

All measures specifically within the remit of VFM Committee are grouped under 'We effectively target our resources'. The Committee should note that these measures are either reported annually in Q4 or are expected to be reported in Q3 for finance and HR data due to the move to Agresso. As Serco performance is already on the Agenda for VFM Committee infographics have not been provided as part of this report.

VFM Committee also have an overview of performance in the Council Business Plan and headlines are detailed below.

### The good news

The following commissioning strategies performed particularly well in Q2

- Children are safe and healthy
- Readiness for adult life
- Safeguarding adults
- Adult frailty
- Community resilience and wellbeing
- Sustaining and growing business and the economy

Target achieved in 2 consecutive quarters (See Appendix A)

#### Wellbeing

- Older people supported by the wellbeing service to maintain their independence
- People aged 40 – 74 offered and received an NHS health check

#### Community Resilience and assets

- Contact with the heritage service
- Contact with the library service

#### Readiness for adult life

- Young people not in education, employment or training
- Pupils aged 16-18 participating in learning
- 16-18 year old Looked After Children participating in learning
- Care leavers in suitable accommodation

#### Sustaining and growing business and the economy

- Businesses supported by the Council
- Qualifications achieved by adults

### The not so good news

The Protecting and sustaining the environment and Carers commissioning strategies did not perform well in Q2.

- Protecting and sustaining the environment: Both waste to landfill and recycling of household waste reported in Q2 did not achieve the target. Carers: performance declined compared with Q1 for both measures: Carers receiving a direct payment and Carers supporting people not known to Adult Care.

#### Points for VFM Committee to be aware of

- Adult Care are reviewing targets in the commissioning strategies after Q2 and have removed in year targets for all Adult care measures. We have compared Q2 with Q1 performance and shown this as improving or not improving compared with previous quarter with the exception of permanent admissions to residential and nursing homes aged 65+ where a target for Q1 and Q2 have been provided by the service.
- Half (4 out of 8) of the measures in the Adult specialties commissioning strategy cannot be reported as they are NHS measures still in development.



- Data was expected in Q2 but is not yet available for Co2 reductions from Council activity. Data for this indicator is currently being collated and should be available shortly. The service is providing each data provider with a cut-off date allowing enough time for the collation and calculation process to occur.

## 2. Conclusion

Due to the extent of change in our key suppliers and systems during this year data for the commissioning strategies within the remit of the VFM Committee is limited, however an over view of Council Business Plan performance in the new style infographics has been provided in this report.

## 3. Consultation

### a) Policy Proofing Actions Required

n/a

## 4. Appendices

These are listed below and attached at the back of the report	
Appendix A	Target Achieved
Appendix B	Targets Not Achieved

## 5. 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.co.uk](mailto:jasmine.sodhi@lincolnshire.co.uk) .

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## Health and Wellbeing is improved

### The health and wellbeing of the population is improved 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.

#### Outcome

### Older people are able to live life to the full and feel part of their communities

#### Measure

### Older People supported by the Wellbeing Service to maintain their independence

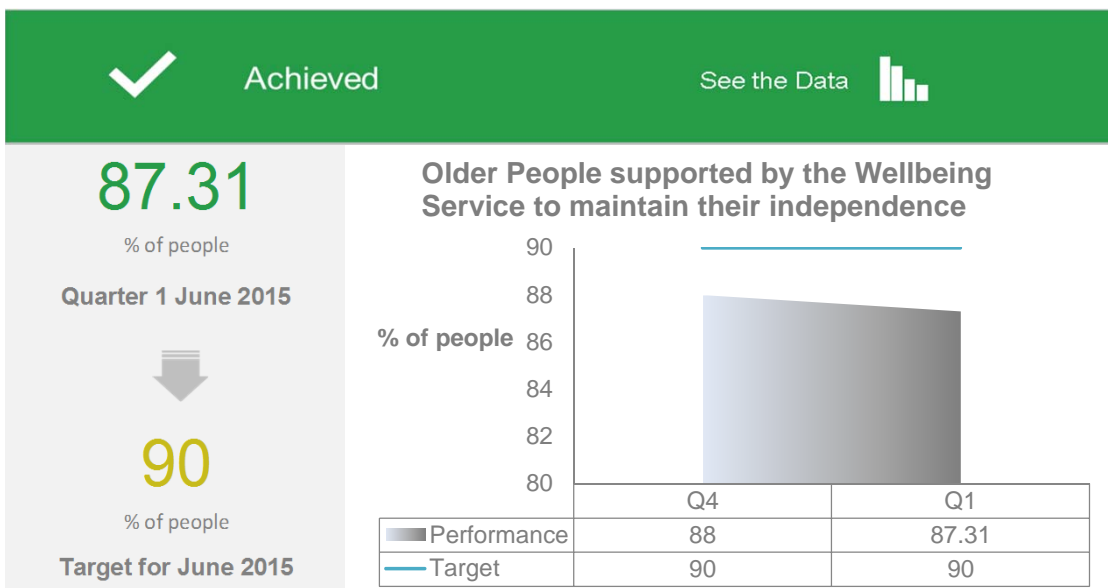
Percentage of people who cited needs linked to aids and adaptations had their needs met by the Wellbeing Service. Please note the definition has changed for 2015/2016, so comparison with 2014/2015 performance is not possible.

#### Numerator:

All clients citing assistive technology, aids and adaptations support needs as 'met' when they exit the service`

#### Denominator:

All clients highlighting a support need linked to assistive technology, aids and adaptations at the point of accessing service



This measures the percentage of people who required support with aids and adaptations to the home (in order to support independent living) when they entered the Wellbeing Service and who felt that their needs had been met following their contact with service providers. By the end of Q1 289 out of 331 people who cited needs linked to aids and adaptations had their needs met by the wellbeing service.

You will find the numerator and denominator mentioned above, multiplied by 100 gives (approx.) 87%.

Please note the definition has changed for 2015/2016, so comparison with 2014/2015 performance is not possible.

#### Further details

#### About the target

The target has been set based on previous year's performance against this measure.

#### About the target range

#### About benchmarking



## Health and Wellbeing is improved

### The health and wellbeing of the population is improved 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.

#### Outcome

### Peoples' health and wellbeing is improved

#### Measure

### People aged 40 to 74 offered and received an NHS Health Check

The NHS Health Check programme aims to help prevent heart disease, stroke, diabetes and kidney disease. Everyone between the ages of 40 and 74, who has not already been diagnosed with one of these conditions, will be invited (once every five years) to have a check to assess their risk of heart disease, stroke, kidney disease and diabetes and will be given support and advice to help them reduce or manage that risk. A high take up of NHS Health Check is important to identify early signs of poor health leading to opportunities for early interventions.

#### Numerator:

Number of people aged 40-74 eligible for an NHS Health Check who received an NHS health check in the financial year  
(Integrated Performance Measures Monitoring Return (IPMR\_1), NHS England)

#### Denominator:

Number of people aged 40-74 eligible for an NHS Health Check who were offered an NHS Health Check in the financial year  
(Integrated Performance Measures Monitoring Return (IPMR\_1), NHS England)



Achieved

See the Data



58

% of people

Quarter 2 September 2015

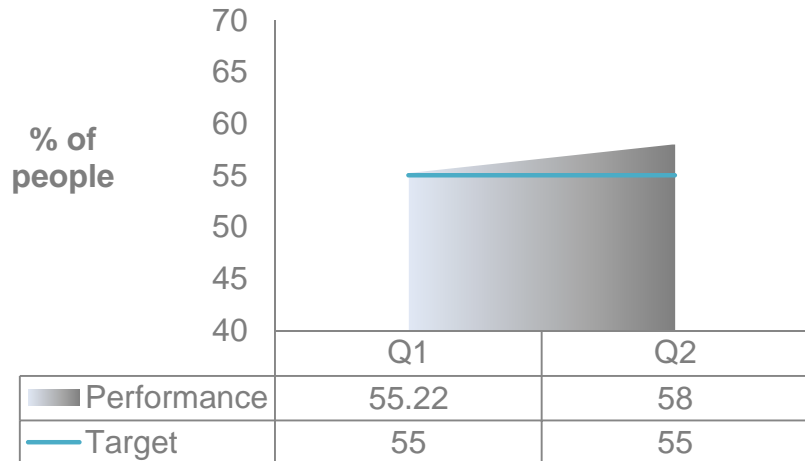


55

% of people

Target for September 2015

### People aged 40 to 74 offered and received an NHS Health Check



The target number of people to be invited over the 5 year cycle is 232,256 (46,452 annually). We are in the third year of the 5 year rolling cycle. In the first two years we have invited 99,728, an average of 49,864 annually which puts us ahead of where we need to be to meet our 5 year target of 232,256.

Both Quarter 1 and Quarter 2 this year show an improvement on uptake from the same periods last year (2014/15 Q1 uptake was 44% and Q2 uptake was 50%). GP Practices are being audited this year and we are having conversations around not over inviting and concentrating on increasing uptake.

Comparing Lincolnshire to the National picture and regional (East Midlands) data, we are doing better than both for numbers invited and numbers seen. 2013 – 2018 cumulative data: Lincolnshire offered 47.8% (East Midlands = 40.8%; England = 42.5%) with an uptake of 55.2% (East Midlands = 54.9%; England = 48.4%).

#### Further details

#### About the target

The target has been set to ensure our programme exceeds the national average and is in line with regional performance.

#### About the target range

#### About benchmarking



## Health and Wellbeing is improved

### The health and wellbeing of the population is improved Community resilience and assets

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.

#### Outcome

### Enable and encourage people to participate in Lincolnshire's culture

#### Measure

### Contact with the Heritage Service

Contact with the heritage service either in person, on the phone, by email or via the website



Achieved

See the Data



**2,720,373**

Number

Quarter 2 September 2015

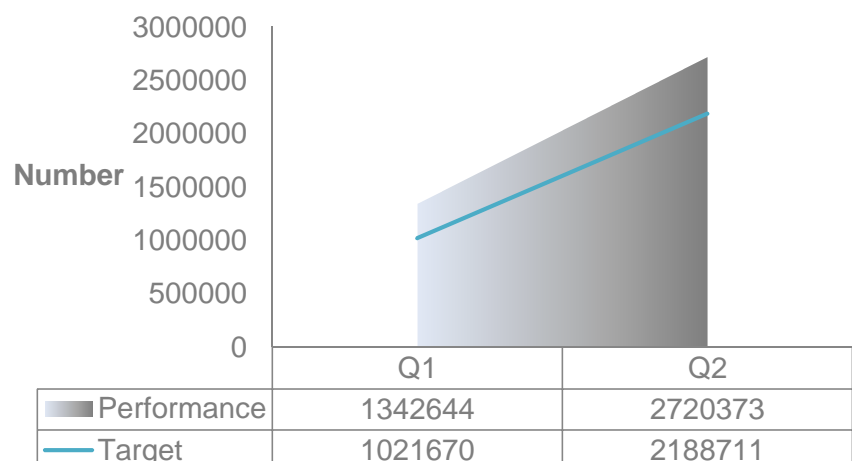


**2,188,711**

Number

Target for September 2015

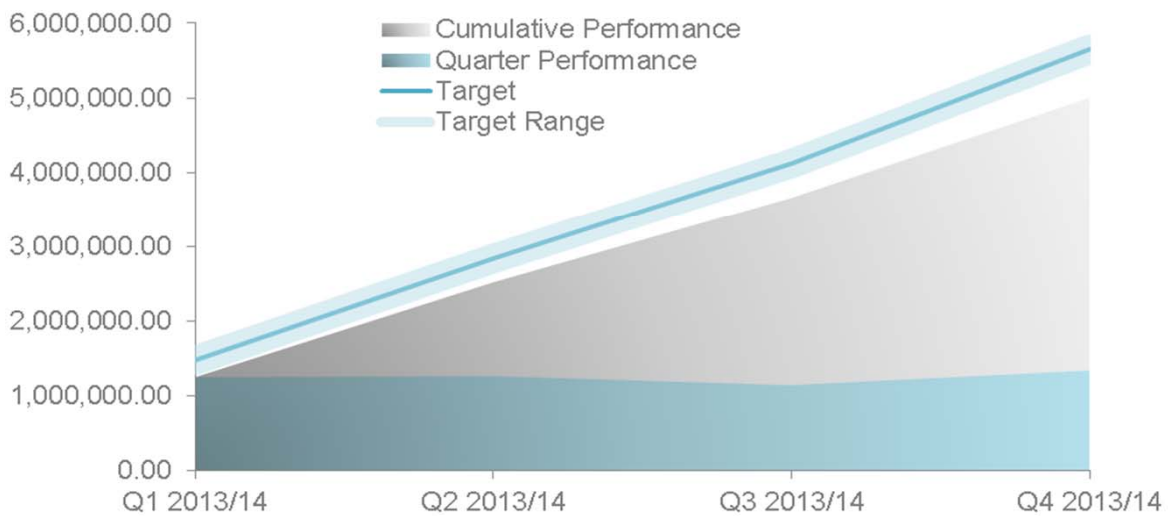
#### Contact with the Heritage Service



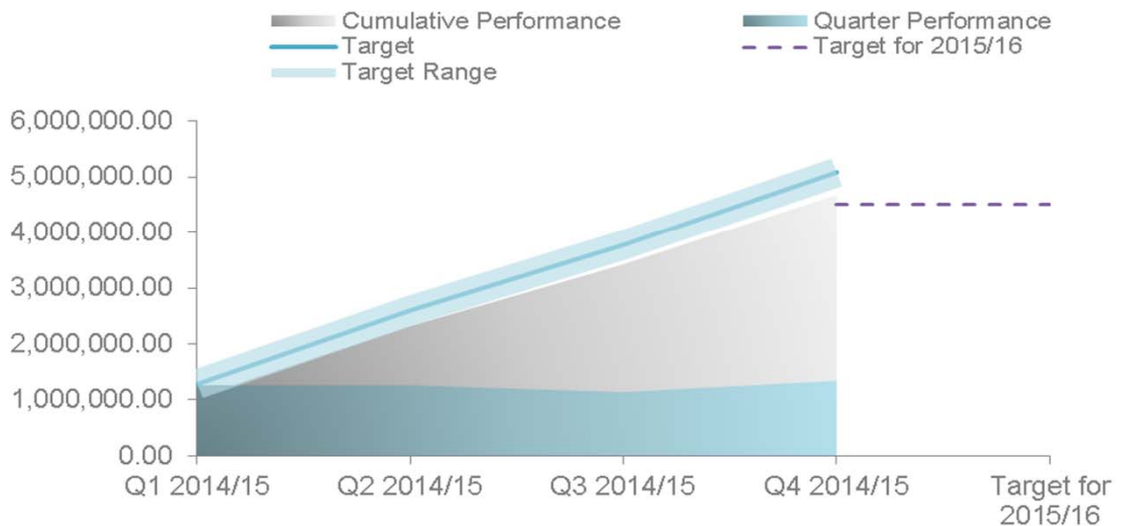
Overall interactions remain above target for the Service, mainly due to strong visitor numbers to Lincoln Castle. Performance against target for both the Customer Service Centre and 'Lincs to the Past' are disappointing, indicating perhaps that the target for 'Lincs to the Past' in particular is over ambitious, and that attention needs to be paid to promotion of the information and resources here. Some further work is required to understand the reduction in calls to the Customer Service Centre, particularly as they would be expected to rise given the profile of the Lincoln Castle Magna Carta exhibition and the summer exhibition at The Collection. The Collection & Usher Gallery figures are above target, mainly due to the 'Treasures of Lincolnshire' exhibition, and Lincoln Castle's figures are particularly high, indicating the original target set was overly cautious.

**Further details**

**Contact with the heritage service (either in person, on the phone, by email or via the website)**



**Contact with the heritage service (either in person, on the phone, by email or via the website)**





Measure Name	Contact with the Heritage Service								
	2013-14				2014-15				Target for 15/16
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	
<b>Cumulative Performance</b>	1,251,789	2,517,602	3,661,081	5,000,757	1,043,266	2,306,749	3,426,040	4,674,621	
<b>Quarter Performance</b>	1,251,789	1,265,813	1,143,479	1,339,676	1,043,266	1,263,483	1,119,291	1,248,581	
<b>Upper Range</b>	1,553,824	2,984,184	4,324,690	5,926,466	1,349,998	2,718,593	3,948,926	5,339,158	
<b>Lower Range</b>	1,405,840	2,699,976	3,912,814	5,362,040	1,221,426	2,459,679	3,572,838	4,830,666	
<b>Target</b>	1,479,832	2,842,080	4,118,752	5,644,253	1,285,712	2,589,136	3,760,882	5,084,912	4,500,000

#### About the target

The 2015/16 target has been calculated using actual performance in 2014/2015 and inflated slightly to allow for increases in visitor numbers due to the reopening of Lincoln Castle on the 1st April 2015.

#### About the target range

An intuitive target range of +/- 5% has been set.

#### About benchmarking

This measure is local to Lincolnshire and therefore is not benchmarked against any other area.



## Health and Wellbeing is improved

### The health and wellbeing of the population is improved Community resilience and assets

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.

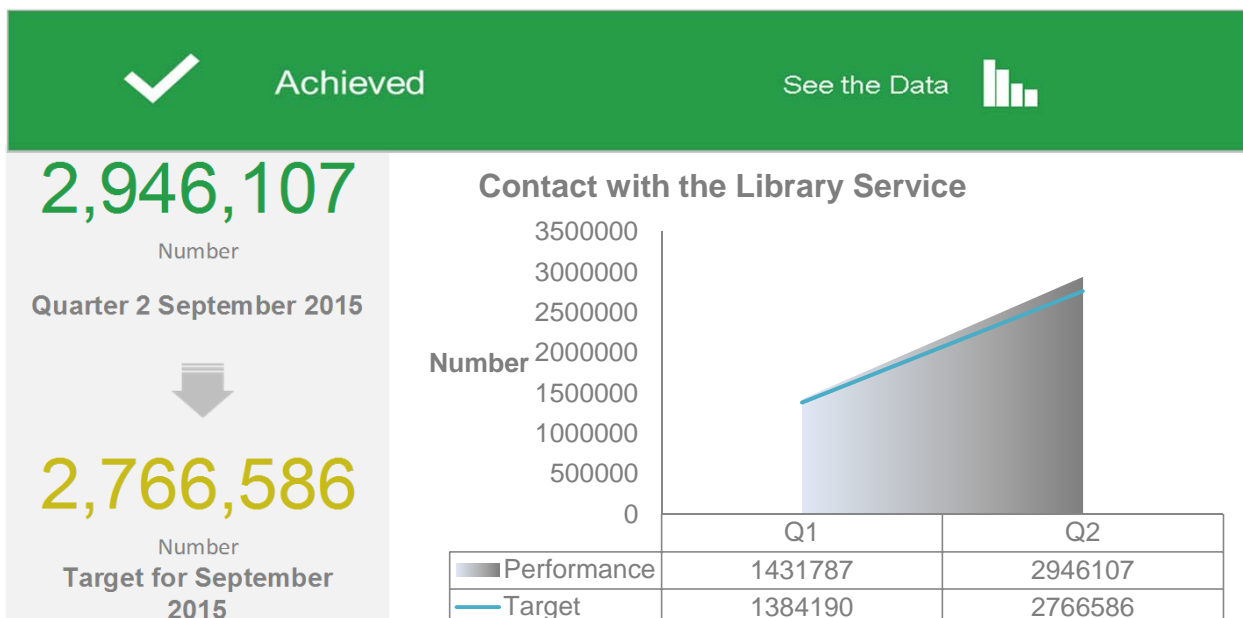
#### Outcome

### Enable and encourage people to participate in Lincolnshire's culture

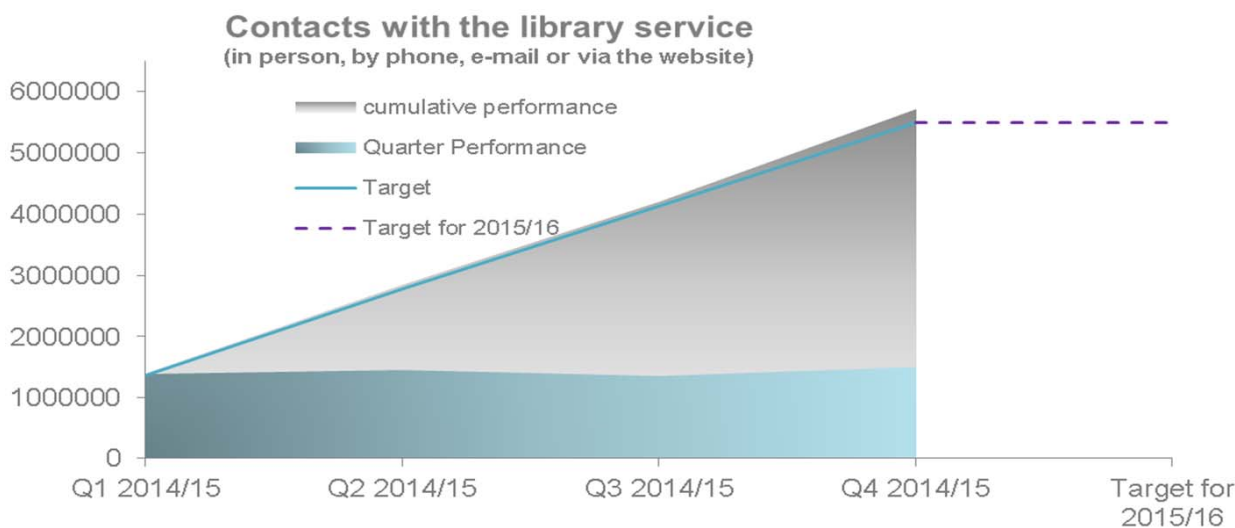
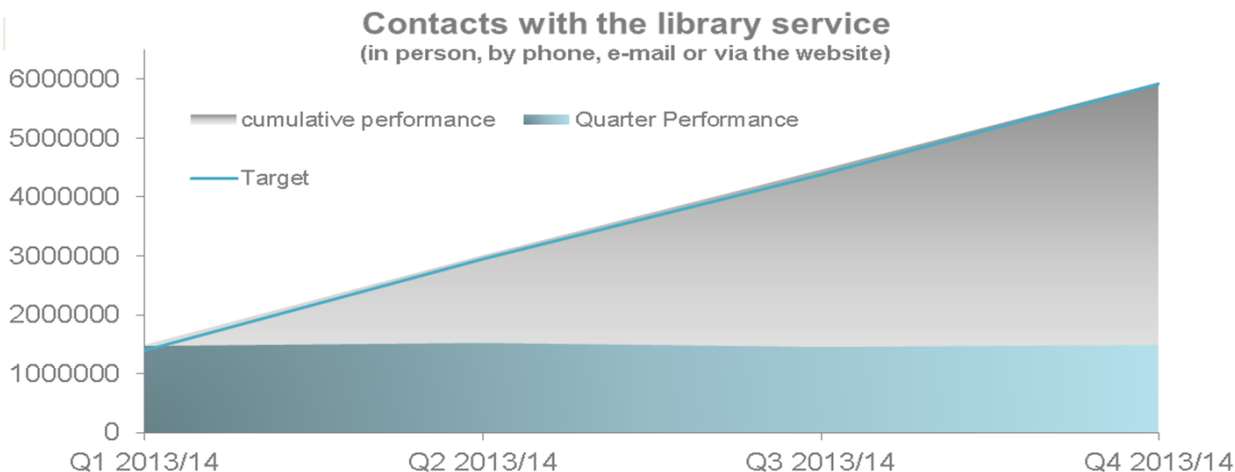
#### Measure

### Contact with the Library Service

Contact with the library service either in person, on the phone, by email or via the website



During a period of profound change for the service, use of libraries continues to be a mass-participation activity. In Q2 performance exceeded the target by 179,520 (6%), actual performance being 2,946,107 against a target of 2,766,586. Contact with the service comprises physical visits to service points and 'online' interactions. Performance in these areas needs to be understood in the context of reduced opening hours at most libraries since May 2014 and technology allowing customers to access services at their convenience and outside the opening times of sites. The Q2 performance bears out this analysis. "On Line" interactions (i.e. Library catalogue, e-books, e-magazines and contact with the CSC), achieved 1,795,492 interactions against a target of 1,601,350. Performance was exceeded by 194,142 or 12%."Physical" interactions (i.e. all service points including mobiles and physical sites), achieved 1,150,615 interactions against a target of 1,165,236.



Measure Name	Contact with the Library Service								
	2013-14				2014-15				Target for 15/16
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	
Cumulative performance	1,480,199	3,003,724	4,456,982	5,938,551	1,398,781	2,852,103	4,218,992	5,727,843	
Quarter Performance	1,480,199	1,523,525	1,453,258	1,481,569	1,398,781	1,453,322	1,366,889	1,508,851	
Target	1,389,868	2,951,658	4,376,668	5,924,714	1,372,177	2,782,488	4,127,669	5,500,000	5,500,000

#### About the target

The target for 2015/16 reflects the uncertainty surrounding library provision within community hubs.

#### About the target range

An intuitive target range of +/- 5% has been set.

#### About benchmarking

Lincolnshire County Council provides performance reports to the Chartered Institute of Public Finance and Accountancy (CIPFA) which facilitates a benchmarking services to enable performance to be monitored against other local authorities. Lincolnshire County Council is in a benchmarking group of 16 authorities.

This measure is local to Lincolnshire and therefore is not benchmarked against any other area. The Chartered Institute of Public Finance and Accountancy (CIPFA) do produce some annual statistics; however the definition used by CIPFA relates to people visiting libraries for library purposes and does not match the definition nor data set used to report Library Interactions.



## Health and Wellbeing is improved

### The health and wellbeing of the population is improved Readiness for adult life

The purpose of this commissioning strategy is for all young people to be prepared and ready for adult life.

#### Outcome

#### Young people are supported to reach their potential

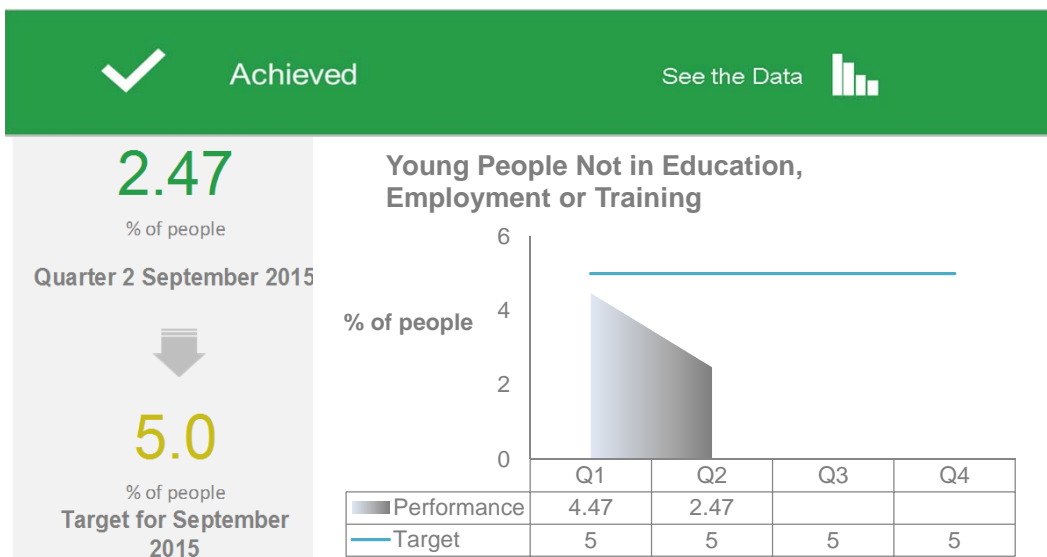
#### Measure

#### Young People Not in Education, Employment or Training

A young person who is no longer in the education system and who is not working or being trained for work.

Numerator: Number of young person no longer in the education system and not working or being trained for work.

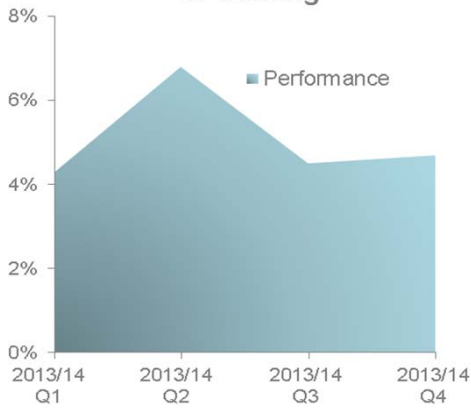
Denominator: Number of young people in the education system, working or being trained for work. The percentage is calculated as follows: Numerator divided by the denominator multiplied by 100.



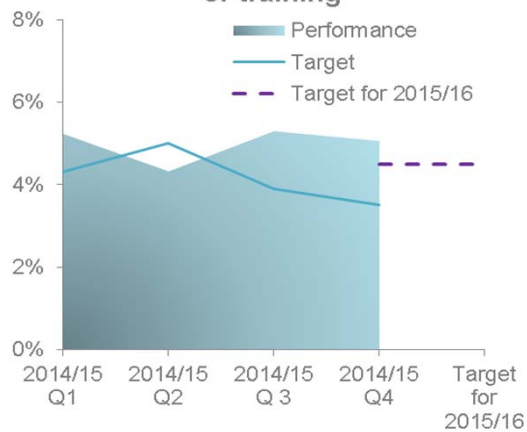
This figure should be regarded with caution in that whilst performance is showing as better than target, there is the potential for the percentage of young people who are NEET to increase as the unknown figure is reduced. It is anticipated therefore that NEET will be more in line with target by Q3.

**Further details**

**Percentage of 16-18 year olds not in education, employment or training**



**Percentage of 16-18 year olds not in education, employment or training**



Measure Name	Young People Not in Education, Employment or Training								
	2013-14				2014-15				Target for 15/16
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	
Performance	4.3%	6.8%	4.5%	4.7%	5.2%	4.3%	5.3%	5.1%	
Target					4.3%	5.0%	3.9%	3.5%	4.5%

**About the target**

The current number of Young People Not in Education, Employment or Training has crept up. This has happened as the number of Young people in the 'Unknown' category has drastically reduced on previous years. This upward trend of NEETs is expected to stabilise and we are working on reducing the figure through 2015/16 and 16/17 year olds.

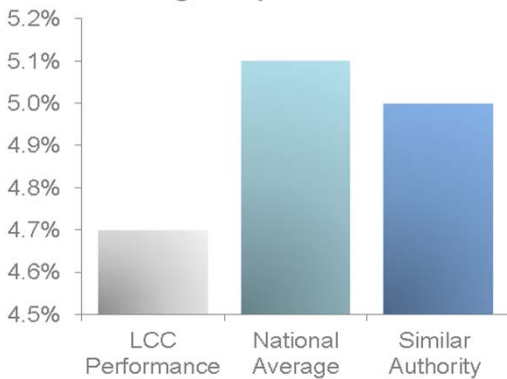
**About the target range**

In Q1 2015/16 we want to be no worse than Q1 2014/15 which was 5.2%  
 In Q2 we want to see an improvement on Q2 2012/13 which is our best performance over the last 3 years. In Q3 and Q4 the target range is plus or minus 0.2 percentage points of target of 4.5%

**About benchmarking**

For all our comparators the overall NEET figure is between 4.5% and 5%. Lincolnshire is now outside of this range and an aspiration for the year is to get back to the lower level of NEET whilst keeping our counties unknown figure decreasing. We have the option of benchmarking nationally and at similar authority level.

**Percentage of young people not in education, employment or training comparison 2013/14.**



	LCC Performance	National Average	Similar Authority	LCC Target
2013/14 Q4	4.7%	5.1%	5.0%	
2014/15 Q4				



## Health and Wellbeing is improved

### The health and wellbeing of the population is improved Readiness for adult life

The purpose of this commissioning strategy is for all young people to be prepared and ready for adult life.

#### Outcome

### Young people are supported to reach their potential

#### Measure

### Pupils aged 16 – 18 participating in learning

This measures young people aged 16, 17 and 18 who are in:-

Full time education or training;

Apprenticeship;

Employment combined with training.

Numerator: Number of young people aged 16, 17 and 18 who are participating in learning.

Denominator: Number of young people aged 16, 17 and 18.

The percentage is calculated as follows: Numerator divided by the denominator multiplied by 100.



Achieved

See the Data



**73.18**

% of pupils

Quarter 2 September 2015

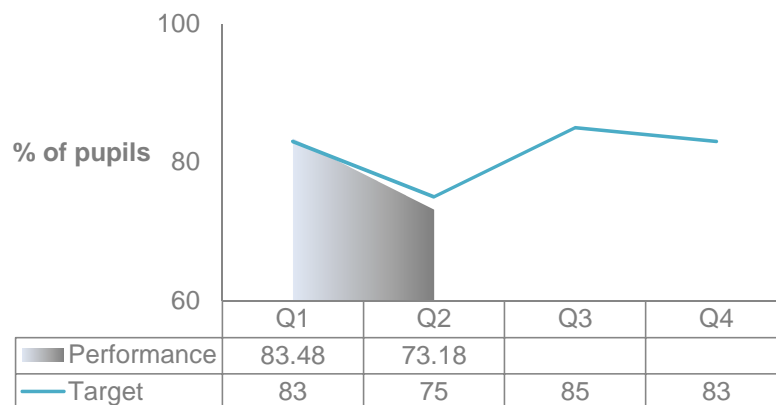


**75.0**

% of pupils

Target for September 2015

#### Pupils aged 16 – 18 participating in learning



Performance is in line with target. Traditionally the participation figure is lower at this time of the academic year due to the fact that information regarding students' enrolments at colleges, schools and other providers is still being gathered, hence the slightly lower target than at Q1 or Q3. Year on year the timeliness of receipt of this information from schools, colleges and providers is improving therefore enabling a fuller picture earlier in the academic year.

#### Further details

#### About the target

Target is ambitious as we have already made significant increases in performance and we aim to continue improving. Our target in Q2 reflects and expected dip in performance due to lack of destination data following the end of the academic year.

#### About the target range

The target range does not allow us to slip under current performance.

#### About benchmarking

We benchmarking nationally and at similar authority level.





## Health and Wellbeing is improved

### The health and wellbeing of the population is improved Readiness for adult life

The purpose of this commissioning strategy is for all young people to be prepared and ready for adult life.

#### Outcome

### Young people are supported to reach their potential

#### Measure

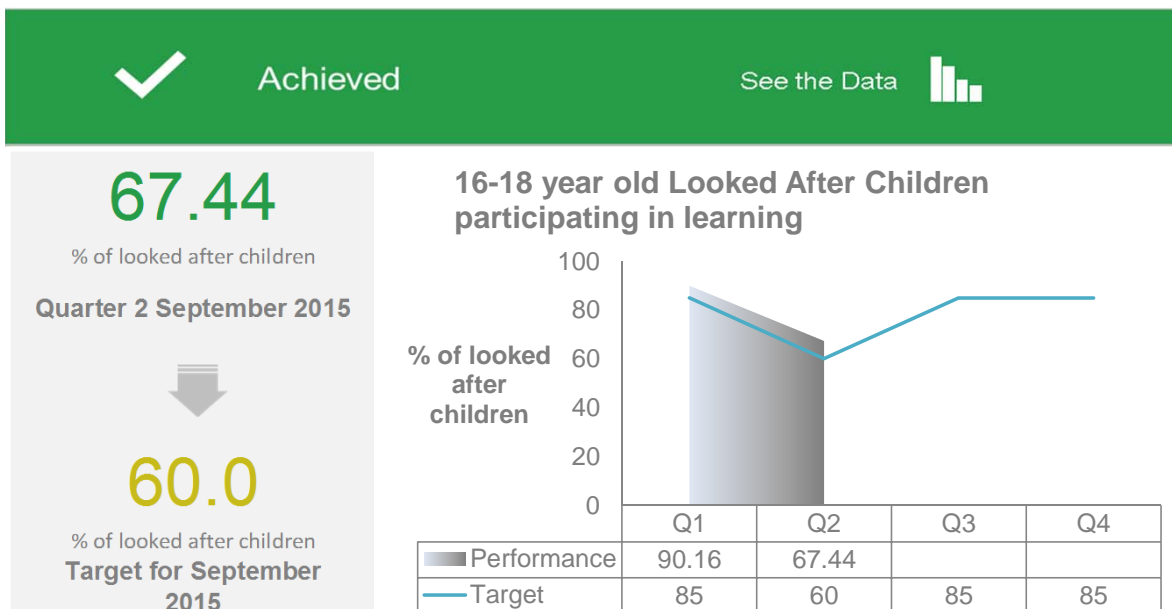
### 16-18 year old Looked After Children participating in learning

This measures young people recorded as being Looked After Children at the end of the reporting period and will not take into consideration the length of time that they have been in local authority care.

Numerator: Number of Looked After Children participating in learning at the end of the reporting period.

Denominator: Number of Looked After Children at the end of the reporting period.

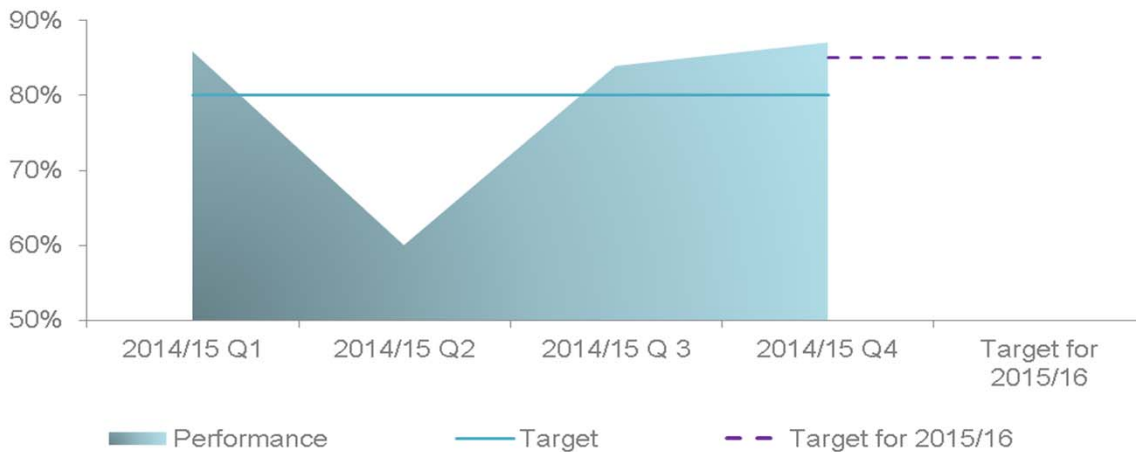
The percentage is calculated as follows: Numerator divided by the denominator multiplied by 100.



Performance is ahead of target because of improvements in transition between Key Stage 4 and Five whereby ePEPs are continued into Post -16. The dedication of our Post -16 Coordinator who has introduced innovations such as ePEP surgeries for students attending Peterborough College is also having a positive impact on participation levels.

Further details

Percentage of 16-18 year olds in Local Authority care participating in learning



Measure Name	16-18 year old Looked After Children participating in learning								
	2013-14				2014-15				Target for 15/16
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	
Performance					86.0%	60.0%	84.0%	87.1%	
Target					80.0%	80.0%	80.0%	80.0%	85.0%

About the target

The 2015/16 target of 85% is an increase of by 5 percentage points on the 2014/15 target of 80%.

About the target range

The target range allows for 2 young people above the target and 5 young people below the target. Due to the small numbers in the cohort each person represents 1.25% and so the target range is 2.5% above and 6.25% below the 85% target.

About benchmarking

We benchmark nationally and at similar authority level. Benchmarking data is sourced from the national LAIT (Local Authority Interactive Tool).



## Health and Wellbeing is improved

### The health and wellbeing of the population is improved Readiness for adult life

The purpose of this commissioning strategy is for all young people to be prepared and ready for adult life.

#### Outcome

#### Young people are supported to reach their potential

#### Measure

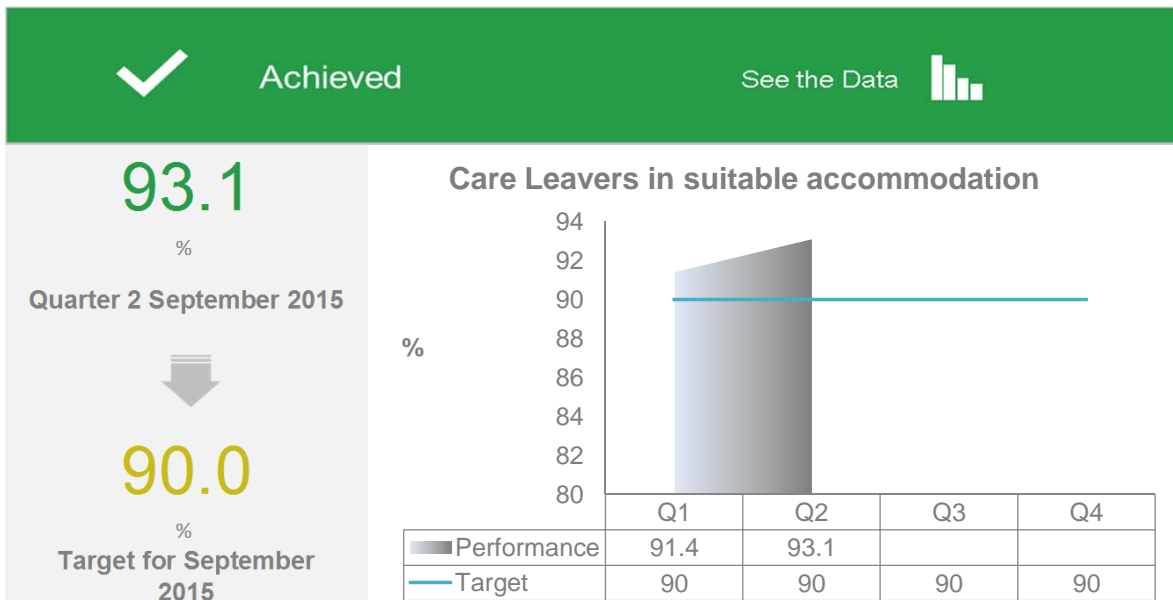
#### Care Leavers in suitable accommodation

A care leaver is a young person who reaches the age of 18 who had been in local authority care.

Numerator: Number of care leavers turning 19 years of age in the year who are living in accommodation deemed as "suitable".

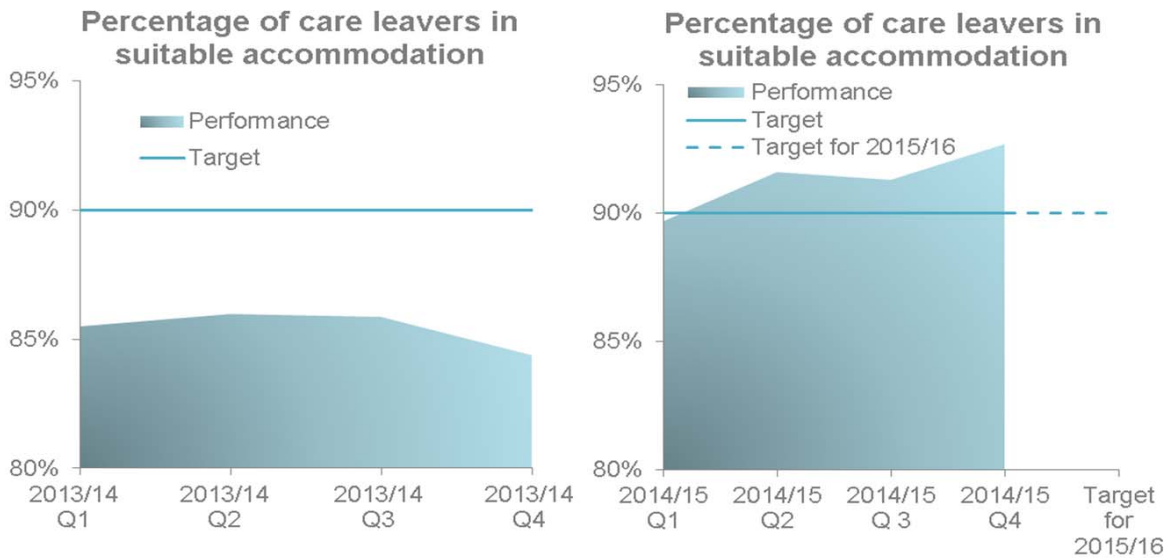
Denominator: Number of care leavers turning 19 years of age in the year.

The percentage is calculated as follows: Numerator divided by the denominator multiplied by 100.



This performance continues to show a gradual improvement with 93.1% of care leavers in suitable accommodation. Of the 20 considered to be in unsuitable accommodation, 9 are in custody, 1 in a designated bail address and 2 are all rights exhausted. The other 8 are in a range of accommodation including with birth families and friends. The leaving care service continue to work with these individuals to promote moves into more suitable accommodation. There are no care leaves in Bed and Breakfast accommodation.

Further details



Measure Name	Care Leavers in suitable accommodation								
	2013-14				2014-15				Target for 15/16
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	
<b>Performance</b>	85.5%	86.0%	85.9%	84.4%	89.7%	91.6%	91.3%	92.7%	
<b>Target</b>	90.0%	90.0%	90.0%	90.0%	90.0%	90.0%	90.0%	90.0%	90.0%

About the target

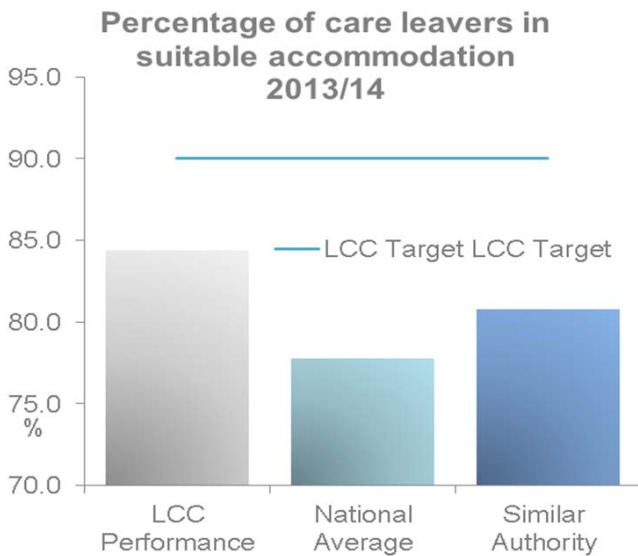
Target is to remain the same level as 2014/15 as this is above both national and similar authority average.

About the target range

The target range is set between the level achieved in 2013/14 and to accommodate an improvement on 2014/15 performance, whilst remaining above our statistical neighbours.

About benchmarking

We benchmark nationally and at similar authority level. Benchmarking data is sourced from the national LAIT (Local Authority Interactive Tool).



	LCC Performance	National Average	Similar Authority	LCC Target
<b>2013/14 Q4</b>	84.4	77.8	80.78	90
<b>2014/15 Q4</b>				



## Businesses are supported to grow

### Businesses are supported to grow Sustaining and growing the business and economy

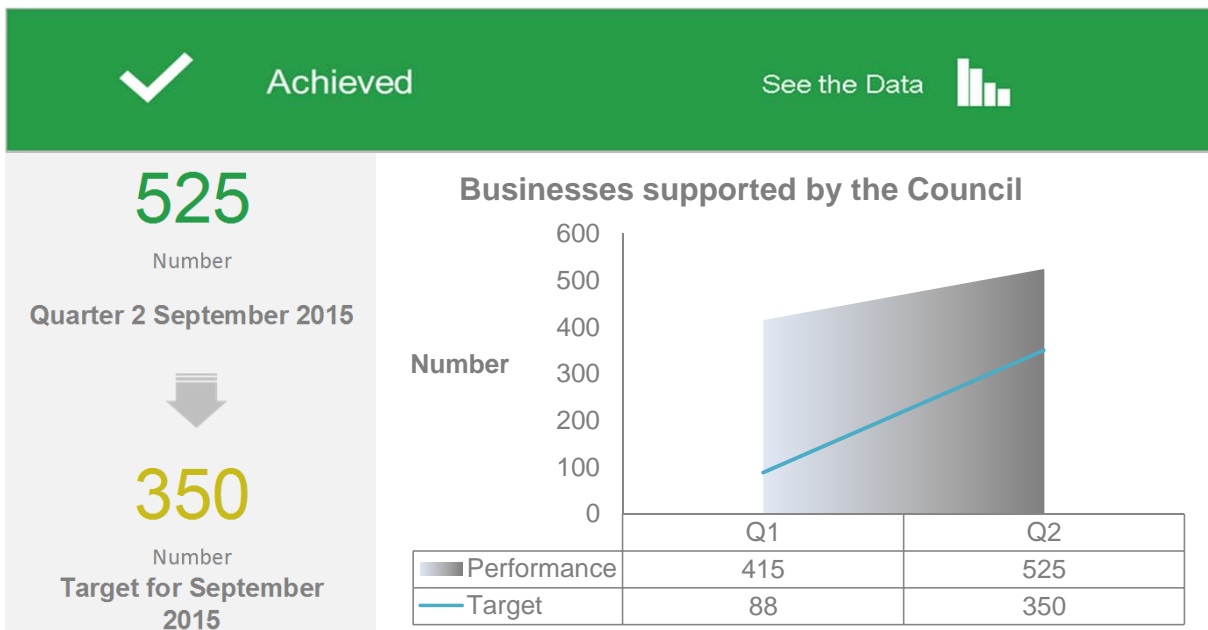
The purpose of this commissioning strategy is for businesses in our most important sectors to be developed, to encourage investment in Lincolnshire and help to train people so that there is a skilled workforce to whom businesses can offer quality jobs.

#### Outcome

#### Jobs created as a result of the Council's support

#### Measure

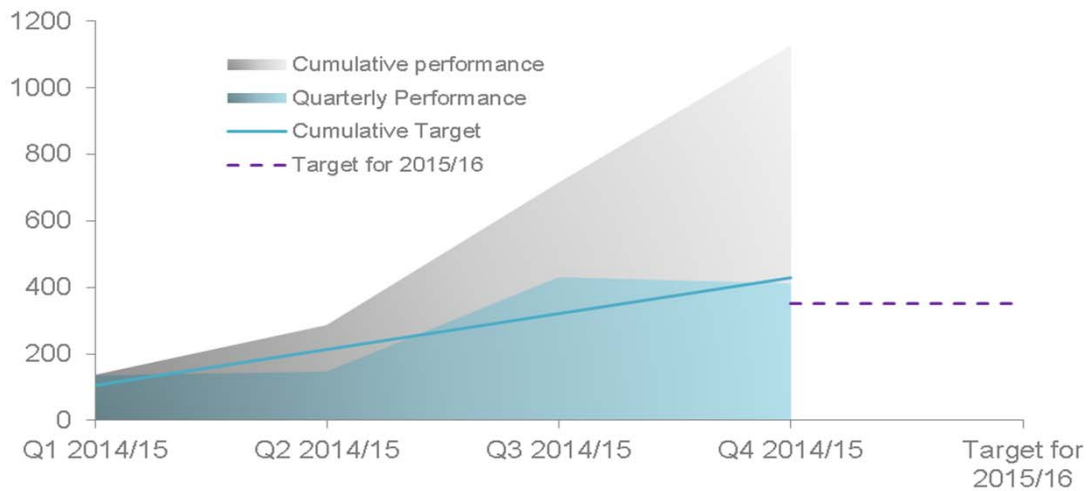
#### Businesses supported by the Council



The business support schemes that we operate continue to be successful and we are assisting an average of more than 80 businesses per month. On that basis we are forecasting that we will support approximately 1000 businesses during the 2015/16 financial year. We also help to create platforms to help businesses grow, such as the Visit Lincolnshire website, but are not directly counting these businesses as we have not commissioned direct assistance to them; however, it is not unreasonable to assume that LCC's work assists a further 2000+ businesses each year.

Further details

**Businesses supported to improve their performance**



Measure Name	Businesses supported by the Council								
	2013-14				2014-15				Target for 15/16
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	
Quarterly Performance					137	149	429	412	
Cumulative performance				894	137	286	715	1127	
Cumulative Target				407	107	215	322	429	350

About the target

About the target range

About benchmarking

This measure is local to Lincolnshire and therefore is not benchmarked against any other area.



## Businesses are supported to grow

### Businesses are supported to grow

#### Sustaining and growing the business and 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.

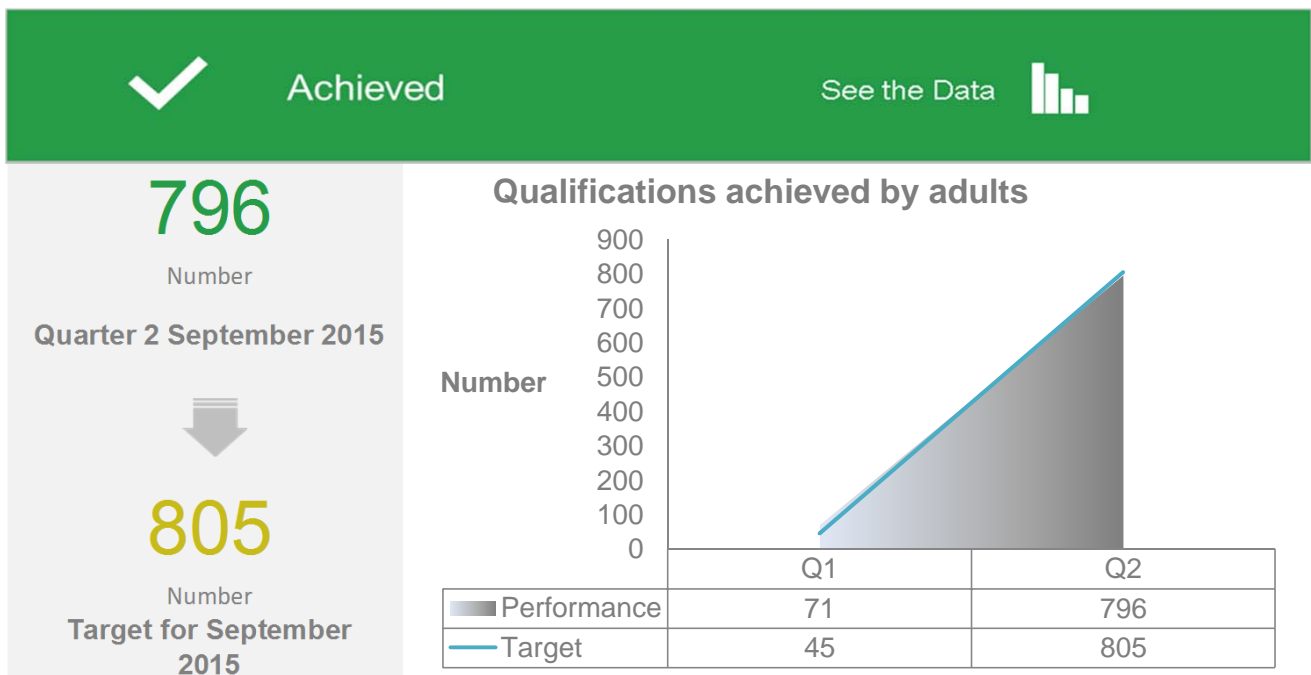
#### Outcome

#### Jobs created as a result of the Council's support

#### Measure

#### Qualifications achieved by adults

Number of qualifications achieved (Skills programmes, vocational training programmes, adult and community learning) through programme support by the council.



We continue to deliver training and learning to around 8000 people per year. Because of the nature of the training, just over 10% will receive a formal qualification (many others receive parts of qualifications which help them to gain employment) and we remain on track to achieve our target of 902.

## Further details

### About the target

The council commissions a series of training schemes which help individuals to gain skills. These training schemes are focused on the skills that employers need. Employers can understand an individual's skills level by the qualification that they hold, hence the reason that we count the number of qualifications achieved.

### About the target range

### About benchmarking

This measure is local to Lincolnshire and therefore is not benchmarked against any other area.





## Communities are safe and protected

### Our communities are safe and protected from harm

#### Protecting the public

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.

#### Outcome

### Reduce fires and their consequences

#### Measure

#### Primary fires

Number of incidents of fires involving property (i.e. buildings, vehicles, recycling banks, caravans etc.); and/or casualties, fatalities or rescues; and/or five or more pumping appliances where the Fire Service attended (per 100,000 population).

Numerator is the number of primary fires

Denominator is the population of Lincolnshire.

The rate per 100,000 population is calculated as follows:

Numerator divided by the denominator multiplied by 100,000.



Not achieved

[See the Data](#)



**82.43**

Rate per 100,000 population

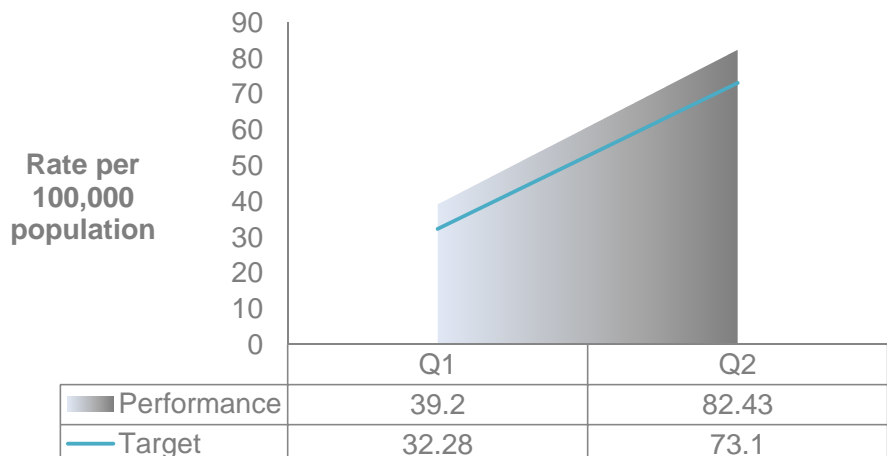
Quarter 2 September 2015



**73.1**

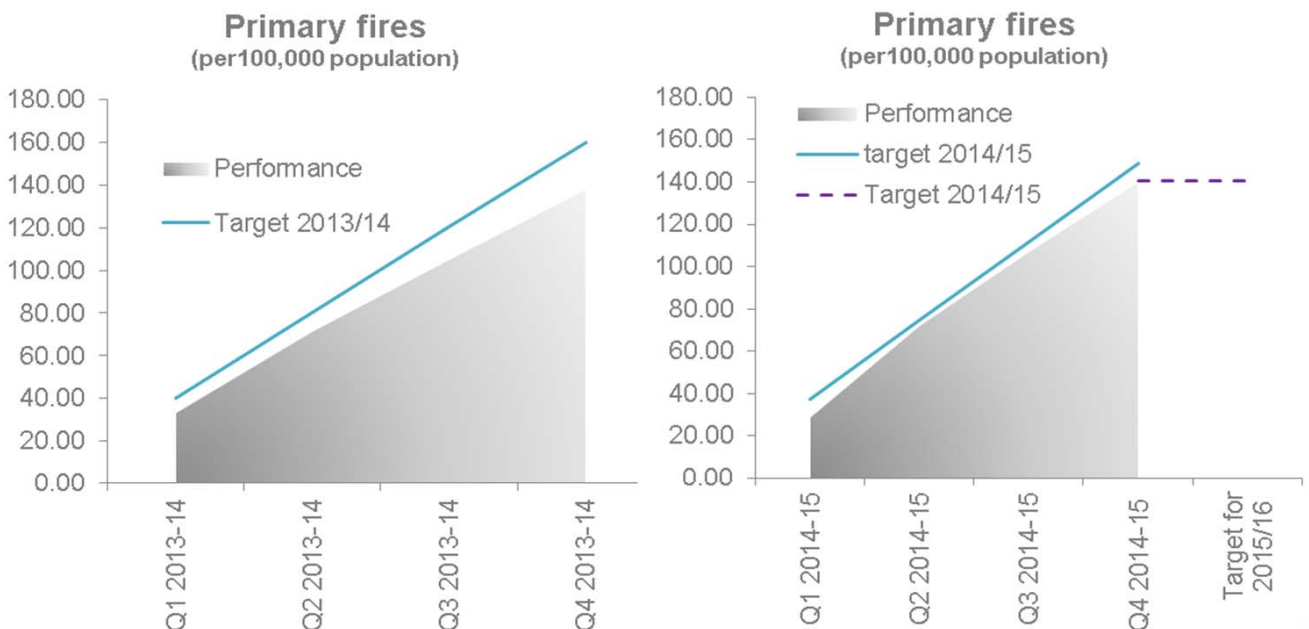
Rate per 100,000 population  
Target for September 2015

#### Primary fires



We are again behind target for this indicator & when we compare to Q2 last year, we have also seen an increase of 84 primary fires (16% increase). It is, however, worth noting that almost all of this increase occurred within the first 3 months of the financial year (April – June 2015 – 76 additional primary fires compared to the previous year, July – September 2015 – only 8 additional). A large part of the increase in primary fires is attributable to an increase in accidental dwelling fires (increase of 59 accidental dwelling fires) but this again has mostly occurred during the first 3 months of the year (April – June – 47 additional accidental dwelling fires compared to the previous year, July – September – 12 additional). It is also worth noting that the number of accidental dwelling fires during 2014/15 was exceptionally low however, our Q2 figure this year is still higher than the Q2 figure for 2013/14. There has also been an increase in farm related primary fires (includes farm buildings, farm equipment, farm vehicles & haystack/manure heaps) which are up from 59 at Q2 last year to 83 this year (increase of 24 – 41%). If we look at the location of the primary fires we have seen significant increases in both South & West Divisions (South – up from 163 at Q2 last year to 208 which is an increase of 28%, West Division – up from 183 at Q2 last year to 231 which is an increase of 26%). The proposal is to raise awareness of the cause of fires & fire prevention within the farming community over the forthcoming months. Given the continued increases in cooking-related fires in the home, the Service intends to conduct further analysis & campaigns in this area.

**Further details**



Measure Name	Primary fires								
	2013-14				2014-15				Target for 15/16
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	
Performance (per 100,000 population)	33.24	71.64	104.75	137.87	28.57	71.64	106.28	139.54	
Target	40.04	80.08	120.12	160.17	37.205	74.41	111.61	148.82	140.28
Numerator	239	515	753	991	207	519	770	1011	1017
Denominator	718,800	718,800	718,800	718,800	724,500	724,500	724,500	724,500	724,500

#### About the target

Target set to aim for continuous improvement, including the following factors: 1) Progress towards 2020 Vision targets, 2) To intend to perform in the top half nationally when compared to other Fire and Rescue Services, 3) The results of our performance last year, 4) Our Service priorities and 5) Drive for continuous improvement.

#### About the target range

A target range of 2% either side of the likely number of incidents at the end of the year.

#### About benchmarking

Data is benchmarked with other Fire and Rescue Services



## Communities are safe and protected

**Our communities are safe and protected from harm**

### Protecting the public

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.

### Outcome

**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.**

### Measure

#### Alcohol related violent crime incidents

This measure is a count of all Home Office notifiable violence against the person offences (excluding 'no crimes') where alcohol is identified as contributing to the incident. Violence against the person offences includes all assaults apart from sexual offences. This is not a statutory measure and is used as a local indicator only, Home Office notifiable offences refer to the offence classification. For more information about Home Office notifiable offences see:

<https://www.gov.uk/government/publications/counting-rules-for-recorded-crime>



Not achieved

See the Data



**832**

Number of incidents

Quarter 2 September 2015

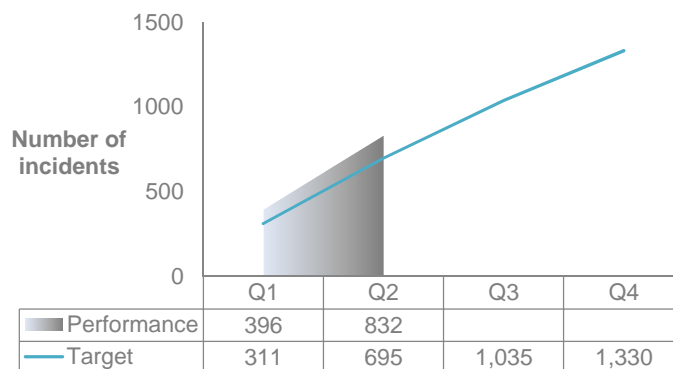


**695**

Number of incidents

Target for September 2015

#### Alcohol related violent crime incidents

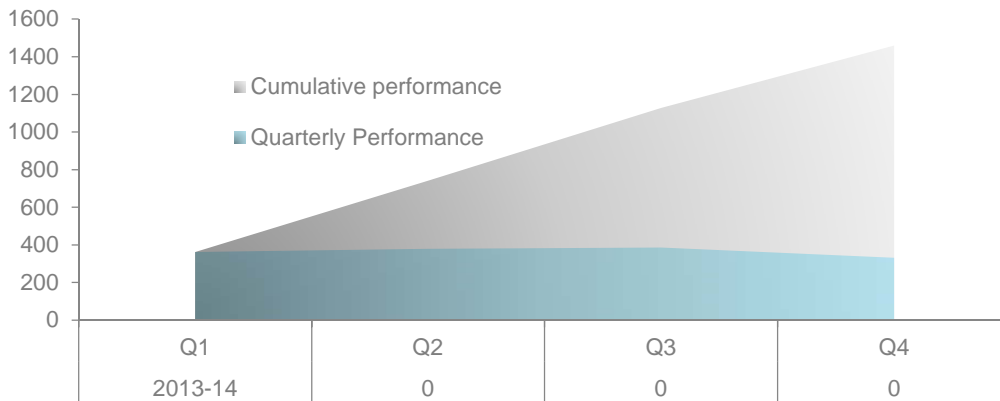


Many areas across the county have non-existent or fragmented Pubwatch schemes. As a result there is a lack of control from licensees over managing those people who have been violent in drink from being removed effectively from the town centres through a 'banned from one, banned from all' approach.

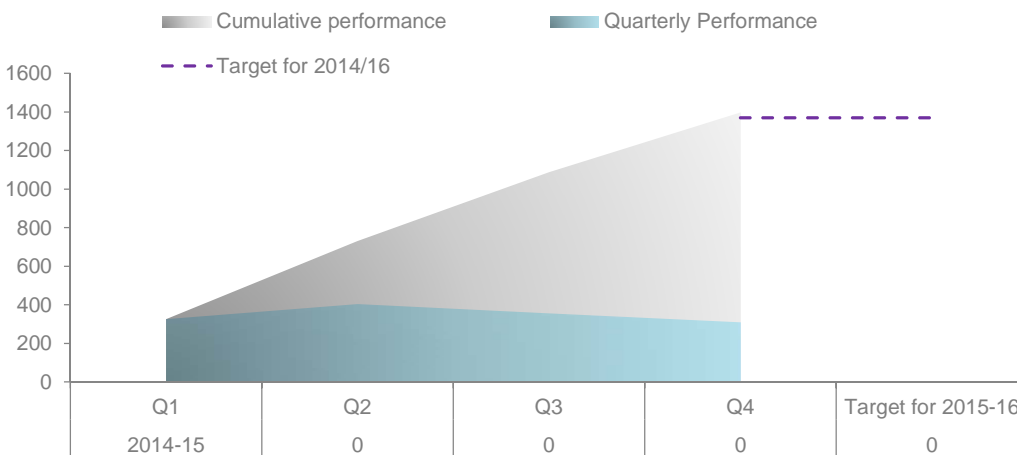
However Chamber of Commerce are in the process of setting up pubwatch schemes across the county which aims to reduce alcohol related violent crime and ASB.

**Further details**

**Alcohol related violent crime incidents**



**Alcohol related violent crime incidents**



Measure Name	Alcohol related violent crime incidents								
	2013-14				2014-15				Target for 15/16
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	
<b>Cumulative performance</b>	363	742	1128	1460	327	732	1089	1400	1370
<b>Quarterly Performance</b>	363	379	386	332	327	405	357	311	

**About the target**

Decrease alcohol related violent crime by 5%. A significant number of violence against the person offences are alcohol related. Reducing alcohol related violent offences will help us make sure Lincolnshire is a safe place to live and visit.

**About the target range**

The target range for this measure allows for some fluctuation against the target decrease of 5%.

**About benchmarking**

This measure is local to Lincolnshire and therefore is not benchmarked against any other area.



## Health and Wellbeing is improved

### The health and wellbeing of the population is improved 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.

#### Outcome

#### Peoples' health and wellbeing is improved

#### Measure

#### Chlamydia diagnoses (15-24 year olds)

Crude rate of chlamydia diagnoses per 100,000 young adults aged 15-24 based on their area of residence.

Chlamydia is the most commonly diagnosed sexually transmitted infection. It causes avoidable sexual and reproductive ill-health, including symptomatic acute infections and complications such as pelvic inflammatory disease (PID), ectopic pregnancy and tubal-factor infertility. The chlamydia diagnosis rate amongst under 25 year olds is a measure of chlamydia control activities. It represents infections identified (reducing risk of sequelae in those patients and interrupting transmission onto others). Increasing diagnostic rates indicates increased control activity: it is not a measure of morbidity. Inclusion of this indicator in the Public Health Outcomes Framework allows monitoring of progress to control chlamydia.

Numerator:

The number of people aged 15-24 diagnosed with chlamydia  
(<http://www.chlamydiascreening.nhs.uk/ps/data.asp>)

Denominator:

Resident population aged 15-24  
(Office of National Statistics)

**X** Not achieved

See the Data

**1,692**

Rate per 100,000 population

Quarter 4 March 2015

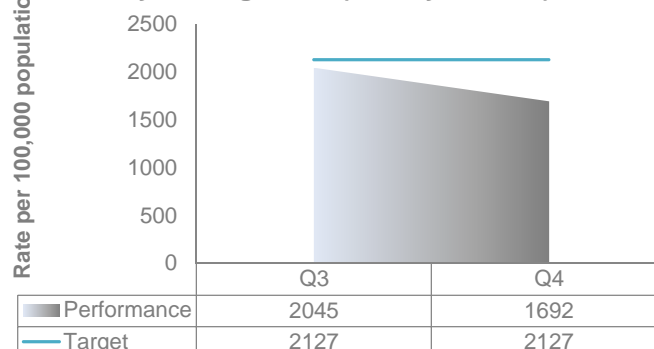


**2,127**

Rate per 100,000 population

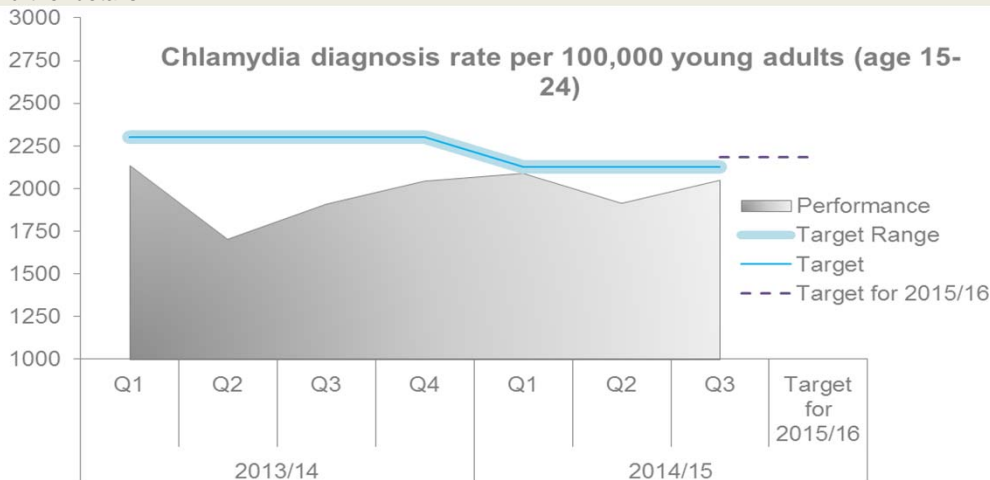
Target for March 2015

#### Chlamydia diagnoses (15-24 year olds)



The Q4 chlamydia screening detection rate is lower than expected despite doing 80 more screens than the previous quarter as 72 less infections were found. An explanation for this is the possibility that the underlying prevalence is starting to reduce. During 2014/15 there has been an steadily reduced positivity rate compared to the previous year.

Further details



Measure Name	Chlamydia diagnoses (15-24 year olds)								Target for 15/16
	2013-14				2014-15				
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	
Performance	2134	1704	1905	2041	2087	1910	2045		
Numerator	1826	1458	1630	1747	1786	1635	1750		
Denominator	85587	85587	85587	85587	85587	85587	85587		
Upper range +2%	2346	2346	2346	2346	2169.5	2169.5	2169.5		
Lower range -2%	2254	2254	2254	2254	2084.5	2084.5	2084.5		
Target	2300	2300	2300	2300	2127	2127	2127	2182	

About the target

After taking advice from National Chlamydia Screening Programme and the Director of Public Health for Lincolnshire, we have agreed a target lower than the national figure of 2,300 in order for it to be realistic for Lincolnshire. Historical data shows it is unlikely that the national target will be reached locally. The lower target of 2,127 per 100,000 young adults age 15- 24 equates to a 10% increase on the previous year's performance.

About the target range

About benchmarking



## Businesses are supported to grow

### Businesses are supported to grow

#### Sustaining and growing the business and 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.

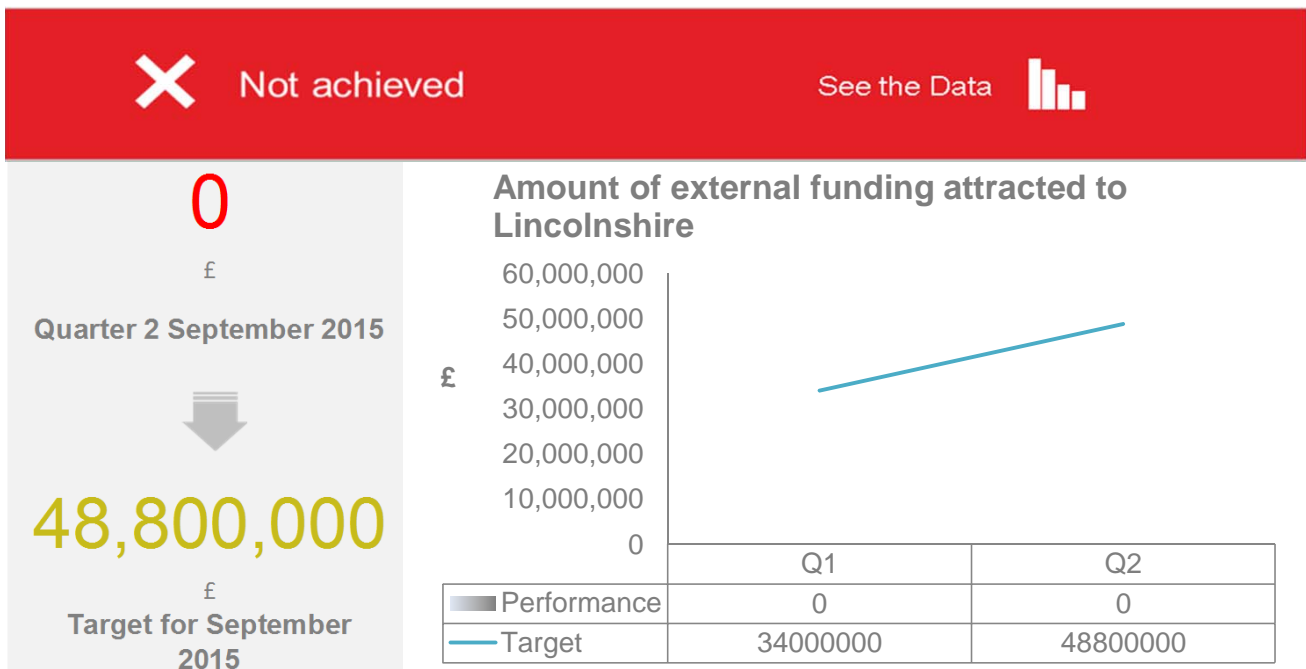
#### Outcome

#### Jobs created as a result of the Council's support

#### Measure

#### Amount of external funding attracted to Lincolnshire

Amount of external funding attracted to Lincolnshire (including Greater Lincolnshire Local Enterprise Partnership and European Union funding programmes) by the council.



The delays in processing the bids that Lincolnshire County Council has made continue, and therefore we have still not received formal contracts from government. However, contract negotiations are continuing in a positive vein and we anticipate that roughly £34m of contracts will have been signed by the end of Q3.



## Further details

### About the target

The annual target of £54.8 million is made up of the following:  
European Union Growth Programme £6 million;  
European Union Leader Programme £6.5 million;  
Single Local Growth Fund £27.5 million;  
Growth Deal II £14.8 million.

### About the target range

### About benchmarking

This measure is local to Lincolnshire and therefore is not benchmarked against any other area.



## Businesses are supported to grow

### Businesses are supported to grow

#### 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.

#### Outcome

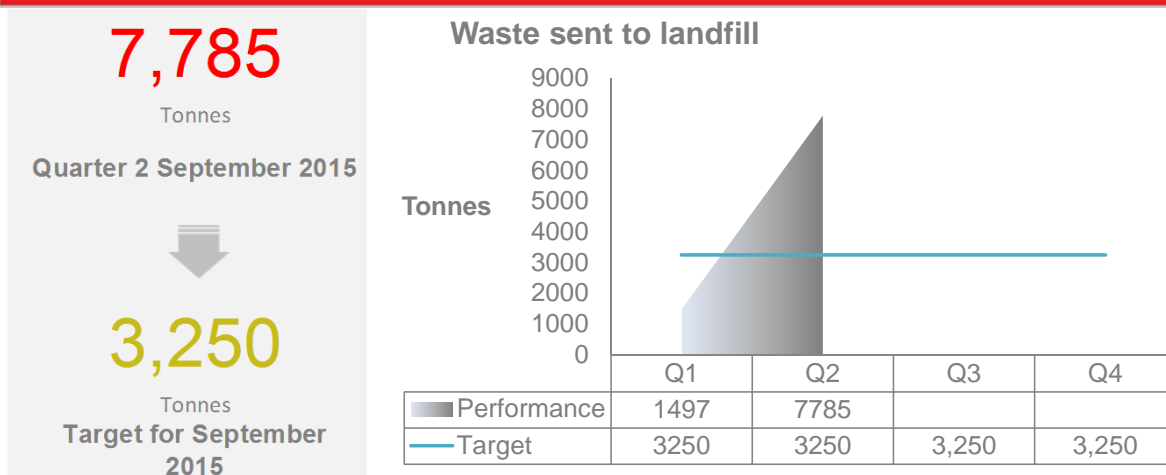
#### Increase recycling

#### Measure

#### Waste sent to landfill

The tonnage of waste collected by either the County or District Councils which was sent to landfill.

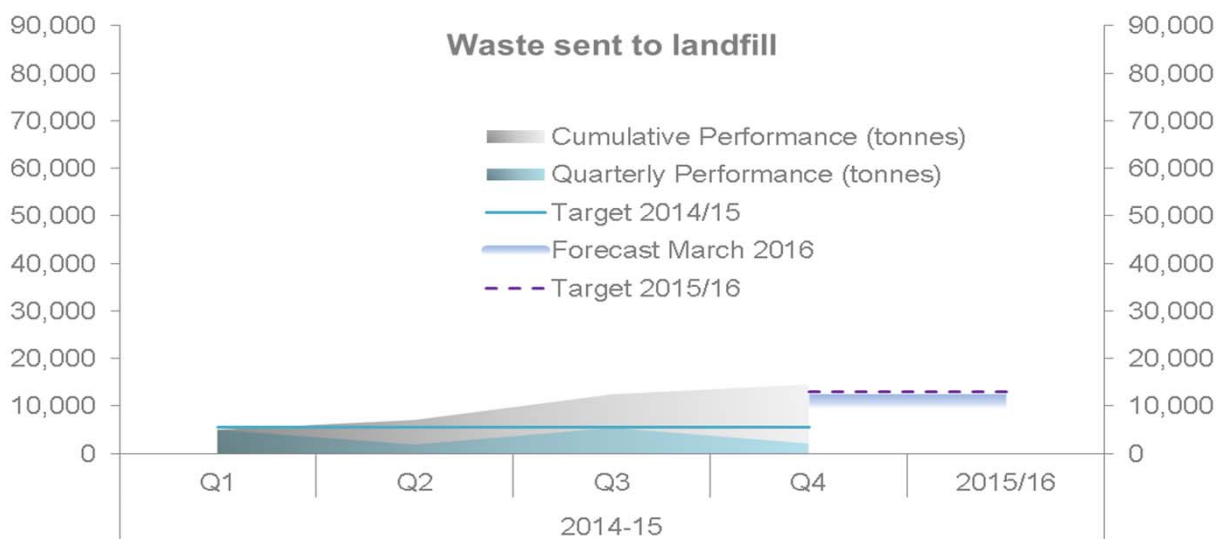
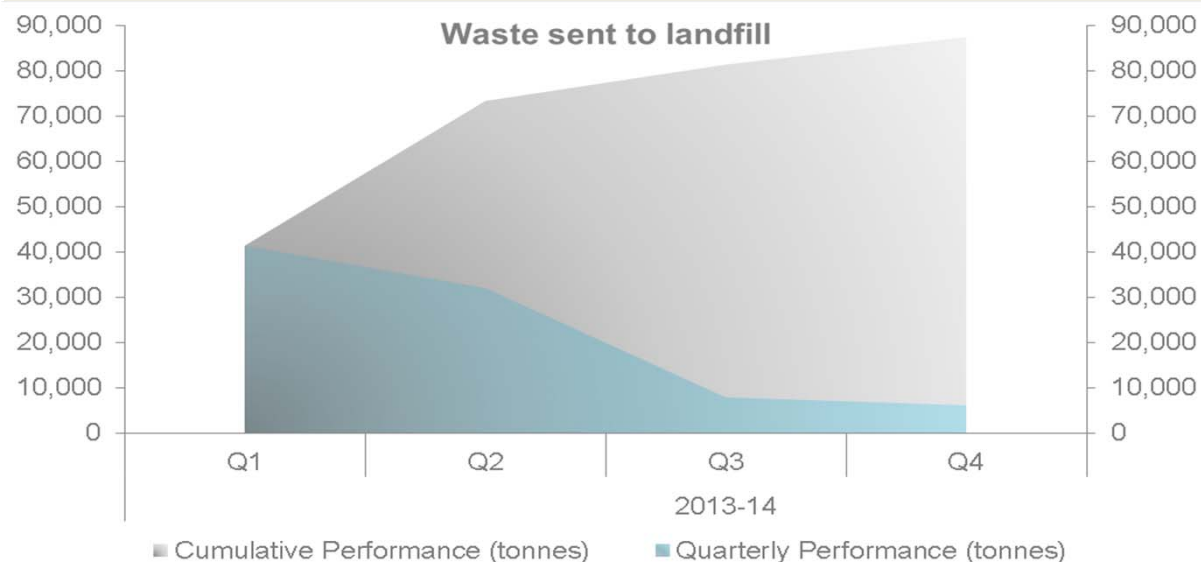
**X Not achieved** [See the Data](#)



This is an estimate until final figures have been verified by the Department for Environment, Food and Rural Affairs (due in February). There has been more waste sent to landfill this quarter due to the planned closure (for maintenance) of the Energy from Waste facility.

Although re-profiling the target for quarter 2 has been considered, this has not been possible as the exact date of the closure is solely decided by the Energy from Waste contractor FCC Environment (Lincolnshire) Limited based on operational considerations and the Council is not informed until quite close to when the closure happens.

Further details



Measure Name	Waste sent to landfill								
	2013-14				2014-15				2015/2016
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	
Quarterly Performance (tonnes)	41,361	32,022	7,858	6,183	5,033	2,047	5,485	2,076	
Cumulative Performance (tonnes)	41,361	73,383	81,241	87,424	5,033	7,080	12,565	14,641	
Target					5,630	5,630	5,630	5,630	13,000
Forecast (March 2016)									11,100

About the target

It is estimated that we have 163,000 tonnes of residual (non-recycled) waste. We aim to send 150,000 tonnes to Energy from Waste, leaving 13,000 tonnes to go to landfill.

#### About the target range

A small percentage change in overall residual waste could lead to a much larger change in landfilling, so a wide target range has been set.

#### About benchmarking

As tonnage of waste landfilled depends on the size of a Local Authority, comparisons with other councils is not meaningful.



## Businesses are supported to grow

### Businesses are supported to grow

#### 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.

#### Outcome

#### Increase recycling

#### Measure

#### Household waste recycled

The percentage of waste collected by either the County or District Councils which was reused, recycled or composted.

**X** Not achieved

[See the Data](#)



**50.28**

% recycled

Quarter 2 September 2015

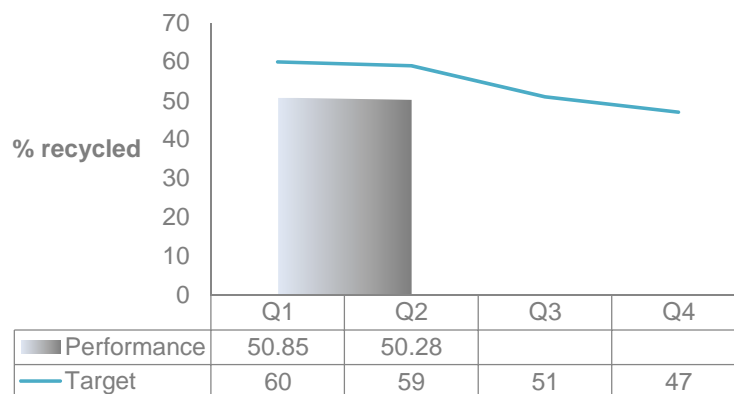


**59**

% recycled

Target for September 2015

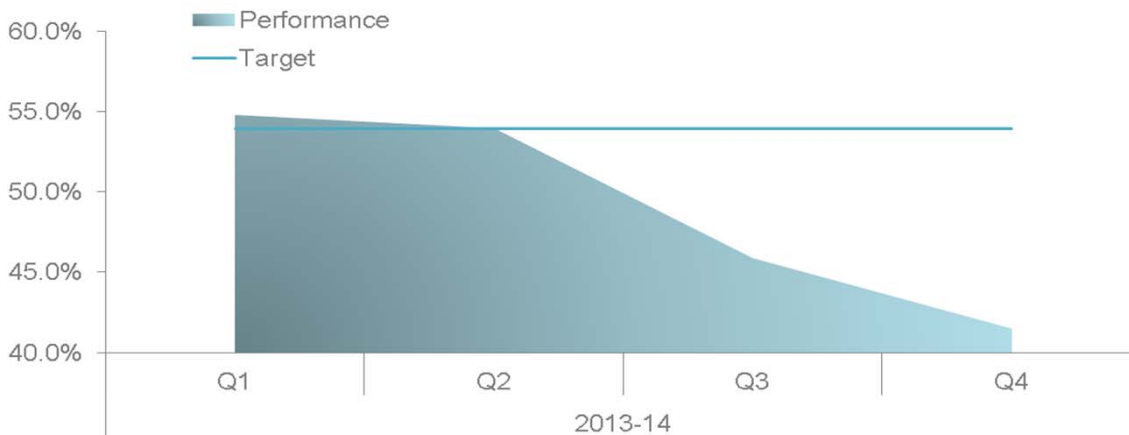
#### Household waste recycled



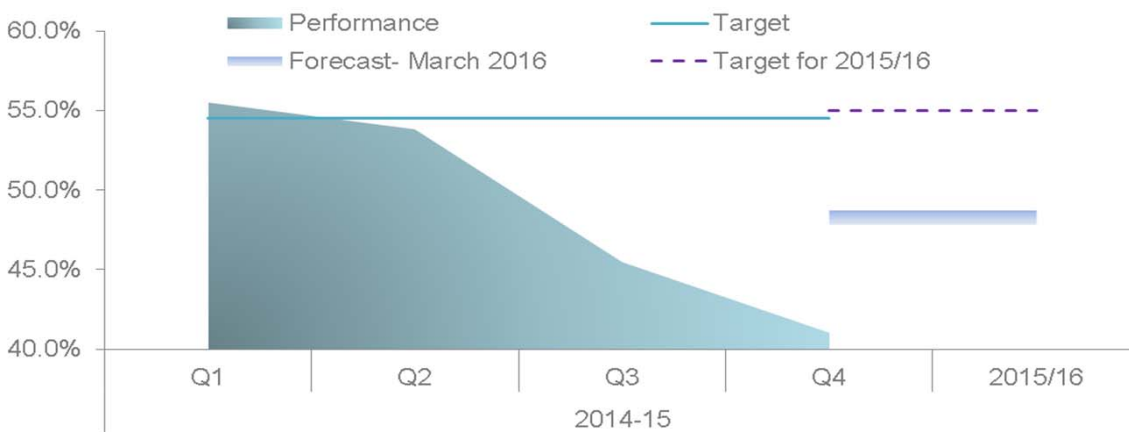
This is an estimate until final figures have been verified by the Department for Environment, Food and Rural Affairs (due in February).

We have received less waste for composting than in 2014. Also, we continue to see a higher level of recyclables rejected as contamination than last year due to a change in the legislation introducing a more stringent sampling regime than in the past. The Joint Municipal Waste Management Strategy (2008) with the district councils set a target to achieve 55% recycling and composting by 2015. Work is being carried out to review the opportunities for a shared waste service and this work has been prioritised ahead of any work on a waste strategy and so the target of 55% will remain for 2015/2016 with a forecast to achieve 48% by end March 2016 based solely on the external factors which are affecting this figure, such as legislation and District Council collection changes.

### Household Waste recycled



### Household Waste recycled



Measure Name	Household waste recycled								
	2013-14				2014-15				2015/2016
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	
<b>Performance</b>	54.8%	54.0%	45.9%	41.5%	55.5%	53.8%	45.5%	41.0%	
<b>Target</b>	53.9%	53.9%	53.9%	53.9%	54.5%	54.5%	54.5%	54.5%	55.0%
<b>Forecast (March 2016)</b>									48.3%

#### About the target

The Joint Municipal Waste Management Strategy (2008) set a target to achieve 55% recycling and composting by 2015. Quarterly targets reflect this but are seasonally-adjusted since most composting happens during April to September (Q1 and Q2).

#### About the target range

Given the number of separate figures which go into this calculation, a target range of +/- 0.5 percentage points allows for small fluctuations to remain on target.

#### About benchmarking

National data is available for each Local Authority. However, given the delay in finalising official figures, this is usually only available for the previous year, so needs to be treated with caution.

**Open Report on behalf of  
Pete Moore, Executive Director of Finance & Public Protection**

Report to:	<b>Value for Money Scrutiny Committee</b>
Date:	<b>24 November 2015</b>
Subject:	<b>Treasury Management Update 2015/16 - Mid Term Report to 30 September 2015</b>

**Summary:**

This report has been prepared in accordance with the reporting recommendations of the CIPFA Code of Practice 2011 and details the Council's treasury management activities for the first half of 2015/16 to 30 September 2015, comparing this activity to the Treasury Management Strategy for 2015/16, approved by the Executive Councillor for Finance on 23 March 2015. It will also detail any issues arising in treasury management during this period.

**Actions Required:**

That the report be noted and any comments to be passed onto the Executive Councillor with responsibilities for Finance.

## **1. Background**

### **1. Introduction and Background**

1.1. Treasury Management relates to the policies, strategies and processes associated with managing the cash and debt of the Council through appropriate borrowing and lending activity. It includes the effective control of the risks associated with the lending and borrowing activity and the pursuit of optimum performance consistent with the risks.

1.2. This Treasury Report will cover the following positions to 30<sup>th</sup> September 2015:

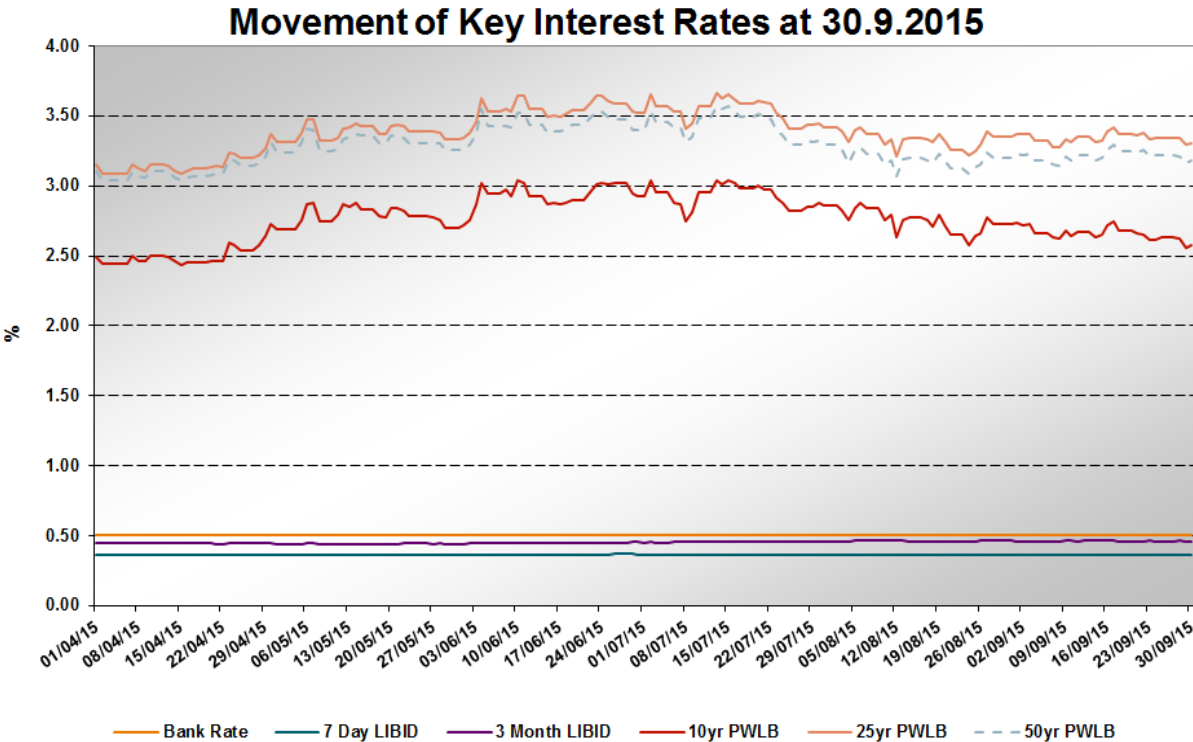
- Interest rate review, economic overview and revised interest rate forecast.
- Annual investment strategy/ authorised lending list changes during the quarter.
- Investment position and comparison with strategy.
- Borrowing & debt rescheduling position and comparison with strategy.

2. Interest Rate Review, Economic Overview and Revised Interest Rate Forecast to 30<sup>th</sup> September 2015

2.1. At the time of setting the Strategy in February 2015, the markets were forecasting short-term Bank Rate to increase to 0.75% from 0.50% in the last quarter of the financial year for the first time since 2008 in response to the low inflation strong growth environment in the UK.

2.2. Long term rates were forecast to rise over 2015/16 by around 0.50%, but remain extremely volatile and difficult to predict due to upside and downside external market influences.

2.3. The graph below shows the actual movement of both UK long term and short term interest rates over the first half of 2015/16.



2.4. The graph shows that short term rates have remained flat over the period as expected. Long term rates have risen by 0.40% in June 2015, returning to historic low levels again at the end of September 2015 due to market turbulence causing major volatility.



2.5. Economic Background - The quarter ended 30<sup>th</sup> September 2015 saw the following:

- UK GDP growth was strong in 2014 at 2.9%. Quarters 1 to 3 of 2015 were 0.4%, 0.7% and 0.5% respectively with a yearly forecast of 2.4% predicted. The Bank of England August Inflation Report included a forecast for growth to remain around 2.4% to 2.8% over the next three years, driven mainly by consumer demand;
- The August Bank of England Inflation Report forecast CPI to barely get back up to the 2% target within the 2-3 year time horizon. The fall in oil price and the Chinese economic downturn depressing commodity prices may lead to several more months of low inflation to come;
- With the low inflation environment it will be difficult for central banks in the UK and US to raise rates as soon as predicted;
- The Governments revised Budget in July eased the pace of cut backs from achieving a budget surplus in 2018/19 to achieving that in 2019/20;
- Weakening of US growth had delayed any increase in rates.
- The Eurozone QE programme has had a beneficial impact in improving confidence and sentiment. And growth has marginally increased. A third bailout package for Greece of €86bn has averted their exit for the meantime.
- Japan has been hit hard by the downturn in China with growth close to 0%. China is struggling to hit a growth target of 7% with a major fall in its stock market, leading to volatility in financial markets in August and September.

2.6. Capita Asset Services Ltd, the Councils treasury advisors, provided its forecast for interest rates on 11 August 2015, following the Bank of England's (BoE's) Quarterly Inflation Report, as follows:

	Dec-15	Mar-16	Jun-16	Sep-16	Dec-16	Mar-17	Jun-17	Sep-17	Dec-17	Mar-18	Jun-18
Bank rate	0.50%	0.50%	0.75%	0.75%	1.00%	1.00%	1.25%	1.50%	1.50%	1.75%	1.75%
5yr PwLB rate	2.40%	2.50%	2.60%	2.80%	2.90%	3.00%	3.10%	3.20%	3.30%	3.40%	3.50%
10yr PwLB rate	3.00%	3.20%	3.30%	3.40%	3.50%	3.70%	3.80%	3.90%	4.00%	4.10%	4.20%
25yr PwLB rate	3.60%	3.80%	3.90%	4.00%	4.10%	4.20%	4.30%	4.40%	4.50%	4.60%	4.60%
50yr PwLB rate	3.60%	3.80%	3.90%	4.00%	4.10%	4.20%	4.30%	4.40%	4.50%	4.60%	4.60%

The forecast shows that the first increase in Bank Rate has been pushed forward to June 2016 from March 2016 and the forecasted increase in longer term PWLB rates interest rate have been pegged back by around 0.20%. Capita have also revised their target levels for new borrowing to 2.30% (5 year), 2.90% (10 year) and 3.40% (25y to 50yr), from 2.20%, 2.80% and 3.40% respectively, as recorded in the Strategy in March 2015.

Capita stress that caution must be exercised in respect of all interest rate forecasts at the current time with risks of upward and downward movement evenly balanced. Some of these risks are detailed below:

#### Downside Risks: (Rates Falling)

- Geopolitical risks in Eastern Europe, the Middle East and Asia, increasing safe haven flows.
- UK economic growth is weaker than is anticipated.
- Weak growth or recession in the UK's main trading partners –the EU, US and China.
- A resurgence of the Eurozone sovereign debt crisis.
- Recapitalisation of European banks requiring more government financial support.
- Emerging country economies, currencies and corporates destabilised by falling commodity prices and/ or the start of the US rate increases, causing a flight to safe havens.

#### Upside Risks: (Rates Increasing)

- Uncertainty around the risk of a UK exit from the EU.
- The ECB severely disappointing financial markets with a programme of asset purchases (QE), which proves insufficient to significantly stimulate growth in the Eurozone.
- The commencement by the US Federal Reserve of increases in the Fed. Funds rate in 2015, causing a fundamental reassessment by investors of the relative risks of holding bonds as opposed to equities and leading to a major flight from bonds to equities.
- UK inflation returning to significantly higher levels than in the wider EU and US, causing an increase in the inflation premium inherent to gilt yields.

### 3. Annual Investment Strategy/ Authorised Lending List Changes to 30<sup>th</sup> September 2015

3.1. The Council's Annual Investment Strategy was approved, along with the Treasury Strategy, by the Executive Councillor for Finance on 23<sup>rd</sup> March 2015 after being scrutinised by this Committee. This outlines the Council's investment priorities as the security of capital and the liquidity of investments, with the aim to achieve the optimum return on investments commensurate with proper levels of security and liquidity.

3.2. As such investments are only placed with highly credit rated financial institutions, using Capita's suggested creditworthiness approach, including

Sovereign Credit Ratings and Credit Default Swap overlay information provided by Capita. In addition to Capita's credit methodology, the Council also maintains a minimum A+ Long Term Rating (Fitch) and AAA Sovereign Rating, (two out of three agencies), minimum limit for all its Counterparties, excluding the UK and part-nationalised UK banks. Appendix A shows the Council's existing Authorised Lending List based on this creditworthiness approach together with a key explaining the credit rating scores.

3.3. Capita's credit methodology concentrates solely on Short Term and Long Term ratings and is in line with the Credit Rating Agencies, who have removed the uplift in ratings they give to institutions from implied levels of sovereign support, which they feel will no longer be there going forward.

3.4. As part of the Annual Investment Strategy for 2015/16, the minimum Long Term Rating requirement was reduced to A+ from AA- to mitigate the expected reduction in credit ratings of institutions by Rating Agencies in 2015 as a result of the banking legislation leading to the sovereign support withdrawal.

3.5. The table below details changes to the Authorised Lending List during the quarter up to 30<sup>th</sup> September 2015.

<b>Counterparty</b>	<b>Action</b>	<b>Reason</b>
Standard Chartered Bank (UK)	Reduction in Maturity Limit from 364 Day to 6 Months.	Increase in CDS price.
Bank of New York (International) Mellon Ltd (UK)	Removal from List.	Inactive in Market.
Landwirtschaftliche Rentenbank (Germany)	Removal from List.	Inactive in Market.
NRW Bank (Germany)	Removal from List.	Inactive in Market.
Clearstream Banking (Luxemberg)	Removal from List.	Inactive in Market.
Nederlandse Waterschapsbank (Netherlands)	Removal from List.	Inactive in Market.
DnB Bank (Norwegian)	Removal from List.	Inactive in Market.
Northern Trust Company (USA)	Removal from List.	Inactive in Market.
State Street and Trust Company (USA)	Removal from List.	Inactive in Market.

3.6. Lloyds Banking Group were removed from the Lending List in May 2015 following its loss of Part-Nationalised status after the Government brought down its holding to less than 20%. At 30<sup>th</sup> September 2015 the Council had £40m invested in the Lloyds Group, with Bank of Scotland, which will mature by March 2016. There is no concern over the non-repayment of this sum.

3.7. A full list of the investments held at 30<sup>th</sup> September 2015, compared to Capita's creditworthiness list, and changes to credit rating of counterparties during September 2015 are shown in Appendix B

4. Investment Position to 30<sup>th</sup> September 2015 – Comparison With Strategy

4.1. The Council's investment position and cumulative annualised return at 30<sup>th</sup> September 2015 are detailed in the table below:

<b>Investment Position At 30.09.15</b>	<b>Return (Annualised %)</b>	<b>Weighted Benchmark (Annualised %)</b>	<b>Outperformance</b>
<b>£256.692m</b>	<b>0.70%</b>	<b>0.43%</b>	<b>0.27%</b>

4.2. The investment balance is made up of general and earmarked reserves, Pension Fund cash, borrowing and other income received but not yet used/spent and general movement in debtor and creditor amounts.

4.3. In line with the strategy, investments during the quarter have been made in all periods of 6 months to 1 year to lock into rates above base rate level, and extensive use of bank call accounts and money market funds have been made that offer returns ranging from 0.40% to 0.67%. Several investments greater than 6 months have been made during the quarter to take advantage of the enhanced yields offered, including the purchase of two Bonds with Nordea Bank and Svenska Bank. The investment portfolio weighted average maturity (WAM) was 104 days at 30<sup>th</sup> September 2015 from 139 days at 30<sup>th</sup> June 2015. (Highlighted in Appendix B). The outperformance of the benchmark over the period is a reflection of this strategy.

4.4. The benchmark target return used is a weighted benchmark that uses both the 7 day LIBID and 3 month LIBID market rates, weighted, to better reflect the maturity of the investments made and therefore the risk parameters of the investment portfolio. Being a market rate, this benchmark moves relative to market movements and is therefore the target rate used for investments.

4.5. The investment performance was also benchmarked against the Capita quarterly benchmark analysis, comprising a mixture of 8 other authorities in the East Midlands area and 15 English Counties. The results of this benchmarking for the 2<sup>nd</sup> quarter are detailed below, which shows that the Council's return was slightly above that of the comparators, achieved by having a longer WAM. The Council's return is also above Capita's suggested risk banding achievable for the level of risk being taken on its investments.

<b>Capita Benchmarking – Position at 30/9/2015</b>			
	<b>LCC</b>	<b>Benchmark Group(8)</b>	<b>English Counties (13)</b>
<b>30 September Return %</b>	0.73%	0.65%	0.67%
<b>Risk Banding</b>	0.63% -0.73%	0.60% - 0.69%	0.62% -0.71%
<b>WAM (days)</b>	104	74	74

#### 5. Borrowing & Debt Rescheduling Position to 30<sup>th</sup> September 2015 – Comparison with Strategy

5.1. The Council's external borrowing position at 30<sup>th</sup> September 2015 is detailed in the table below and shows no borrowing has been undertaken to date and the cost of the Council's debt is 4.148%.

<b>Borrowing Position at 30.9.2015</b>	<b>Maturing Debt £m</b>	<b>Debt To Fund CapEX £m</b>	<b>Total £m</b>	<b>% Cost</b>
Balance at 1.4.2015	0.0	461.453	461.453	4.147%
New Borrowing to 30.9.2015	0.0	0.0	0.0	
Borrowing Repaid to 30.9.2015	(5.000)	(0.677)	(5.677)	
<b>Debt Rescheduling to 30.9.2015</b>				
-Borrowing Repaid	0.0	0.0	0.0	
-Borrowing Replaced	0.0	0.0	0.0	
<b>Balance at 30.9.2015</b>	<b>(5.000)</b>	<b>460.776</b>	<b>455.776</b>	<b>4.148%</b>
Projected Further Borrowing Required in 2015/16 (net of internal borrowing CF)	0.0	68.421	68.421	
Projected Further Borrowing Repayments – Actual	(5.000)	(0.677)	(5.677)	
- Voluntary	(0.0)	(9.155)	(9.155)	
<b>Projected Borrowing Position at 31.03.2016</b>	<b>(10.000)</b>	<b>519.365</b>	<b>509.365</b>	
Authorised Limit For External Debt 2015/16			592.052	

- 5.2. The Strategy for 2015/16 stated that new borrowing would be undertaken in all periods with the aim of achieving an even spread of maturity profile and keeping an increase in the average cost of the Council's debt to a minimum. Borrowing would be undertaken at a time appropriate to coincide with an identified dip in borrowing rates available.
- 5.3. Minimum Revenue Provision (MRP) is the amount set aside by the Council to repay debt, required by regulation set in 2008. The Council's policy is to repay external debt at this MRP level. The Council calculate MRP by dividing its outstanding borrowing by the average life of those assets which have been financed by borrowing. Revision of certain asset lives under this policy has recently been undertaken resulting in the reduction in MRP for 2015/16 and hence a reduction in the voluntary debt repayment figure for the year (£9.155m from £10.433m).
- 5.4. Internal borrowing is using internal balances instead of taking external borrowing to finance the capital programme. This strategy reduces interest rate risk (the risk of unexpected adverse changes in interest rate) and credit risk (the risk of default by counterparties to whom investments are held as investment exposure falls) and also provides a net saving in interest costs in the short term, provided that Council balances are sufficiently available to maintain this strategy. The balance of internal borrowing stood at £84.556m at 31<sup>st</sup> March 2015. A further £18.312m of internal borrowing will be made in 2015/16 to cover the 2014/15 carry forward of capital expenditure. Scope for further internal borrowing after this will be assessed throughout the year against current levels of cash.
- 5.5. Total LOBO debt the Council has secured now stands at £30m, well within the limit set in the strategy of 10% of total external debt (equating to £51m). A limit is set on this type of borrowing to limit the amount of variability within the debt portfolio of debt repayment. The average cost of the Council's LOBO debt is 3.99%.
- 5.6. No debt rescheduling activity of existing debt has taken place to 30<sup>th</sup> September 2015, due to all existing borrowing loans being in premium position. (Meaning that the coupon rate of existing debt is higher than the current market rate for equivalent outstanding periods and so a premium would be incurred to repay this debt back early).
- 5.7. Temporary borrowing totalling £19m has been taken during the quarter at an average cost of 0.41% to cover a shortfall in liquidity forecast from December 2015 through to March 2016. In terms of interest this is cost neutral, as surplus funds generated have been invested in Money Market Funds earning on average 0.45%. This is in line with strategy and is an alternative to drawing on higher yielding Notice Accounts when needed. All temporary borrowing taken matures before 31<sup>st</sup> March 2016.

5.8. Full Council, at its meeting on 20<sup>th</sup> February 2015, approved the Council's Prudential Indicators for 2015/16, set as a requirement of the Prudential Code to ensure the Council's capital financing, in particular its long term borrowing, is prudent, affordable and sustainable. It can be confirmed that no Prudential Indicator limits have been breached in the first half of 2015/16 to 30<sup>th</sup> September 2015.

## 2. Conclusion

Short term Interest rates have remained flat over the period but long term rates have been volatile rising by 0.40% then dropping back again to historically low starting levels. Weakness in growth and inflation have lowered and pushed forward expected increases in rates during 2015/16. The Council's investment return is outperforming the market benchmark by 0.27% and also the Capita benchmarking comparators. The WAM of the investment portfolio has dropped to 104 days but remains above that of its comparators. No external borrowing has been taken to date and hence the cost of the Council's borrowing is still 4.138%. Temporary borrowing of £19m has been undertaken to cover predicted liquidity issues later on in the year.

## 3. Consultation

### a) Policy Proofing Actions Required

As the contents of this report are factual and the activities being reported on have taken place within existing policies, policy proofing has not been necessary.

## 4. Appendices

These are listed below and attached at the back of the report	
Appendix A	Authorised Lending List and Credit Rating Key
Appendix B	Investment Analysis Review at September 2015 - Capita Asset Services Ltd

## 5. 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
Treasury Management Strategy Statement and Annual Investment Strategy 2015/16 23/3/2015	Lincolnshire County Council, Finance and Public Protection
Council Budget 2015/16 and Capital Programme Change	Lincolnshire County Council, Finance & Public Protection

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## LINCOLNSHIRE COUNTY COUNCIL LENDING OF TEMPORARY SURPLUSES

Country		Lending Limit £m	Maturity Limit	# Watch/ Outlook Adjusted	FITCH IBCA Credit Rating		For Tre: CDS Overlay	
					Long Term	Sovereign		
	<b>1 Other Local Authorities</b>	20 each	24 Months					
	<b>2 Debt Management Account Deposit Facility</b>	50	6 Month					
	<b>3 UK Banks :</b>							
	<b># HSBC Group</b>	<b>20</b>	<b>364 Day</b>					
UK	HSBC Bank Plc	20	364 Day	364 Day	SB	AA-	AA+	364 Day
	HSBC Evergreen Notice Account	20	364 Day					
	<b># RBS Group - Part Nationalised</b>	<b>40</b>	<b>364 Day</b>					
UK	National Westminster Plc	40	364 Day		NO	A	AA+	
	Natwest Instant Access Liquidity Account	40	364 Day					
	Natwest 90 Access - Liquidity Account	40	364 Day					
UK	Royal Bank of Scotland Plc	40	364 Day		NO	A	AA+	
UK	Standard Chartered Bank	20	364 Day	364 Day	NO	AA-	AA+	6 Months
	<b>4 Other Banks</b>							
AUS	Australia & New Zealand Banking Group	20	364 Day	364 Day	SB	AA-	AAA	364 Day
AUS	Commonwealth Bank of Australia	20	364 Day	364 Day	SB	AA-	AAA	364 Day
AUS	National Australia Bank	20	364 Day	364 Day	SB	AA-	AAA	364 Day
AUS	Westpac Banking Corporation	20	364 Day	364 Day	SB	AA-	AAA	364 Day
CAN	Bank of Montreal	20	364 Day	364 Day	SB	AA-	AAA	364 Day
CAN	Bank of Nova Scotia	20	364 Day	364 Day	SB	AA-	AAA	364 Day
CAN	Canadian Imperial Bank Commerce	20	364 Day	364 Day	SB	AA-	AAA	364 Day
CAN	Royal Bank of Canada	20	364 Day	364 Day	SB	AA	AAA	364 Day
CAN	Toronto Dominion Bank	20	364 Day	364 Day	SB	AA-	AAA	364 Day
	<b># Nordea Group</b>	<b>20</b>	<b>364 Day</b>					
FIN	Nordea Bank Finland	20	364 Day	364 Day	SB	AA-	AAA	364 Day
SWE	Nordea Bank AB	20	364 Day	364 Day	SB	AA-	AAA	364 Day
FIN	Pohjola Bank	20	364 Day	364 Day	SB	A+	AAA	364 Day
GER	DZ Bank AG	20	364 Day	364 Day	SB	AA-	AAA	364 Day
GER	Landwirtschaftliche Rentenbank	25	24 Months	24 Months	SB	AAA	AAA	24 Months
GER	NRW Bank	25	24 Months	24 Months	SB	AAA	AAA	24 Months
NETH	Bank Nederlande Gemeenten	25	24 Months	24 Months	SB	AA+	AAA	24 Months
NETH	Cooperative Centrale Raiffeisen Boerenleenbank BA (Rabobank)	20	364 Day	364 Day	SB	AA-	AAA	364 Day
NETH	Nederlandse Waterschapsbank	25	24 Months	24 Months	SB	AA+	AAA	24 Months
SING	DBS Bank Ltd	20	364 Day	364 Day	SB	AA-	AAA	364 Day
SING	Oversea Chinese Banking Corporation Ltd	20	364 Day	364 Day	SB	AA-	AAA	364 Day
SING	United Overseas Bank	20	364 Day	364 Day	SB	AA-	AAA	364 Day
SWE	Skandinaviska Enskilda Banken AB	20	364 Day	364 Day	FO	A+	AAA	364 Day
SWE	Swedbank AB	20	364 Day	364 Day	FO	A+	AAA	364 Day
	<b># Svenska Group</b>	<b>20</b>	<b>364 Day</b>					
SWE	Svenska Handelsbanken	20	364 Day	364 Day	SB	AA-	AAA	364 Day
	Svenska Handelsbanken - 35 Day Notice Account	20	364 Day	364 Day				364 Day
	Svenska Handelsbanken- 10 Day Notice Account	20	364 Day	364 Day				364 Day
	Svenska Handelsbanken- Call Account	20	364 Day	364 Day				364 Day
USA	Bank of New York Mellon	25	24 Months	24 Months	SB	AA	AAA	24 Months
USA	JP Morgan Chase Bank	20	364 Day	364 Day	SB	AA-	AAA	364 Day
	<b>5 AAA Money Market Funds</b>							
	<b># MMF Group</b>	<b>100</b>	<b>24 Months</b>					
	HSBC Global Liquidity Fund	20	24 Months			AAA		
	SWIP Global Liquidity Fund	20	24 Months			AAA		
	Morgan Stanley Sterling Liquidity Fund	20	24 Months			AAA		
	Deutsche Managed Sterling Fund	20	24 Months			AAA		
	Insight GBP Liquidity Fund	20	24 Months			AAA		
	IGNIS Liquidity Fund	20	24 Months			AAA		
	<b># Group Limit of applies where indicated.</b>							
	<b>** A maximum of 20% of total funds to be held in the Building Society Sector.</b>							
	<b>** No more than 20% of total funds to be held in any one institution or group, excluding Govt/MMFs.</b>							
	<b>Any adverse press comments concerning borrowers/potential borrowers should be referred to D Forbes / J Ray / K Tonge / N Kay.</b>							
	Revised: 13th July 2015							

## **Definition of Credit Ratings and Credit Default Swap Spreads**

### Credit Ratings:

#### Long Term Rating (Fitch)

The Long Term rating assesses the borrowing characteristics of banks and the capacity for the timely repayment of debt obligations which apply to instruments of up to 5 years duration.

**Long Term Ratings range from AAA, AA, A to DDD, DD, D.** Only Institutions with Ratings of A+ and above are acceptable on the Councils Lending List as follows:

**AAA - Highest Credit Quality** - lowest expectation of credit risk. Exceptionally strong capacity for timely payment of financial commitments. Highly unlikely to be adversely affected by foreseeable events.

**AA - Very High Credit Quality** - Very low expectation of credit risk. Very strong capacity for timely payment of financial commitments. Not significantly vulnerable to foreseeable events.

**A - High Credit Quality** - Low expectation of credit risk. Strong capacity for timely payment of financial commitments. More vulnerable to adverse business or economic conditions.

*“+” Or “-” may be appended to a rating to denote relative status within major rating categories.*

#### Sovereign Ratings (Fitch)

The Sovereign (Governments of Countries) Rating measures a sovereign's capacity and willingness to honour its existing and future obligations in full or on time. It looks at factors such as:

- Macroeconomic performance and prospects;
- Structural features of the economy that render it more or less vulnerable to shocks as well as political risk and governance factors;
- Public finances, including the structure and sustainability of public debt as well as fiscal financing;
- The soundness of the financial sector and banking system, in particular with respect to macroeconomic stability and contingent liability for the sovereign; and
- External finances, with a particular focus on the sustainability of international trade balances, current account funding and capital flows, as well as the level and structure of external debt (public and private).

**Sovereign Ratings range from AAA, AA, A to DDD, DD, D.** Only countries with a Sovereign Rating of AAA from a minimum two out of three Credit Rating Agencies are acceptable on the Councils Lending List.

## Credit Rating Watches and Outlooks issued by Credit Rating Agencies

**Rating Watches** -indicate that there is a heightened probability of a rating change in the short term either in a positive or negative direction. A Rating Watch is typically event-driven and, as such, it is generally resolved over a relatively short period.

**Rating Outlooks** -indicate the direction a rating is likely to move over a one- to two-year period reflecting a position not yet reached but if trends continue will do so hence triggering a rating move.

## Money Market Fund Rating (Moody's)

Aaa/MR1+ - this rating denotes the lowest expectation of default risk. It is assigned only in cases of exceptionally strong capacity for payment of financial commitments. This capacity is highly unlikely to be adversely affected by foreseeable events. Funds rated MR1+ are considered to have the lowest market risk.

## Credit Default Swap (CDS) Spreads

A CDS is effectively a contract between two counterparties to 'insure' against default. The higher the CDS price of a counterparty, the higher the supposed risk of default. The CDS level therefore provides a perceived current market sentiment regarding the credit quality of a counterparty and generally the movement in the CDS market gives an early warning of the likely changes in credit ratings of a counterparty.

Capita has employed a benchmark system which compares the CDS spread of a counterparty against a pre-determined benchmark rate (iTraxx Senior Financial Index) to produce a CDS status overlay of 'In Range', 'Monitoring' or 'Out of Range' and this status is used to further determine the creditworthiness of the counterparty.

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Lincolnshire County Council  
Monthly Investment Analysis Review  
September 2015



Monthly Economic Summary

**General Economy**

After months of speculation, a highly awaited Federal Reserve (Fed) meeting led to no change in the base rate. The Fed cited “Recent global economic and financial developments” for why monetary policy was left unchanged.

The Monetary Policy Committee (MPC) voted 8-1 in favour of keeping rates unchanged at their historic low of 0.5% in its September meeting. The committee further stated that price pressures showed little change on the month and that higher levels of core inflation are compensated by dropping oil prices. In the past few months, the Governor of the central bank has hinted that a rate hike could be appropriate around the turn of the year, but market expectations have now shifted to next summer. The Governor has, however, said that he believes China's problems do not appear to have yet had a detrimental effect on the UK.

British inflation stumbled to 0% again as a result of the biggest drop in oil prices since the beginning of the year. Another factor contributing to lower inflation is a slower seasonal increase in prices of clothing than in 2014. Inflation remaining stubbornly below the Bank of England’s 2% target is likely to keep the Bank’s outlook dovish. The final reading of UK Q2 GDP saw economic growth revised down to 2.4%, year on year. UK public finances for August added more gloom as it recorded the widest budget deficit since 2012. Public Sector Net Borrowing rose to £12.1bn in August from £10.7bn, well above economists’ forecasts. The unemployment rate in the UK remained stable at 5.5% in the three months to July, a record low since before the financial crisis. In addition, average weekly earnings displayed a 2.9% rise in the 3 months to July, both excluding and including bonuses. Furthermore, private sector pay grew even faster, rising by 3.7%.

The European Central Bank (ECB) left its rate unchanged at 0.05%, as expected. The central bank downgraded its inflation forecasts and ECB President Mario Draghi stated the bank is prepared to increase its €1.1tn bond buying programme. The 19-nation bloc experienced deflation for the first time in 6 months as annual inflation fell to -0.1% in September predominantly driven by a decline in energy prices. This reinforced the argument for the ECB to expand its asset purchasing programme. On a more positive note, the second reading of Q2 Eurozone GDP was revised up to 0.4% quarter-on-quarter from its previous estimate of 0.3%. Year-on-year, the Eurozone expanded by 1.5%. The revision was mainly due to Italy’s economy performing better than expected, as well as Germany and France reporting stronger growth figures. Eurozone unemployment was announced at 11% for August, with the July figure being revised upwards also to 11% from a previously reported 10.9%.

The August Non-farm payrolls data release showed the US economy created 173,000 jobs, far less than the expected figure of 220,000. The manufacturing sector lost the most jobs in more than two years and the August figure showed the lowest increase in five months. The unemployment rate, however, fell to 5.1%, the lowest in nearly 10 years. US Q2 GDP was revised up to 3.9% from the 3.7% previously reported. The rise was mainly attributed to growth in consumer spending, particularly on healthcare and transport.

A widely anticipated Federal Reserve meeting, which some analysts believed would finally result in a rate hike, was of little excitement as the Fed maintained the status quo. Although the forecasts for the current year were upbeat with GDP and inflation forecasts both revised up and unemployment revised down, global economic weakness was the main reason to keep rates steady. Particularly, China’s economic slowdown was viewed as a great cause for concern. However, the Fed is still open to the possibility of a rate rise later this year with 13 out of the 17 Fed policymakers predicting a rate rise later this year.

**Forecast**

Capita Asset Services did not alter its forecast this month. Capita Asset Services expects the first rate hike to come in the second quarter of 2016. Capital Economics left their forecast unchanged in September. They expect the first Bank Rate increase

Bank Rate	Dec-15	Mar-16	Jun-16	Sep-16	Dec-16
Capita Asset Services	0.50%	0.50%	0.75%	0.75%	1.00%
Capital Economics	0.50%	0.50%	0.75%	0.75%	1.00%

# Lincolnshire County Council

## Current Investment List

Borrower	Principal (£)	Interest Rate	Start Date	Maturity Date	Lowest Long Term Rating	Historic Risk of
MMF Deutsche	20,000,000	0.49%		MMF	AAA	0.000%
MMF Aberdeen	12,074,000	0.45%		MMF	AAA	0.000%
MMF Standard Life	17,675,000	0.49%		MMF	AAA	0.000%
United Overseas Bank Ltd	5,135,000	0.58%	10/04/2015	12/10/2015	AA-	0.000%
Bank of Scotland Plc	2,750,000	1.00%	27/10/2014	26/10/2015	A	0.004%
DBS Bank Ltd	5,000,000	0.57%	24/04/2015	26/10/2015	AA-	0.000%
Standard Chartered Bank	5,000,000	0.71%	29/04/2015	29/10/2015	A+	0.005%
HSBC Bank Plc	10,000,000	0.61%		Call30	AA-	0.001%
DZ Bank AG (Deutsche Zentral-Genossenschaftsbank)	6,000,000	0.61%	30/04/2015	30/10/2015	AA-	0.001%
The Royal Bank of Scotland Plc	2,825,000	0.92%	05/11/2014	04/11/2015	BBB+	0.014%
DBS Bank Ltd	5,000,000	0.58%	05/05/2015	05/11/2015	AA-	0.001%
DBS Bank Ltd	5,000,000	0.58%	29/05/2015	30/11/2015	AA-	0.001%
DZ Bank AG (Deutsche Zentral-Genossenschaftsbank)	5,000,000	0.63%	29/05/2015	30/11/2015	AA-	0.001%
Standard Chartered Bank	5,000,000	0.71%	12/06/2015	11/12/2015	A+	0.012%
Nordea Bank AB	3,758,000	0.73%	16/07/2015	15/12/2015	AA-	0.001%
North Tyneside Metropolitan Borough Council	5,000,000	0.75%	24/12/2014	23/12/2015	AA+	0.002%
DBS Bank Ltd	5,000,000	0.61%	23/06/2015	23/12/2015	AA-	0.002%
HSBC Bank Plc	10,000,000	0.68%		Call90	AA-	0.002%
Bank of Scotland Plc	5,000,000	0.80%	09/04/2015	08/01/2016	A	0.017%
Standard Chartered Bank	5,000,000	0.80%	24/04/2015	25/01/2016	A+	0.020%
DZ Bank AG (Deutsche Zentral-Genossenschaftsbank)	5,000,000	0.66%	07/08/2015	08/02/2016	AA-	0.002%
Coöperatieve Centrale Raiffeisen Boerenleenbank	5,000,000	0.66%	07/08/2015	08/02/2016	A+	0.022%
Bank of Scotland Plc	10,000,000	1.00%	16/02/2015	15/02/2016	A	0.023%
Bank of Scotland Plc	10,000,000	1.00%	02/03/2015	29/02/2016	A	0.026%
Bank of Scotland Plc	7,250,000	1.00%	04/03/2015	02/03/2016	A	0.026%
Skandinaviska Enskilda Banken AB	6,000,000	0.71%	03/06/2015	03/03/2016	A+	0.026%
DZ Bank AG (Deutsche Zentral-Genossenschaftsbank)	4,000,000	0.69%	03/09/2015	03/03/2016	AA-	0.003%
Commonwealth Bank of Australia	5,000,000	0.65%	11/09/2015	11/03/2016	AA-	0.003%
Doncaster Metropolitan Borough Council	2,000,000	1.10%	13/03/2014	14/03/2016	AA+	0.003%
Bank of Scotland Plc	5,000,000	1.00%	23/03/2015	21/03/2016	A	0.029%
Skandinaviska Enskilda Banken AB	8,175,000	0.74%	03/07/2015	23/03/2016	A+	0.030%

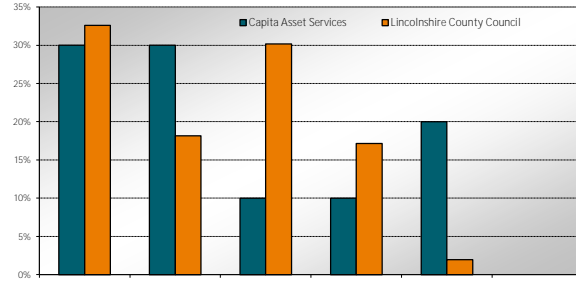
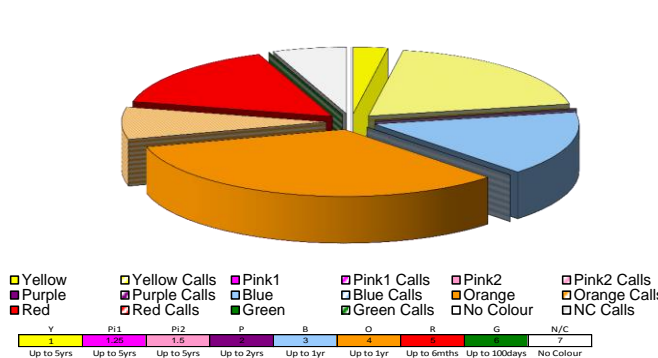
## Lincolnshire County Council

### Current Investment List

Borrower	Principal (£)	Interest Rate	Start Date	Maturity Date	Lowest Long Term Rating	Historic Risk of
The Royal Bank of Scotland Plc	10,000,000	0.91%	09/04/2015	07/04/2016	BBB+	0.078%
The Royal Bank of Scotland Plc	7,175,000	0.91%	15/04/2015	13/04/2016	BBB+	0.081%
Skandinaviska Enskilda Banken AB	5,825,000	0.80%	27/04/2015	25/04/2016	A+	0.035%
The Royal Bank of Scotland Plc	5,000,000	0.90%	14/05/2015	12/05/2016	BBB+	0.093%
Svenska Handelsbanken AB	6,050,000	0.99%	17/07/2015	26/05/2016	AA-	0.004%
The Royal Bank of Scotland Plc	10,000,000	0.93%	22/06/2015	20/06/2016	BBB+	0.109%
The Royal Bank of Scotland Plc	5,000,000	0.95%	03/07/2015	01/07/2016	BBB+	0.113%
<b>Total Investments</b>	<b>£256,692,000</b>	<b>0.73%</b>				<b>0.021%</b>



Portfolio Composition by Capita Asset Services' Suggested Lending Criteria



Portfolios weighted average risk number = **3.51**

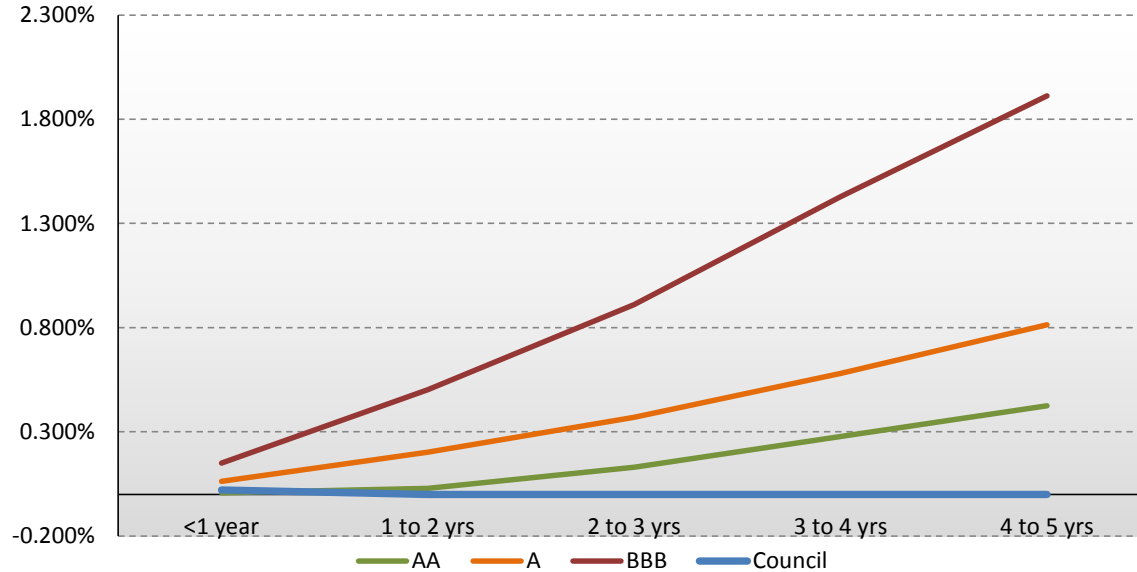
WARoR = Weighted Average Rate of Return

WAM = Weighted Average Time to Maturity

	% of Portfolio	Amount	% of Colour in Calls	Amount of Colour in Calls	% of Call in Portfolio	WARoR	WAM	WAM at Execution	WAM	WAM at Execution
									Excluding Calls/MMFs/EMMFs	
Yellow	22.11%	£56,749,000	87.66%	£49,749,000	19.38%	0.53%	13	58	107	469
Pink1	0.00%	£0	0.00%	£0	0.00%	0.00%	0	0	0	0
Pink2	0.00%	£0	0.00%	£0	0.00%	0.00%	0	0	0	0
Purple	0.00%	£0	0.00%	£0	0.00%	0.00%	0	0	0	0
Blue	15.58%	£40,000,000	0.00%	£0	0.00%	0.92%	214	364	214	364
Orange	40.88%	£104,943,000	19.06%	£20,000,000	7.79%	0.67%	103	188	113	218
Red	15.58%	£40,000,000	0.00%	£0	0.00%	0.98%	136	353	136	353
Green	0.00%	£0	0.00%	£0	0.00%	0.00%	0	0	0	0
No Colour	5.84%	£15,000,000	0.00%	£0	0.00%	0.74%	73	214	73	214
<b>Total</b>	<b>100.00%</b>	<b>£256,692,000</b>	<b>27.17%</b>	<b>£69,749,000</b>	<b>27.17%</b>	<b>0.73%</b>	<b>104</b>	<b>214</b>	<b>142</b>	<b>287</b>

Investment Risk and Rating Exposure

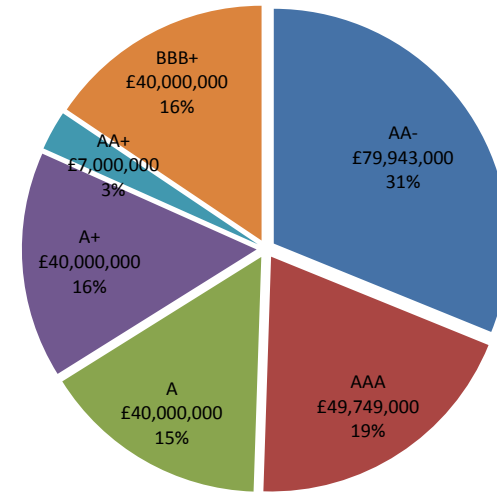
Investment Risk Vs. Rating Categories



Historic Risk of Default

Rating/Years	<1 year	1 to 2 yrs	2 to 3 yrs	3 to 4 yrs	4 to 5 yrs
AA	0.007%	0.029%	0.130%	0.278%	0.425%
A	0.062%	0.202%	0.370%	0.581%	0.813%
BBB	0.150%	0.502%	0.910%	1.428%	1.912%
Council	0.021%	0.000%	0.000%	0.000%	0.000%

Rating Exposure



Historic Risk of Default

This is a proxy for the average % risk for each investment based on over 30 years of data provided by Fitch, Moody's and S&P. It simply provides a calculation of the possibility of average default against the historical default rates, adjusted for the time period within each year according to the maturity of the investment.

Chart Relative Risk

This is the authority's risk weightings compared to the average % risk of default for "AA", "A" and "BBB" rated investments.

Rating Exposures

This pie chart provides a clear view of your investment exposures to particular ratings.

Monthly Credit Rating Changes  
FITCH

Date	Update Number	Institution	Country	Rating Action
02/09/2015	1382	Riyad Bank	Saudi Arabia	Changed the Outlook on the Long Term Rating of Riyad Bank to Negative from Stable. Affirmed its 'A' Long Term and 'F1' Short Term Ratings

Monthly Credit Rating Changes  
MOODY'S

Date	Update Number	Institution	Country	Rating Action
16/09/2015	1383	Skipton Building Society	United Kingdom	Affirmed the 'Baa2' Long Term and 'P-2' Short Term Ratings of Skipton Building Society. The Long Term Rating was removed from Positive Watch and placed on Stable Outlook.
17/09/2015	1384	Santander UK plc	United Kingdom	Affirmed the 'A1' Long Term and 'P-1' Short Term Ratings of Santander UK plc. The Long Term Rating was removed from Positive Watch and placed on Stable Outlook.
18/09/2015	1386	Abbey National Treasury Services	United Kingdom	Affirmed the 'A1' Long Term and 'P-1' Short Term Ratings of Abbey National Treasury Services plc. The Long Term Rating was removed from Positive Watch and placed on Stable Outlook.
21/09/2015	1387	France	France	Downgraded the Sovereign Rating to 'Aa2' from 'Aa1' and the Outlook was changed to Stable from Negative
24/09/2015	1388	Credit Industriel et Commercial	France	Downgraded the Long Term Rating to 'Aa3' from 'Aa2' while the Short Term Rating was affirmed. The Outlook on the Long Term Rating was changed to Stable from Negative.

Monthly Credit Rating Changes  
S&P

Date	Update Number	Institution	Country	Rating Action
17/09/2015	1385	Sumitomo Mitsui Banking Coporation Europe Ltd	United Kingdom	Downgraded the Long Term Rating to 'A' from 'A+' and changed the Outlook to Stable from Negative.
25/09/2015	1389	Finland	Finland	The Long Term Rating was affirmed at 'AA+' and the Outlook was changed to Negative from Stable.

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

Report to:	<b>Value for Money Scrutiny Committee</b>
Date:	<b>24 November 2015</b>
Subject:	<b>Corporate Health and Safety Annual Report 2014/15</b>

**Summary:**

One of the key roles of the Value for Money Scrutiny Committee is to review and scrutinise the performance plans for resource management, of which health and safety management is an integral part.

This report assists the committee in fulfilling that role, by providing an overview of the health and safety performance of the Council for the period April 2014 to March 2015.

**Actions Required:**

That the Committee note the performance for the past year and comment on any areas which it is felt officers should focus on over the coming year.

## **1. Background**

It is important that the health and safety performance of the Council is brought to the attention of scrutiny members. The Corporate Health & Safety Annual Report 2014/15, which can be found in Appendix A, serves this purpose.

The Annual Report, which has been written in collaboration with the management led Corporate Risk & Safety Steering Group, includes the following:

- Risks
- Performance for 2014/15
- Accident Statistics – Key Issues & Outcomes
- Plans and Targets for 2015/16

### **Role of the new corporate Health & Safety Team**

To provide advice, guidance and support to senior managers on the health & safety strategy implemented within the LCC. Support managers with operational health & safety services to provide assurance that we, our partners and contractors are compliant with all relevant health & safety law.

## **Key highlights of the report**

### **Performance**

- Successful TUPE transfer of the Mouchel Health & Safety Adviser over into our new internal team.
- First full year of implementation of the new PO3 - Accident/Incident reporting Systems and continuous development to tailor it to meet our needs.
- Better utilisation of the health & safety bulletin system with 24 bulletins being issued within this financial year helping to reduce the pull on resources having to deal with questions related to a specific subject.
- Development of a bespoke sling range to Lincolnshire, based on existing ordering patterns the potential saving is estimated at £7000 per quarter.
- The planned introduction of chest camera for schools crossing patrols following an increase in the number of "drive through" and verbal assaults on employees.
- The implementation of a corporate wide slips, trips and fall awareness campaign.

### **Accident statistics**

- The total number of reported accident and injuries for both employees and non-employees reduced by a quarter.
- A significant reduction in the number of reported work related injuries resulting in 3 or more days from work.
- A 50% reduction in the number of slips, trips and falls injuries resulted in time off work.
- No fatalities or reportable diseases or dangerous occurrences.

## **2. Conclusion**

Overall, during the period being reported, the council continued to proactively manage its health and safety risks.

The Committee should note and gain comfort from the successes highlighted within the report.

## **3. Consultation**

### **a) Policy Proofing Actions Required**

N/A

## **4. Appendices**



These are listed below and attached at the back of the report	
Appendix A	Corporate Health & Safety Annual Report 2014/15

## **5. 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 Fraser Shooter, who can be contacted on 01522 554917 or [fraser.shooter@lincolnshire.gov.uk](mailto:fraser.shooter@lincolnshire.gov.uk) .

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# Corporate Health and Safety Annual Report 2014-15

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## 1. Introduction

- 1.1 Welcome to our Corporate Health and Safety Annual Report for 2014-15. In this report we highlight the key achievements and progress made during the period 1<sup>st</sup> April 2014 to 31<sup>st</sup> March 2015. The aim is to provide the public of Lincolnshire, and others interested in Health and Safety, with information on what we are doing to protect our employees, volunteers, contractors, clients, service users, pupils and members of the public.
- 1.2 Health and Safety in the Council is part of the overall Risk Management Strategy, which aims to identify and manage risks to the Council and to its services to the public. Health and Safety focuses on the risks of injury and ill health that can arise from the wide range of activities necessary to deliver services to the people of Lincolnshire.
- 1.3 We are committed to managing our risks in a balanced and proportionate way that supports the delivery of services in Lincolnshire. Our approach of "*Risk aware, not risk averse*" allows us to protect people without stopping them from enjoying their lives.

## 2. Risks

- 2.1 An organisation such as LCC with a broad range of activities needs to manage an equally wide variety of risks. The following list represents some of the most common risks encountered across the council:

- Lone working
- Violence and aggression
- Musculoskeletal injuries
- Slips and falls
- Transport and road risk
- Work-related ill health, including work-related stress

- 2.2 To ensure that risks are identified and managed proportionately, we have developed risk-assessment procedures for use by managers and staff.

Our approach to managing risk is concerned not only with protecting our staff, but also other parties who may be affected by - or who assist us directly in delivering - our activities, e.g. pupils, members of the public, volunteers and contractors.

Examples of some of the ways in which we manage and monitor our risks to 'others' include:

- Through our high standards of volunteer management - including comprehensive guidance, training and support for our volunteers to help keep them safe in their activities;
- Robust and active monitoring of standards for Health and Safety within our Lincolnshire County Council Highways Alliance;
- The Schools' Health and Safety Self-Assessment Programme that allows us to actively monitor Health and Safety standards within our schools.

- Joint working with our health, education and ambulance partners to ensure an integrated approach to the management of moving and handling risks to people, including vulnerable adults, children and their carers;
- A planned programme of inspections of construction projects that are being undertaken on behalf of the Council;
- Sharing of best practice with partners and other interested parties – e.g. all of our corporate Health and Safety policies, guidance and model risk assessments are freely downloadable from the Council's website.

**2.3** This was the final year of Mouchel providing operational Health and Safety support as a result of the existing support services contract terminating in March 2015. Although they continue to undertake their planned auditing and inspection work of Council services, one of the main priorities was to work together within this final year to ensure a smooth transition of staff and the services delivery during the TUPE process.

## **Performance for 2014-2015**

**3.1** We are pleased to report that the Council continues to maintain good standards for Health and Safety. Our Health and Safety resources focus on and support areas of greatest need, and review and improve existing systems to achieve ever-greater efficiency. During this year:

- We have had no serious health and safety incidents (i.e. no fatalities, improvement or prohibition orders).
- We introduced the Trip, Slip and Fall Campaign with regular internal communications, messages and posters promoting it throughout the year. Looking at the accident statistics, the number of serious injuries to employees resulting in absence from work has reduced, as have the general number of these types of reported injuries for both employees and non-employees.
- We have fully implemented the new on-line PO3 accident reporting system and closed down the old system, prior to the Future Delivery of Support Services (FDSS) transfer. We are continuing to work with service areas to tailor the system to suit their needs.
- We have developed a process for producing and issuing 24 Health and Safety bulletins covering various subjects, i.e. gas safety, hoist safety, legionella updates and myth-busting.
- We reduced the number of contracted Mouchel Health and Safety days for 2014-15 from 1,202 to 1,002. This was due partly to staff leaving and partly to the impact on recruitment as a result of restrictions placed upon us by the FDSS process, and the transferring of Mouchel staff over to LCC.

Our main achievements against our work plan / priorities are detailed in section 3.3.

**3.2** Following the decision to TUPE the Mouchel Health and Safety team back to LCC as of April 1<sup>st</sup> 2015 a great deal of work has been undertaken to ensure as seamless a transition as possible. Work undertaken to achieve this included:

- Regular meetings with all representatives from both sides to ensure key targets were clearly identified, that milestones for achieving these targets were being met and that any problems were identified early, with appropriate action taken.
- Several workshops were held with Directorate Health and Safety leads, focusing on possible delivery models and options available for a newly-formed internal Health and Safety team.
- A meet-and-greet event was held between those staff transferring over and the existing Corporate Audit and Risk Management (CARM) teams.
- Quarter-year Directorate Health and Safety work plan templates were produced, identifying key tasks to ensure continuity of service provision during the transition period, and the planned restructure of the team from the June 2015 consultation start to the Oct 2015 implementation of the new structure.

### **3.3 Main Achievements**

Last year we set ourselves a number of key priorities for 2014-15. Our achievements towards each of those targets can be seen as follows:

#### **Strategic Safety**

##### **3.3.1 What we said**

- We would fully implement the new PO3 on-line accident reporting system, closing down the old system and archiving relevant historic data.

##### **What we have achieved**

- *Access to the old system for employees to record incidents was closed down and replaced with links to the new system. Administration access to the old system remains, for monitoring and evaluation purposes.*
- *We have continuously adapted the PO3 front-facing on-line form based on feedback from the service areas to ensure more accurate recording of incident/accident data. This period of review and evolution will continue for the foreseeable future.*
- *We now have the ability to report on specific accident or injury types, and to clearly identify trends and patterns more accurately, in a fraction of the time it took using the old PO3 system.*
- *We continue to work with the developer to improve the system and have been working on a new access portal to allow managers to have direct access to all incident records that relate to their service area. Although still*

*in the final development stages, once completed this will allow managers to have an oversight of their incident records and to identify local trends and patterns, allowing them to target Health and Safety resources to key areas.*

### **The impact/outcomes**

- **Identifies the key safety-critical and higher-risk incidents/accidents at both a corporate level and within the specific service areas.**
- **Enables us to better target the Health and Safety resources on the safety-critical issues and risks identified through the PO3 system.**
- **Has enabled us to identify potential improvements to our current RIDDOR reporting and recording procedure.**

### **3.3.2 What we said**

- Ensuring systems and procedures are developed and implemented for the transfer of the Mouchel Health and Safety team over to the Council, causing minimal disruption to the continued delivery of the operational Health and Safety support service.

### **What we have achieved**

- *Six Health and Safety advisers (5.6 FTE) successfully TUPE'd over from Mouchel on 1<sup>st</sup> April 2015.*
- *We developed Quarter 1 Directorate Health and Safety work plans to ensure critical areas of support were identified and appropriate resources allocated during the initial stages of the transition from Mouchel to LCC.*
- *We held several workshops with managers and Directorate leads to assist us with the development of a new operational Health and Safety support services service level agreement.*

### **The impact/outcomes**

- **The Health and Safety key support services continued with minimal distribution throughout the FDSS project.**
- **The TUPE'd officers were all successfully inducted into LCC employment quickly and without major problems.**
- **We now have full control over this service and can undertake a full internal review and restructure allowing us to fit within the budget constraints and the council's needs moving forward.**

## Audit and Monitoring

### 3.3.3 What we said

- We would undertake a Health and Safety audit of the Castle, Victorian Prison and Heritage Centre following the completion of major construction works.

#### What we have achieved

- *The audit of the castle was undertaken and achieved a high score with only minor deficiencies identified.*
- *The specific inspection of the Victorian Prison was undertaken, focusing on the staircases, landings and handrails/barriers following safety concerns that the existing barriers did not offer an adequate level of protection against children falling through. Several options were identified to reduce the risk and it was agreed that an additional mesh panel would be fitted that could be easily removed as and when needed.*
- *The audit also identified significant improvements to the Health and Safety management of the Heritage Centre.*

#### The impact/outcomes

- **The specific inspection of the Victorian Prison handrail identified a hazard that hadn't been identified at the design stage. This could potentially have had very serious consequences if suitable preventative action hadn't been taken. However, the report gave several options available to the management team on how this risk could be sensibly managed, reducing the remaining risk to an acceptable level whilst maintaining the historical integrity of the prison for visitors, and compliant with any restrictions placed on us by English Heritage.**

### 3.3.4 What we said

- We would undertake baseline Health and Safety audits on all operational windmills sites where LCC has some level of involvement or responsibility to identify areas for improvement; then to take necessary action or to make recommendations in order to obtain reassurance that acceptable levels of Health and Safety are being implemented.

#### What we have achieved

- *Health and Safety audits were undertaken at the four windmills within our audit criteria – i.e. Heckington Mill, Alford Mill, Dobson Mill and Ellis Mill.*



- *Full reports with advice and recommendations were provided, including relevant procedures and necessary support at two of the tenanted windmill was provided.*

### **The impact/outcomes**

- **The support provided to the tenanted windmills enabled them to achieve improvements to both their minimum Health and Safety standards and their levels of compliance.**
- **We confirmed that the windmills managed by LCC had only minor deficiencies, and action was taken quickly to resolve these.**

### **3.3.5 What we said**

- To continue our existing program of Health and Safety site inspections of highway maintenance operations.

### **What we have achieved**

- *We undertook 721 inspections, focusing predominantly in the West and South Divisions.*
- *Only 8% of these inspection resulted in an adverse report being made against a contractor on site.*

### **The impact/outcomes**

- **The fall in the number of adverse site inspections reflects continual improvements in compliance across the whole of the highway network.**
- **This data illustrates that a more focused inspection regime in future, requiring fewer site visits, should still allow us to maintain these levels of compliance (and in some areas may still continue to show improvements).**

### **3.3.6 What we said**

- We would undertake Health and Safety inspections of children's services-related buildings, i.e. children's and youth centres, residential care homes, etc.

### **What we have achieved**

- *Following an OFSTED inspection of Training and Learning Centres (TLC), all four LCC-controlled TLCs and ten externally-provided TLCs were visited and audited, identifying a number of Health and Safety issues.*
- *A number of children's centres were visited with no major issues or concerns being identified.*
- *We visited one of our residential homes following an excessive amount of PO3 forms being completed for "assaults" on employees. Further*

*investigation identified that in the majority of cases, these weren't actually "assaults" but more a result of interaction between employees and children with very complex care needs. Amendments were made to the PO3 form and specific options made available, in relation to the interaction between employees and services users, to enable them to record these types of incidents more accurately to reflect the true picture and without contaminating the genuine "assaults" data.*

\*Assaults – a conscious decision by a service user to either physically or verbally attack an employee

## **The impact/outcomes**

- **The audit of the TLC buildings identified serious shortfalls in the level of competence of a contractor's employee responsible for overseeing Health and Safety compliance for external contractors. Once this came to light, the contractor providing this service replaced the individual with a competent adviser.**
- **Identifying clear patterns of behaviour from PO3 forms, and assisting with the implementation of targeted action and a care plan review, resulted in the elimination and/or better control of certain patterns of extreme behaviour.**

## **Training and Resources**

### **3.3.7 What we said**

- We'd undertake targeted training in high-risk service areas / specific high-risk operations.

### **What we have achieved**

- *Refresher training for 29 officers on the Dangers of Overhead Power Cable (GS6).*
- *Excavation safety courses run for relevant personnel following the trench collapses on contractor sites at Holbeach, and the Health & Safety Executives (HSE) enforcement notice at Grantham.*
- *Training for Fire and Rescue in relation to the new requirements under the Control of Asbestos (CoA) regulations including de-contamination procedures, face-fit test for Respiratory Protective Equipment (RPE) and record-keeping.*
- *Delivered all of the agreed CfBT Educational Trust's Health and Safety Management and Governor Training. Some additional training was also undertaken, e.g. asbestos/legionella management, fire safety, manual handling, etc.*

### **The impact/outcomes**

- **Compliance with changing HSE requirement/standards in relation to emergency services' exposure to asbestos.**

- **Learning lessons from other organisations' experiences and taking proactive measures designed to actively reduce the risk of similar incidents occurring within LCC.**
- **Increased awareness of the key Health and Safety duties and responsibilities of head teachers and governors, especially as schools become more independent and accountable for their own decisions and budgets.**

### **3.3.8 What we said**

- Standardise the sling range to enable easier/ quicker access to appropriate products for a wide range of service users. Increase clarity and reduce confusion regarding the prescription of slings, as well as reducing the incidents of non-contract special products being purchased.

### **What we have achieved**

- *Undertaken an analysis of current prescribing practices.*
- *Presented LCC requirements to a group of multi-agency prescribers from the four most highly-used suppliers. A second day's work was undertaken to evaluate the resultant sling ranges against the criteria that LCC had established.*
- *Further work was undertaken with the successful supplier – Silvalea - in order to make the sling range bespoke to Lincolnshire and compatible with the existing design for consistency and ease of use.*
- *Two training days were undertaken with Silvalea to introduce the new sling range to 40 x Occupational Therapies.*

### **The impact/outcomes**

- **Whilst precise savings expected from the introduction of the new slings is difficult to calculate on a like-for-like basis with the existing products, the new slings have a cheaper unit cost, achieving savings on each and every purchase. Based on ordering patterns for the last three months of 2014, the potential savings per quarter is estimated at over £7,000, equating to approximately £30,000 per annum.**

### **3.3.9 What we said**

- It became apparent that the number of reported incidents relating to drive-through occurrences and verbal assaults towards School Crossing Patrols (SCP) was increasing. Lincolnshire Road Safety Partnership (LRSP) intended to reduce these figures by using and promoting the use of chest-mounted video recording equipment (Chest Cam) at high-risk sites across the County. Any footage captured would be used as evidence in any subsequent Police proceedings.

### **What we achieved**

- In order to achieve a reduction in these incidents, LRSP instigated a pilot scheme and decided to purchase four video-recording units for rotational use. A procedure was devised outlining collaboration with Lincs Police, training for users, witness statements and handling of evidence. The project is expected to be rolled out following communications and approval.

### The impact / outcome

- **Awaiting implementation. The expected outcome of successful implementation will be a reduction in the number of SCP incidents and an increased awareness amongst road users of the potential for video-recording equipment being used.**

### 3.3.10 What we said

- We'd undertake a review of the existing body armour used by Trading Standards employees to establish whether it meets current standards or needs to be replaced due to its age/efficiency.

### What we achieved

- *All existing stab vests were recalled and examined, literature was reviewed and relevant guidance provided, lead officer reassessed needs, risk and best practice.*

### The impact / outcome

- **New and improved inserts for stab vests were procured, as were a number of new vests for different operational requirements.**
- **Operational planning, risk assessments and safe working practices were reviewed to decide how vests are issued and controlled. Decisions were made to use safer professional vests, comparable to equipment used by the Police, in higher-risk situations.**

## 3.4 Accidents/incidents and other related data

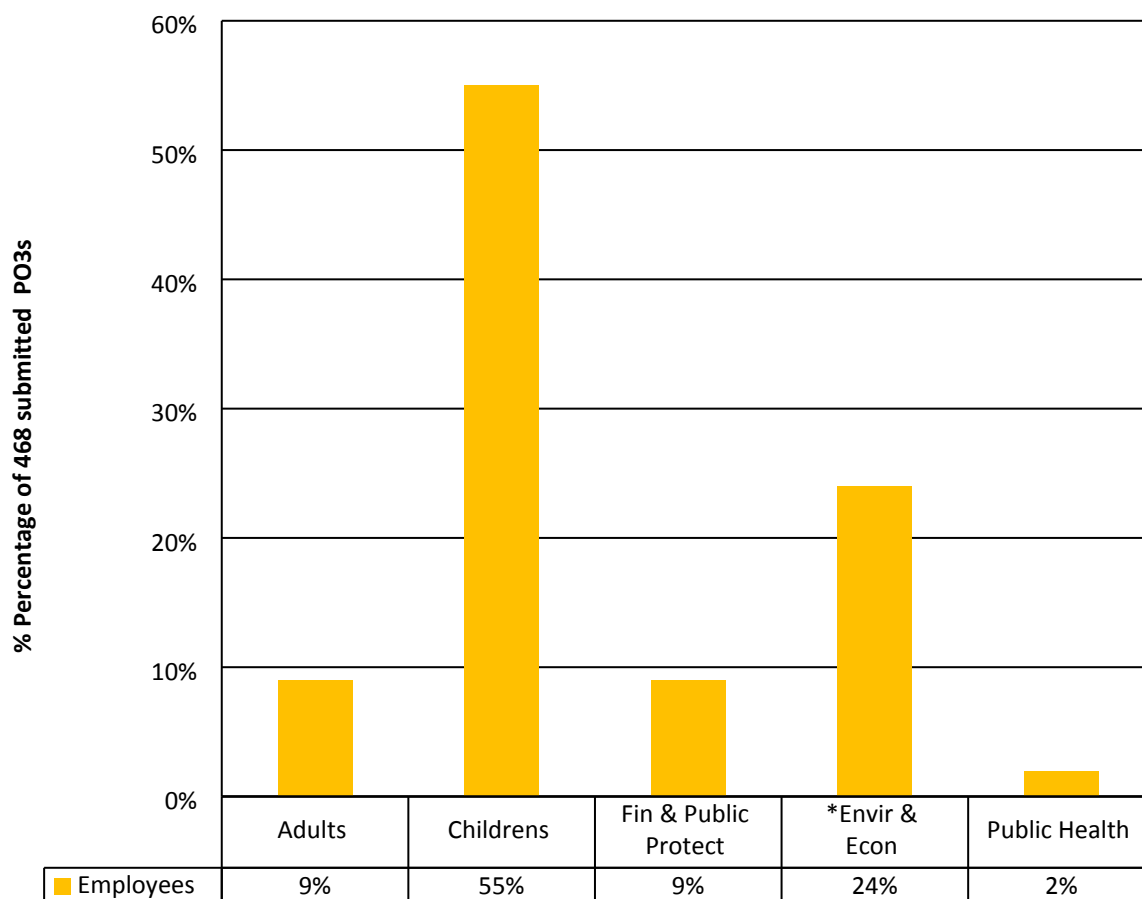
### 3.4.1 The accident / incident statistics have shown improvements in a number of key areas:

- 67% reduction of reported injuries that result in more than a 3-day absence from work.
- 61% reduction in the number of reported injuries related to the manual handling of loads and materials (i.e. not people).
- 5% reduction in the total number of reported slip, trip and fall injuries.
- 50% reduction in the number of slip, trip and fall injuries resulting in absence from work.
- No fatalities, reportable diseases or reportable dangerous occurrences.

- 3.4.2** This is the first full year of running the new PO3 incident reporting system. Throughout this first year we have continuously monitored how people are using the system, including the type of incidents that PO3s are being used to record, along with details of the types of injuries. The system has then been adapted to ensure this information can be recorded as accurately as possible, in addition to being relevant and useful to the individual service area. This process will continue as the council evolves and, wherever new risks or hazards emerge, the PO3 system will be adapted to suit our needs.
- 3.4.3** We've seen a 26% reduction in the total number of all reported accidents and incidents on the new PO3 system (the old PO3 system was still in operation for part of this financial year). This level of reduction was also mirrored within the numbers of reported accidents or incidents involving non-employees (i.e. service users, pupils, contractors).
- 3.4.4** We've seen a similar reduction in the number of reported employee accidents and incidents, with a 27% reduction in the number of work-related accidents resulting in some form of absence from work. Only 11 of these reported injuries resulted in the employee needing three or more days off work, compared to 20 in 2013-14, equating to a 45% reduction.
- 3.4.5** For the first time, the new PO3 system allows us to see the percentage split of submitted PO3s within each Directorate (Figure. 1).

Figure .1

### Employees PO3 Incident Reports 2014-15



\* The Environment & Economy Directorate figures still contain the Libraries & Heritage statistics.

**3.4.6** As you can see from the information in Fig. 1, over half of all the submitted employee PO3 forms are from Children's Services (CS). Although at first glance this does look somewhat alarming, there are several key contributing factors to take into consideration:

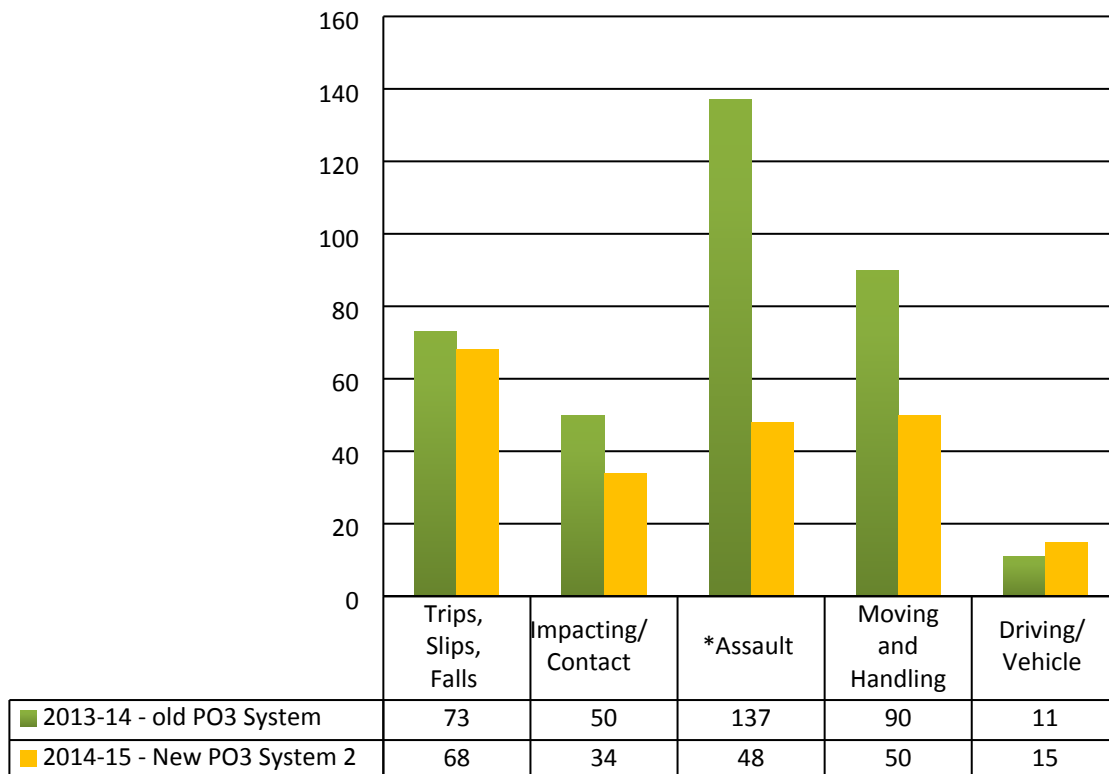
- Accounting for schools, CS have the highest number of employees by a considerable margin.
- CS are still directly responsible for delivering a large number of services.
- We've worked with CS to develop specific new options within the new PO3 system to enable them to accurately record data centrally for the first time.
- We've encouraged CS employees to use the PO3 system to record *all* types of incidents, i.e. regardless of their nature and of whether or not they resulted in an injury.

Although the total number of submitted PO3 forms is significantly higher compared to all other Directorates, when you calculate the rate of reported PO3s per 1,000 employees, CS have a ratio of 51:1,000 - which is no higher than the overall Corporate ratio for 2014-15 of 52:1,000.

**3.4.7** The differences between the old and new PO3 systems make it difficult to benchmark data against previous years' statistics . However, we have pulled out the top five areas/type of incidents reported last year and compared them against the same areas from this year's statistics (Figure .2).

Figure .2

### Employees Top 5 submitted PO3s



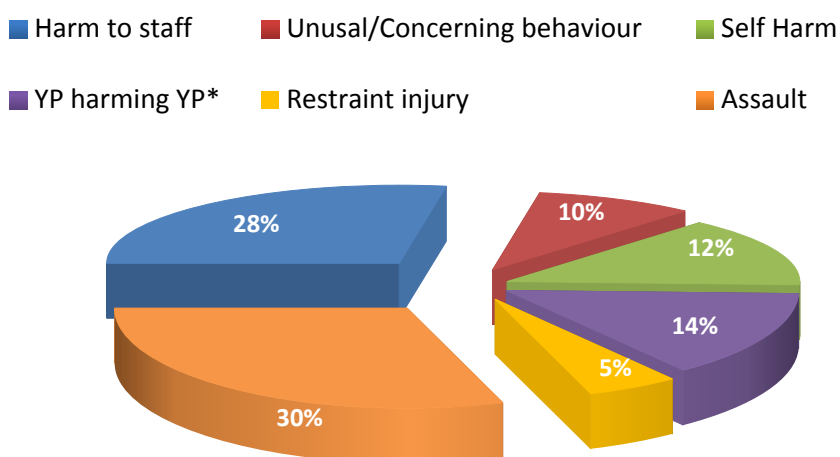
\*Assault stats for Children with disabilities are not included within this table, these are recorded separately.

**3.4.8** Figure 2 a dramatic fall in the number of reported incidents of "assault" suffered by our employees. The old PO3 system only had two options available for employees for this type of incident, i.e. "physical" or "verbal" assault. However, this didn't take into account the complex nature of some of the services we provide, or the particular needs of some service users.

We identified that over 80% of all reported "assault" PO3s on the old system related to Children with Disabilities teams - further investigation found that these were rarely incidents of genuine assaults. The new PO3 allows us to create bespoke options for the Children with Disabilities team to accurately record events within their service areas, allowing them to better identify trends and patterns. This will enable the focus of resources on key areas, but without obscuring genuine cases of assault recorded on the new PO3 system. Details of the Children with Disabilities stats for the last two quarters of 2014-15 (Figure .3)

Figure .3

### Breakdown of Specific PO3 Options



\*YP = Young Person

**3.4.9** This year we saw a slight increase in the reported number of vehicle-related incidents on the new PO3 system. Out of the 15 recorded vehicle/driving-related incidents, 8 were School Crossing Patrol – reporting a "drive though" incident.

## 4 Plans and Targets for 2015-16

**4.1** We have identified the following key priorities for 2015-16:

- To undertake a fundamental review of the new internal operational Health and Safety service, i.e. development and implementation of the newly-restructured team and based on the needs of the council within the approved budget.

- Development of a new service level agreement (SLA) for the delivery of our operational Health and Safety services.
- The development of an external client base by identifying Health and Safety services that can be offered into non-maintained schools, academies and other public sector organisations in order to generate income.
- Review of the current corporate G5 Fire Risk assessment policy, taking into account our new approach to undertaking Fire Risk Assessment and improving the current managers' guidance on Personal Emergency Evacuation Procedures (PEEP).



**Open Report on behalf of  
Richard Wills, Director responsible for Democratic Services**

Report to:	<b>Value for Money Scrutiny Committee</b>
Date:	<b>24 November 2015</b>
Subject:	<b>Value for Money Scrutiny Committee Work Programme</b>

**Summary:**

This report enables the Value for Money Scrutiny Committee to consider its own work programme for the coming year.

**Actions Required:**

To consider and comment on the content of the work programme as set out in Appendices A and B.

## **1. Background**

### Current Work Programme

The current work programme for the Committee is attached at Appendix A to this report along with an overview of anticipated business for the year ahead attached at Appendix B.

### Scrutiny Activity Definitions

Set out below are the definitions used to describe the types of scrutiny, relating to the items:

Budget Scrutiny - The Committee is scrutinising the previous year's budget, the current year's budget or proposals for the future year's budget.

Pre-Decision Scrutiny - The Committee is scrutinising a proposal, prior to a decision on the proposal by the Executive, the Executive Councillor or a senior officer.

Performance Scrutiny - The Committee is scrutinising periodic performance, issue specific performance or external inspection reports.

Policy Development - The Committee is involved in the development of policy, usually at an early stage, where a range of options are being considered.

Consultation - The Committee is responding to (or making arrangements to respond to) a consultation, either formally or informally. This includes pre-consultation engagement.

Status Report - The Committee is considering a topic for the first time where a specific issue has been raised or members wish to gain a greater understanding.

Update Report - The Committee is scrutinising an item following earlier consideration.

Scrutiny Review Activity - This includes discussion on possible scrutiny review items; finalising the scoping for the review; monitoring or interim reports; approval of the final report; and the response to the report.

## **2. Conclusion**

The Committee is invited to consider the report.

### 3. Appendices

These are listed below and attached at the back of the report	
Appendix A	Value for Money Scrutiny Committee Work Programme
Appendix B	Work Programme Overview 2015-16

### 4. 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 David Hair, who can be contacted on 01522 552080 or [davidr.hair@lincolnshire.gov.uk](mailto:davidr.hair@lincolnshire.gov.uk)

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**VALUE FOR MONEY SCRUTINY COMMITTEE**

Chairman: Councillor Angela Newton

Vice Chairman: Councillor Jackie Brockway

<b>24 November 2015 a.m.</b>		
<b>Item</b>	<b>Contributor</b>	<b>Purpose</b>
Council Business Plan Quarter 2	Jasmine Sodhi, Performance and Equalities Manager	Budget Scrutiny / Performance Scrutiny
Treasury Management Performance Quarter 2	Karen Tonge, Treasury Manager	Performance Scrutiny
Corporate Health & Safety Annual Report 2014/15	Fraser Shooter, Health & Safety Advisor	Annual Report
Serco Performance Update	Judith Hetherington-Smith, Chief Information and Commissioning Officer	Performance Scrutiny
<b>24 November 2015 - p.m. Budget Workshop</b>		

<b>26 January 2016</b>		
<b>Item</b>	<b>Contributor</b>	<b>Purpose</b>
Budget Proposals 2016/17	David Forbes, County Finance Officer	Budget Scrutiny
Serco Performance Update	Judith Hetherington-Smith	Performance Scrutiny
Assessment of Financial Risk	David Forbes	Status Report

<b>22 February 2016</b>		
<b>Item</b>	<b>Contributor</b>	<b>Purpose</b>
Council Business Plan Quarter 3	Jasmine Sodhi,	Budget Scrutiny / Performance Scrutiny
Serco Performance Update	Judith Hetherington-Smith	Performance Scrutiny
Property Update	Kevin Kendall, Chief Property Officer	Update Report

**Items to be scheduled;**

People Strategy update

**For more information about the work of the Value of Money Scrutiny Committee please contact David Hair, Team Leader, Member Services Manager, on 01522 552080 or by e-mail at [davidr.hair@lincolnshire.gov.uk](mailto:davidr.hair@lincolnshire.gov.uk)**

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