



County Offices
Newland
Lincoln
LN1 1YL

8 December 2016

Council

A meeting of the Council will be held on **Friday, 16 December 2016 in the Council Chamber, County Offices, Newland, Lincoln LN1 1YL, commencing at 10.30 am** for the transaction of the business set out on the attached Agenda. The attendance of all Councillors is requested.

Yours sincerely

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

Tony McArdle
Chief Executive

Membership of the Council
(76 Members of the Council)

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

+ 1 vacancy

**COUNCIL AGENDA
FRIDAY, 16 DECEMBER 2016**

Item	Title	Pages
1	Apologies for Absence	
2	Declarations of Councillors' Interests	
3	Minutes of the meeting of the Council held on 16 September 2016	5 - 16
4	Minutes of the Extraordinary meeting of Council held on 20 October 2016	17 - 20
5	Submission of Petitions	
6	Chairman's Announcements	
7	Statements/Announcements by the Leader and Members of the Executive	21 - 70
8	Questions to the Chairman, the Leader, Executive Councillors, Chairman of Committees and Sub-Committees	
9	Review of Scrutiny	71 - 110
10	KPMG's Review of Agresso and Serco Contract	111 - 122
11	Appointment of External Auditors	123 - 138
12	Audit Committee Annual Report 2016	139 - 162
13	Motions on Notice submitted in accordance with the Council's Constitution	

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

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

Contact details set out above.

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



**COUNCIL
16 SEPTEMBER 2016**

PRESENT: COUNCILLOR T M TROLLOPE-BELLEW (CHAIRMAN)

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

26 APOLOGIES FOR ABSENCE

Apologies for absence were received from Councillors B Adams, J W Beaver, C J T H Brewis, R G Fairman, R L Foulkes, C E H Marfleet, Miss E L Ransome, Mrs A E Reynolds, P A Robinson and Mrs L A Rollings.

27 DECLARATIONS OF COUNCILLORS' INTERESTS

There were no declarations of councillors' interests at this point in the meeting.

28 MINUTES OF THE MEETING OF THE COUNCIL HELD ON 20 MAY 2016

RESOLVED

That the minutes of the meeting held on 20 May 2016 be signed by the Chairman as a correct record.

29 CHAIRMAN'S ANNOUNCEMENTS

The Chairman thanked all those councillors who attended the annual County Council Service of Dedication in the Parish Church of St Michael and All Angels, Uffington. It had been a most pleasurable day for the Chairman and his Lady and from the feedback received the Chairman's decision to hold the service in his Electoral Division had been well received.

It was reported that this was the last full Council meeting before the retirement of Dr Tony Hill, Executive Director of Public Health Lincolnshire. The Chairman thanked him, on behalf of the Council, for his work over the past three and a half years.

The Chairman congratulated all the Team GB Olympians and Paralympians for their successes in Rio, particularly those from Lincolnshire. It was hoped that there would be an event to celebrate their achievements, not only the medal winners, but those who qualified as well.

The Chairman reported that this year's Lincolnshire Show had been a huge success, particularly with the County Council stand winning the Ransom Cup for Best Non-Agricultural Stand. Particular thanks were expressed to Mark Stoneham and the Communications Team for all their hard work with this year's Show.

On a sadder note, the Chairman reported the death of former County Councillor Larry Wells who represented the Lincoln Boultham electoral division from May 1981 to May 1993. Councillors and Officers stood in silent memory, and were then invited to pay tribute.

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

Statements by the Leader and Members of the Executive had been circulated with the agenda. Further to the statement by Councillor B Young, which was printed in the agenda pack, he provided members with an update to the Council's Pay Policy Statement regarding Draft Government Regulations, as follows:

The Pay Policy Committee considered a report at its meeting in July 2016, regarding the changes to be made to the Pay Policy Statement, as a result of the draft Repayment of Public Sector Exit Payments Regulations 2016, for recommendation to this meeting.

Due to delays in finalising the Regulations, the revised Pay Policy Statement cannot be presented to this meeting.

An update will be provided at a future meeting once the position is clarified.

Furthermore, it was anticipated that the Public Sector Exit Cap Regulations, due to be implemented on or around 1st October 2016 will be delayed. Again, a future update will be provided to the Council once full details are known, including how this will impact on the Council's Pay Policy.

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

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

<u>Question by</u>	<u>Answered by</u>	<u>Subject</u>
(a) R C Kirk	Mrs P A Bradwell	Delayed transfers of care
(b) Mrs M J Overton MBE	M J Hill OBE	Commissioning of contracts
(c) I G Fleetwood	C J Davie	Growth agenda
(d) S R Dodds	Mrs P A Bradwell	Government proposals regarding grammar schools
(e) S L W Palmer	M J Hill OBE	Supporting the work of the town and parish councils
(f) C E D Mair	R G Davies	Councillors contacting highways officers
(g) J D Hough	M J Hill OBE	Impacts of 'Brexit'
(h) C Pain	C J Davie	Maintenance of riverbanks by the Environment Agency
(i) N M Murray	C N Worth	Support for St Giles Youth Centre
(j) R Wootten	M J Hill OBE	Opening hours at Grantham Hospital
(k) Mrs H N J Powell	R G Davies	Grass cutting and roundabouts
(l) N I Jackson	R G Davies	Sunday train services
(m) K J Clarke	B Young	Government levy on apprenticeships
(n) A M Austin	Mrs P A Bradwell	Recruitment of care workers in Boston

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(o) W S Webb	M J Hill OBE	Update on present position with the devolution agenda
(p) R B Parker	M J Hill OBE	Local government finance settlement
(q) G J Ellis	R G Davies	Road improvement schemes
(r) P M Dilks	Mrs P A Bradwell	Grammar Schools
(s) R A Renshaw	R G Davies	Visit to Nettleham Road, Lincoln
(t) V C Ayling	R G Davies	Site visit to Toynton All Saints.

32 REVIEW OF FINANCIAL PERFORMANCE 2016/17

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

It was proposed, seconded and agreed that the Council Procedure Rules be temporarily suspended to allow for one debate to take place.

It was moved and seconded that

The County Council be recommended to:

1. Note the carry forwards set out in paragraph 1.2 and 1.3 of the report, which were made in line with the Council's Financial Regulations, and approve the Information and Commissioning underspend up to 1% not being carried forward as part of the Information and Commissioning budgets but instead added to the underspends above 1% for the purposes of recommendation 2 below;
2. Approve the proposed use of carry forwards of over and under spending in excess of 1% as set out in paragraph 1.4 of the report;
3. Note the transfers to and from reserves summarised in Table A of this report and the position of earmarked reserves as at 31 March 2016 summarised in Table B of the report;
4. Note the position in relation to general reserves set out in paragraph 1.8 and Table C of this report; and
5. Note performance against the Prudential Indicators for 2015/16 as set out in paragraphs 1.10 to 1.11 and Table D of the report.

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

Summary: To amend the amount recommended to be transferred to the Financial Volatility Reserve by £3.5 million and instead to use that funding to create a

- a Household Waste Recycling Centres reserve - £0.5m
- a Adult Care Services Cost Pressures Reserve - £1.5m
- a Children's Services Cost Pressures Reserve - £1.5m

Page 96 – Recommendation 3 – add the words 'as amended' after both Table A and Table B.

Page 71 – 1.4 – first bullet point, first sentence - amend year end transfer to £9.675m from £13.175m.

Page 71 – 1.4 – fourth bullet point – add three new reserves as follows:

Household Waste Recycling Centres reserve - £0.5m

Adult Care Services Cost Pressures Reserve - £1.5m

Children's Services Cost Pressures Reserve - £1.5m

Page 72 – Table A – Other Earmarked Reserves block – add the three new reserves as follows:

Household Waste Recycling Centres reserve - £500,000

Adult Care Services Cost Pressures Reserve - £1,500,000

Children's Services Cost Pressures Reserve - £1,500,000

Page 72 – Table A – amend the figure in the Financial Volatility Reserve line from £8,011,183 to £4,511,183.

Page 73 – Table B – Earmarked Reserves block – add the three new reserves as follows:

Household Waste Recycling Centres reserve - £500,000

Adult Care Services Cost Pressures Reserve - £1,500,000

Children's Services Cost Pressures Reserve - £1,500,000

Page 73 – Table B – amend the Financial Volatility Reserve line from £23.623m to £20.123m.

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A request for a recorded vote on the amendment was successful, and upon being put to the vote, the amendment was lost.

Details of recorded vote taken:

Those voting for the amendment:

K J Clarke, P M Dilks, S R Dodds, G J Ellis, J D Hough, N I Jackson, A J Jesson, T Keywood-Wainwright, R C Kirk, D C Morgan, N M Murray, Mrs M J Overton MBE, S L W Palmer, R B Parker, Mrs H N J Powell, Mrs J M Renshaw and R A Renshaw.

Those voting **FOR – 17**

Those voting against the amendment:

M G Allan, W J Aron, A M Austin, Mrs V C Ayling, Mrs P A Bradwell, D Brailsford, A Bridges, Mrs J Brockway, M Brookes, C J Davie, R G Davies, I G Fleetwood, A G Hagues, M J Hill OBE, D C Hoyes MBE, D M Hunter-Clarke, R J Hunter-Clarke, M S Jones, B W Keimach, S F Kinch, C E D Mair, J R Marriott, R A H McAuley, D McNally, Mrs A M Newton, P J O'Connor, C R Oxby, C pain, N H Pepper, R J Phillips, Mrs S Ransome, Mrs S Rawlins, R A Shore, Mrs N J Smith, Mrs E J Sneath, C L Strange, Mrs C A Talbot, T M Trollope-Bellew, A H Turner MBE JP, S M Tweedale, W S Webb, M A Whittington, P Wood, Mrs S Woolley, L Wootten, R Wootten, C N Worth, Mrs S Wray and B Young.

Those voting **AGAINST – 49**

Those voting **ABSTAIN – 0**

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

RESOLVED

That the County Council:

1. Note the carry forwards set out in paragraph 1.2 and 1.3 of the report, which were made in line with the Council's Financial Regulations, and approve the Information and Commissioning underspend up to 1% not being carried forward as part of the Information and Commissioning budgets but instead added to the underspends above 1% for the purposes of recommendation 2 below;
2. Approve the proposed use of carry forwards of over and under spending in excess of 1% as set out in paragraph 1.4 of the report;
3. Note the transfers to and from reserves summarised in Table A of this report and the position of earmarked reserves as at 31 March 2016 summarised in Table B of the report;

4. Note the position in relation to general reserves set out in paragraph 1.8 and Table C of this report; and
5. Note performance against the Prudential Indicators for 2015/16 as set out in paragraphs 1.10 to 1.11 and Table D of the report.

33 BUDGET UPDATE - EFFICIENCY STRATEGY AND PLAN PLUS
 FLEXIBLE USE OF CAPITAL RECEIPTS

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

It was moved and seconded that

It was recommended that the Council:

1. Approve adoption and publication of the Efficiency Plan attached at Appendix A of the report as the Council's Efficiency Plan for the purposes of applying for a four year settlement and the Council's Flexible Use of Capital Receipts Strategy for 2016/17;
2. Note the effect of the above Flexible Use of Capital Receipts Strategy on the Council's Prudential Indicators for the period 2016/17 to 2019/20 as set out in Appendix A of the report; and
3. Approve acceptance of the offer of a four year funding settlement from government (for the period 2016/17 to 2019/20).

A recorded vote was successfully requested, and upon being put to the vote the motion was carried:

Those voting for the amendment:

W J Aron, A M Austin, Mrs P A Bradwell, Mrs J Brockway, M Brookes, C J Davie, R G Davies, I G Fleetwood, A G Hagues, M J Hill OBE, D C Hoyes MBE, M S Jones, B W Keimach, J R Marriott, D McNally, Mrs A M Newton, P J O'Connor, C R Oxby, N H Pepper, R J Phillips, Mrs S Rawlins, R A Shore, Mrs E J Sneath, C L Strange, Mrs C A Talbot, T M Trollope-Bellew, A H Turner MBE JP, S M Tweedale, W S Webb, Mrs S Woolley, L Wootten, R Wootten, C N Worth, Mrs S Wray and B Young.

Those voting **FOR - 38**

Those voting against the amendment:

M G Allan, Mrs V C Ayling, A J Jesson, C E D Mair, R A H McAuley, Mrs M J Overton MBE, C Pain, S L W Palmer, Miss F E E Ransome, Mrs S Ransome, Mrs N J Smith and P Wood.

Those voting **AGAINST - 12**

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Those abstaining:

K J Clarke, P M Dilks, G J Ellis, J D Hough, D M Hunter-Clarke, R J Hunter-Clarke, N I Jackson, R C Kirk, D C Morgan, N M Murray, R B Parker, Mrs H N J Powell, Mrs J M Renshaw and R A Renshaw.

ABSTENTIONS – 14

RESOLVED

That the Council:

1. Approve adoption and publication of the Efficiency Plan attached at Appendix A of the report as the Council's Efficiency Plan for the purposes of applying for a four year settlement and the Council's Flexible Use of Capital Receipts Strategy for 2016/17;
2. Note the effect of the above Flexible Use of Capital Receipts Strategy on the Council's Prudential Indicators for the period 2016/17 to 2019/20 as set out in Appendix A of the report; and
3. Approve acceptance of the offer of a four year funding settlement from government (for the period 2016/17 to 2019/20).

34 CHANGES TO THE CONSTITUTION

A report by the Monitoring Officer had been circulated.

It was moved, seconded and

RESOLVED

That the Council approve the changes to Part 2 and Part 3 of the Council's Constitution as set out in Appendix A and B of the report respectively, to take effect from 17 October 2016.

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

(1) Motion by Councillor R Wootten

It was moved and seconded:

That this Council understands the staffing shortages throughout health and care services in Lincolnshire and the decision to temporarily close emergency services at Grantham Hospital if patient safety is at risk. However, this Council urges United

Lincolnshire Hospital Trust to re-instate those services at the hospital at the earliest opportunity.

The mover of the amendment previously submitted in the Order of Proceedings requested that the amendment be withdrawn. This was granted by the Council

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

(2) Motion by Councillor P M Dilks

It was moved and seconded that:

This Council pays tribute to the dedication and achievements of staff and pupils at our existing secondary schools across Lincolnshire, whether Comprehensive, Grammar or Secondary Modern.

GCSE results at all levels across Lincolnshire clearly demonstrate that the most academic students can excel whether they are selected at age 11 as academically elite and destined for a grammar education or whether they are educated in a true all-ability comprehensive.

We welcome new Prime Minister Theresa May's ambition to improve social mobility but agree with her predecessor David Cameron's statements in May 2007 when he said history shows that establishing Grammar Schools was

"extremely difficult and... often leads to them being very unpopular and they are then got rid of".

Mr Cameron dismissed the Grammar School debate as pointless adding:

"...Parents fundamentally don't want their children divided into sheep and goats at the age of 11."

Dividing and separating children from their peers only serves to reinforce the deep divisions in our society, rather than challenge them.

Evidence from Lincolnshire and across the country shows that where there is selection there is a bigger attainment gap between disadvantaged children and their peers. The achievement gap last year in the numbers achieving 5+ A*-C GCSE's in selective areas was 37 but in England as whole was only 28.

Almost 12% of students in Lincolnshire's Secondary Modern Schools are on free school meals, compared to only 3% at Grammar Schools.

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So much for the claim that Grammar Schools improve social mobility. The fact is, today, here in Lincolnshire, and elsewhere, selection acts as a glass ceiling to young people from the most socially deprived sections of the communities.

Real school improvement and equality of opportunity comes not from selection but through schools collaborating, and being properly supported along with relentless focus on the quality of teaching and leadership.

We believe that the Prime Minister's offer of allowing every school to become selective is as flawed as the previous Government's plan announced just a few months ago for mandatory Academisation of every school.

This Council understands why many parents support the notion of a Grammar School in every town - until their own child fails the entrance examination and is consigned to what is seen by many as a lifetime of rejection.

Where a local secondary school chooses to go selective and refuses places to local children on academic ability, there will be no choice for 11-plus failures but to be bussed out of their community for secondary education.

The existing network of partial selection across Lincolnshire already results in this Council paying one of the highest home-to-school transport bills in the country which we have spent years struggling to reduce by removing free transport for many who needed it.

Expansion of selection can only increase the number of school buses criss-crossing our county road network every day, taking children past the gates of their local school to be educated miles away from their local community.

It is therefore proposed that:

1. This Council pays tribute to the dedication and achievements of staff and pupils at our existing secondary schools across Lincolnshire, whether Comprehensive, Grammar or Secondary Modern.
2. This Council welcomes new Prime Minister Theresa May's ambition to improve social mobility; but agrees with her predecessor, David Cameron's statements in May 2007 when he said history shows that establishing Grammar Schools was *"extremely difficult and... often leads to them being very unpopular and they are then got rid of"*.

3. This Council, in light of the clear evidence, calls on the Government to withdraw its plans for more selection, and to concentrate instead on helping every child to reach their full potential.

Upon being put to the vote, the motion was lost

(3) Motion by Councillor Mrs M J Overton MBE

An alternative motion to that in the Order of Proceedings was put forward as follows:

Plans for the transformation of our Health and Care Services are underway, submitted from Lincolnshire to NHS England by the end of June. The Lincolnshire Sustainability and Transformation Plan (STP) includes the Lincolnshire Health and Care Programme.

The NHS has been given the mandate to develop STP's for both health and social care, but with very limited input from local authorities. It is important that Councils get involved and have a say on how their local health services are to be provided.

Major changes to the service will need consultation, which is expected to start in December in order to complete by the electoral purdah period in mid-March. However, if the NHS and budget are already set, it will be too late for elected members to have a proper influence.

Lincolnshire's Health Scrutiny, and Health and Wellbeing Board have had briefings on the process, but the content remains unknown. Without Council engagement the outcomes of the STP's are weakened.

The last Spending Review committed the government to full integration of health and care by 2020, although the detailed policy framework is still awaited. The STP's are expected to contain such plans. Health and Wellbeing Boards are well placed with board membership including health and social care representatives and doctors representing the clinical care commissioning groups.

Although the STP's and Health and Wellbeing Boards are intended as overarching umbrella bodies setting priorities, neither have to be politically representative, which is normally an important tenet in local government. Some have taken an inclusive approach to good effect.

As well as implementing the Better Care Fund, many local areas are developing more ambitious integrated health and care provision. This is through joint commissioning, integrated provider models or devolved accountabilities. The STP guidance requires STPs to be aligned with these local integration programmes and ambitions.

These plans from Lincolnshire were submitted to NHS England, but not published. The Council and the public need to be included at an early stage to get the best outcomes.

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It is proposed that:

- (1) This Council welcomes the inclusion of the Council and the public in shaping and reviewing the Sustainability and Transformation Plan for Health and Social Care in Lincolnshire.
- (2) We call for transparency and full engagement of our members and the public at all stages.

Upon being put to the vote, the alternative motion was not accepted by the Council.

The mover of the original motion then proposed that the original motion be withdrawn. Upon being put to the vote, this was carried and the motion was withdrawn.

The meeting closed at 4.08 pm



**COUNCIL
20 OCTOBER 2016**

PRESENT: COUNCILLOR T M TROLLOPE-BELLEW (CHAIRMAN)

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

36 APOLOGIES FOR ABSENCE

Apologies for absence were received from Councillors J W Beaver, G J Ellis, M S Jones, S F Kinch, Mrs A M Newton, D C Morgan, Ms T Keywood-Wainwright, Miss E L Ransome, Mrs A E Reynolds, C L Strange and Mrs C A Talbot.

37 DECLARATIONS OF COUNCILLORS' INTERESTS

Councillor Mrs M J Overton MBE requested that it be noted that she held a Vice-Chairman position on the LGA.

Councillor B Adams requested that it be noted that he was a board member of the Greater Lincolnshire Local Enterprise Partnership (GLLEP).

38 CHAIRMAN'S ANNOUNCEMENTS

It was with regret that the Chairman reported the death of former County Councillor Ian Croft, who represented the Bourne Castle electoral division on the Council from May 1985 until March 2006. He was a former Chairman of Highways and Planning and Mr Croft also served as Leader of the Council between 2002 and 2005. Members and officers observed a one minute silence. A number of councillors paid tribute to Mr Croft.

The Chairman also reported that Councillor J W Beaver and Councillor Mrs C A Talbot had recently spent some time in hospital. The Council wished them both a speedy recovery.

39 DEVOLUTION - APPROVAL TO CREATION OF A GREATER LINCOLNSHIRE COMBINED AUTHORITY

The Chairman stated that discussions had been ongoing with the government concerning the provisions to be included in an Order relating to highway funding and the exercise of transport functions. Members were advised that attached as Appendix 1 to the Order of Proceedings, was a Briefing Note on these issues which had been prepared by the Chief Legal Officer.

It was moved, seconded and

RESOLVED

That Council procedure Rules be suspended to allow Councillor M J Hill OBE, Leader of the Council to make a statement at the meeting.

The Leader of the Council made a statement to the meeting concerning the latest developments.

It was moved and seconded

That the Council:

1. Note the results of the public consultation set out in the consultation report at Appendix A and the comments of the Overview and Scrutiny Committee at Appendix D.
2. Note and has due regard to the contents of the Equalities Impact Analysis at Appendix B of the report.
3. Support, in principle, the giving of consent, on behalf of Lincolnshire Council as a constituent council of any future combined authority for the Greater Lincolnshire area, to the making by the Secretary of State of an order:-
 - a) For the establishment of a combined authority for the Greater Lincolnshire area pursuant to section 110 of the Local Democracy, Economic Development and Construction Act 2009 (LDEDCA).
 - b) For the making of constitutional provisions in relation to the combined authority pursuant to section 104 of LDEDCA
 - c) For the delegation to the combined authority of the transport functions of the Secretary of State and the other functions of public authorities pursuant to sections 104 and 105A of LDEDCA
 - d) (subject to paragraph 4) for functions of the Combined Authority specified in the Order to be exercisable only by a directly elected mayor subject to the conditions and limitations specified in the Order pursuant to S107D of LDEDCA
 - e) For Chapter 1 Part 1 of the Localism Act 2011 to have effect in relation to the combined authority as it has in effect to a local authority

- f) For the combined authority to be treated as a levying body for the purposes of section 74 of the Local Government Finance Act 1988 in respect of expenses of the combined authority that are reasonable attributable to the exercise of any of its functions other than mayoral functions
- g) For the combined authority to be given power to borrow under section 1 of the Local Government Act 2003 for a purpose relevant to any of its functions.

4. Calls on the Leader of the Council to

- a) Reflect to the Secretary of State the opposition of the people of Lincolnshire, who took part in the public consultation process, to the setting up of a mayoral combined authority and accordingly
- b) To take up with the secretary of state the necessity for a directly elected mayor as a condition of a devolution deal and
- c) To seek the satisfactory resolution of outstanding issues concerning the functions and powers of such a mayor including
 - 1) In relation to the allocation of highway funding and
 - 2) The exercise of transport functionsBefore making a decision whether to give consent to the making of the necessary orders.

The Chairman reminded Councillors that the Full Council could not make a decision on whether to consent to the creation of a Greater Lincolnshire Combined Authority. This was a matter for the Leader of the Council in due course.

A request for a recorded vote on the motion was successful, and upon being put to the vote, the motion was lost.

Details of recorded vote taken:

Those voting for the motion:

Councillors A M Austin, C J T H Brewis, M Brookes, J D Hough, R C Kirk, C E H Marfleet, J R Marriott, N M Murray, C R Oxby, R B Parker, R J Phillips, Mrs S Rawlins, Mrs L A Rollings, R A Shore, W S Webb, C N Worth.

Those voting **FOR – 17**

Those voting against the motion:

Councillors M G Allan, W J Aron, Mrs V C Ayling, Mrs P A Bradwell, D Brailsford, A Bridges, Mrs J Brockway, K J Clarke, C J Davie, R G Davies, P M Dilks, S R Dodds, R G Fairman, I G Fleetwood, R L Foulkes, A G Hagues, D C Hoyes MBE, D M Hunter-Clarke, R J Hunter-Clarke, N I Jackson, A J Jesson, B W Keimach, C E D Mair, R A H McAuley, D McNally, P J O'Connor, Mrs M J Overton MBE, C Pain, S L W Palmer, Mrs H N J Powell, Mrs S Ransome, Mrs J M Renshaw, R A Renshaw, P A

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COUNCIL

20 OCTOBER 2016

Robinson, Mrs J Smith, T M Trollope-Bellew, A H Turner MBE JP, S M Tweedale, M A Whittington, P Wood, Mrs S Woolley, Mrs S Wray and B Young.

Those voting **AGAINST – 43**

Those abstaining:

Councillors M J Hill OBE, N H Pepper, Miss F E E Ransome, L Wootten and R Wootten.

Those voting **ABSTAIN – 5**

The motion was therefore lost.

The meeting closed at 12.45 pm

Agenda Item 7

COUNTY COUNCIL MEETING – 16 DECEMBER 2016

Statement from: Councillor M J Hill OBE – Leader of the Council

DEVOLUTION

On 20 October, I presented a paper to this Council for discussion on the Greater Lincolnshire devolution deal. The public consultation, held as part of the process, showed that, whilst most backed devolution in principle, a majority opposed the idea of a Mayoral Combined Authority. After a lengthy debate, this Council voted by 43 to 17 to reject the deal.

As requested by Council, I then contacted the Government again, but was told that a mayor was still regarded as a "must". Furthermore, some emerging fixed elements in the order did not meet the expectations set in the original agreement. I wrote to the Secretary of State expressing my intention not to consent to a Mayoral Combined Authority. That – and the fact that South Kesteven District Council also voted against – ended any hopes of the deal going through. I have received confirmation from the Secretary of State that the deal is now off the table.

Discussions with the ten local authorities continue to determine what elements of the proposed agreement might still be possible even without a deal (and mayor) in place. The Joint Committee continues to meet as a vehicle for future collaborative working across the Greater Lincolnshire geography.

FINANCE

External Audit Opinions for 2015/16

The external auditors of the authority are required to give an opinion each year on both the financial statements of the Council and its arrangements for securing value for money in its operations. The requirement is that these opinions are to be given by 30th September each year. The well-known problems with Agresso have meant that the information that the Council needs to provide to external audit for them to form their view was late this year and the 30th September deadline was missed. There is no specific sanction placed on the authority as a consequence of this situation. The opinion on the financial statements was unqualified as was the value for money opinion apart for the element of that work which relates to the availability of information for informed decision making during the year. Specifically the lack of accurate and timely budget management information for most of 2015/16 has led to this conclusion on the part of the auditors. In the wake of the problems with Agresso this must be considered a satisfactory outcome and I would wish to express my gratitude to all the finance team in delivering unqualified statements despite the significantly challenges they faced.

Revenue Budget and Capital Programme for 2017/18

Members will recall that the last meeting of the Council resolved to apply for the four year funding deal offered by Government which covers our mainstream financial support from that source for the current and next three financial years. I have now received formal confirmation that our application has been approved. On that basis it is therefore expected that the provisional local government grant settlement, likely to be published in the week commencing 12th December, will simply reflect the 2017/18 element of that deal. It is therefore proposed to revert to the previous practice and to ask the Executive, at a special meeting on 20th December 2016, to approve a budget as a basis for internal and external consultation during January 2017. All members have recently received a briefing note on the overall financial position of the Council and have had the opportunity to attend a series of Scrutiny Committee budget workshops dealing with budget options for next year. The next edition of County News will include a significant feature on our financial situation and invite comments from the public as part of our budget consultation process.

Business Rate Pooling 2017/18

The present financial regime for local government allows groups of local authorities, generally a County Council and some (or all) its Districts, to pool business rate income in their area as a means of collectively avoiding paying a levy to Government on excess rates collected above Government predictions. The mechanics of the arrangement are quite complicated but in 2013/14 the County Council entered a pooling arrangement with South Holland and North Kesteven. In 2014/15 a pool was established with North Kesteven, South Kesteven, East Lindsey, City of Lincoln and Boston Borough. For last and this year the pool comprises all Districts apart from South Holland. The pools have been successful in retaining some business rates locally that otherwise would have gone to central government. It is likely that the existing pool will continue into 2017/18 and the Executive will be asked to consider this at its meeting on 20th December.

Internal Audit and Risk Management – Outcome of External Review

I am pleased to share with you the success of our Audit and Risk Teams. Both have recently been subject to independent external quality reviews measuring how well they work to professional best practice standards. The reports gave us some really positive feedback on the work they do – stating that both were examples of exemplar practice and conformed to professional standards. Well done to Lucy Pledge and her team and the Audit Committee who provide member oversight of the function.

PROPERTY

One Public Estate

Greater Lincolnshire's One Public Estate (OPE) programme was awarded £340,000 funding in phase 3 of the Cabinet Office programme to enable the OPE concept to be established as a way of working in Greater Lincolnshire. LCC is the accountable body for the programme whose aims are to promote better utilisation of public sector land,

with the key objectives being to deliver more integrated public services, economic growth, reducing running costs and generating capital receipts.

There are in the region of thirty public bodies signed up to the programme including all Greater Lincolnshire Local Authorities and key national bodies such as NHS and MoD. The key themes are housing, improving public services, health, asset challenge, regeneration, and depots. A further bid has recently been placed by the partnership to the phase 5 round of the programme, to support development of a variety of projects submitted by partners.

Schools Capital Programme

The start of the new school year in September is a key date for the expansion and delivery of new school places to meet rising demand across the County. For September 2016, 750 new school places were delivered on time, with a new school in Lincoln and a further seven across the County in Spalding, Lincoln and Gainsborough. The total investment was £12 million.

COMMERCIAL TEAM – PEOPLE SERVICES

Block Transitional Care and Reablement Beds

When procuring the block purchase of transitional care and re-ablement beds on behalf of the Council, the Commercial Team were also asked to procure and contract manage beds on behalf of Lincolnshire Community Health Services Trust under a section 75 agreement. This integrated approach to commissioning is beneficial to the sector which already works closely with the Council's contract managers. It is also beneficial to LCHS, enabling it to access the Council's strong relationships with the sector and provides the Council with much needed additional contract management resource.

Public Health Services

The opportunity has been taken to integrate the Public Health procurement and contract management functions into the Commercial Team, with staff being welcomed into the team from 31 October 2016.

Contract Management

Work continues on the new contract management framework, which will ensure that the best use is made of scarce resources in the contract management of the Council's 600 Adult Care and Community Wellbeing contracts whilst managing risk and helping to ensure high quality record keeping to support and record appropriate decision making.

Wellbeing Service

Work is underway for the new Wellbeing Service and it is likely that the Council will follow a procurement procedure which allows it to talk to the providers within the procurement. This worked well on the libraries procurement as it allowed the providers to share their experience of what worked well elsewhere. With Wellbeing we hope to use that experience to come up with innovative ways of getting the very best value services helping to keep people living independently for as long as possible.

COMMERCIAL TEAM – INFRASTRUCTURE

The Team is currently supporting in excess of 50 projects, including projects for the shared procurement service, ranging in scope from the provision of extra care housing, flood defence works, agency staff, body removals and the continued work in supporting document storage.

A recent procurement has seen the introduction of a new e-tendering and contracts register platform. The system will deliver great benefits to local suppliers who register on the system, providing them with access to business opportunities across the East Midlands region as well as aiding in the procurement application process. The platform will also provide benefits to staff through greater flexibility in workflows whilst saving money.

The procurement environment continues to be challenging in the light of successful high value legal claims elsewhere and as a result the Team is focusing attention on high risk procurement activity in particular on the evaluation process. The suite of procurement documentation is being reviewed and amended to address lessons learnt from the recent case law.

Agency Staff

The Team are currently delivering the procurement of the Agency Staff requirement across the organisation. Work is underway to establish a procurement strategy that will best meet the authority's needs in covering a diverse range of provision whilst addressing pressing difficulties in filling social worker and legal roles without increasing cost.

Sercos Contract Management

The Team supported the KPMG review by providing documents and information. The review was commissioned by the Council's Audit Committee as an independent evaluation of the contract procurement and implementation process. KPMG found that the options appraisal and procurement process carried out by the Chief Information and Commissioning Officer and the Commercial Team was sound and that there was a high level of confidence that the procurement process was compliant and well-designed to obtain value for money for the Council. The review found that the liability for choosing, implementing and running the Enterprise Resource Planning (ERP) solution was entirely with the bidders and that the Council had Programme

and Project Governance in place. KPMG has set out 15 recommendations for the future which the Council will consider and respond to.

The Council's Serco Contract Manager has worked hard over the last few months to carry out a review of the 43 Key Performance Indicators (KPIs) in the contract with Serco to ensure that the KPIs remain relevant and meaningful throughout the life of the contract. It is believed that this will encourage good performance and focus attention on those areas of service which matter most to the Council. Principles were adopted to support the review as follows:

- The KPIs following the review would be as challenging in the round as the existing 43 KPIs;
- The KPIs measured the things that mattered most;
- Changes which increased the contract management burden would be avoided;
- Serco would be measured on things they had control or influence over.

Those principles were met and the outcome of the review was taken to the Value for Money Committee. It is expected that the new suite of KPIs will be used to measure performance in December.

COMMERCIAL TEAM – CORPORATE PROJECTS AND PERFORMANCE TEAM

The team is fully deployed supporting Council priority projects including those set out below:

Emergency Services Network

The emergency services mobile communications programme (ESMCP) will provide the next generation communication system for the three emergency services and other public safety users.

The new system will provide all the functionality expected from a 4G mobile phone network but with the security and coverage of the old Airwave system and for a much lower cost. It will be called the emergency services network (ESN).

ESN will be a mobile communications network with extensive coverage, high resilience, appropriate security and public safety functionality allowing users to communicate under the most challenging circumstances. Project support is being provided to assist the transition and delivery of the ESN within Lincolnshire Fire and Rescue in accordance with the defined specification and timescales from central government.

Children's Health Services

This is a large-scale project to deliver the new model for Children's Health Services, including the 'in-sourcing' of the Lincolnshire Health Visiting services and the School Nursing Service.

Contract Management Framework

The new contract management framework for the Commercial Team primarily for adult care contracts continues to be developed though parts of it have now been phased into use. This is a step change in the way in which contract management is delivered and provides better oversight for management as well as ensuring a consistent approach across all contracts. When complete the framework will include:

- Contract Management Visit Process
- Reporting
- Poor Practice Concerns
- Learning and Development
- Standard Operating Procedures
- Suspensions
- Provider Guidance Notes
- Out of County
- Contract Management System
- Office Processes, Procedure and Practices.

COUNTY COUNCIL MEETING – 16 DECEMBER 2016

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

CHILDREN'S SERVICES

Children's Health Services

A review has taken place into the children's health services that the Council currently commissions from Lincolnshire Community Health Services NHS Trust (LCHS) including Health Visiting, School Nursing, Family Nurse Partnership and Antenatal Weight Management services. On 1 November 2016, the Executive agreed a new model of services which has been designed taking into account local need, statutory duties, best practice and engagement feedback from families and professionals.

Officers across the Council are now planning for the impact of these changes to services and working to ensure a smooth transition for staff and service users. It is anticipated that new services will commence in October 2017 but this is being confirmed. This is a truly exciting opportunity to integrate services to the benefit of families.

Lincolnshire Adoption Service Wins National Award

Lincolnshire County Council's Adoption Service has won First4Adoption's Excellence in Adoption Practice Award.

The service received the award for their dedication and consistently high standards, coupled with their innovative approach to meeting the needs of children whose plan is adoption. The service's last two OFSTED inspections have also been graded as 'outstanding'.

The annual National Adoption Week Awards took place on 18 October at the Foundling Museum, London to celebrate good practice and exceptional achievement among those working or involved in adoption in the UK.

Lincolnshire Adoption Service is currently recruiting adopters for the following:

- Children aged 3 years and above
- Brothers and sisters who need to be kept together
- Children with disabilities and additional needs
- Children who are placed under the Foster to Adopt scheme

If you feel that you could offer a loving and secure home to children such as these we would love to hear from you. Contact our friendly team today on 01522 554114 or log on at www.lincolnshire.gov.uk/adoption

Lincolnshire Learning Partnership (LLP)

The Learning Partnership continues to build momentum with its structures becoming increasingly formalised and the development of key sub-committees to design and deliver improvements around specific areas including: championing learners and leaders to shape their own futures; promoting success, innovation and evidence-based research; empowering schools to meet the needs of their communities; and challenging all schools to keep getting better. The Partnership intends to publish its strategic plan in January 2017 and to hold a conference for school leaders in February to share their plans and encourage schools to work with them on its key aims. Interest in the Partnership's work also continues to spread with the LLP sharing its development journey with colleagues from across the country, including in Portsmouth and Scotland, as well as internationally.

The "Mobilise" Teaching Assistant project has garnered great support from schools with over 400 school leaders trained in the materials. This project is aimed at getting the very best from the Teaching Assistant workforce by ensuring their intervention and work with students is of the highest quality. We look forward to seeing the impact of this year long project towards the end of the summer term but anecdotal evidence to date suggest it is having a marked effect on pupil outcomes. This project epitomises the sector-led approach with the original work being commissioned by the LLP, the contract and delivery being monitored by the council and the project delivery being led by the LTT.

Key Stage 1 and 2 results

There has been a significant change in the assessment system this year which means year on year comparisons are not possible. Results are now published in a standardised score for attainment, with 100 indicating age related expectations for that child. The significant increase in challenge of the recently implemented national curriculum has meant that results have dropped nationally, but the DFE has suggested that the results are positive in terms schools striving to achieve more for children. *(These results will be validated shortly.)*

Early Years Foundation Stage Profile

Lincolnshire continues to improve educational outcomes for our youngest children in education. During the autumn term the data release was made available for the EYFSP. Nationally the percentage of children achieving this Good Level of Development in 2016 was 69.3%. In Lincolnshire, the level rose by 1.4% on the 2015 score to 70.5% in 2016, remaining above the National level. The education gap between outcomes for girls and boys has narrowed again this year to 13.3%. Lincolnshire's gap is narrower than regional (14.6%) and national averages (14.7%), and in terms of closing the gender gap Lincolnshire is second out of the 11 statistical neighbours.

Key Stage 1: Outcomes for Lincolnshire across KS1 are slightly below national figures. The performance of Lincolnshire boys is an area we are investigating further as the gap to national is wider than that of girls and is one of the main reasons for Lincolnshire's overall performance being below national.

Key Stage 2: Again, outcomes for Lincolnshire are slightly below the national figures and it is difficult to identify a year on year trend due to the changes in the assessment system.

Early Progress data: Lincolnshire pupils make slightly less progress than national in each of Reading (-0.54), Writing (-0.17) and Maths (-0.68). It is notable that Boston Borough stands out with excellent progress data well above the national average and we are analysing this in order to draw meaningful conclusions and share good practice.

Key Stage 4: Strong improvement can be seen across our KS4 outcomes - the percentage of pupils achieving A*-C in English and Maths at Key Stage 4 has improved well and the percentage of pupils achieving the English Baccalaureate at KS4 remains well above National, ranking us top of our statistical neighbours.

Key Stage 5: The overall average point score for all level 3 students in Lincolnshire compares favourably to a national figure of and to our statistical neighbour. The average grade in Lincolnshire of a C for A Level students is consistent with national and statistical neighbour average grades of C.

Child and Adolescent Mental Health Services

The new CAMHS service model was implemented in April of this year. The core service is delivered from four hubs across the county in Lincoln, Boston, Grantham and Louth and there are now Crisis and Home Treatment and Eating Disorder teams supporting children and young people across the county. Across the service, waiting time targets have been reduced from 12 to 6 weeks.

The introduction of the Professional Advice Line (PAL) where professionals are able to discuss their concerns about a child or young person's mental health with qualified CAMHS practitioners, and can receive advice on making referrals is receiving positive feedback. Additionally, advice may also be given about other services that can provide support and strategies that can be effective. Early indicators are that the advice line is upskilling the universal workforce and reducing the amount of inappropriate referrals ensuring that young people get the right support at the right time. There has also been positive feedback for the Crisis and Home treatment team which was developed to reduce the number of inpatient admissions by providing support in the home as the new service has almost completely stopped admission into hospitals.

Joint Targeted Area Inspection

In October our multi-agency response to abuse and neglect in Lincolnshire was inspected by Ofsted, Care Quality Commission, HMI Constabulary and HMI Probation.

The main outcome is that Lincolnshire children and young people are provided with good services and support to protect them from neglect and abuse.

The report highlights management and oversight of domestic abuse in Lincolnshire is well developed, with a positive impact across services to improve responses to children who have experienced domestic abuse.

There is strong focus on equipping frontline staff and their managers with the resources and knowledge to identify and tackle domestic abuse. We're pleased to see the clear drive and commitment from partners to support parents and children.

But we recognise that there is more to do to ensure consistency and effective joint working at all stages of engaging with children and their families.

Early Years Funding consultation

Over the summer the government conducted its consultation on changes to early years funding.

The key messages are:

- a new early years national funding formula from April 2017 that will increase Government funding rates in 80% of local authorities;
- a minimum funding rate of at least £4.30 per hour for every local authority;
- a requirement for local authorities to pass 95% of their funding to providers;
- additional funding, worth £55m per year, to support maintained nursery schools until the end of this Parliament (2019-20);
- a new Disability Access Fund worth £615 per child per year to support disabled three- and four-year-olds to access their early years entitlement; and
- a requirement for all local authorities to have Inclusion Funds to channel additional support to children with Special Educational Needs.

ADULT CARE AND COMMUNITY WELLBEING

Work is well underway to create a unified directorate from the former Adult Care and Public Health Directorates, and in the first instance has seen the unification of the public health procurement and contract management functions with those of Adult Care in the Commercial Unit. The interviews for a new Director of Public Health take place on 13 and 14 December and I expect we will be able to announce the successful candidate later in the month.

ADULT CARE

In October, the national Adult Social Care Outcomes Framework (ASCOF) measures were published, giving an indication of how well Councils with Social Services responsibility had performed in the last reporting year. For 13 out of the 22 reportable measures for 2015/16, performance had remained the same or improved compared to the previous year. It was good to see that this included some positive results from the annual adult care survey where people who use services told us they generally felt satisfied with services, which helped them sustain a good quality and life, with more control and some time to do the things they value and enjoy. Other good markers of success included supporting people to remain independent across mental health and learning disability services. The effectiveness of Reablement is also improving as very few people leave the service with longer term support needs.

Where we did not do quite so well relates to hospital pathways. As Members will have seen from national media coverage, the NHS nationally is under increasing pressure with a rising number of delayed transfers of care prolonging patients' stays in hospital unnecessarily. Locally, there are a number of projects, some funded from the Better Care Fund, helping to alleviate the pressures, but not to the extent we would like.

I believe this topic will receive an even higher national profile in the weeks ahead because at the end of September - which is the latest available data - discharge delays nationally were the worst ever and growing. The average delays attributable to adult care nationally are 34.4% of total delays, in Lincolnshire it is 22% and reducing. However, we should not ignore the main point that health and social care services are under immense pressure and will remain a regular agenda item at the Adult Scrutiny Committee.

On balance, at the end of Quarter 2, all of the strategies are performing well in terms of the Council Business Plan measures. Reviews remain a priority and the service expects to be on target by year end. Permanent admissions to residential care are higher than expected and in some respects are tied to pressures in getting people out of hospital. With regard to support for carers, the new provider Carers First is proactively working with other agencies and hospitals to increase the awareness of support for carers and to identify carers as early as possible to avoid carer breakdown and a family crisis. It is anticipated that, over time, the universal offer of ongoing advice and support will extend to more and more carers in the community, to help them sustain their caring role.

The importance of appropriate housing in meeting the needs of our many vulnerable residents has been recognised for some time. In the last twelve months we have been working with all seven District/City Councils to improve and develop the experience of people in need of housing related support e.g. minor, major adaptations etc. In part, this has been helped with the Government's inclusion of Disabled Facilities Grants within the Better Care Fund, which my colleague Councillor Woolley will refer to in more detail.

In my last statement I referred to the need to expand the provision of Extra Care housing across the County, primarily to those areas with a predicted and substantial growth in older people. In comparison to other large Shire Counties, Lincolnshire has a relatively low number of Extra Care facilities and it has long been our desire to see an expansion in order to provide more choice and improved housing options for older people. We are now close to the end of a programme which – we hope – will begin to deliver that expansion supported by a capital/or land investment. I hope to be able to say more in my next statement.

Dementia Family Support Service (DFSS)

Lincolnshire County Council has worked with the Alzheimer's Society to extend the successful Dementia Family Support Service into Hospitals. Over the last twelve months, the Dementia Family Support Service has provided support, information and guidance to over 1,300 individuals and families affected by a diagnosis of dementia, at any stage of the condition.

The Council is now funding an extension of the DFSS service to include people in the acute hospitals at Lincoln, Boston, and Grantham, and to Lincolnshire patients in Peterborough City Hospital. From 1 October 2016, DFSS staff have been working with hospital teams to help support patients with dementia and their families during a hospital stay, and offering their specialist knowledge to assist the process of discharge planning.

Support can include personalised information, access to a dementia adviser, and services such as counselling, personal care, respite, and day care with the aim of helping people to live as well as possible with the condition, promote wellbeing, and

preventing or delaying the need for more intensive support such as residential care or unnecessary hospital admission.

This service supports the Council's commitments in the *Lincolnshire Joint Strategy for Dementia 2014 -2017*.

Winter Plan

The Adult Care 16/17 Winter Plan is now agreed with Health partners and is operational. Adult Care staff are able to support people home from hospital including over the festive period. The range of support includes reablement at home, the Wellbeing service, Home Safe, District Councils, Age UK, local voluntary and third sector organisations and Home Care. At this point I would like to commend to Members of the Council the many thousands of dedicated and caring care workers, Social Workers, Occupational Therapists and nursing staff – plus their managers who will be very busy indeed supporting vulnerable adults and their families over the Christmas and New Year break.

Care Quality Commission

The overall standard of regulated care in Lincolnshire continues to be good under the new style CQC inspection regime. Of the published new style reports for social care locations in the county, by October 2016: one service was rated as outstanding; 197 (70.5%) were rated as good; 82 (29.3%) required improvement; and there were none found to be inadequate. 34 providers are yet to be formally rated by CQC.

In its comparator group Lincolnshire remains above average on providers rated as good and average with 71.3% rated as outstanding or good compared to 69.3% comparator group average.

(Data source: Care Quality Commission)

Adult Care continues to work closely with the Council's Commercial Team, Care Quality Commission, LinCA (the independent providers' 'trade body'), and other partners to robustly monitor services, support continuous improvement and provide appropriate training and advice.

Within the Care Home market there are unfortunate times when providers close their businesses, and in these circumstances we work with them to endeavour to make the transition for people using the service as least disruptive as possible. The reasons for closure can be for a variety of reasons including quality not being as required and staffing recruitment and retention.

One specific area of focus, locally and nationally, is Nursing Care Home placements as there is a shortage of nursing staff to work in these environments, with the NHS and Care Home providers trying to recruit from the same staff pool. In endeavouring to address this, Adult Care and the local NHS continue to work together to formulate strategies to support Care Homes and coordinate work that we do with them.

Adult Care continue to be committed to paying a fair price for Care Home placements and continue to work with providers to understand how we can support them in delivering quality services in our county.

PUBLIC HEALTH

Wellbeing Service – Lincolnshire Independent Living Partnership Win Award

The Council continues to support the development of innovative partnerships between local service providers of social care and health in Lincolnshire. I am delighted to say that the Lincolnshire Independent Living Partnership (LILP) won the Chartered Institute of Housing Annual Midlands Award for Health, Housing and Care. LILP have used their consortium approach to deliver our Wellbeing Service over the past two and half years to support vulnerable people in Lincolnshire to maintain their independence for as long as possible.

One You

The recent launch of the Public Health England 'One You' campaign has encouraged over 4,700 people in Lincolnshire to engage, either by completing the 'How Are You' self-assessment tool and/or downloading an associated support app. From this cohort, the top motivational factors expressed by residents were for a desire for increase energy levels, reduced pain and achieve a healthy weight. 21.9% of these people were not achieving the recommended levels of physical activity, 12.1% were smokers, 5.6% were drinking over the alcohol recommendations and 3.2% were not meeting the healthy eating recommendations for optimal health.

Lincolnshire County Council has begun engaging with partners across the county via the locality health and wellbeing networks, JSNA expert panel, events, various media channels and via the newly formed Health Improvement Partnership. As a result of the partnership we are able to form a collaborative response to national campaigns and are able to effectively utilise partners' communication channels. Commissioned services, and other willing organisations, are being encouraged to co-brand with One You to increase consistency and awareness of the initiative.

Substance Misuse

I am pleased to announce that on 1 October 2016 a new Alcohol and Drug Treatment service provided by Addaction commenced. It looks to develop the recovery model to new levels by creating a community based treatment service that is flexible, local and for both adults and young people. There are treatment centres in Lincoln, Grantham and Boston with local hubs in eleven further towns across Lincolnshire. This means appointments are now available in more convenient locations than before including GP surgeries and community centres.

Officers within the Public Health have been working with Addaction and outgoing providers to ensure a smooth transition of service users and staff. Now this is complete, a full review of all service users has commenced to ensure all treatment programmes conform to the new model and can help those receiving care to achieve full recovery.

In addition to the Addaction treatment service, a new Recovery service has also commenced; this is provided by Double Impact, a local recovery charity based in Nottingham. The service provides an Academy offering a range of accredited level 1 and 2 qualifications. The Academy will also provide opportunities for people to get involved in peer support and mutual aid thus helping connect people to

opportunities and activities in their local communities including employment and greater social inclusion.

This new service will see 1000's of Lincolnshire people each year with a high success rate in helping people to reduce their problems with substances. This is essential in the safety and wellbeing of wider communities where alcohol is significantly involved as a driver of anti-social behaviour and violence between individuals.

COMMUNITY LEARNING

There continues to be high demand for Adult Learning provision. In the 2016/17 academic year over 550 courses will be funded through the Adult Education budget.

We have been working hard to reshape the programme, moving the balance of provision from leisure courses towards those that develop employability skills, including delivering a range of English, mathematics and other vocational qualifications, so that the programme is firmly aligned with the strategic aims of the Greater Lincolnshire Local Enterprise Partnership (GLLEP) and the County Council, helping to drive economic growth. The service works hard to increase the skills levels of people in our communities, giving them new career opportunities and allowing local businesses to recruit the talented employees they need to develop.

This unique provision addresses market failure by filling the gaps and meeting the needs of Lincolnshire communities that aren't able to be met by other funded provision. For example, the service has funded 'Decoding Church Architecture' provision delivered by Heritage Trust based in Heckington. This course was developed to meet a local need, to train people involved in caring for historic churches so that they can feel confident in presenting their buildings to visitors, with benefits for both the local community and the visitor economy. Through our partnership working and careful planning we work to ensure our provision complements and provides progression opportunities from other funded provision rather than duplicating what is already in place. For example, through our funding Boston College deliver an introduction to GCSE provision. This helps to recruit those hard to reach learners who are most at need of this provision, and allows for seamless progression onto full GCSE programmes, supporting good retention and satisfaction rates.

We are very proud of the impact of our provision at a local level. A success story of particular note is the case of Alex Harrison, a former Guardsman in the British Army Grenadier Guards who, severely traumatised and disabled from his time in Afghanistan, has overcome these challenges to considerably benefit from the support provided by the service in helping to set up his gardening business 'Guardsman Landscaping and Property Services'

Working in partnership with the Library Service, there will be a display in each of the Counties 15 major libraries between mid-December and mid-January raising awareness of the Community Learning Service and encouraging residents to sign up for Adult Learning in 2017.

COUNTY COUNCIL MEETING – 16 DECEMBER 2016

Statement from: Councillor C J Davie, Executive Councillor for Development

ECONOMIC DEVELOPMENT

Climate for investment

Water is a critical issue for businesses in Lincolnshire, whether it is protecting businesses from the risk of flooding or providing them with a reliable source of water for their operations. I have been working with the Greater Lincolnshire Local Enterprise Partnership (GLLEP) on raising the importance of this issue with decision makers at a national level. September 6 saw the GLLEP launch their Water Management Strategy at the House of Commons. The event was hosted by Matt Warman MP's office and attracted over forty key figures from the industry including representatives from The Chartered Institution of Water & Environmental Management, Anglian Water, the Environment Agency and DEFRA. The event was also addressed by the Rt Honorable Andrea Leadsom MP, Secretary of State, as well as Rory Stewart MP.

In South Holland, our Peppermint Junction project continues to move forward with Section 106 planning contributions now secured and permission for academic and residential space along the A151 obtained. Works are expected to start in the early summer of 2017.

Facilitating private sector projects

Team Lincolnshire is a group of businesses who are keen to promote Lincolnshire to investors. Our team facilitates their work, and helps them to arrange events with those clients and contacts who are considering positive projects in Lincolnshire.

September 29 saw Team Lincolnshire attend the East Midland Property Awards in Nottingham, with guests from major property investors in the county. The event is one of the most prestigious in the East Midlands attracting over 400 guests. It is important that we keep the Lincolnshire economy in the minds of people like that.

On 18 October we sponsored the 'Large Business of the Year' Award at the Lincolnshire Media Business Awards. Again, we facilitated Team Lincolnshire's presence at the event. The event, which attracts over 300 guests, is a key date in the calendar for Lincolnshire businesses, as well as companies from outside the region who are looking to work in the county.

MIPIM UK is the UK's largest property exhibition which includes 3 intensive days of conferences, exhibitions, networking events and an awards ceremony. MIPIM UK provides a marketplace for international and local investors, developers, occupiers and property professionals to meet, discuss opportunities and do business.

For the past three years the GLLEP has hosted a Property and Investment Dinner for Team Lincolnshire and potential investors and developers. This is a great opportunity to showcase Greater Lincolnshire to investors who ordinarily may not get to visit Lincolnshire. It has also proved to be a great opportunity to strengthen and build Team Lincolnshire, and facilitate collaborative working amongst our sponsors.

This year the GLLEP hosted their event at the Lansdowne Club, in Green Park, London on the evening of 20 October. Six companies sponsored the event; Delta Simons, Simons Group, Pygott & Crone, Gleeds, Bond Bryan and the University of Lincoln, and 80+ potential investors attended. The key note speaker was Ian Harrison, Acting Director, Exports & Investment for the Department of Trade and Industry.

Lincolnshire Business Week has become an important date in the Economic Development calendar. As well as the investment events that have been described above, a series of business support events were held.

We have assembled external funding to make our business advice service, the Greater Lincolnshire Growth Hub, one of the most comprehensive services available in England. The new service was promoted to 67 businesses at an event during Business Week.

Family owned businesses are a particular feature of the Lincolnshire economy. Occasionally they require a slightly different type of support, and this is something that we are keen to assist with. During Business Week we held a meeting to support family businesses at which we had 52 attendees.

Members will be aware that the number of businesses that we have dealt with is significant but it is important to stress that our focus is on outputs. The Economic Scrutiny Committee recently received a report showing that our work this year has already created 113 jobs and safeguarded a further 32. In addition, the direct support that we offer to business continues to have an impact on the Lincolnshire economy with our portfolio now at 91% occupancy – a recent headline is the letting at Oak House to Lincoln City Radio.

Elsewhere we are beginning to receive enquiries for our new Rose House property, whilst the new Crosskeys Marina has received more than 90 expressions of interest. The formal application process will open in December following a boater's open day when the mooring facilities will be open to view.

East West Link Road – Opening

Continuing the theme of new infrastructure, last month also saw completion of the Lincoln East West Link road. Not only does this scheme significantly add cross city vehicle movements, it also unlocks a number of regeneration sites. A business event was held on 18th November 2016, sponsored by Lincolnshire agents Lambert, Smith Hampton to profile these opportunities. The day has already yielded benefits with two potential land sales enquiries now being pursued.

Higher level skills

I previously announced to councillors that we had been working with the Skills Funding Agency to agree how they will tailor their funding towards the needs of Lincolnshire businesses. With our input, the Skills Funding Agency has now designed a programme and they have awarded the contract for doing this work to Calderdale College, who are actively contacting businesses and intermediary organisations to explain what training they can provide.

Finally, the number of international students taking advantage of our excellent higher and further education facilities continues to increase. A representative from Bishop Grosseteste University and the Managing Director of a local student placement business recently attended meetings in Hunan, China, as part of our partnership work. Both representatives report that their visits were very fruitful.

ENVIRONMENT AND STRATEGIC PLANNING

Sustainability

Verge Biomass

Following the successful pilot of verge biomass harvesting, fuller evaluation is being carried out in conjunction with Leeds University and options for the way forward are being developed.

Carbon Management Plan

The annual report on the Council's 2013/18 Carbon Management Plan has just been released. It shows a reduction in 2015/16 of 4.2% from the previous year. This means that Lincolnshire County Council is on target to meet its 22% reduction. Consultations on the detail of two recent announcements are expected anytime which emphasises the continued importance Government places on reducing emissions. Government is to reform energy taxation aiming to create an integrated approach to energy efficiency, carbon taxation and emissions reporting. Secondly, in the Housing and Planning Act 2016 there is a requirement for local authorities to prepare a report on improving efficiency and sustainability of buildings owned by local authorities. Again, we expect a consultation in the near future.

Lincolnshire County Council needs, therefore, to continue its progress to date and to lead by example by working to reduce carbon emissions from its own properties and services. The Council remains a major consumer of energy and must, as a community and business leader, continue to set a good example and take a leading role in contributing to the achievement of reduction targets. In times of decreasing budgets it becomes more important to reduce costs wherever possible. To date, the Council's Salix revolving fund has enabled £1,906,193 of investment in carbon reduction and as a result annual energy costs have been reduced by £394,506. In the last financial year £144,257 has been invested and will achieve annual savings of £25,488 (at today's energy prices).

Coastal Development

Consultation has begun on the way the east coast of Lincolnshire will be managed in the future. Funding for the current programme of coastal management is secure up to March 2021, so it is important that the time up to then is used in determining the best way of maintaining our coastal defences and sustaining and improving the vitality of our coastal areas and communities. County Councillors have been asked early on in the process for their views at a workshop held on 4 November. A series of these workshops involving a range of stakeholders is considering several possible methods, or a mix of methods, for managing the coast. Feedback from these sessions will identify a preferred option, which will then be subject to detailed

exploration with stakeholder and communities to ensure that it provides the best possible level of benefit for the coastal area, and that it can be properly resourced.

Central Lincolnshire Local Plan

The CL Examination In Public has been sitting since 1 November 2016. The hearing process is giving an opportunity for all parties to address concerns over the Plan proposals. The Inspector's report is expected in early 2017 which will then lead to adoption of the plan.

All the latest information on the Local Plan examination is contained on the CL Local Plan website at <https://www.n-kesteven.gov.uk/central-lincolnshire/local-plan-examination/>.

City of Lincoln, North Kesteven and West Lindsey Community Infrastructure Levy (CIL)

The levy allows District authorities in England and Wales (and the London Mayor) to raise funds for a wide range of infrastructure. The levy is raised from developers undertaking new building projects in the relevant area. This is based on a locally set per square metre charge for the relevant land use in the relevant location.

To support the growth set out in the Central Lincolnshire Local Plan, the three relevant Districts (with support from LCC) have prepared draft CIL charging schedules. These have been progressed in parallel, for example with consultation periods undertaken at the same time (Autumn 2015 and Spring 2016), and evidence prepared jointly. A public examination of each schedule is necessary before adoption and in practice it is expected that each will run on consecutive days, likely to be early in 2017.

Funding from the levy in this part of Lincolnshire has provisionally been targeted for the Lincoln Eastern Bypass and secondary school provision in Lincoln, Gainsborough, Sleaford and surrounding areas. 'Section 106' (planning obligations) will continue to be used within the limitations enacted by national legislation in 2010.

South East Lincolnshire Local Plan

LCC has commissioned an Infrastructure Delivery Plan (IDP) to support the SE Lincolnshire Local Plan. This document identifies the strategic infrastructure required to deliver sustainable growth in the plan area. The findings of the IDP will be presented to the SE Lincolnshire Local Plan Steering Group on 18 November 2016.

East Lindsey Local Plan

The ELDC LP is out to pre-submission consultation with people having 8 weeks from 30 November to make further representations on the soundness of the Plan. The County Council have a number of outstanding issues and concerns regarding the content of the Plan and will make further representations accordingly.

Triton Knoll

The Secretary of State granted consent for the development on 5 September 2016. The Order as applied for would grant development consent under the Act for the construction and operation of:

- (a) a submarine cable route for exporting electricity generated by the, consented but not built, Triton Knoll Offshore Wind Farm ("TKOWF"), to the shore along a route of around 66 kilometres in length;
- (b) a landfall site with associated jointing of offshore and onshore cables to the north of the village of Anderby Creek (in Lincolnshire);
- (c) an onshore underground cable along a route of around 60 kilometres;
- (d) an Intermediate Electrical Compound, east of the village of Orby;
- (e) a new onshore substation for TKOWF to the north west of the village of Bicker;
- (f) a connection to the existing National Grid substation at Bicker Fen.

The Council continue to work with local groups e.g. Parish Council and landowners to protect the coastal environment.

Planning

Minerals and Waste Local Plan

Following on from the adoption of the Minerals and Waste Local Plan Core Strategy and Development Management policies on 1 June 2016, work on the second part of the Local Plan is under way.

The second part of the Local Plan is the site location document which sets out the Council's preferred waste and minerals sites to meet the projected need for minerals and waste sites over the plan period to 2031. The initial site location document was subject to the first round of public consultation in early 2016. A total of 100 representations were received. Following on from this consultation and in response to the representations received, a number of meetings have taken place over the summer with the minerals industry to discuss making changes to their sites and/or provide further information. A pre-submissions document capturing these changes was supported by the Environmental Scrutiny Committee and the Executive approved the document for a period of consultation which started on 7 November and will last for 6 weeks. Subsequent to this consultation, the site location document will be brought to Council in February seeking the Council's agreement for the document to be submitted for examination. It is anticipated that the site location document will then be subject to examination in summer 2017 and presented for adoption by the Council towards the end of 2017.

Processing of planning applications for waste and minerals developments has been undertaken significantly ahead of Government targets. In the first half of 2016 over 80% of applications for minerals and waste developments were determined within 13 weeks, well ahead of the Government's target of 65%. In addition, 80% of applications for the Council's own development were determined in eight weeks or

less. This ensures that appropriate developments are coming forward in suitable locations with minimal delay caused by the planning process.

Finally, Enforcement and Monitoring Officers have been checking sites to ensure compliance with planning conditions and reports of unauthorised developments are investigated and resolved. Over 120 monitoring and enforcement site inspections have been undertaken between April and October of this year to ensure the Council is pro-active in monitoring minerals and waste sites around the County.

Environment

We are continuing to work with the Environment Agency to secure the Transport and Works Act Order (TWAO) for the £100m Boston Barrier, which will protect over 14,000 homes. The consultation on the TWAO closed on 5 October and a number of statements of support, comments and objections were received. The Secretary of State has now confirmed that the TWAO will be subject to a Public Inquiry which will start no later than 4/4/2017 and LCC are continuing to support the EA in dealing with objections ahead of and throughout the inquiry.

Notwithstanding this, construction of the Barrier is still on track to meet the programmed completion of December 2019.

Heritage Coast

LCC's Environment and Economy Group is working with Natural England and other partners to establish a Heritage Coast for Lincolnshire. This will create a strategic partnership for the natural undeveloped stretches of the coast, improving them for wildlife and creating a year round green tourism destination that will compliment Lincolnshire's existing coastal attractions.

Louth and Horncastle Flood Alleviation

The Louth and Horncastle flood alleviation schemes are continuing to progress with elements of the Louth scheme due to be brought into service this month and both schemes are programmed to be completed by the end of the financial year. They will give much needed protection to the towns and LCC have provided £6m financial support to the overall cost of £15m, to enable these projects to be constructed.

Local Flood Risk – Capital Programme

As lead local flood authority we continue to deliver an annual programme of local flood risk schemes of around £1.2m, through the national Flood Defence Grant in Aid (FDGiA) 6 year medium term plan, attracting approximately 50% of external funding. This year we are building an £800,000 surface water flood alleviation scheme at Stamp End in Lincoln, which will protect 83 homes and the Shuttleworth House tower block. The scheme is on schedule to be operational by the end of March 2017.

COUNTY COUNCIL MEETING – 16 DECEMBER 2016

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

HIGHWAYS AND TRANSPORT

Highways Future Operating Model (FOM)

The FOM continues to represent a fundamental shift from our existing structure to focus our activity around asset management, improved budget control and enhanced programming and job management.

The FOM will consolidate and rationalise existing highways functions and will include tighter integration for key functions. It will also introduce a range of new and redesigned functions:

Services Hub:

- Political Commissioning and Briefing
- Services Commissioning
- Services and Asset Strategy and Portfolio Management
- Budget Setting, Allocation and Audit
- Operational Asset Management
- Communications and CRM

District Management

- Local Community Engagement and,
- MMT Planned Works

The current phase of work includes the development of the organisational structure which will enable the introduction of the Future Operating Model and additional syndicate reviews and independent verification identified during the completion of the Full Business Case. The additional reviews and work areas include:

1. The implementation of an appropriate Asset Management Scheme Identification System to realise the operational benefits in the Future Operating Model context.
2. A review of the current relationship with Serco and its delivery of the Customer Service Centre including effective communications and reducing the cost-to-serve.
3. Asset Resilience: structures, processes and costs review.
4. Technical Services Partnership (TSP) Syndicate Review: A Value for Money Assessment including structures, processes and costs.
5. Kier: structures, processes and costs review (in context of the Future Operating Model).
6. Network Management: structures, processes and costs review including the full introduction of the Lincolnshire Permit Scheme.
7. Reactive Job Profiling: A move from Area Maintenance Teams to countywide Mobile Maintenance Teams. Included in (5) above.

8. A full Transition Planning process to ensure that the benefits of the FOM Full Business Case are realised.

Timescales

A new organisational structure has been designed to reflect the Future Operating Model. A consultation process has been completed with an implementation date of 31 January 2017. It is expected that areas of further development will then continue until the implementation of the initial Future Operating Model in April 2017. Further work will be required to realise fully the benefits identified in the Full Business Case and a detailed Transition Plan is currently being developed to achieve this.

Lincoln Eastern Bypass

The legal process to acquire land needed for the scheme has now started.

Tenders were issued to four prospective contractors in June, with a return date of 30 August. Tenders have been verified and assessed and Carillion have been announced as the preferred bidder. A final submission was made to Department for Transport (DfT) for approval to release the £50m funding they are contributing for the scheme, this has now been confirmed and contracts can be signed with the successful contractor. It is hoped to start on site in mid-2017, with a soft start proposed by the contractor to establish the site team and good working practices.

A track possession has been provisionally booked by Network Rail for October 2017, to allow them to construct the bridge that will take the Lincoln to Spalding railway over the bypass. Network Rail will be on site in December 2016 and will be complete by April 2018.

A scheme of archaeological investigation commenced in September along the length of the route, after seeking competitive tenders from specialist contractors.

Lincoln East West Link

The works have been completed in late September and a formal opening ceremony with Karl McCartney occurred on 18 November 2016.

Work has commenced on Brayford Wharf East to make it one way northbound and make the left in left out at St. Marks permanent.

The City of Lincoln have prepared the site north of Tentercroft Street for a temporary bus station in preparation for the Lincoln Transport Hub and the access into the area from the East West link has been modified to accommodate.

Network Rail High Street Footbridge

The footbridge opened in June 2016 and discussions are underway with Network Rail regarding adoption of the bridge.

Network Rail Brayford Wharf East Footbridge

A planning application for the new bridge is expected to be submitted imminently, with the bridge expected to open in late 2017.

Skegness Countryside Business Park

A contract for the main works has not been awarded. Detailed dialogue is occurring between LCC, potential contractor and utilities companies before a contract award is made.

Holbeach, Peppermint Junction

The Peppermint Junction Highway improvement scheme is now at 'detailed design' stage. Works are currently proposed to commence in May 2017, where overnight works will be used where possible to minimise congestion on this strategic route. Land has been secured through agreement. It is intended to go out to tender early January.

Separate funding has been identified to improve capacity at the adjacent Boston Rd Roundabout, whilst also considering pedestrian safety. Carriageway to the East and South of Peppermint Junction will also be resurfaced as part of planned maintenance at the same time. It is proposed that these works will use the same contract to minimise cost and reduce inconvenience during the works.

Grantham – King 31 Including A1 Connection (Spitalgate Level, west to A1)

King 31 Phase 1 – The road from the new roundabout on the B1174 running towards the A1 with another roundabout to a proposed development was completed in July 2016

King 31 Phase 2 - The design for the grade separated A1 Junction itself was submitted to Highways England for approval in July 2016. This is a scheme that LCC took over from a developer and secured a new planning permission. Highways England (HE) has recently reorganised and are treating this as a third party scheme but progress has been slowed by HE internal processes. Once approved HE will need to publish the Line Orders. Galliford Try have been appointed (through Midlands Highways Alliance) to produce a target cost and to carry out the works. A works contract cannot be awarded until the outcome of the Line Orders process is known.

Grantham – Southern Quadrant Link Road (SQLR)

SQLR Phase 3 - LCC now has a valid planning permission following approval of the S.73 change to planning

The detailed design is now substantially complete. Network Rail is insisting on securing a ransom for crossing the ECML in accordance with their Shared Value policy and a satisfactory outcome is required to this issue and the ongoing S106

discussions to secure a funding package. The Compulsory Purchase Orders (CPO) and the Side Road Orders (SRO) cannot be published until the Network Rail issue is resolved since they would object to the Orders as a statutory consultee.

Spalding Western Relief Road

The housing developer is due to submit a reserved matters planning application for the South phase of this road by Christmas, with a view to gaining approval during early 2017. We continue to liaise with the developer in view of gaining agreement from them on funding contributions for this section of the relief road.

The options for the North phase form part of the draft South East Lincolnshire Local Plan. This phase now awaits developer stimulation (separate to the South phase).

The central section of SWWR is identified as a 'safeguarded corridor' within the South East Lincolnshire Local Plan.

Public Rights of Way

The section continues to ensure that wherever possible the rights of way network in Lincolnshire is open and available for use. The autumn period is spent liaising with occupiers to ensure that routes across arable fields are appropriately reinstated following cultivation.

Street Lighting Transformation

The Street Lighting Transformation continues to progress well and is due to save £1.7m from April 2017. As at 28 October, 11,052 LED lights have been installed, 20,885 Part Night conversions have been completed and 298 street lights have been fully switched off - after careful assessment alongside colleagues at Lincolnshire Road Safety Partnership.

We continue to raise awareness of the changes to street lights across the county through the LCC website, local media and County News (Autumn edition).

Alliance Performance

Quarterly performance is reported through the Alliance management structure, with performance issues becoming the subject of an improvement action plan. The Alliance partners have managed to achieve their targets for Quarter 2. The results per contract area are:

- Alliance Key Performance Indicators (LCC/Kier/Mouchel/Dynniq) – 77*
- Highways Works Term Contract Performance Indicators (Kier) – 93*
- Traffic Signals Term Contract Performance Indicators (Dynniq) – 100
- Professional Services Contract Performance Indicators (Mouchel) – 84.8
- Client Performance Indicators (LCC) – 77

*Provisional data

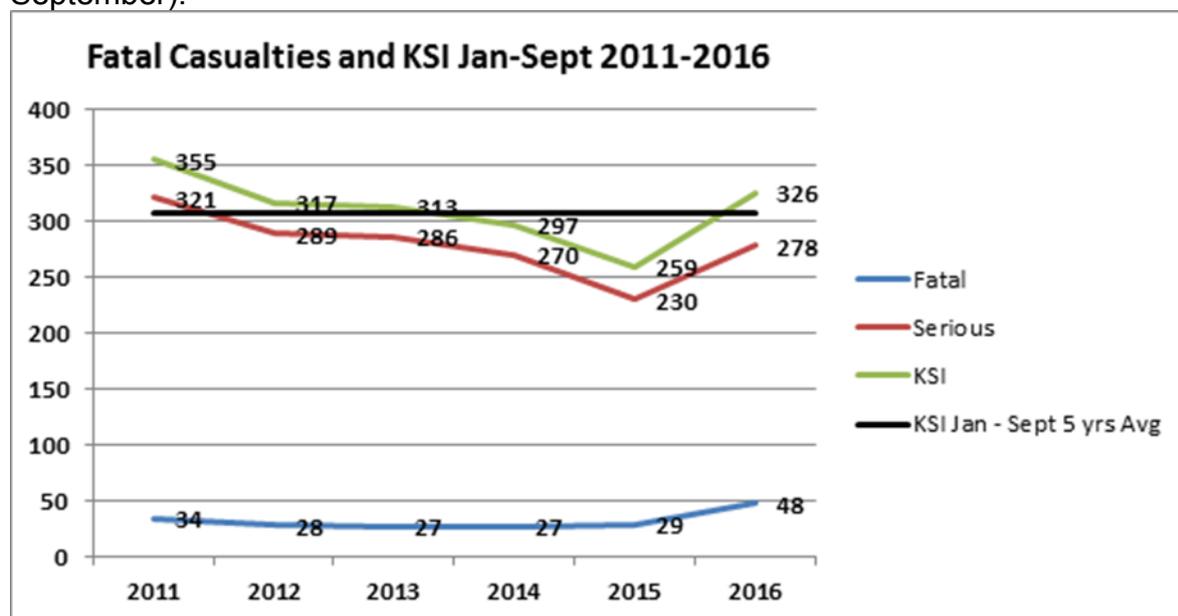
The performance achieved in Quarter 2 shows that the Alliance Indicators are at a good level and look set to remain as we progress through Year 7. A series of new indicators are being trialled alongside the current set of indicators to target and challenge each partner so that the Alliance continues to evolve.

Winter Maintenance

The County Council currently has 25,000 tonnes of salt within our 8 highway depots and a further 24,000 available on quayside at Immingham Docks. The Highways Alliance held recruitment days to actively promote recruitment of additional LGV drivers over the summer, which has provided a pool of staff to be called upon for extra resilience. There are ongoing discussions with the Fire & Rescue service, which it is hoped will be able to provide more potential drivers in future. As part of the normal lease process the four large gritters covering the hills in the Wolds have been replaced, at a reduced cost to the authority, through close liaison with manufacturers and the lease company. These vehicles are operating out of Willingham Hall and Manby Highways Depots.

Lincolnshire Road Safety Partnership (LRSP)

There have been 54 fatal casualties in Lincolnshire in 2016. In addition there were 278 serious injury casualties and 1594 slight casualties (provisional figure to end of September).



In response to high number of fatal collisions the LRSP data team continue to work with the Collision Investigation Team to continually analyse the fatal collisions to identify trends and highlight work that may need to be done.

The LRSP's public engagement exercise 'Public perceptions of road safety in Lincolnshire' will finish in November. The data will be compiled and analysed before a report is created and made publically available. Where appropriate, LRSP will seek to incorporate the issues identified by Lincolnshire road users in our road safety provision for 2017.

The average speed camera system on the A16 at Crowland will be live from the 28 November.

Lincolnshire Police are starting the tender process for the next phase of static camera digital upgrades. Between 10 and 20 existing sites will be upgraded before current wet film technology becomes obsolete.

The following completed training courses in Lincolnshire to the end of October 2016:

	Up to end October 2016	Up to end October 2015	Difference
Speed Awareness	12496	10526	+1970
Driver Alertness	221	283	-62
What's Driving Us	572	812	-240
Driving 4 Change	8	4	+4
Ride	15	16	-1
Taxi Driver	48	44	+4
Pass Plus	28	34	-6
Mature Driver	7	89	-82

The LRSP Education Training and Publicity team (ETP) are currently planning the winter drink/drug driving campaign. This will incorporate Police enforcement, radio advertising, festive event attendance, social media videos, and a comprehensive evaluation package in liaison with Lincoln University.

The ETP team are also undertaking engagement activity with Public Health to share road safety messages via partners.

Following a review of motorcycle casualties, LRSP is to develop an e-learning package targeting young motorcycle and moped riders.

Total Transport Initiative – Integration with Health

The Passenger Transport Unit continues to encourage Health Services to seek opportunities' to integrate their transport with key transport provided by the County Council. Additions to the retender specification for Non-Emergency Passenger Transport (NEPT) will permit the CCG's to review the scope of the contract with the successful provider with a view to developing the provision of integrated patient and passenger transport services.

The PTU is also actively engaging in the Sustainability and Transformation Plans (STP) being developed by the NHS. There is a specific STP for transport being led by NHS colleagues. The investigation and detail arising from the Total Transport project will feed into these plans and the Council is keen to work in partnership as much as possible.

The Unit is also working closely with Voluntary Car Schemes to improve their transport offer. We are supporting them with a programme of online training for staff,

improved software and a best practice forum for all schemes. It is hoped that this will assist the community transport operators in providing effective and potentially increased coverage for vulnerable and isolated members of the community.

Teckal Company Development (TransportConnect Ltd)

Summary of progress

TransportConnect Ltd is now fully operational with the planned services being delivered effectively. There have been some initial issues surrounding spare vehicles and staff performance, which are being addressed proactively by the Managing Director.

We are now starting to award TransportConnect some additional work. This includes one of the new SEND One School One Provider contracts, following the formal tender process which failed to see all contracts awarded due to affordability issues. The One School One Provider services start in January 2017, so the company is preparing and mobilising the necessary requirements for contract delivery – this includes staff recruitment and the purchasing of additional vehicles.

Governance and Strategy

Discussions are taking place internally in order to establish the most appropriate structure and decision making within the Council, to ensure the required level of control is exerted by the Council. These arrangements include the procurement process the Council follows when procuring TransportConnect, which can be through a formal tender process or through the direct award of a contract without a tendering exercise. The first meeting of the company's Board of Directors takes place in early December and then on a monthly basis.

The Managing Director is drafting a three year strategic plan, which will be taken to the Board of Directors before being submitted to the Council for approval. Once approved, the company would submit annual priorities to the Council for approval, to ensure its strategic direction remains aligned to the Council's requirements.

Highway Services User Experience

A number of work streams including improvements to the online highway faults reporting system are progressing to improve our highway services customers' experience. An update on this was given to the Highways and Transport Scrutiny meeting on 24 October 2016 and a further progress will be reported in six months' time. As part of the highway services reorganisation, discussions are taking place with the Customer Services Centre to realise the channel shift from telephone to web.

INFORMATION MANAGEMENT AND TECHNOLOGY

Overview

IMT Services being delivered by Serco are continuing to slowly improve, and many services are relatively stable, although we have had some significant outages recently.

There remain areas where the breadth of services delivered by Serco, and level of service are falling short of expectations. Service Improvement activity targeted to resolve this is beginning to take shape to improve the situation but the service is still in need of considerable rectification.

Whilst there are continued delays in implementing service area commissioned projects, which are hampering the delivery of key some non-IT service improvements, in the main the day to day user experience of the service desk remains high. It should be noted that recently issues are being experienced with overflow calls to the Birmingham service desk. These issues are being addressed and we are seeing some improvements.

End User Experience

Whilst there are issues with the wider IT service, most users are still receiving a good level of service which enables the 'as is' functioning of the Council to continue. The end users of the IT Service mostly remain satisfied with the level of service achieved day to day with an average of 88% of staff rating the service as 'good' or 'excellent'.

A significant backlog of outstanding tickets (Service Requests and Incidents) are marring the overall good level of service. This is being addressed but remains an ongoing issue closely managed by the LCC IMT team.

Incidents and Recovery of Systems

The Council is still experiencing a significant number of Priority 1 and Priority 2 Incidents. These Incidents relate to key critical systems, where there is reputational damage or many users are unable to work.

Small Project Delivery

Project delivery remains the most challenging part of the Serco service, with small 'business as usual' projects taking longer to commission than expected.

The Information Management Team (IMT) and Serco colleagues are utilising Operational Level Agreements to clarify expectations and understand the reasons for backlogs and delays. Project tracking to provide the OLAs remains a manual process updated by the Serco Project Management team and lack accuracy which is impeding rectification work.

Transformation and Commissioned Project Delivery

Whilst many of the outstanding projects now have plans, some further planning and prioritisation work is required as provided dates are often missed. Where plans are now available, Serco and the IMT team are working to ensure interdependencies of the remaining transformation projects are clear and milestone dates are established.

Work continues to complete the bulk of Transformation Projects within this calendar year, or the current Financial Year depending on resourcing and complexity. The number of Transformation Projects extended into the next Financial Year should be few.

Project Management reporting remains poor with ineffective manual systems in place and the escalation of project issues failing. Thus, the KPI relating to project delivery remains without the means to be calculated. The ability of Serco to deliver change and transformational IT projects remains a serious concern.

Service Improvement Plans

Whilst a significant number of Service Improvement Plans have been put into place following significant deficiencies being identified through maturity assessments and the outcome of Incidents and/or service failings, these are not progressing at the necessary speed to improve matters and continue to place IT services at risk of failure.

ICO Follow-up Data Protection Audit

A desk based follow up audit was recently carried out by the ICO (original audit carried out 2 – 4 February 2016). The purpose of the audit is to measure the extent to which LCC had implemented recommendations from the original report.

Of the 45 recommendations made in the report across Training and Awareness; Records Management; and Data Sharing:

- 22 are complete;
- 5 are partially complete;
- 6 have not yet been implemented;
- 12 were rejected by LCC.

A final follow up is due during February 2017.

HSCIC Audit

The Health and Social Care Information Centre (now NHS Digital) carried out an audit of LCC's data sharing activities evaluating how LCC conforms to the requirements of a data sharing framework (hospital statistics) relevant to Public Health. The audit findings assigned an overall assurance rating of substantial and an overall risk statement of low risk.

Malware Attack

On Tuesday 8 November 2016 Lincolnshire County Council was subject to a malicious software attack known as ransomware resulting from a single user clicking on a malicious attachment containing a zero day malware variant.

As a result of immediate action by LCC's IMT team and Serco, damage was limited. The availability of additional expert resource e.g. Serco Security Operations Centre and the presence of good back-ups contributed to surviving the attack with minimal loss disruption to services.

Full restoration was achieved by 10 November 2016 and the overall scale of impact was significantly reduced when compared to a similar event which occurred in January of this year.

Information Security Management System

On 18 November 2016 after many months of preparation by LCC and Serco, formal certification to ISO 27001:13 has been achieved. The international standard relates to the design and implementation of a formal information security management system and is applicable across all local services delivered by Serco to LCC including IMT.

This is good evidence of improving information security management and should be a solid base on which LCC and Serco can continue to improve security management.

BROADBAND UPDATE

Phase 1

The main broadband project (Phase 1) was concluded on its scheduled date of 31 March 2016. At the end of Phase 1 150,775 premises had been successfully fibre enabled, which equates to 738 roadside cabinets. The Phase was delivered with savings of just over £15M and this will be utilised to fund a 'Third Phase' deployment where we will look to push faster broadband even further out into the county. Each Superfast enabled premise was delivered at an average cost of £178 against a projected figure of £293.

Customer Take Up for Phase 1 currently sits at 34.08% and we expect to hit 40% before the end of Phase 2. This will bring additional funding back into the Investment Fund as a result of the 'Clawback' agreement in the contract.

Phase 2

Phase 2 of the project commenced 1st April 2016 and to date, 3905 premises have been enabled under this Phase. This includes additional premises that we identified under Phase 1 as being eligible for upgrade.

The final Phase 2 plan has a Superfast broadband coverage target of 4801, but we will deliver fibre provision to significantly more than this number. It is expected that it may not be possible to reach some areas with the existing BT technologies and alternative technologies are being investigated. We remain confident that we will hit the targets for Phase 2 on time and within budget.

Phase 3

As mentioned above, there is a large surplus of funding from Phase 1 and this will be utilised to push faster broadband further out into the county than had originally been expected.

To that end, we have asked BT to 'Model' the £4.65M already given back to the programme by them under Clawback, along with a further £6M of the underspend from Phase 1. We are expecting to see the results of this 'Modelling' imminently and it is hoped that we will see extensive further penetration of fibre at reasonable cost. We do anticipate having to discuss the 'Model' with BT to arrive at what we want from the solution and when we have fully analysed and if necessary, amended the Model, we will take a view of whether it represents value for money and if so, recommend acceptance.

Beyond that, we will look at what can be achieved with remaining funding, but conscious of emerging technologies and what we have left to try to cover.

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COUNTY COUNCIL MEETING – 16 DECEMBER 2016

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

PRESENT SITUATION

Strategic Waste Considerations

The County housing profile and its subsequent effect upon Waste Management in Lincolnshire is a rapidly changing vista. Therefore, in order to anticipate change and to move Waste and Recycling forward in readiness, we are undergoing a Strategic Waste Options Review.

Lincolnshire County Council is the Waste Disposal Authority for Lincolnshire, providing waste services in conjunction with the seven District Council Waste Collection Authorities. On the south bank of the Humber, North Lincolnshire and North East Lincolnshire Councils, as unitary authorities, combine the disposal and collection functions. The Environment Agency is the statutory regulator for all these functions.

All public services are facing considerable challenges in reducing costs and exploring new, more cost-effective ways of operating. This is likely to continue throughout the foreseeable future. A recent devolution bid with Government, covering all the authorities mentioned above points the way and offers a major opportunity to determine and implement a truly sustainable model of waste management that places service users first and is resilient to the current fiscal climate. Local unitary authorities are already enjoying considerable advantages of being able to determine the optimum methods of both collection and disposal of waste materials.

Lincolnshire County Council's (LCC) waste services wishes to play a leading role in securing such benefits, aligned with the key economic objectives as set out in the Greater Lincolnshire LEP's Strategic Economic Plan. Whilst in the short term some relatively minor budget savings have been achieved by localised reductions in some aspects of service provision, there remains a huge opportunity to build upon this. In the longer term it is essential that LCC, hopefully in cooperation with others, is able to set out a strategic direction of travel. This should clearly identify the major strategic challenges facing us, as well as setting out the scope for improvements that can be made by LCC alone, by LCC in partnership with the seven Lincolnshire District Councils, and by all ten waste authorities in Greater Lincolnshire working together.

CHALLENGES

Lincolnshire Waste Partnership

An audit of the Lincolnshire Waste Partnership (LWP) and the present Joint Municipal Waste Management Strategy (JMWMS) has been undertaken by LCC's corporate audit service. I fully expect this to be the catalyst for progressing more

effective and efficient ways of delivering the collection and disposal waste services. This may also help us to grasp an opportunity to engage with North Lincolnshire and North East Lincolnshire fully with co-ordinating waste management across Greater Lincolnshire.

Joint Municipal Waste Management Strategy

We urgently need to renew the current, statutory, JMWMS and to refresh the capacity of the Lincolnshire Waste Partnership to align with the key strategic drivers outlined below. This will also provide a structured environment within which the full range of service requirements can be fully evaluated and service design can be re-considered in line with commissioning priorities, such as a Lincolnshire owned Materials Reclamation facility to process our presented recyclables. A new strategy is critical to being able to identify solutions to existing pressures and prepare for future challenges and we need to consider and emphasise waste as a resource rather than simply a problem for disposal.

Renewing this agreed partnership strategy will enhance our ability to align objectives with the broader growth agenda, realising and demonstrating the contribution that waste management can make to the future direction of all Councils and all its partners.

Housing Growth

Greater Lincolnshire has an unprecedented level of future growth planned by 2036. Based on the 2014 Waste Needs Assessment, the Lincolnshire Minerals and Waste Local Plan forecasts an increase in local authority collected waste of 75,000 tonnes, and increase of 9.9% growth in commercial and industrial waste and an increase of Commercial & Domestic and of electrical waste by 2031 (excluding North and North East Lincolnshire).

This provides for a prediction of capacity gaps for waste across the period. These levels of growth provide the context for a review of our current approaches and for identification of preferred solutions, including any updated forecasts for waste needs relating to 2017 and onwards, and will be a key consideration in the new JMWMS.

Mixed Dry Recyclables (MDR)

Lincolnshire residents currently produce some 70,000 tonnes of dry recycling, which is being sampled by LCC and show high levels of contamination across all seven collection councils, which they were questioning. Consequently, a collection authority has had a sampling audit of its recycling and the results would be accepted by all councils as representative of the sampled contamination rates. This has confirmed our sampled high levels of contamination and there is now a clear acceptance for all councils to address this.

So our joint objective to make it 'simpler to recycle' possibly through a campaign perhaps with a tag line such as, 'Six Mix', which will identify the 6 best recyclable items - aluminium cans, tin cans, paper, glass, cardboard & white plastic milk containers. All other items including all other plastics will go in to the general waste

mix to be burned at the EfW. The objective being to promote this through County News and District Councils publications, so we can all be involved in helping ourselves to save money from processing lower recycling contamination. Other 'valuable' recyclable materials like textiles and electrical goods will be collected at Household Waste Recycling Centres. Whether this standardisation becomes accepted by a diverse county with Districts collecting differing ranges of recyclates is yet to be determined but the mood of partners is positive.

We are therefore progressing the development of a new Mixed Dry Recycling contract to have a new contract in place from April 2018, with hopefully lower contamination and we have a product, which the waste processors will be more interested in tendering for as it will be a better quality mix and therefore more valuable.

Landfill provision

It is important that provision for at least one landfill remains in Lincolnshire, in case there is a significant emergency such as disposing of waste after a tidal surge and the disposal of mattresses, which are both examples of waste that cannot be processed at the Energy from Waste facility.

Kerbside vs Co-Mingled Collections

It has been shown in many studies that Kerbside Collection and sorting is by far the best method to ensure quality of recycling contamination and this will be a key consideration of the JMWMS.

Our partners in the north of the county, are already enjoying the benefits of collecting at the kerbside and whilst this may increase collection costs, this has several advantages. Firstly, the product can be monitored in order to minimise contamination. Secondly, the items are collected separately and therefore saving on sorting costs. Thirdly, the public can be engaged at home and this will lead to much more effective recycling, which we know is something that the public in Lincolnshire are keen on achieving in order to help preserve precious resources.

Energy from Waste

As well as achieving its main purpose of processing the residual waste for the County and saving on crippling landfill costs, the EfW facility also generates electricity, which is exported to the national grid, and heat, which could be used for district heating. We have already completed an investigation in to where we can use the heat generated, which concluded that it was possible to travel the heat some considerable distances but the amount of cash resource to realise the required infrastructure for this was simply prohibitive at a time of financial constraints. However, destinations closer to home are more practical for both electricity and for heat. Therefore, we are continuing to look into opportunities with private and public businesses to take advantage of these generated by-products.

FUTURE AMBITIONS/CONSIDERATIONS

Strategic Context

Consequently, from the issues detailed in this statement, we will need to work more collaboratively with all our partners, in consideration of the following critical factors:

- Continuing tight financial constraints, including the need to make further significant on-going budgetary reductions
- Changing waste streams and projected growth in waste as set out in the Waste and Minerals Local Plan
- The evolving devolution agenda, with potential for more integrated service delivery between waste authorities across the Greater Lincolnshire geography
- The County Council's move towards a more clearly defined commissioning model of service provision, through delivery of the Council Commissioning Strategies.
- Impacts of the referendum vote in favour of leaving the EU, with potential longer term changes in the legal requirements on waste authorities.
- Implementation of the Greater Lincolnshire LEP's Strategic Economic Plan and national policy focus on promoting economic growth.
- Mitigating against the impact of Housing Growth across Lincolnshire.

This means that a clear strategic approach to waste management is required, which identifies, assesses and manages these risks and opportunities which have arisen from these circumstances. Without this, Lincolnshire will be unable to prioritise and plan its approach to waste effectively. This makes it more likely that services will be shaped on an ad hoc basis, in response to immediate issues. This means that we need to be mindful of all the strategic and operational issues detailed throughout my statement and to be decisive in ensuring that we deliver an optimised and sustainable waste management for the benefit of all Lincolnshire residents.

COUNTY COUNCIL MEETING – 16 DECEMBER 2016

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

LINCOLNSHIRE HEALTH AND WELLBEING BOARD

Joint Strategic Needs Assessment

A fundamental review of Lincolnshire's Joint Strategic Needs Assessment (JSNA) began in April 2016. The JSNA reports on the health and wellbeing needs of the people of Lincolnshire. It brings together detailed information on local health and wellbeing needs and looks ahead at emerging challenges and projected future needs. It is used by the Health and Wellbeing Board to inform the Joint Health and Wellbeing Strategy (JHWS), and is the basis for the strategic planning and commissioning of services.

Since April 2016, 33 Expert Panels, made up of representatives of the County Council, Clinical Commissioning Groups, District Councils, NHS Providers and the voluntary and community sector, have been held to review the JSNA topic areas. Approximately 400 people have been engaged in the process either through Expert Panels or as part of a peer review process that assures the quality and usefulness of the JSNA .

36 topic areas have been identified and new topics include Dementia, Domestic Abuse, Financial Inclusion and Autism. The review programme is on plan to conclude in the New Year and the new JSNA for Lincolnshire is due to be published on the Lincolnshire Research Observatory in Spring 2017.

Development of the next Joint Health and Wellbeing Strategy

Alongside publishing the JSNA, the Health and Wellbeing Board is also required to produce a Joint Health and Wellbeing Strategy (JHWS) which sets out the shared priorities for improving health and wellbeing in Lincolnshire. The current JHWS is due to be replaced in April 2018 and at September's meeting the Board agreed the principles for developing the next JHWS, which included a prioritisation framework.

The formal process to develop the next JHWS will begin in early Summer 2017 following the publication of the JSNA.

Better Care Fund (BCF)

The Lincolnshire 2016/17 BCF pooled budget now stands at £196.5m and remains one of the highest pooled budgets in the country. The expansion follows Lincolnshire Community Health Service (LCHS) and Adult Care working together to block purchase 85 care home beds to support Lincolnshire residents. This expansion has an annual value of £2.72m and the block contract has been awarded for 3 years, with the ability to extend it for up to a further 2 years. The beds will be used as 'step up' hospital avoidance and 'step down' hospital discharge capacity, and should support better utilisation of the beds in the local hospitals, acute and non-acute.

As with previous BCF submissions the timescale for completion will be very tight indeed. One change that is welcome is the next BCF will be for 2 years and have a reduced set of conditions. We expect to soon receive detailed information about the requirements for BCF Plans for 2017/18 and 2018/19. Indications are that:

- A new Adult Care grant will be introduced which nationally will make an additional £105m available in 2017/18 and £825m in 2017/18. Lincolnshire's share of this funding is estimated to be £2.1m in 2017/18 and £14.2m in 2018/19. The sum is also expected to expand to £25.1m in 2019/20, demonstrating the importance to Lincolnshire of good BCF Plans. This element of funding is expected to be paid directly to upper-tier councils though remain part of the BCF 'pool'.
- A £459k per annum increase in Disabled Facilities Grant (DFG) funding to be made available to District Councils, so potentially making available £5.34m across Lincolnshire in 2017/18 and £5.8m in 2018/19.
- The regulations will clearly set out the minimum amount the 4 Lincolnshire CCG's must make available to support Adult Care services, and this sum is estimated to be £15.9m for 2017/18.

The Department of Health (DH) are planning to introduce a new term, '*graduation*' to the current discussions on health and social care integration. It is believed that DH now wishes areas to 'graduate' from the BCF to full integration and Lincolnshire is considering whether it wishes to be one of very few areas asked to pilot this initiative.

It is anticipated that within the BCF there will be an ongoing emphasis on non-elective admissions and delayed transfers of care, reflecting the increasing national concern about how acute care is operating. My colleague Cllr Bradwell refers to this in more detail in her statement. The Health and Wellbeing Board receives an update concerning the BCF at each of its formal meetings which includes performance against agreed targets.

Integration Self-Assessment

During October 2016, the Health and Wellbeing Board asked key partners and stakeholders to take part in a Health and Social Care Integration Self-assessment Exercise. Using a self-assessment tool developed by the Local Government Association, NHS Confederation, NHS Clinical Commissioners and ADASS, the Board wanted to understand the ambition, capabilities and capacities to integrate services to improve the health and wellbeing of local citizens and communities. We received 11 corporate responses and the feedback from this exercise was discussed at a well-attended workshop on 8 November 2016.

A detailed report on the self-assessment exercise was presented to the Health and Wellbeing Board on 6 December.

Pharmaceutical Needs Assessment (PNA)

On 20 October 2016 the Government published its final report on community pharmacy - '*Community Pharmacy in 2016/17 and Beyond*' - which details an overall funding reduction for community pharmacies of £113 million or 4% in the current financial year followed by a further reduction of 3.4% in 2017/18. The full impact of these cuts on Lincolnshire is unknown at this point. The PNA Steering Group met on

18 November to consider the potential impact and to investigate whether Lincolnshire's PNA needs to be reviewed to reflect any changes.

COMMUNITY ENGAGEMENT

Armed Forces Community Covenant Conference

Unfortunately the Armed Forces Community Covenant Conference scheduled for October had to be postponed. The event will now be taking place at Prince William of Gloucester Barracks, Grantham on Thursday 9 March 2017. The theme will be *Community Cohesion with the Armed Forces* and it is hoped that the Police & Crime Commissioner, Cllr Marc Jones, and his Deputy, Cllr Stuart Tweedale, will be able to attend as keynote speakers. Content and arrangements are currently being finalised, after which a 'save the date' email will be sent to all invitees, enabling them to get the event in their diaries early.

At the Conference we will be celebrating success stories where military and civilian communities across Lincolnshire have come together to develop and deliver robust and locally led projects. There will also be time set aside on the day for networking with military & civilian community officers and Covenant Champions.

Library Community Hubs

The Library Community Hubs have all been offered tremendous support by the four Community Advisors in their quest to support the Hub's sustainability and resilience. The team managed to be successful in obtaining some extra funding in 2015 and have developed the 'Healthy Hubs' Grant Scheme as a consequence. The scheme has allowed Community Hubs to bid for funds up to £3,500 in order to implement or develop activities within their Hubs that benefit the health and wellbeing of their local communities. The majority of the Hubs have been extremely positive about this opportunity and we have supported groups in a number of ways, including setting up heritage classes, arts and craft sessions for adults and children, healthy walks, educational sessions and other exercise classes as well as helping Hubs to purchase items such as fold away tables and chairs (to enable them to open up floor space for extra activities), board games and laptops (giving more space and encouraging younger people to access the Hubs). We are very proud of the Hubs and the huge variety of activities that they have been able to put on as a consequence of our support and look forward to continuing to support them until the Community Advisors' project ends at the end of March 2017. A report will be published before the end of the project and will discuss the findings in more detail.

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COUNTY COUNCIL MEETING – 16 DECEMBER 2016

Statement from: Councillor C N Worth, Executive Councillor for Culture and Emergency Services

HERITAGE SERVICES

BP Portrait Award at the Usher Gallery

The Usher was the only non-national gallery to host this exhibition which is world renowned and is the most prestigious international portrait painting competition launching the careers of many renowned artists. Over 9,000 people have visited the exhibition, far exceeding expectations, and proving again that a provincial gallery can generate similar levels of interest to National venues.

Victorian Days and Nights of Fear at Lincoln Castle

In the days leading up to Halloween, Lincoln Castle hosted a series of activities and events, with costumed characters telling gruesome and funny tales. Creepy characters including a Victorian grave digger and a rat catcher were on hand to tell tales of witch trials and ghost stories. The programme of activities was a huge success with all events oversubscribed, including a number of evenings giving visitors the chance of experiencing the Castle after dark to witness a full Victorian funeral.

The famous and infamous of Lincolnshire at the Archives

In October, the Archives put on an exhibition using its own collections featuring Lincolnshire natives and people with Lincolnshire connections between the 12th century and the present day, including Isaac Newton, Alfred Lord Tennyson, Charles Dickens, and Laurel and Hardy. It was a rare chance for the public to see some of the pieces in the Archive about the famous lives and stories of Lincolnshire, for example, letters from Spilsby's famous explorer Sir John Franklin, and an original programme from a piano concert given by the young Margaret Thatcher, many years before her Prime Ministership.

LIBRARY SERVICES

The contract with Greenwich Leisure Limited (GLL) was officially launched on 4 April 2016, with a seamless handover of operations.

GLL have continued to have a positive start to the new contract, delivering a number of events across the sites and encouraging community use within the service.

There are elements of delivery that still require some attention to ensure all targets are achieved, including work around number of visits to the sites, stock issues and the mobile service provision. However, the KPIs are bespoke to the GLL contract and therefore the service is not comparing like for like from previous years. The methodology for collating performance prior to April 2016 is not the same process that GLL are undertaking. This is to increase validity of the data and to ensure robust collection methods are utilised. Plans are in place to monitor performance in these KPIs over quarter 3.

Beyond this, GLL have already started to make an impact across Lincolnshire with updates to the garden and Children's area in Lincoln Central, a new look at Boston and improvements to Skegness, Sleaford, Gainsborough, with a new children's library planned for Stamford.

Book stock at each of the core library sites and across the community hubs is being reviewed to ensure available stock reflects customer needs. This is proving to be a positive step and is facilitating the development of relationships between the community groups and GLL. Efficiencies with the mobile service are also to be reviewed.

The activities that are available are also under review, with more creative sessions being planned, alongside 'jamming sessions', messy mornings for children, and mindfulness sessions for adults and digital drops-ins.

Discussions have been held with the University of Lincoln over their library catalogue, in order to expand Partnership working, although these conversations are still in their infancy.

GLL are reviewing the current opening hours for the core sites with the intention of extending, where possible, to ensure the provision matches the demand. For example, an additional hour at the end of the day is being proposed at Lincoln Central to give those who work during the day time to enjoy the library.

Operational staff feedback on their 6 months of working with GLL is all positive. However, we are still to receive agreement from the landlord at the Isaac Newton Shopping Centre in Grantham, to our sub-letting of the site to GLL. Grantham Library staff therefore remain LCC employees, although they are supported operationally by the GLL management team and LCC.

The Community Hub roll-out continues to progress with 35 hubs now operational. Wainfleet is scheduled to go live over the coming months, bringing the total number of Community Hubs to 36 (this includes Belton Lane Children's Centre and the 3 hospitals that operate as a hub).

This continues to be an exciting time for the service, making a further significant contribution to our financial challenge and a great outcome for everyone.

REGISTRATION AND CORONERS SERVICES

Registration Service

The Registration Service is delighted to announce that it has once again achieved 100% compliance with the Government's standards for Customer Service Excellence. This is a remarkable achievement which reflects the commitment and dedication of staff working in the service.

A new Bereavement Booklet has now been launched. This has been very well received and we are in the process of publicising and promoting this. An electronic version is also available on the Council's website.

Nationally legislative opportunities continue to move forward. In particular, with proposals in relation to death certification reform and the proposed introduction of Medical Examiners. This new service will provide scrutiny of Medical Certificates of Cause of Death for those who have died and where the death is not referred to the Coroner. Nationally it is anticipated that this will provide great comfort to families in allowing them to discuss the circumstances of their loved one's death with medically qualified personnel, improve clinical governance and provide greater assurance on death certification.

Lincolnshire Coroners Service

2016 has seen a high level of activity in the Coroners Service. Referrals to the Coroner are up by 32% on the 2014 levels. This is inevitably putting a strain on resources and budget however the risks to service delivery are being mitigated by the employment of additional staffing and the continuing review of processes.

Alongside this, the Council continues to work positively and constructively with Lincolnshire Police to more clearly align service delivery with the Council's statutory responsibilities for the provision of adequate accommodation and staffing.

Following the Executive's decision on the 5th April 2016 to support the merger of the two coroner areas, we anticipate the Business Case for Merger will be formally launched by the Ministry of Justice (MoJ) this month (November 2016). This will enable the MoJ to seek views on the proposed merger from a wider perspective of stakeholders.

We continue on the journey to transform the service and to try to ensure the BEST service – A Bereavement Experience which is Sensitive and Timely.

FIRE AND RESCUE / EMERGENCY PLANNING

National Reform

Change within the Chief Fire Officers Association (CFOA) in support of national reform continues at pace with the creation of the National Fire Chiefs Council and supporting coordination committees. CFOA is also progressing specific changes particularly around collaborative working, the establishment of standards and an independent inspectorate. The intent of the standards work is to build on a number of areas where standards already exist and bring them all together to support the delivery of consistently good practice. Areas being considered under individual standards include; career progression and pathways, leadership, management and the Fire Professional Framework. Areas under organisational standards include Integrated Risk Management Planning (IRMP), assurance statements, governance statements and benchmarking/performance data. Operational Guidance standards are likely to remain under the existing National Operational Guidance programme.

Proposals on a model for the new inspectorate will be submitted to the Home Office for consideration by the end of the year. A number of options have been tabled all of which would see the inspection process starting in 2017/18.

IRMP

More locally plans are now progressing to take forward the changes agreed as part of this year's IRMP consultation process. This includes changes to the wholetime duty systems to meet anticipated savings targets, the permanent relocation of an aerial ladder platform to Boston and the introduction of a cost recovery process for businesses which generate repeated unwanted fire signals from automatic fire alarm apparatus. Recommendations from a review to ensure the Service's Retained Duty System remains fit for purpose have also now been agreed. This review covered a broad spectrum of topics ranging from recruitment and selection through to training and payment systems. The recommendations will be implemented over the forthcoming months as appropriate.

Blue Light

In terms of the Blue Light Collaboration project, the programme team remain busy driving the project forward and dealing with all the issues associated with such a complex task. Plans to move the fire and rescue HQ to Nettleham remain on target for Spring 2017 with the control room due to co-locate with police control by October 2017. Requirements for the tri-service campus on the South Park site are also been developed. In parallel, work is ongoing around the wider estates plan which is looking at the potential for the blue light services to share stations around the County. We are now expecting that EMAS will shortly sign off plans to share the existing fire station at Louth and to be part of the development of the joint fire station and county council office accommodation at Sleaford.

Long Service Awards

On the 10 November, the Service held its annual Long Service awards ceremony at the Lincolnshire Showroom. In addition to the 6 recipients who received their Long Service and Good Conduct medals, recognising their 20 years of meritorious service and good conduct, 1 member of the Service received their County Council long service 20 years certificate, 4 members their 30 years certificate and 2 their 40 years' service certificate. Watch Manager Neil Johnson from Wragby also received a Chief Fire Officer's commendation for his role, while off duty, in providing life-saving medical support to a local resident.

Exercise Grey Seal

Exercise Grey Seal, a Lincolnshire Resilience Forum (LRF) coastal pollution exercise, took place over the period 21-23 November. The exercise was run in conjunction with the Maritime and Coastguard Agency with the scenario based around a collision of a passenger ferry with an oil tanker resulting in oil coming ashore in Lincolnshire, North East Lincolnshire and Bridlington. Day one focussed on a demonstration of capabilities on Mablethorpe beach. Despite the inclement weather, shoreline clean-up and decontamination techniques were undertaken and beach masters and volunteers were also given the opportunity to train and develop their skills. The second two days focussed on exercising the coordination of such an emergency through the Strategic and Tactical Coordination Groups and included establishment of the County Emergency Centre. While the formal debrief has yet to be undertaken early indications suggest the key objectives of testing the co-ordination between national, sub-national and local levels, validating the Lincolnshire LRF Coastal Pollution Response plan and testing integration of local communities

and volunteer responses to an environmental emergency were achieved. Over two hundred people from a wide range of agencies took part in the exercise over the three days which allowed plans to be properly enacted and validated. The exercise received a substantial amount of positive media coverage and a large number of observers attended.

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COUNTY COUNCIL MEETING – 16 DECEMBER 2016

Statement from: Councillor B Young, Executive Councillor for Community Safety and People Management

CRIME REDUCTION

Safer Communities

Community Safety

Work continues to draw partners together to maintain Lincolnshire as one of the safest places to live and work in the country. Through the County Council working closely with the Police, health trusts and district councils, incidents of alcohol related crime have seen a 14% reduction from the same quarter last year. The most significant decrease occurred in Lincoln where police incidents involving alcohol are at a 6 year low. It is especially pleasing to see a reduction in violent crime against the person linked to alcohol. Unfortunately, sexual violence and rape figures continue on an upward trend but the County Council is playing a key role in identifying partners and activity to tackle this issue such as the very successful #NOMORE campaign that used the #AskforAngela approach to support people who didn't feel safe out on a date. This campaign created by the county partnership went worldwide on social media.

Hate crime, along with domestic abuse is an issue in which the individuals who have been affected do not readily report incidents to the police or seek support early. We are working with partners on both issues to give the knowledge and confidence to victims to report the matter. I am pleased to say that this activity is effective as reports increased in both areas in the second quarter of this year: hate crime reports were up by 16% and domestic abuse reports by 4.5%. These increased reports are driven by awareness raising activity and clear information on how to access help and support.

YOUTH OFFENDING

In October 2016 Lincolnshire Youth Offending Service received notification from the Restorative Justice Council that it has been awarded the nationally recognised Restorative Service Quality Mark which evidences the commitment to Restorative Justice in Lincolnshire throughout all elements of the service. Only a small number of services nationally have met the required standards to receive this award and it represents an excellent reflection of the work of staff and community volunteers and their underlying commitment to restorative practice in the county.

Also in October, the service received an inspection by HMIP (Her Majesty's Inspectorate of Probation) as part of a national programme of a wider multi-agency inspection with a specific focus on the impact of domestic abuse on children and young people. Whilst, at the time of writing, the formal report has still not been published, there was recognition by the inspectorate of the innovative work being undertaken by the service with young people to minimise the risk of violence through specific group based interventions.

The national Youth Justice Convention took place in Milton Keynes at the end of November 2016 and the publication of the long awaited Taylor Report, which was commissioned by the previous Justice Secretary to map out the future direction of youth justice services nationally for children, both within custody and the community, was expected around the same time. This is likely to be followed by a period of consultation with relevant stakeholders to determine how any specific recommendations are taken forward.

Finally, this month sees the formal integration of the Youth Offending Service within the wider Children's Services directorate. Communication and engagement with staff has already commenced to ensure a shared understanding of how both services can be co-ordinated, innovative and maximise resources to best meet the needs of children and young people in Lincolnshire.

TRADING STANDARDS

Trading Standards Officers have continued to work closely with the Neighbourhood Policing Teams to deliver the "Break the Cycle" project. This aims to identify local residents at risk from scams and through education designed to help them identify and reduce interaction with scam mail in all of its guises, prevent them suffering further financial loss. Information from the National Scams Team and Action Fraud identifying over 2,000 Lincolnshire residents believed to be in regular contact with the scammers has been mapped and areas where there are multiple victims identified. Trading Standards is currently in the process of rolling out training to PCSOs in the areas identified so that those residents can be supported. Our officers continue to provide support to victims in the most complex cases.

Trading Standards have continued to work in partnership with other agencies including Lincolnshire Police, Licensing and HMRC in an effort to tackle the sale of illicit, unsafe, counterfeit and non-duty paid tobacco products. Over 2 days in September the service participated in an HMRC disruption exercise that saw 36 premises inspected in Lincoln, Spalding, Grantham and Boston. Over 130,000 cigarettes, 42 kilos of hand rolling tobacco and 3,570 litres of beers and spirits were seized from 20 premises that equated to a potential loss of £54,514 in excise duty and VAT. Several Trading Standards investigations have commenced following the days of action.

PEOPLE MANAGEMENT

Apprenticeship Reforms – Update

Background Information

As outlined in previous briefings this year to Council, in 2017, government funding of apprenticeships will vastly change, with the introduction of an Apprentice Levy due to be implemented from 6 April 2017. Organisations with an annual pay bill of more than £3 million will be subject to a levy payment of 0.5% of their total pay bill.

The levy payment will be required to be spent on the training and assessment of apprentices, and will be reported and collected through PAYE to HRMC. Alongside the introduction of the levy will be a 'levy allowance' of £15,000 per year. Based on

salary figures from 2015/16 the Council's estimated levy is just over £1.2 million (including Maintained schools).

Organisations will be able to recoup the levy if they meet the required performance in employing and training apprentices, which can be a mixture of existing staff and new recruits. This will be through the use of electronic vouchers via the introduction of a new digital apprenticeship service. The new service will facilitate the commissioning of training and development for apprenticeships, from accredited colleges, universities and private training providers. Levy paying organisations will be able to register for the new digital service in January 2017.

Levy paying organisations are also subject to the Government proposals of apprenticeship targets for the public sector, which have been set at 'starts per annum' of 2.3 % of the total workforce headcount.

A new national body, the Institute for Apprenticeships, will be established in April 2017. It will be its responsibility to oversee and approve all new apprenticeship standards and to 'ensure the quality of apprenticeships'.

Preparation for the introduction of the Apprenticeship Reforms by the County Council

The Apprenticeship Strategy Group with representatives from service areas in the Council is continuing to map existing and vacant roles against new apprenticeship standards and current frameworks. This is currently being used to input into the new government funding calculator to give an indicative levy spend. This will be an on-going process as new apprenticeship standards are produced. The final funding guidelines are due to be published by government at the end of December 2016.

It is planned that by end February 2017, Service Areas will be able to confirm definite numbers of apprenticeships for 2017-18, in line with their Workforce Plans. This will include both existing staff undertaking essential qualifications which are mapped to prescribed standards, as well as recruitment to apprenticeship vacancies.

There is a Project Team reporting to Debbie Barnes as the Project Sponsor to oversee the planning and implementation of the reforms in April 2017. The Project Lead is participating in networks with other authorities, so that learning can be shared and there is regular liaison with representatives from the LGA who are supporting authorities in the preparation stages.

A separate schools working group has been set up to focus on apprenticeship activity in schools.

A communication plan is being prepared which will include the timetable for the circulation of information on the reforms to appropriate parties within the Council and other stakeholders.

LEGAL SERVICES

Legal Services Lincolnshire continues to provide legal support to the work of the County Council and partners. Significant projects being supported include Pension Pooling, the Blue Light Collaboration and the development of appropriate legal documentation for the Better Care Fund for 2017/18.

In October, an advertisement was placed for the recruitment of two Trainee Solicitors.

This forms part of the service's approach to tackling ongoing recruitment difficulties. Training contracts offer an opportunity for the service to "grow its own" and in particular to help develop practitioners with an understanding of and interest in working as lawyers in local government and the wider public sector

The service also continues to work with Her Majesty's Courts and Tribunal Service to develop a solution which will enable Judges and the parties to court proceedings to have electronic access to court papers. Possible portal-based solutions are being evaluated with the assistance of County Council IT and Serco.

The project has the potential to reduce the cost of proceedings for all parties but particularly for the County Council which is often responsible for providing copies of the court bundle which can run into many hundreds of pages. While Legal Services Lincolnshire has the capacity to produce and store the bundles electronically, the lack of a system by which bundles can be securely shared with third parties means that currently the service has to produce multiple hard copies of the same bundle.

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

Report to:	County Council
Date:	16 December 2016
Subject:	Review of Scrutiny

Summary:

This report seeks to update the Council on progress made by the Overview and Scrutiny Management Committee since December 2015 when the Council endorsed the recommendations in an independent report on scrutiny.

At its meeting on 18 December 2015 Council invited the Committee to implement 15 of the recommendations with immediate effect and bring back a revised governance structure for scrutiny based on the '5+1' model recommended in the independent report.

This report concludes that work and recommends a new scrutiny structure to be in place for the new Council in May 2017.

Recommendation(s):

That the Council:

- 1) Notes the work undertaken by the Overview and Scrutiny Management Committee and the Review of Scrutiny Working Group.
- 2) Adopts with immediate effect the Scrutiny-Executive protocol, 'Developing Effective Relationships Between the Executive and Scrutiny' as set out in Appendix A.
- 3) Approves the proposals for the restructure of scrutiny arrangements at Lincolnshire County Council set out in recommendations A - N in Section 3 of this report to be implemented with effect from 1 May 2017.
- 4) Receives a report at its meeting on 24 February 2017 on the amendments to the County Council's Constitution arising out of the changes agreed.
- 5) Reviews the new arrangements 12 months after implementation.

1. Background

- 1.1 At its meeting on 18 December 2015 the County Council considered an independent report (A Review of Scrutiny at Lincolnshire County Council) by Stuart Young, Chief Executive Officer of East Midlands Councils.

The County Council resolved:

- (i) That the Council welcomes the independent report following a review of scrutiny arrangements at Lincolnshire County Council
 - (ii) That the Council endorses the recommendations contained within the report and invites the Overview and Scrutiny Management Committee to oversee the implementation of Recommendations 1-15 with immediate effect.
 - (iii) That in relation to Recommendation 15 in the independent report, the Council transfers responsibility for the scrutiny of the Council's budget and performance from the Value for Money Scrutiny Committee to the Overview and Scrutiny Management Committee and amends the Council's Constitution accordingly.
 - (iv) That the Council supports a revision of the governance structure for scrutiny, along the lines of the 5 + 1 model put forward by Dr Young and invites the Overview and Scrutiny Committee to consider the detail of such an arrangement for implementation after the County Council election in 2017.
- 1.2 The Overview and Scrutiny Management Committee set up a working group to consider Dr Young's final report in more detail and bring forward recommendations to support improvement of scrutiny at the Council.

2. Working Group

- 2.1 The working group comprised Councillors Robert Parker (Chairman); Mrs Marianne Overton, MBE, (Vice-Chairman), Chris Brewis, Mrs Jackie Brockway, Alan Jesson, Colin Mair, Mrs Angela Newton and Lewis Strange. The Working Group met on nine occasions, between February 2016 and November 2016.
- 2.2 To support its activities, members of the Working Group visited other local authorities to discuss their overview and scrutiny functions. The Working Group held discussions with councillors and officers at the City of Lincoln Council and Boston Borough Council, both of which have won Centre for Public Scrutiny Awards. The Working Group reviewed documentation on a wide range of topics, which included the following:
- the overview and scrutiny committee structures of other County Councils, in their 'branding' and areas of responsibility;

- a detailed analysis of the business, including outcomes, and length of meeting, of each overview and scrutiny committee in Lincolnshire over the last three complete municipal years;
- a review of best practice documentation from the Centre for Public Scrutiny.
- presentations and notes from an INLOGOV (Institute of Local Government Studies) Seminar - 'Scrutiny In Challenging Times' held at the University Of Birmingham on 27 May 2016.

2.3 The Working Group divided its work into three main topics:

a) The Relationship Between Executive and Scrutiny

Dr Young made a number of recommendations in this respect, most of which related to improving communication between the Executive and Scrutiny. These points have been picked up in the Executive and Scrutiny Protocol, *Developing Effective Relationships Between the Executive and Scrutiny*, which was endorsed by the Overview and Scrutiny Management Committee on 28 July 2016. The protocol is attached at Appendix A to this report and it is recommended that the Council adopts the protocol.

The protocol includes:

- the early involvement of scrutiny committees in policy development;
- the attendance of the Chairman of the Overview and Scrutiny Management Committee at every meeting of the Executive;
- the attendance of chairmen or vice-chairmen of scrutiny committees at meetings of the Executive to present the comments of the committee and to offer a flavour of the committee's debate;
- the attendance of relevant executive councillors (or their executive support councillor) at relevant scrutiny committees, particularly when invited to do so, so they may witness the richness of the debate prior to making executive decisions in their portfolio areas; and regular briefing meetings between the chairmen and vice-chairmen of overview and scrutiny committees and the relevant executive councillors.

b) Culture of the Council

There is general acceptance, as stated in *Developing Effective Relationships Between the Executive and Scrutiny* (the executive – scrutiny protocol), that to be effective, scrutiny should be involved at an early stage of policy development. For this to be possible, trust needs to be established. *Developing Effective Relationships between the Executive and Scrutiny* highlights a need for the process not to be confrontational or simply a means through which to apportion blame if things go wrong.

c) Structure of Overview and Scrutiny Committees

The Review of Scrutiny Working Group considered options for a new scrutiny structure, to be implemented following the County Council Elections in May 2017. As previously stated the County Council had expressed a preference for Dr Young's 'Five Plus One' model (five scrutiny committees and one overview committee). The model includes a third tier in the form of two Scrutiny Panels to support scrutiny committees by carrying out detailed review work on behalf of the scrutiny committees, as directed and co-ordinated by the Overview and Scrutiny Management Committee.

The Working Group also suggested that, in view of the proposed reduction in the number of committees, there may be a need for all day meetings for scrutiny committees and Scrutiny Panels.

3. Recommendations from the Overview and Scrutiny Management Committee

3.1 The Overview and Scrutiny Management Committee supported the Working Group's 14 recommendations, which are set out below, together with a brief rationale. ***For ease of reference the 14 recommendations are designated A-N, to differentiate them from the numbered recommendations in Dr Stuart Young's report.***

3.2 Subject to the County Council's approval of the recommendations, the required changes to the Council's Constitution will be drafted and submitted to the County Council on 24 February 2017.

Recommendation A – Overall Structure (Five Plus One Model)

3.3 Recommendation 17 of the report by Dr Stuart Young recommended the Five Plus One model for the Council's overview and scrutiny committee structure. This approach was endorsed by the County Council in December 2015. The Working Group reviewed several options and concluded that the most appropriate structure would be one that reflected the County Council's commissioning strategies. This was supported by the Overview and Scrutiny Management Committee. The structure chart and detailed responsibilities are set out in Appendix B to this report. Dr Young also recommended (Recommendation 16) the establishment of two Scrutiny Panels, which would undertake in-depth scrutiny review work on behalf of the overview and scrutiny committees. Under the proposed arrangements, this review activity would be co-ordinated by the Overview and Scrutiny Management Board.

Recommendation A - That the Council approve a three tier scrutiny structure, in accordance with the structure chart and the detailed list of responsibilities in Appendix B to this report, which will include the following bodies:

- **Overview and Scrutiny Management Board**
- **Adult Care and Public Health Scrutiny Committee**

- **Children and Young People Scrutiny Committee**
- **Communities and Public Protection Scrutiny Committee**
- **Environment, Economy and Transport Scrutiny Committee**
- **Health Scrutiny Committee for Lincolnshire**
- **two standing Scrutiny Panels.**

Recommendation B – Frequency of Scrutiny Committee Meetings

- 3.4 After consideration of the volume of business of existing committees, and their intended roles, it is proposed that that Overview and Scrutiny Management Board (OSMB) would meet each month, with the exception of August. This is in effect a continuation of the existing arrangement of the Overview and Scrutiny Management Committee. Similarly the Health Scrutiny Committee for Lincolnshire would continue to meet 11 times each year. The other four scrutiny committees would meet eight times per year, again a continuation of existing arrangements.

Recommendation B - That County Council approve the following frequency of meetings:

- **Overview and Scrutiny Management Board – eleven times per year**
- **Adult Care and Public Health Scrutiny Committee – eight times per year**
- **Children and Young People Scrutiny Committee– eight times per year**
- **Communities and Public Protection Scrutiny Committee – eight times per year**
- **Environment, Economy and Transport Scrutiny Committee – eight times per year**
- **Health Scrutiny Committee for Lincolnshire – eleven times per year**

Recommendation C – Flood and Drainage Management Scrutiny Committee

- 3.5 Section 9FH of the Local Government Act 2000 requires the County Council to make arrangements to review and scrutinise flood risk management functions. A recent Environment Agency report on flood risk in Greater Lincolnshire identified that there were 223,677 houses at risk of flooding in the county, with an area of flood plain of 2,843 km², which represents 17% of the national total flood plain. In addition, the length of the County's main rivers total 1,500 km; and the length of raised river defences total 1,700 km, which represents 25% of national total. The total length of coastal and tidal defence equals 350 km.
- 3.6 In view of Lincolnshire's particular geography set out in the previous paragraph and hence the importance of effective flood and drainage management, it is proposed that the existing arrangements would continue,

whereby the Flood and Drainage Management Committee would meet up to four times each year, as a distinct committee. The membership of the Flood and Drainage Management Committee would comprise the same membership as the Environment, Economy and Transport Scrutiny Committee, with the addition of seven representatives, one from each district council.

Recommendation C - That the County Council retains the Flood and Drainage Management Committee, which will operate along the following lines:

- **the Membership of the Flood and Drainage Management Committee would comprise the same County Council membership as the Environment, Economy and Transport Scrutiny Committee, with the addition of one representative from each district council; and**
- **up to four meetings of the Flood and Drainage Management Committee would be held per year.**

Recommendation D – Crime and Disorder Committee

- 3.7 There is a requirement in Sections 19-20 of the Police and Justice Act 2006 for local authorities to make arrangements for the review and scrutiny of its crime and disorder functions. The usual approach in local authorities is to designate one of its overview and scrutiny committees, as its Crime and Disorder committee. It is proposed that the Communities and Public Protection Scrutiny Committee fulfil this role. It is a requirement to hold at least one crime and disorder committee each year, as specified in Regulation 4 of the Crime and Disorder (Overview and scrutiny) Regulations 2009.
- 3.8 It should be noted that the power of a Crime and Disorder committee is to scrutinise community safety partnerships as a whole, and not to scrutinise individual partners within the Community Safety Partnership such as the Police. The Police are accountable to the Police and Crime Commissioner, who in turn is accountable to the Police and Crime Panel.

Recommendation D – That the County Council designate the Communities and Public Protection Scrutiny Committee the Crime and Disorder committee for the purposes of the Sections 19-20 of the Police and Justice Act 2006 and at least one meeting of the Crime and Disorder committee be held each year.

Recommendations E and F – Scrutiny Panels – Chairmen and Vice-Chairmen

- 3.9 A key proposal from the Working Group, which reflects recommendation 16 in the report from Dr Young, is the establishment of two Scrutiny Panels to undertake in-depth scrutiny review activity on behalf of the Overview and Scrutiny committees. The Scrutiny Panels would replace the existing Task and Finish Group arrangements. Whilst the membership of these two Panels

would change, depending on the activity or scrutiny review in question, the Panels would have standing Chairmen and Vice-Chairmen, who would be eligible for Special Responsibility Allowances. The Overview and Scrutiny Management Committee supported this proposal.

- 3.10 Dr Young recommended that Chairmen and Vice-Chairmen of the Scrutiny Panels should be appointed annually. The Working Group and Overview and Scrutiny Management Committee agreed. In order to allow more councillors to take a leading role in the Overview and Scrutiny process, as well to develop their skills and expertise, it is also proposed that the Chairmen and Vice-Chairmen of Overview and Scrutiny committees would not be eligible to serve as Chairmen or Vice-Chairmen of Scrutiny Panels.

Recommendation E - That the Chairmen and the Vice-Chairmen of Scrutiny Panels to be appointed on an annual basis and be eligible for a Special Responsibility Allowance.

Recommendation F - That the Chairmen and Vice-Chairmen of scrutiny committees would not be eligible to hold the office of Chairmen and Vice-Chairmen of Scrutiny Panels.

Recommendations G and H – Scrutiny Panel Membership

- 3.11 The Overview and Scrutiny Management Committee recommends that wherever possible, the membership of Scrutiny Panels should include councillors from each political group. The memberships of Scrutiny Panels should also enable councillors with relevant skills and experience to be involved in particular scrutiny activities or reviews.
- 3.12 Where a Scrutiny Panel is undertaking a review on behalf of the Health Scrutiny Committee for Lincolnshire, the District Council representatives from that Committee would be invited to become members of the Scrutiny Panel for that purpose. The same principles would apply to the Flood and Drainage Management Scrutiny Committee. Similarly, where a Scrutiny Panel is undertaking a review on behalf of the Children and Young People Scrutiny Committee, the Parent Governors and Church representatives from that committee would be invited to participate as members of the Panel when the topic relates to the Council's education functions. Ideally each Panel should have no more than eight participating members, including the Chairman and Vice-Chairman, and any District Council representatives, Parent Governors or Church representatives.
- 3.13 The role of replacement members on Scrutiny Panels was considered, and there is general support from the Working Group and Overview and Scrutiny Management Committee for replacement member arrangements. However, as an activity or a review nears its conclusion, it might be difficult for a replacement member to participate fully in the Panel's activities, owing to the amount of evidence considered up to that point, so ideally replacement member arrangements would be undertaken in the early stages of a review.

It is proposed that the Scrutiny Panel Chairman provides guidance on replacement member arrangements towards the end of a review.

Recommendation G - That, wherever possible, Scrutiny Panels should include a member from each political group.

Recommendation H – That each Scrutiny Panel should have no more than eight participating members, including the Chairman and Vice-Chairman, and any District Council representatives, Parent Governors or Church representatives; and that replacement member arrangements be permitted on Scrutiny Panels, with the guidance of the Scrutiny Panel Chairman at the concluding stages of a review.

Recommendation I – Meetings of Scrutiny Panels

- 3.14 Task and Finish Group meetings have always been in an informal setting, without the press or public present, to enable an open discussion, which enables participants and contributors to speak frankly. The Working Group and Overview and Scrutiny Management Committee favoured Scrutiny Panel meetings being held in public, but accepted that private sessions may be needed to ensure effective engagement. Where meetings are held in public, the arrangements would not be subject to the full access to information requirements, namely the publication of agendas five clear working days in advance of the meeting and publication of notes from the meetings, in Part V (A) of the Local Government Act 1972.

Recommendation I - That meetings of Scrutiny Panels should generally be held in public, with decisions on whether particular meetings should be in public or private being considered as part of the review scoping process.

Recommendation J – Work Programme Development

- 3.15 The Working Group and Overview and Scrutiny Management Committee agreed with Dr Young's recommendation that the Overview and Scrutiny Management Board should take a lead role in delivering the revised approach to scrutiny, specifically setting the scrutiny work programme. The Working Group considered detailed information on the content of each overview and scrutiny committee meeting over the last three years and agreed that an annual work programme approach would be the best means of managing the activities of each scrutiny committee.
- 3.16 The Working Group and Overview and Scrutiny Management Committee believe that only high priority topics should be considered by scrutiny committees, and that items for information should be dealt with by other means, for instance briefing papers. Budget and quarterly performance monitoring items will still be considered by each scrutiny committee. It was agreed that it was important that the scrutiny process added value to the decision-making process. It is recommended that each year the OSMB will draw up in advance the annual scrutiny programme for approval by the

County Council at its May meeting. The annual work programming arrangements would allow for items to be added during the year, where there was a pressing need to do so.

3.17 The following approach is suggested to develop the work programme:

Stage 1 – Consultation and Engagement – (March) – An annual workshop engages and consults with all members and senior officers on the content of each scrutiny committee's work programme and produces a list of topics for each scrutiny committee.

Stage 2 – Refining the List of Potential Topics – (Early April) – A refined list of potential topics is produced for each scrutiny committee.

Stage 3 – Final List of Topics – (Late April) – Final list to be approved by the Overview and Scrutiny Management Board for submission to the County Council.

Stage 4 – Final Approval – (May) – The Overview and Scrutiny Management Board approves the work programme, including the list of items for each scrutiny committee.

Recommendation J - That the Council holds an annual workshop for all members and senior officers to inform the development of the scrutiny work programme for each scrutiny committee for the year ahead, with some unallocated time for each committee to consider items that arise and merit consideration during the course of the year. This process should begin in March 2017.

Recommendation K – Prioritisation Tool – Scrutiny Review

3.18 The Working Group considered the arrangements for choosing the topics for in-depth scrutiny review and agreed that a prioritisation toolkit should be used. This prioritisation tool would support decision making in relation to whether topics were brought forward for in-depth scrutiny review. The toolkit can also be used at the annual scrutiny work programme workshop to consider whether topics should be included in the work programme. These arrangements were supported by the Overview and Scrutiny Management Committee.

Recommendation K - That a scrutiny prioritisation toolkit, as set out in Appendix C to this report, be adopted to guide the selection of topics for in-depth scrutiny review and for use at the annual scrutiny work programme workshop to guide the selection of topics for inclusion in the annual scrutiny work programme process.

Recommendation L – Corporate Parenting Sub-Group

3.19 Under the existing arrangements, an approach has developed whereby the Corporate Parenting Panel reports to the Children and Young People Scrutiny Committee. Corporate parenting panels are not strictly Overview and Scrutiny committees in terms of their legislative status. However, it is recommended that the Corporate Parenting arrangements be formally

included within the overview and scrutiny function. It is therefore proposed that the Corporate Parenting Sub Group continues to submit its minutes to the Children and Young People Scrutiny Committee.

Recommendation L - That the Council's Corporate Parenting Sub Group, which would continue to meet four times per year in private, be formally included within the Overview and Scrutiny arrangements, with its minutes being submitted to the Children and Young People Scrutiny Committee.

Recommendation M - Safeguarding Boards Scrutiny Sub Group

- 3.20 The existing Safeguarding Boards Scrutiny Sub Group reports to both the Adults Scrutiny Committee and Children and Young People Scrutiny Committee. The role of the Safeguarding Boards Scrutiny Sub Group is to review and scrutinise the activities of the inter-agency Lincolnshire Safeguarding Adults Board (LSAB) and the Lincolnshire Safeguarding Children Board (LSCB). The Chairmen of both the LSAB and LSCB have been consulted, and they value the contribution made by the Safeguarding Boards Scrutiny Sub Group. It is therefore proposed that this Sub Group continues, with the existing frequency of quarterly meetings.

Recommendation M - That the Safeguarding Boards Scrutiny Sub-Group continue in the new overview and scrutiny arrangements, meeting four times per year in private and reporting as required to the Adult Care and Public Health Scrutiny Committee and Children and Young People Scrutiny Committees.

Recommendation N – Special Interest Roles

- 3.21 The Working Group and Overview and Scrutiny Management Committee supported the idea of allowing particular members of each scrutiny committee to take up a special interest subject area. This would allow the particular member to develop their own expertise on a particular topic, for example undertaking their own additional research. As a result they could take a lead on questioning when the topic is under consideration by the committee. Where the member had undertaken such research he / she could review and report on the proceedings of an area of work, item or decision.
- 3.22 It is considered that such arrangements would aid the Committee's understanding of a certain topic and lead to more effective scrutiny of decision making. When each scrutiny committee considers its work programme, it could consider whether individual councillors would like to adopt a special interest role for particular areas of interest.

Recommendation N - That the Council introduces a special interest role for members of a scrutiny committee to develop their expertise on particular topics, to improve the effectiveness of scrutiny.

4. Review of Recommendations in *A Review of Scrutiny at Lincolnshire County Council* by Dr Stuart Young

A Review of Scrutiny at Lincolnshire County Council by Dr Stuart Young made a total of 17 recommendations. As stated above, on 18 December 2015, the County Council invited the Overview and Scrutiny Management Committee to implement recommendations 1-15 with immediate effect. The Overview and Scrutiny Management Committee was invited to bring forward proposals for the overview and scrutiny structure (recommendations 16 and 17), which are set out in Section 3 of this report. Appendix D sets out a summary of the progress with each of the 17 recommendations in Dr Young's report and includes additional suggestions for taking forward which are not formal recommendations from the Overview and Scrutiny Management Committee.

5. Conclusion

This report brings together the work of the Review of Scrutiny Working Group and Overview and Scrutiny Management Committee and makes recommendations on structure to the Council. The key points arising from this work are:-

1. Dr Young's report has been used as a blueprint and in some places the Working Group and Overview and Scrutiny Management Committee have developed the ideas outlined in Dr Young's report.
2. The Working Group and Overview and Scrutiny Management Committee have made use of good practice in other councils.
3. The importance of an effective working relationship between Executive members and Scrutiny Committee members as set out in the Protocol.
4. The Working Group and Overview and Scrutiny Management Committee sought to establish the principle that "Scrutiny Matters" as a way of enabling better decision making to take place and to monitor performance.
5. That early involvement of the scrutiny function is essential to good decision making.
6. That all councillors should be engaged in setting scrutiny priorities each year.
7. That councillors should be given the opportunity to develop special interests in particular topics to improve the effectiveness of scrutiny.
8. That scrutiny committees should monitor their own effectiveness each year.

6. Legal Comments:

Section 9F of the Local Government Act 2000 requires the Council to appoint one or more overview and scrutiny committees to fulfil the functions set out in sections 9FA to 9FI to the Act.

Section 9FH requires the Council as a lead local flood authority to make arrangements to review and scrutinise the exercise by risk management authorities of flood risk management functions or coastal erosion risk management functions which may affect the Council's area.

Section 19 of the Police and Justice Act 2006 requires the Council to ensure it has a committee to review or scrutinise decisions made, or other action taken, in connection with the discharge by responsible authorities of their crime and disorder functions.

Under Regulation 21 of the Local Authority (Public Health, Health and Wellbeing Boards and Health Scrutiny) Regulations 2013 the Council may review and scrutinise any matter relating to the planning, provision and operation of the health service in its area and may arrange to do so through an overview and scrutiny committee.

The Report proposes a structure by which the Council can exercise these duties and powers.

Determining the Council's overview and scrutiny arrangements including the number of Committees, Groups and Panels of the Council and their terms of reference is a matter reserved to the full Council. The proposals within the Report are lawful and within the full Council's remit.

7. Resource Comments:

It is anticipated that adoption of the revised scrutiny arrangements recommended in the report will not place any additional financial burden on the relevant budgets which fund the scrutiny process.

8. Consultation

a) Has Local Member Been Consulted?

n/a

b) Has Executive Councillor Been Consulted?

Yes

c) Scrutiny Comments

A report from the Review of Scrutiny Working Group was considered by the Overview and Scrutiny Management Committee on 24 November 2016, when the Committee supported the changes recommended in this report.

Two members questioned whether the proposed Environment, Economy and Transport Scrutiny Committee would have sufficient capacity to be able to handle the combined workload. It was confirmed that the workload of the three existing scrutiny committees had been reviewed by the Working Group and it had been accepted that there would be a need to holistically review the workload to make sure it was manageable. The need for effective prioritisation was also highlighted. It was felt the benefits of bringing the three areas together would include better joined up working and reduction in duplication.

The Overview and Scrutiny Management Committee also recommended that a review of the new arrangements be included as part of the recommendations.

d) Policy Proofing Actions Required

n/a

9. Appendices

These are listed below and attached at the back of the report	
Appendix A	Scrutiny-Executive Protocol - Developing Effective Relationships Between the Executive and Scrutiny
Appendix B	Proposed New Scrutiny Structure
Appendix C	Prioritisation Toolkit
Appendix D	Progress Summary on the Recommendations in A Review of Scrutiny at Lincolnshire County Council by Dr Stuart Young

10. Background Papers

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

Document title	Where the document can be viewed
Report to Overview and Scrutiny Management Committee 24 November 2016	http://lincolnshire.moderngov.co.uk/ieListDocuments.aspx?CId=122&MId=4474&Ver=4
Dr Stuart Young's report to Council 18 December 2015	http://lincolnshire.moderngov.co.uk/ieListDocuments.aspx?CId=120&MId=4201&Ver=4

This report was written by Nigel West, who can be contacted on 01522 552840 or nigel.west@lincolnshire.gov.uk.

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DEVELOPING RELATIONSHIPS BETWEEN THE EXECUTIVE AND OVERVIEW AND SCRUTINY

This protocol sets out practical working arrangements, which will help develop a unity of purpose between the Executive, overview and scrutiny committees as well as the Council's senior managers. This protocol provides a framework for positive relationships between the Executive and overview and scrutiny committees, but its effectiveness is dependent on all councillors and officers accepting the principles underlying this protocol.

The Executive accepts that discharging the Overview and Scrutiny function should be a core responsibility of the Council, with appropriate and meaningful support from the Chief Executive, other members of the Corporate Management Board, and all the Council's officers.

The Overview and Scrutiny Management Committee accepts that to be effective the scrutiny process must be positive, constructive, independent, fair and open. It should complement the decision-making powers of the Executive and enable the voice and concerns of the public to be heard.

Overview and Scrutiny should be challenging, as its aim is to identify areas for improvement, but the process should not be confrontational or simply a means through which to apportion blame if things go wrong. Overview and Scrutiny will act as a 'critical friend' to the Executive and other decision makers in order to promote better services, policies and decisions. Trust and tolerance are key to the success of this protocol.

Councillor Martin Hill
Leader of Lincolnshire County Council

Councillor Pat O'Connor
Chairman of the Overview and Scrutiny Management Committee

A. EARLY INVOLVEMENT IN POLICY DEVELOPMENT

The Executive would like to involve overview and scrutiny committees at an early stage in the development of new policies or changes to existing policies, or in the development of proposals for any significant changes in service provision. This early involvement extends beyond the provisions in the Constitution on the development of the policy and budget framework¹. Examples of the need for early involvement are when there are issues of a contentious nature, sizeable budgetary implications, an impact on the whole community, or an impact on outside bodies or organisations. Early involvement could be carried out in a number of different ways:-

- An overview and scrutiny committee may adopt an informal meeting arrangement or workshop, to which all members of the committee would be invited, or establish a working group, comprising a group of members from the committee. These approaches enable options to be explored in detail and the outcomes or statement from the informal meeting, workshop, or working group could be reported directly to the Executive or Executive Councillor, or to a subsequent meeting of the overview and scrutiny committee.
- Where a topic requires in-depth consideration, a Scrutiny Panel may be established, subject to the availability of resources, which would lead to the submission of an evidence-based report with recommendations for the new policy or a change to an existing policy or on changes to service provision.
- A cross party briefing could be held with senior officers to inform councillors of a particular issue and collaboratively explore options in detail, with the outcomes shared with the relevant overview and scrutiny committee.

In each of the early involvement scenarios listed above the Executive would expect information shared to be used to explore the options available rather than for political point-scoring. Statements from the overview and scrutiny committee will be acknowledged by the decision maker, and a response made to the committee. This could either take the form of a written or an oral report at the next relevant meeting of the committee, which can be recorded in the committee's minutes.

In the case of in depth scrutiny reviews, which contain evidence-based recommendations, there is a requirement that a formal response to the recommendations from the Executive or Executive Councillor be prepared within

¹ Rule 3 of the Policy and Budget Framework Procedure Rules (Lincolnshire County Council Constitution) and Regulation 4 of the Local Authorities (Functions and Responsibilities) (England) Regulations 2000.

two months², which will indicate whether recommendations have been accepted or rejected, with appropriate reasons. Ideally, the response will contain an action plan, indicating how the accepted recommendations will be implemented.

B. EXECUTIVE DECISION MAKING

Each relevant overview and scrutiny committee is encouraged to consider any proposed decisions, which are due to be made by the Executive or by an individual Executive Councillor, or any proposed key decision due to be made by a chief officer. This consideration would usually involve the relevant committee reviewing the report containing the proposed decision and preparing a statement on the proposals, including an indication of whether the committee supports the proposals, either wholly or in part. The committee's statement should be included in the report containing the proposed decision and submitted to the decision maker(s). If the statement is not available at the time the report is finalised due to exceptional circumstances, it will be circulated to the decision maker(s) for their consideration.

Consensus and Minority Views

When overview and scrutiny committees reach a consensus, this will be reflected in the committee's statement. However, there will be circumstances where the committee's statement will reflect a range of views, including majority and minority opinions, and these should be so indicated in the committee's statement.

Whenever possible statements from the overview and scrutiny committee will be acknowledged by the decision maker, and a response made to the committee, which could either take the form of a written or an oral report. Any responses will be recorded in the committee's minutes.

C. ATTENDANCE AT MEETINGS OF THE EXECUTIVE

The Chairman or Vice Chairman of the Overview and Scrutiny Management Committee will as far as possible attend each meeting of the Executive. Following these meetings the Chairman or Vice Chairman of the Overview and Scrutiny Management Committee will highlight any pertinent issues to the next meeting of the Overview and Scrutiny Management Committee. The Chairman may also raise any issues with any other overview and scrutiny committee of the Council.

² Section 9FE of the Local Government Act 2000.

The Chairmen or Vice Chairmen of overview and scrutiny committees should attend meetings of the Executive, where an item relevant to their committee's remit is being considered. Where chairmen or vice chairmen can attend, they will be invited to present any statements to the Executive. This will help to facilitate a good working relationship between the Executive and Overview and Scrutiny, and ensure that the Executive directly hears the reasons for the overview and scrutiny committee's recommendations and comments and to clarify the outcome from the overview and scrutiny committee.

Where an overview and scrutiny committee has requested an in-depth review, the Chairman or Vice Chairman of the overview and scrutiny committee will present the report and recommendations in conjunction with the Chairman of the Scrutiny Panel which undertook the in-depth review.

D. ATTENDANCE AT MEETINGS OF THE OVERVIEW AND SCRUTINY COMMITTEES

It is accepted that Executive Councillors may not be able to attend all meetings of their relevant overview and scrutiny committees. An overview and scrutiny committee may request the attendance of an Executive Councillor for a particular item on the agenda. In such cases if the Executive Councillor is not available he or she should be represented by the Executive Support Councillor.

Each overview and scrutiny committee should consider whether to include Statements from Executive Councillor(s) as a standard agenda item, where the Executive Councillor(s) or Executive Support Councillor(s) could advise the committee of any relevant matters, including any responses to statements or recommendations, in accordance with sections A and B above.

E. SETTING THE AGENDA

Briefing Meetings Between Executive Councillors and Overview and Scrutiny Committee Chairmen

Regular briefing meetings are recommended between the Chairmen and Vice Chairmen of overview and scrutiny committees and the relevant Executive Councillor(s) and Executive Support Councillor(s). These meetings should include the scrutiny officers, and any relevant officers if required. Ideally, such meetings should take place every quarter if possible. These meetings will support the development of a dialogue, leading to a unity of purpose, between overview and scrutiny and the Executive. The meetings could inform the content of the committee's work programme, with suggestions for future scrutiny reviews and

agenda topics, including items which would involve the committee in developing new policies or reviewing existing policies.

Setting the Agenda

Overview and scrutiny committees should not, as a general rule, involve themselves in relatively minor matters or individual cases, particularly where there are other processes, which can handle these issues more effectively. Overview and scrutiny committees should not be used as an opportunity to argue over issues which are of an overtly party political nature, which can be dealt with more appropriately through meetings of the County Council.

The management of the work programme of each scrutiny committee is a role for the Overview and Scrutiny Management Committee (OSMC). Each year the OSMC will draw up in advance the annual scrutiny programme, based on the results of meetings between the scrutiny chairmen, vice-chairmen and officers in the various service areas. Adequate resource should be identified for delivering the programme, with some unallocated time for unplanned scrutiny items.

At each meeting of an overview and scrutiny committee, there will be an opportunity to review the committee's future work programme. This provides an opportunity for individual members of each committee to ask for a particular item to be included but, depending on resource, this may be at the expense of something else in the programme. All members on an overview and scrutiny committee should be encouraged to bring forward important items of community interest to the committee whilst recognising that not all items will be taken up.

Requests by the Executive to Overview and Scrutiny Committees

The Leader of the Council, the Executive, or an individual Executive Councillor, may request an overview and scrutiny committee to consider a particular matter within its remit which could be related to issues of a contentious nature, sizeable budgetary implications, an impact on the whole community, or an impact on outside bodies or organisations. This could range from consideration of a matter at a single committee meeting to a full scrutiny review, taking place over several months.

Depending on the timing of the request, a report may be submitted to the next meeting of the committee. Alternatively, a request for a more extensive piece of work may be considered by the committee as part of its work programme item on its next agenda.

F. COUNTY COUNCIL OFFICERS

General

All officers are employees of the County Council as a whole. Corporate Management Board and other senior officers are responsible for day-to-day managerial and operational decisions. Whilst most of their work is directed to supporting the activities of the Executive, they have a role in supporting all councillors, including councillors involved in the overview and scrutiny function. The Chief Executive, as head of the paid service, will ensure that sufficient and independent support is given to the overview and scrutiny function.

The Role of Statutory Scrutiny Officer

The role of the statutory scrutiny officer is defined by statute³ as:

- (a) promoting the role of the Council's overview and scrutiny committees;
- (b) providing support to the Council's overview and scrutiny committees and their members; and
- (c) providing support and guidance to all members of the Council and its officers on the functions of the Council's overview and scrutiny committees.

The Council's Scrutiny Officers will support the Statutory Scrutiny Officer in their role and provide support to the overview and scrutiny function. The Council's Scrutiny Officers should play a proactive role in ensuring effective scrutiny of decision making. Accordingly there should be a close working relationship between Scrutiny Officers and councillors involved in scrutinising decisions. Both Scrutiny Officers and Scrutiny councillors should be involved in testing the merits of proposals under consideration with Scrutiny Officers acting in an advisory role with councillors.

³ Section 9FB of the Local Government Act 2000

Proposed Overview and Scrutiny Structure
May 2017

Overview and Scrutiny
Management Board

Scrutiny Committees

Health Scrutiny
Committee for
Lincolnshire

Environment, Economy
and Transport
Scrutiny Committee

* Flood and Drainage Management

Communities and
Public Protection
Scrutiny Committee

* Crime and Disorder Committee

Adult Care and
Public Health
Scrutiny Committee

Children and Young People
Scrutiny Committee

*Safeguarding Boards
Scrutiny Sub-Group*

*Corporate Parenting
Sub-Group*

Scrutiny Reviews

Scrutiny Panel

Scrutiny Panel

* The Environment, Economy and Transport Scrutiny Committee to serve as the Flood and Drainage Management Scrutiny Committee, with seven District Councillors.
* The Communities and Public Protection Scrutiny Committee to serve as the Crime and Disorder Committee.

Overview and Scrutiny Management Board	
Overview and Scrutiny Functions	<ul style="list-style-type: none"> • Management of the Overview and Scrutiny Function • Call in and Councillor Call for Action Procedures • Setting and reviewing progress against the annual work programmes of the Scrutiny Committees • Allocating responsibility for issues which fall between more than one Scrutiny Committee • Governance • Budget and Performance Overview
How we do our business Enablers to the business Partnership engagement and support	<ul style="list-style-type: none"> • Information Management and Technology • Corporate Property • People Management • Legal Services • Commissioning Strategy and Support • Business Support • Finance, Treasury Management and Audit
Adult Care and Public Health Scrutiny Committee	
Adult Frailty, Long Term Conditions and Physical Disability	<ul style="list-style-type: none"> • Supporting Adult Frailty and Older People • Physical Disability • Dementia
Carers	<ul style="list-style-type: none"> • Adult and Young carers (includes Young Carers but not Parenting)
Specialist Adult Services	<ul style="list-style-type: none"> • Supporting Adults with Learning Disability • Mental health • Autism
Safeguarding Adults	<ul style="list-style-type: none"> • Adult Safeguarding (including Mental Capacity Act) • Ensure all vulnerable adults rights are protected to live in safety and free from abuse and neglect
Wellbeing	<ul style="list-style-type: none"> • Health Improvement, Prevention and Self-Management • Public Health statutory service • Mental Health • Registration, Celebratory and Coroners • Wellbeing Service • Sexual Health • Housing related support • Prevention and Treatment of Substance Misuse
Children and Young People Scrutiny Committee	
Readiness for School	<ul style="list-style-type: none"> • Children Centres • Early Education
Learn and Achieve	<ul style="list-style-type: none"> • School Support Services • School Improvement • Special Educational Needs and Disabilities • Home to school/college transport
Readiness for Adult Life	<ul style="list-style-type: none"> • 14-19 Education/Training and Apprenticeship • Careers Service • Positive activities for young people • Teenage Pregnancy • Supported Accommodation/Lodgings • Supported Employment • Lincolnshire Secure Unit • Leaving Care Service
Children are Safe and Healthy	<ul style="list-style-type: none"> • Healthy Schools and Healthy Child • Child Protection • Looked after Children • Targeted Support - young people • Fostering and Adoption Residential homes • Child and Adolescent Mental Health Services (CAMHS) • Family Support

Communities and Public Protection Scrutiny Committee	
Community Resilience and Assets	<ul style="list-style-type: none"> • Advice, Information and Support Services • Volunteering support • Adult Education • Financial Inclusion • Community Engagement and Development • Community Hubs • Library Services and Archives • Customer Service
Protecting the Public	<ul style="list-style-type: none"> • Preventing and Reducing Crime • Tackling Domestic Abuse • Preventing and Tackling Fires and Emergency Response • Protecting the Public through Trading Standards • Protecting the Public by Planning for and Responding to Emergencies • Improving Road Safety • Reducing Youth Offending • Reducing Anti-Social Behaviour
Crime and Disorder Scrutiny	<ul style="list-style-type: none"> • The Communities and Public Protection Scrutiny Committee also serves as the Crime and Disorder Committee.
Environment, Economy and Transport Scrutiny Committee	
Sustaining and Developing Prosperity Through Infrastructure	<ul style="list-style-type: none"> • Transport Commissioning, including Bus Network Support • Highway Network Management and Highways maintenance • New Transport Investments including highways improvements • Greater Lincolnshire Local Enterprise Partnership • Economic Development Projects including Broadband • Encouraging Enterprise through Support to Businesses • Heritage Services
Protecting and Sustaining the Environment	<ul style="list-style-type: none"> • Reducing Carbon Emissions • Flood Risk Management • Protecting and Enhancing the Natural and Built Environment • Waste Management • Waste Recovery and Recycling • Sustainable Planning
Sustaining and Growing Business and the Economy	<ul style="list-style-type: none"> • Improving Skills and Employability • Encourage enterprise through support to Business and our Growth Sectors • Attracting and Expanding Business Investment • Lobbying and Attracting Funding for Lincolnshire
Flood and Drainage Management Scrutiny	<ul style="list-style-type: none"> • The Environment, Economy and Transport Scrutiny Committee will also sit as the Flood and Drainage Management Scrutiny Committee with 7 District Councillors.
Health Scrutiny Committee for Lincolnshire	
<ul style="list-style-type: none"> • Review and scrutinise matters relating to the planning, commissioning, provision and operation of health services in Lincolnshire. • NHS Healthcare • Looking at decisions, policies or issues that affect local people • Making recommendations about how decisions or health services can be improved. 	
Scrutiny Panels (x2)	
<ul style="list-style-type: none"> • Establishment of two Scrutiny Panels to undertake scrutiny review and other activity on behalf of the scrutiny committees, under the guidance of the Overview and Scrutiny Management Board. 	

SCRUTINY PRIORITISATION TOOLKIT

Prioritisation is a key tool for successful scrutiny, selecting the right topics where scrutiny can add value is essential in order for scrutiny to be a positive influence on the work of the Council. Scrutiny Committees must be selective about what they look at and need to work effectively with limited resources. Scrutiny activity should be targeted, focused and timely and include issues of corporate and local importance, where scrutiny activity can influence and add value.

Identifying Topics

The questions below are a guide to help members and officers consider and identify key areas of scrutiny activity for consideration.

1. Will Scrutiny input add value?

- Is there a clear objective for scrutinising the topic?
- What are the identifiable benefits to residents and the council?
- Is there evidence to support the need for scrutiny?
- What is the likelihood of achieving a desired outcome?
- Is the topic strategic and significant rather than relating to an individual complaint?
- Are there adequate resources to ensure scrutiny activity is done well?

2. Is the topic a concern to local residents?

- Does the topic have a potential impact for one or more section(s) of the local population?
- Has the issue been identified by Members through surgeries and other contact with constituents?
- Is there user dissatisfaction with service (e.g. increased level of complaints)?
- Has the topic been covered in the local media or social media?

3. Is it a Council or partner priority area?

- Does the topic relate to council corporate priority areas?
- Is there a high level of budgetary commitment to the service/policy area?
- Is it a poor performing service (evidence from performance indicators / benchmarking)?

4. Are there relevant external factors relating to the issue?

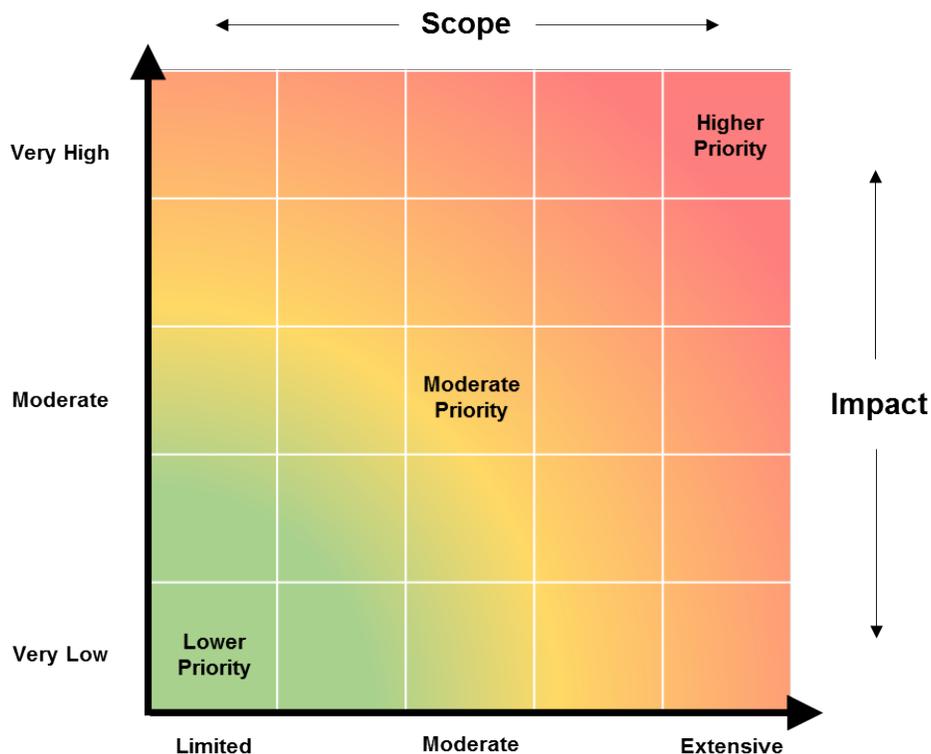
- Central government priority area
- New government guidance or legislation
- Issues raised by an internal or external audit or from formal inspections, etc.
- Key reports or new evidence provided by external organisations

5. Criteria for not considering topics

- There is no scope for scrutiny to add value/make a difference or have a clear impact.
- New legislation or guidance is expected within the next year.
- The issue is being examined elsewhere - e.g. by the Executive, working group, officer group or other body.
- The objective of scrutiny involvement cannot be achieved in the specified timescale required.

Prioritisation Matrix

The prioritisation matrix shown below is a framework to aid in prioritising a number of scrutiny options or topics. Each topic should be assessed in terms of the impact it would have and the overall scope of the activity.

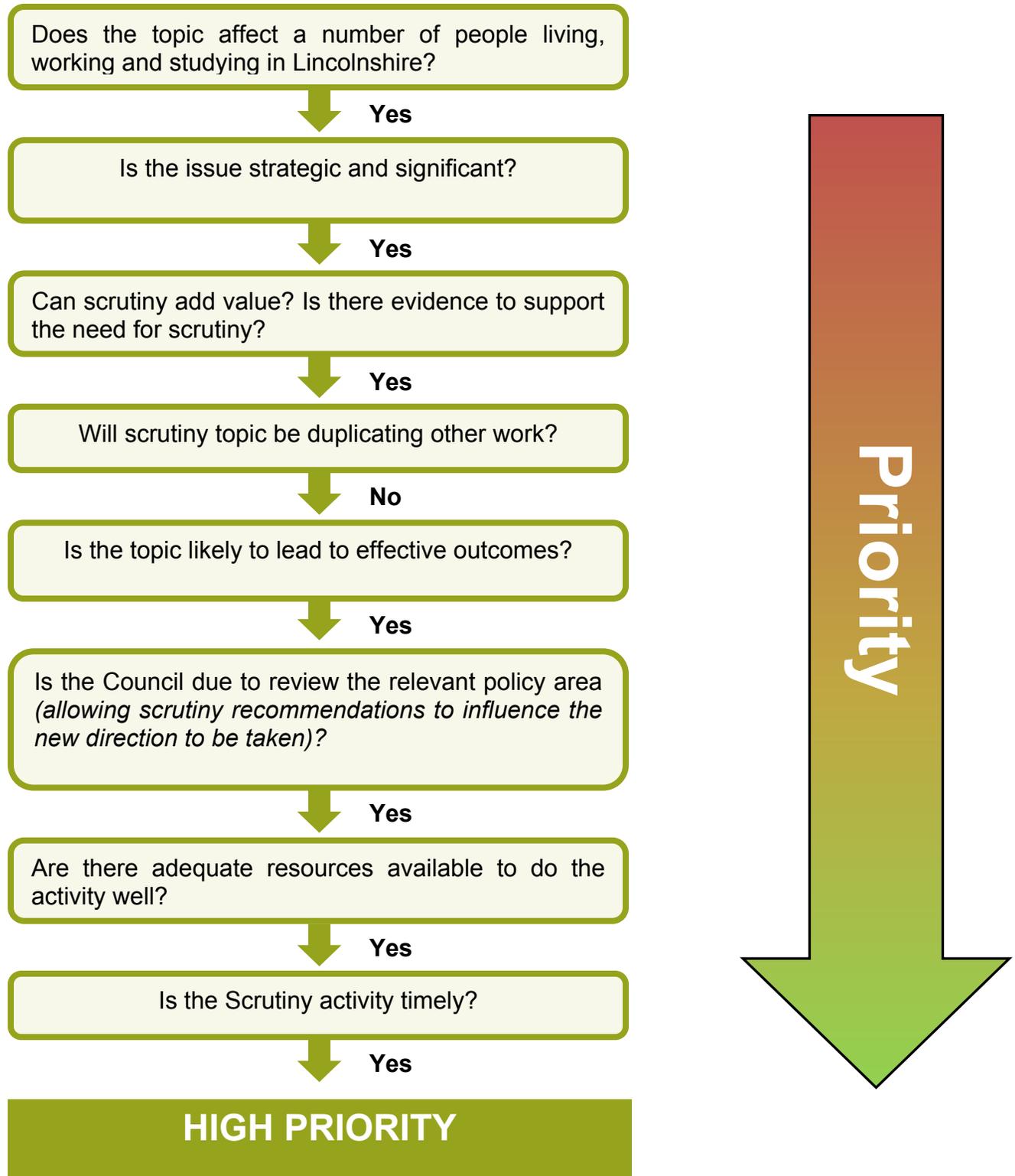


When considering the scope and impact of a Scrutiny item it is important to consider the following areas:

- People / Communities
- Assets / Property
- Financial
- Environmental
- Reputation
- Likelihood of Impact
- Resource Required
- Cost Effectiveness

Prioritisation Tool

The prioritisation tool below can be used in deciding on whether an issue would warrant being considered by Scrutiny or the subject of a Scrutiny Review.



Scrutiny Review Working Group

Recommendation	Existing Position	Progress / Outcome from Working Group
Does Scrutiny Influence and what is the Impact?		
R1	<p>The Executive and Executive Members should provide formal and constructive feedback on why the views and/or recommendations of a scrutiny committee are not accepted.</p>	<p>Feedback may be provided informally, for example, via the 'Statement by Executive Councillor' agenda item, which appears on some scrutiny committee agenda. However, there is currently no formal mechanism for Executive Councillors and the Executive to provide feedback to Scrutiny Committees in relation to their decisions and whether the recommendations from Scrutiny Committees in relation to these decisions have been taken into account.</p> <p>In relation to Scrutiny Review final reports from Scrutiny Committees, an action plan is produced by the Executive Councillor that sets out which recommendations have been accepted and the rationale for rejecting any recommendations.</p>
R2	<p>The implementation of recommendations need to be formally and more consistently tracked and reported back to the Overview and Scrutiny Management Committee at regular intervals.</p>	<p>The implementation of recommendations from Scrutiny Reviews is monitored on a regular basis by the parent Scrutiny Committee through the action plan produced by the Executive Councillor.</p> <p>However any recommendations from Scrutiny Committees are not currently formally tracked.</p>
		<p>The Review of Scrutiny Working Group discussed the Executive – Scrutiny relationship at its first four meetings and agreed that a protocol should be drafted to formalise the Executive – Scrutiny relationship.</p> <p>Feedback from the Executive and Executive Councillors has been formalised as part of the new Executive - Scrutiny Protocol under Section B.</p> <p>Recommendations from Scrutiny Committees to officers, Executive, Executive Councillors, and partner agencies will be tracked as part of a revised work programme report.</p>

	Recommendation	Existing Position	Progress / Outcome from Working Group
R3	<p>Scrutiny needs to get out of County Hall more and to look at new ways to engage the public in its work.</p>	<p>Scrutiny Committees do occasionally hold meetings outside County offices when there is a report on a Scrutiny Committee's agenda which would warrant an offsite visit.</p> <p>Members of the public are allowed to speak at Scrutiny Committee meetings at the discretion of the Chairman and this has happened on a number of occasions.</p> <p>For Scrutiny Reviews, engaging with the public and undertaking visits are always encouraged wherever possible.</p>	<p>Scrutiny Committees can hold meetings offsite as required. However, consideration needs to be given to the potential costs involved in meeting offsite and the added value gained from holding a meeting offsite.</p> <p>Members of the public can speak at Scrutiny Committee meetings at the discretion of the Chairman provided adequate notice has been given.</p> <p>Scrutiny Panels are encouraged to engage with the public and undertake visits.</p>
R4	<p>Scrutiny should call upon the support of corporate communications to demonstrate impacts and benefits of its work to both the council and wider community.</p>	<p>A member of the Communications team attends pre-meetings and Scrutiny Committee meetings on a regular basis, and when media interest merits, facilitates interviews with the Chairman after the meeting.</p>	<p>The Review of Scrutiny Working Group felt that more discussions should take place with Communications to develop further support for scrutiny.</p>

Recommendation	Existing Position	Progress / Outcome from Working Group
Capacity and Capability		
R5	<p>There needs to be a refresh of member training with unambiguous commitment to on-going training and development. This should include support for the development of ‘softer skills’; the style and types of questions asked, the confidence and skill of members, the ability to probe and enquire in a challenging but non-abrasive way, are important factors in holding the Executive to account.</p>	<p>The cross party Councillor Development Group identifies the training needs of all councillors and agrees a member training programme each year. Training sessions on Scrutiny, including questioning skills, have been previously provided.</p>
		<p>The most recent scrutiny training session for all councillors was provided in February 2016 by an external provider.</p> <p>The Councillor Development Group currently reports to Group Leaders. The Review of Scrutiny Working Group felt that the Overview and Scrutiny Management Board should have an input into the training programme in relation to scrutiny.</p>

Recommendation	Existing Position	Progress / Outcome from Working Group	
Agenda Setting and Work Programme			
<p>R6</p>	<p>Scrutiny committees must be selective about what they do look at, and what they do not look at. This requires firm leadership by the Chairmen and Vice-Chairmen, unambiguous and bold advice from officers, and acceptance by committee members that a fuller consideration of issues will require prioritisation of agenda items.</p>	<p>In the first three years of this council term, Scrutiny Committees considered a total of 1,025 agenda items. In 458 instances (45%) consideration of the item led to a minute where the report or information was noted, with no other action recorded. This confirms the view that there are currently too many items on Scrutiny Committee agendas where the only outcome is to note.</p> <p>There is a need for more prioritisation to ensure that agendas are manageable and proper consideration can be given to the items on the agenda.</p> <p>The Scrutiny Committees should be focussing their efforts and time on strategic items relating to policy development, policy review, pre-decision scrutiny, post-decision scrutiny, performance and budget.</p>	<p>The Review of Scrutiny Working Group has agreed a Prioritisation toolkit which can be used for prioritising agenda items as required and items for Scrutiny Panels.</p> <p>Information reports will no longer be included on Scrutiny Committee agendas. Instead officers will be asked to provide short briefing papers which can be circulated to councillors outside Scrutiny Committee meetings.</p>

	Recommendation	Existing Position	Progress / Outcome from Working Group
R7	<p>The management of 'in-depth' reviews needs to become more streamlined and less-resource intensive, therefore becoming a more effective tool for enhancing the effectiveness and responsiveness of scrutiny.</p>	<p>The current process for setting up scrutiny reviews by task and finish groups can take several weeks from the initial suggestion for a review. This process need to be speeded up.</p>	<p>The Review of Scrutiny Working Group has proposed that when a parent scrutiny committee requests a review, the scoping document is agreed with the Chairman and Vice Chairman of the Committee outside the formal meetings before it is submitted to OSMC for deciding whether a review should go ahead using the prioritisation toolkit. Nominations will then be sought from all Group Leaders to ensure political inclusiveness.</p>
The Scrutiny Team			

	Recommendation	Existing Position	Progress / Outcome from Working Group
R8	<p>The discussion and decisions at committees should be better reflected at Executive. The reports need to better reflect the range of perspectives, and indeed alternative options considered by the committee.</p>	<p>In the past, report authors used to provide feedback from the Scrutiny Committee on their report to the Executive. However, the full flavour of the discussion was not always evident to the Executive.</p>	<p>Scrutiny Officers now write up the comments from Scrutiny Committees to ensure that the full range of views and suggestions are provided to decision makers. In addition, Chairmen and Vice Chairmen of Scrutiny Committees have attended Executive to better represent the views of the wider Committee. The Chairman of OSMC also attends each meeting of the Executive.</p> <p>This has been formalised as part of the Executive - Scrutiny Protocol under Section C.</p>
R9	<p>Scrutiny officers should assume a greater advisory role, both on the process and content of the activity, including providing support in the framing of probing and productive lines of enquiry.</p>	<p>Scrutiny Officers currently have the opportunity at agenda setting meetings to suggest key lines of inquiry / questioning based on draft reports. In addition Scrutiny Officers can include suggested lines of inquiry or questions in the Chairman's notes which they produce for each Scrutiny Committee meeting.</p>	<p>The Review of Scrutiny Working Group requested Scrutiny Officers to undertake a workload analysis to understand their capacity to support each committee and undertake a greater advisory role. This analysis was shared with the Working Group.</p> <p>The Working Group felt that it was for the Chief Executive to take a view on the role of the Scrutiny Officer.</p>
<p>Who is Scrutinised?</p>			

	Recommendation	Existing Position	Progress / Outcome from Working Group
R10	<p>Lincolnshire County Council should consider whether the balance between scrutiny of the Executive (through its members), and scrutiny of officers, is the right one. The Executive should more fully engage in scrutiny, and it needs to be more fully accepted as a core responsibility.</p>	<p>There has been an expectation that Executive Councillors and/or Executive Support Councillors should attend Scrutiny Committee meetings to answer any questions raised by the Committee.</p> <p>There is now regular attendance by Executive Councillors and/or Executive Support Councillors at Scrutiny Committee meetings to facilitate a more constructive dialogue between Scrutiny Committees and the Executive.</p>	<p>The Review of Scrutiny Working Group fully supported more engagement with Executive Councillors and/or Executive Support Councillors at Scrutiny Committee meetings.</p> <p>This has been formalised as part of the Executive - Scrutiny Protocol under Section D.</p>
Leadership			

	Recommendation	Existing Position	Progress / Outcome from Working Group
R11	<p>There is a need for more effective leadership on scrutiny matters – and this leadership needs to be provided by the council itself by more ‘unity of purpose’ between the Executive, chairmen and vice-chairmen of scrutiny committees and senior managers.</p>	<p>Leadership is currently provided by the Chairmen of Scrutiny Committees in conjunction with relevant senior managers. There is a need for more triangulation with Executive Councillors.</p>	<p>The Review of Scrutiny Working Group has suggested that an annual workshop should be held for all councillors in March each year following the Budget Council meeting to identify high priority topics to inform the scrutiny work programmes for the year ahead.</p> <p>It is expected that the Overview and Scrutiny Management Board will provide effective leadership and direct the work programmes for each Scrutiny Committee and the Scrutiny Panels.</p> <p>In addition the quarterly briefing meetings between the Chairman, Vice Chairman and Executive Councillor, as detailed in the Scrutiny-Executive Protocol under Section E, will further inform the work programme and develop stronger relationships and leadership between Executive and Scrutiny.</p>
<p>Oversight and Accountability</p>			

	Recommendation	Existing Position	Progress / Outcome from Working Group
R12	<p>The chairmen and vice-chairmen of scrutiny committee should be held accountable for their performance of their respective scrutiny committees, and jointly for the operation of the scrutiny process as a whole.</p>	<p>The Chairman or Vice Chairman has an opportunity to provide an update on the work of their Scrutiny Committee at each meeting of the Overview and Scrutiny Management Committee (OSMC) through the Scrutiny Work Programme report. The other members of OSMC then have the opportunity to challenge the Chairman or Vice Chairman about the work of their Scrutiny Committee.</p>	<p>The Review of Scrutiny Working Group felt that the current arrangements for evaluating the work of each Scrutiny Committee should be revised to make it more effective in holding the Chairmen to account.</p> <p>The Working Group has suggested that in future the Scrutiny Work Programme report should be considered on a quarterly rota basis by the Overview and Scrutiny Management Board with an in depth report provided by scrutiny chairmen at each quarterly meeting.</p> <p>The Working Group also felt that the Chairmen of each Scrutiny Committee should be a member of the Overview and Scrutiny Management Board so that they could be held to account for the performance of their Scrutiny Committee.</p>

	Recommendation	Existing Position	Progress / Outcome from Working Group
R13	<p>Each committee should account annually for the impact of its work including tracking the implementation of recommendations and developing and directing the delivery of a co-ordinated work programme.</p>	<p>The Overview and Scrutiny Annual Report provides an overview of the work of each Scrutiny Committee over the past year and topics each Scrutiny Committee will be considering over the following year.</p> <p>The implementation of recommendations from Scrutiny Reviews is monitored on a regular basis by the parent Scrutiny Committee through the action plan produced by the Executive Councillor. However any recommendations from Scrutiny Committees are not currently formally tracked.</p>	<p>Recommendations from Scrutiny Committees to officers, Executive, Executive Councillors, and partner agencies will be tracked as part of a revised work programme report.</p> <p>The Overview and Scrutiny Annual Report will be revised to become more outcome focussed.</p>
The Relationship between Executive and Scrutiny			
R14	<p>Scrutiny chairmen should routinely attend the Executive meetings to present the conclusions and recommendations of their reviews. It would help develop relationship between the Executive and scrutiny leadership, and be a positive step in better articulating the breadth and intent of reviews.</p>	<p>The Chairmen and Vice Chairmen of Scrutiny Committees now attend meetings of the Executive to better represent the views of the wider Committee. The Chairman of Overview and Scrutiny Management Committee also attends each meeting of the Executive.</p> <p>For in depth scrutiny reviews, the Chairman of the Scrutiny Committee and the Chairman of the task and finish group (if different) both attend the Executive to present the outcomes from the scrutiny review.</p>	<p>This is now in place and has been formalised as part of Section C of the Executive - Scrutiny Protocol.</p>

Recommendation	Existing Position	Progress / Outcome from Working Group	
Culture and Behaviours			
R15	<p>The Overview and Scrutiny Management Committee, as the overarching scrutiny committee, should take a clearer and firmer role in driving forward and managing the scrutiny process and relevant committees, and provide the bridge between scrutiny and the Executive.</p>	<p>The Overview and Scrutiny Management Committee monitors the work of the Scrutiny Committees through the work programme report at each meeting.</p> <p>The Chairman of Overview and Scrutiny Management Committee now attends each meeting of the Executive to provide feedback from Scrutiny Committees to the Executive.</p>	<p>This has been formalised as part of the Executive - Scrutiny Protocol under Section C.</p>

Recommendation	Existing Position	Progress / Outcome from Working Group
Sound and Effective Governance		
<p>R16 To secure a more effective system of scrutiny at the county council, there is a need to put in place a revised governance structure for scrutiny based on the following principles:</p> <ul style="list-style-type: none"> • The Overview and Management Scrutiny Committee should take a leading role in delivering the revised approach to scrutiny, specifically agenda and work programming, relationships and culture, focus and prioritisation, in consultation with scrutiny chairs and vice-chairs, and the Executive. • The numbers of scrutiny committees are reduced. • The membership of scrutiny committees is reviewed to support greater consistency in the number of members that sit on each committee. • Scrutiny panels are established in support of scrutiny committees, with chairs and vice-chairs appointed on an annual basis. 	<p>The Scrutiny Structure currently consists of nine Scrutiny Committees which includes the Overview and Scrutiny Management Committee (OSMC) as the overarching Scrutiny Committee. The OSMC currently monitors the work programme of each Scrutiny Committee.</p> <p>The membership of the current Scrutiny Committees varies from 11 to 21 members to reflect political proportionality and the inclusion of Added Members on some Scrutiny Committees.</p> <p>Currently, task and finish groups are established to conduct in depth reviews on behalf of Scrutiny Committees. It is proposed to replace task and finish groups with Scrutiny Panels with Chairmen and Vice Chairmen appointed on an annual basis.</p>	<p>The Review of Scrutiny Working Group felt that the new Overview and Scrutiny Management Board should take a stronger lead in the prioritisation of scrutiny topics and delivery of the Scrutiny Work Programmes.</p> <p>The new Scrutiny Structure will be based on the recommended "5 Plus One" Model which was agreed by Council in December 2015.</p> <p>The Review of Scrutiny Working Group has considered the membership of Scrutiny Committees. However, future membership of the Scrutiny Committees will need to reflect the political proportionality of the Council and the number of political groups after the May 2017 elections.</p> <p>Two Scrutiny Panels will be established to undertake in depth scrutiny.</p>

	Recommendation	Existing Position	Progress / Outcome from Working Group
R17	<p>In considering the case for change and the relative merits of both options presented in Section 3 of this report, Lincolnshire County Council is recommended to implement a revised governance structure for scrutiny based on the '5 Plus One' model with the following scrutiny committees: Overview and Scrutiny Management Committee.</p> <p><i>Plus</i></p> <ol style="list-style-type: none"> 1. Adults Scrutiny Committee. 2. Children and Young People Scrutiny Committee. 3. Health Scrutiny Committee. 4. Economy, Environment and Transport Scrutiny Committee. 5. Community Protection and Wellbeing Scrutiny Committee. 	<p>The Scrutiny Structure currently consists of nine Scrutiny Committees, which are:</p> <ol style="list-style-type: none"> 1. Overview and Scrutiny Management Committee 2. Adults Scrutiny Committee 3. Children and Young People Scrutiny Committee 4. Community and Public Safety Scrutiny Committee 5. Economic Scrutiny Committee 6. Environmental Scrutiny Committee (which also meets as Flood and Drainage Management Scrutiny Committee) 7. Health Scrutiny Committee 8. Highways and Transport Scrutiny Committee 9. Value for Money Scrutiny Committee 	<p>The Review of Scrutiny Working Group considered different structure options, branding and subject combinations based on the "5 Plus One" Model. The Working Group's recommendation is the following scrutiny structure from May 2017 onwards:</p> <ol style="list-style-type: none"> 1. Overview and Scrutiny Management Board 2. Adults and Public Health Scrutiny Committee 3. Children and Young People Scrutiny Committee 4. Communities and Public Protection Scrutiny Committee 5. Environment, Economy and Transport Scrutiny Committee (which will also meet as Flood and Drainage Management Scrutiny Committee) 6. Health Scrutiny Committee <p>In addition there will be two Scrutiny Panels to carry out in depth scrutiny.</p>

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Open Report on behalf of Richard Wills, Monitoring Officer

Report to:	County Council
Date:	16 December 2016
Subject:	KPMG's Review of Agresso and Serco Contract

Summary:

This report is intended to inform the Council of the outcomes resulting from its resolution in May with regard to the Serco contract.

The Audit Committee commissioned a review by KPMG and this was reported last month. KPMG made a number of recommendations that the Audit Committee received and has asked the Chief Executive to address.

In the main, the recommendations apply to any new, complex contracts that the Council may procure in future. The lessons learned from the experiences of letting the Serco contract and the operation of Agresso will be taken into account. Mostly this will be an executive function, but the Audit Committee has a role on behalf of the council as a whole, to ensure that the recommendations are properly addressed.

Recommendation(s):

1. The Report be noted.
2. The Audit Committee continues to monitor the response to KPMG's recommendations.

1. Background

1.1 The KPMG Review into the Serco Contract was commissioned by the Audit Committee in June this year, as a result of a resolution of the Council in May. The work has been completed and was reported to the Audit Committee on 21 November.

1.2 In summary:

- a) KPMG found that the Options Appraisal and Procurement process was broadly sound.
- b) KPMG found that there was a high level of confidence that the Procurement Processes were both compliant with legislation and also well-designed to obtain value for money for the Council.

- c) The liability for choosing, implementing and running the Enterprise Resource Planning (ERP) solution was entirely with the bidders.
- d) The Council was clear about its intentions for a transformation period from 1 April 2014 to 31 March 2015 and Serco contracted to achieve that. KPMG consider that 12 months was a somewhat short period of time and 18-24 months would have been more normal.
- e) As far as the contract is concerned, Serco were responsible for the implementation of Agresso supported by Unit 4.
- f) KPMG found that the County Council had Programme and Project Governance in place through:
- The Future Delivery of Support Services (FDSS) Programme - initiated to oversee the future delivery of those services previously carried out by Mouchel which included the Serco contract; and
 - the Corporate Support Services (CSS) Programme - for the procurement and then implementation of what became the Serco contract.
- g) In KPMG's view, complex procurements of this sort need:
- to consider how to manage the reputational risk to the Council of any failings by their contractor;
 - independent programme assurance; and
 - contingency arrangements that are tested and in place as part of the implementation plan.
- h) KPMG has not been able to establish conclusively why the data migration was not completely successful. KPMG considers that the controls to ensure data was migrated completely, accurately with integrity was not carried out effectively by all parties, in terms of sign off at each stage.
- i) The final decision whether to go live with the system and payroll was taken by the Chief Information and Commissioning Officer. This was based on the evidence and assurances provided by Service Leads, Serco and Unit4; and a statement from Serco that they were ready for service take on using Agresso. Serco had no better option available.
- j) It is evident from the investigation that has been carried out that Serco were not ready to perform the services from 1st April 2015, not least because of the lack of experienced payroll staff transferring from Mouchel.

1.3 KPMG set out 15 recommendations. These are aimed at the Council rather than Serco, since that is the way the terms of reference were framed. Serco has commissioned its own study.

1.4 The Audit Committee had the opportunity to question the author of the independent report, the Monitoring Officer and the Chief Information and Commissioning Officer. In addition to the need for the Chief Executive to respond to the KPMG report, the Audit Committee asked its own specific issues and comments to be considered, for example:

- Members commented whether too much trust and confidence had been put in the assurances that Serco gave; *it was noted that Serco had attended committee meetings many times, and were challenged robustly.*
- It was queried why it was not picked up that Serco did not have a sufficient number of trained staff to deal with the payroll functions. *Members were advised that Serco had planned to train up their own staff, with no cost to the Council. However, this did not happen, and the Council only became aware of this during implementation.*
- It was commented that a lot of the points were fairly simple and should be implemented as standard in a business. In terms of contingency planning, it was felt that a contingency plan should have been in place, due to the Council's reputational risk if there were any problems.
- There may be a need for the Audit Committee to have greater powers than it currently had. *It was commented that in terms of the remit of the Committee, it was a 'watchdog', but the constitution could be looked at. However, members were advised that the key thing was to not get involved in decision making. It was about ensuring that governance and controls were in place.*
- It was highlighted that a key feature was that the Committee never saw the same Serco senior manager twice, and it was queried whether this was something that should have been picked up.
- It was queried how it would be ensured that knowledge that had been gained throughout this process would not be lost in light of the fact the Chief Information and Commissioning Officer would be leaving the Authority in March 2017. *Members were assured that there was a sizable team of people engaged with the contract, as each service area had a senior officer who understood the contract in detail as well as understanding what challenges had been met and what still needed to be resolved.*
- Members were advised that it would be right for the Audit Committee, in response to this report, to ask for its comments to be reported to the Chief Executive.

2. Conclusion

2.1 The Audit Committee concluded its deliberations by resolving:

1. That the Audit Committee receive KPMG's report of the Review of Agresso ERP System Implementation and Management of the Serco Contract.
 2. That the comments made by the Audit Committee on the report's findings and recommendations be noted.
 3. That the Audit Committee ask the Chief Executive:
 - i. To act on the findings and recommendations, especially in relation to future major procurements; and
 - ii. To monitor and report on the progress of the actions taken.
- 2.2 The Chief Executive will ensure that a response is prepared to KPMG's recommendations and will take into account the Audit Committee's comments. These will be applicable to the executive functions of the Council. Thus, the primary responsibility for implementing any changes lies with officers when preparing future contracts; and conventional reporting to the Executive.
- 2.3 The Audit Committee has a remit to ensure that the governance arrangements of the Council are robust and will monitor these and the specific actions arising from the KPMG Report as they relate to large and complex procurements.

3. Legal Comments:

At its meeting on 20 May 2016 the Council resolved that the Chief Executive be asked to ensure that the promised review of the procurement and award of the Serco contract and the implementation of Agresso be undertaken at once using the Council's external auditors KPMG on terms of reference to be agreed by the Audit Committee and that the results of the review be reported to the Audit Committee.

This Report informs Full Council of the results of the review and the deliberations of the Audit Committee at its meeting on 21 November 2016. There are no legal implications of the recommendation in the Report.

4. Resource Comments:

There are no direct financial implications to the Council of accepting the recommendations as set out in this report.

5. Consultation

a) Has Local Member Been Consulted?

n/a

b) Has Executive Councillor Been Consulted?

Yes

c) Scrutiny Comments

Audit Committee response contained in minutes of its meeting on 21 November 2016.

d) Policy Proofing Actions Required

N/A

6. Appendices

These are listed below and attached at the back of the report	
Appendix A	Table of recommendations with applicability to LCC contracts and timescale for consideration

7. Background Papers

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

Document title	Where the document can be viewed
Report to Audit Committee, 21 November 2016	Committee section of LCC web site www.lincolnshire.gov.uk/local-democracy/how-the-council-works/committee-records

This report was written by Richard Wills, who can be contacted on 01522 553000 or richard.wills@lincolnshire.gov.uk.

Review of Agresso ERP system implementation and Management of the Serco Contract

KPMG LLP, November 2016

Table of recommendations with applicability to LCC contracts and timescale for consideration

No.	Recommendation by KPMG	Applicability to LCC Contracts	Timescale for consideration
	<p>A full management response to recommendations will be completed by March 2017</p>		
	<p>Programme and project governance</p>		
1	<p>The Council should continue to maintain an intelligent client function for any major programme where there is an element of outsourcing, using a defined programme and project methodology. In doing so:</p> <ul style="list-style-type: none"> a. Sufficient resources need to be deployed; and b. A key learning point is that even where risk is transferred to the supplier the client needs to be in a position to hold them to account for their actions and performance. In order to do this the client side needs to be aware of progress, and issues, and being appropriately resourced to act to intercede where necessary. 	<p>Immediately for Current Contract</p> <p>Applicable to all contracts, but scale and level of expertise needs to be assessed for each depending on level of risk.</p>	<p>In place already but resources to be assessed by end of December 2016</p> <p>At each contract renewal and review for highest risk contracts ahead of renewal.</p>
2	<p>The Council should continue to use Programme Boards as part of its governance for major procurement:</p> <ul style="list-style-type: none"> a. It was and is appropriate to meet at least monthly or more frequently when the project enters critical phases; 	<p>Applicable to renewal of contracts where the level of change brings significant risk to the council or its service users. Risk assessment required.</p>	<p>To be undertaken for next major contract</p>

	<p>b. There were, and will continue to be, needs for clear reporting and escalation processes in place which ensure all relevant parties are involved or informed or progress. Consideration should be given to more detailed reporting being provided to CMB on critical decisions including: need for contingency arrangements; go live decision; issues relating to supplier/subcontractor e.g. capability of resources; potential for extension of implementation period;</p> <p>c. Formal meeting minutes were and should be produced after each meeting, and they should always be distributed to attendees and appropriate Council senior staff; which can take the format of action and decision logs. This should ensure that any significant issues that affect projects are fully communicated and addressed by senior management;</p> <p>d. That these Boards are also seen as an effective use of resources and a sound forum for decision making by the supplier and its sub-contractor(s).</p>		
3	The Council should continue to put in place a dedicated programme manager to lead and co-ordinate the Council's side of any future programmes. This person should have the necessary skills and experience to provide adequate challenge to any 3rd party supplier and its staff working alongside to deliver a project. This should enable the Council to ensure their contractual delivery, and risks are looked after at all times.	Applicable to renewal of contracts where the level of change brings significant risk to the council or its service users. Risk assessment required.	To be evaluated for next major contract
4	The Council should consider in future whether to utilise the services of an external supplier to carry out Independent programme assurance at key points during the lifecycle of	To be assessed for each programme to assess benefits, risks and costs.	To be evaluated for next major contract

	the procurement through to go live and post implementation review. This would enable the Council to gain assurance at key points, or alternatively be cognisant of issues which need to be addressed, together with advice from suitably experienced providers.		
	Tender Evaluation (refers to findings in 2.2)		
5	When carrying out site visits for future outsourcing contracts the Council should where possible ensure that the sites visited include: the application software and versions being offered; a supplier site where they have been responsible for the same package of delivery of services; and preferably the same implementation timescale.	For any contract which includes a major software change	To be considered for contracts which include software change
6	The Council should consider how it might manage its reputational risk even where all other risks have been transferred to the supplier.	Immediately for Current Contract and other high risk contracts	Active now Particularly at point of change, procurement, but also regularly as part of contract management
7	There needs to be challenge in relation to timescales provided by suppliers in terms of their realistic achievability. Research should be carried out using organisations such as Gartner or Forrester to assist in this process.	Any Complex Contract	To be considered prior to next major contract
8	Where suppliers offer specific implementation toolkits such as 'Local Government Templates' these should be reviewed for existence and validity	Any Complex Contract	To be considered prior to next major contract

	Contingency Arrangements		
9	For future outsourcing projects there should always be an enforceable contingency plan in place to fall back on in the event of go live problems. Consideration should be given as to whether the contingency provides good value which is proportionate to the risk and consequence of failure and the cost of the contingency. This should be explored as part of the forensic analysis of the Open Book accounting during the evaluation process.	All contracts with significant risk, particularly due to change. The important point here is the ability to enforce at a point of the Council's choosing.	To be considered prior to next major contract
	Data Migration, Parallel Running and Testing		
10	For future ICT projects the Council needs to ensure it has adequate arrangements in place for data migration. For ICT outsourcing contracts, the Council needs to ensure that 3rd parties carry out all contractual obligations relating to data extraction, transformation and data load, and ensure it has adequate arrangements for the formal sign off of the data migration process; specifically the use of control totals for quantitative data:	For any contract which includes a major software change	To be considered for contracts which include software change
11	The Council should work closely with any supplier to ensure it has adequate information on testing and parallel running work being carried out and the subsequent results. It is important that the client side has visibility of the quality and comprehensive coverage of this work to ensure data transferred: is confidential; has integrity; and is complete. There should normally be at least two clear parallel runs carried out, and the results formally signed off. We would also expect to see evidence of individual sign offs for discrete areas of testing including: functional; technical; regression etc.	For any contract which includes a major software change	To be considered for contracts which include software change

12	For future ICT outsourcing projects, the Council should ensure there are adequate change control mechanisms in place throughout all stages of the project.	For any contract which includes a major software change This is in place as part of the ITIL IT service management and the client team monitor this.	To be considered for contracts which include software change
13	Although Serco accepted an implementation period of 12 months, future procurements of this scale should allow 18 to 24 months for transition.	Any Complex Contract	To be considered for each major contract
	Go live arrangements		
14	The Council should continue its methodology of having appropriate governance arrangements in place during the go live decision, with all parties being fully aware of the implications of go live.	Any Complex Contract	To be undertaken for future major contracts
	Services from April 1 2015		
15	The experience of service delivery over the last 18 months, has confirmed the importance that the Council has placed on effective management through good governance. The Council needs be in a position, with independent evidence if necessary, to work with its supplier on the following: <ul style="list-style-type: none"> • Consistency and capability of supplier staff; • Quality of deliverables; • Programming the management of recovery; • Re-programming the implementation in line with Council's requirements; and 	Immediately for Current Contract Consider appropriate arrangements for each contract based on risk assessment.	In place and subject to continuous assessment As required for each contract, through implementation and contract management.

	<ul style="list-style-type: none">• Data quality and Controls sign off by all parties. <p>These are areas that will always need to be addressed in order for ongoing successful delivery of Services.</p>		
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Open Report on behalf of Pete Moore, Executive Director Finance and Public Protection

Report to:	County Council
Date:	16 December 2016
Subject:	Appointment of External Auditors

Summary:

KPMG are the current external auditors of the Council having been appointed under a national procurement exercise undertaken by the then Audit Commission prior to its abolition. The current contract ends with the audit of the 2017/18 financial statements. Under current regulations the Council needs to have a new audit appointment concluded by December 2017 with duties commencing from April 2018. A number of options exist to the Council for taking this matter forward. Again, under existing regulations, the decision on the way forward is for full Council to take. This paper outlines those options together with their respective merits. It recommends that the option of participating in a national sector led procurement exercise is likely to deliver the best outcome in value for money terms.

Recommendation(s):

That Council agrees:

1 to appoint external auditors for an appointment commencing 1st April 2018 by means of opting in to the national scheme operated by Public Sector Appointments Limited a sector led procurement exercise undertaken by the Local Government Association; and

2 authorises the Executive Director for Finance and Public Protection in consultation with the Leader of the Council to take all decisions and approve all documentation necessary to give effect to the opt in and support the national procurement process.

1. Background

- 1.1. The Local Audit and Accountability Act 2014 brought to a close the Audit Commission and established transitional arrangements for the appointment of external auditors and the setting of audit fees for all local government and NHS bodies in England. On 5 October 2015 the Secretary of State Communities and Local Government (CLG) determined that the transitional arrangements for local government bodies would be extended by one year to also include the audit of the accounts for 2017/18.
- 1.2. The Council's current external auditor is KPMG, this appointment having been made under a contract let by the Audit Commission. Following closure of the Audit Commission the contract is currently managed by Public Sector Audit Appointments Limited (PSAA), the transitional body set up by the Local Government Association (LGA) with delegated authority from the Secretary of State (Communities & Local Government). Over recent years the Council has benefited from reduction in fees in the order of 50% compared with historic levels. This has been the result of a combination of factors including new contracts negotiated nationally with the firms of accountants and savings from closure of the Audit Commission. The Council's current external audit fees are £107k per annum for the Council and £24k per annum for the pension fund.
- 1.3. When the current transitional arrangements come to an end on 31 March 2018 the Council will be able to move to local appointment of the auditor. There are a number of routes by which this can be achieved, each with varying risks and opportunities. Current fees are based on discounted rates offered by the firms in return for substantial market share. When the contracts were last negotiated nationally by the Audit Commission they covered NHS and local government bodies and offered maximum economies of scale.
- 1.4. The scope of the audit will still be specified nationally, the National Audit Office (NAO) is responsible for writing the Code of Audit Practice which all firms appointed to carry out the Council's audit must follow. Not all accounting firms will be eligible to compete for the work, they will need to demonstrate that they have the required skills and experience and be registered with a Registered Supervising Body approved by the Financial Reporting Council. The registration process has not yet commenced and so the number of firms is not known but it is reasonable to expect that the list of eligible firms may include the top 10 or 12 firms in the country, including our current auditor. It is unlikely that small local independent firms will meet the eligibility criteria.

2. Options for local appointment of External Auditors

- 2.1. There are three broad options open to the Council under the Local Audit and Accountability Act 2014 (the Act):

Option 1 To make a stand-alone appointment

- 2.2. The Council may directly appoint its local auditor. In order to make such a stand-alone appointment the Council will need to set up an Auditor Panel under section 9 of the Act. The members of the panel must be wholly or a majority independent members as defined by the Act. Independent members for this purpose are independent appointees, this excludes current and former elected members (or officers) and their close families and friends.
- 2.3. The decision to appoint remains with the Council but the Council must, under section 8 of the Act consult and take into account the advice of the Auditor Panel on the selection and appointment of its auditor.

Advantages/benefit

- 2.4. Setting up an auditor panel allows the Council to take maximum advantage of the new local appointment regime and have local input to the decision.

Disadvantages/risks

- 2.5. Recruitment and servicing of the Auditor Panel, running the bidding exercise and negotiating the contract is estimated by the LGA to cost in the order of £15,000 plus on going expenses and allowances
- 2.6. The Council will not be able to take advantage of reduced fees that may be available through joint or national procurement contracts.

Option 2 Set up a Joint Auditor Panel/local joint procurement arrangements

- 2.7. The Act enables the Council to join with other authorities to establish a joint auditor panel. Again this will need to be constituted of wholly or a majority of independent appointees. Further legal advice will be required on the exact constitution of such a panel having regard to the obligations of each Council under the Act and the Council need to liaise with other local authorities to assess the appetite for such an arrangement.

Advantages/benefits

- 2.8. The costs of setting up the panel, running the bidding exercise and negotiating the contract will be shared across a number of authorities.
- 2.9. There is greater opportunity for negotiating some economies of scale by being able to offer a larger combined contract value to the firms.

Disadvantages/risks

- 2.10. The decision making body will be removed from wholly local input, with the different views of a number of authorities to be accommodated.

2.11. The choice of auditor could be complicated where individual Councils have independence issues. An independence issue occurs where the auditor has recently or is currently carrying out work such as consultancy or advisory work for the Council. Where this occurs some auditors may be prevented from being appointed by the terms of their professional standards. There is a risk that if the joint auditor panel choose a firm that is conflicted for this Council then the Council may still need to make a separate appointment with all the attendant costs and loss of economies possible through joint procurement.

Option 3 Opt-in to an Appointing Person sector led body

2.12. In response to the consultation on the new arrangement the LGA successfully lobbied for Councils to be able to 'opt-in' to a Sector Led Body (SLB) appointed by the Secretary of State under the Act. An SLB would have the ability to negotiate contracts with the firms nationally, maximising the opportunities for the most economic and efficient approach to procurement of external audit on behalf of the whole sector.

2.13. Provision for such an LSB was made in the Local Audit (Appointing Person) Regulations 2015 ("the Regulations"). Under the Regulations an Appointing Person would be authorised to make appointments on behalf of a number of authorities. The Appointing Person invites the authorities to opt in to their scheme and where an authority opts in it is the Appointing Person who manages the appointment process and makes the appointment. There is accordingly no requirement for an Auditor Panel.

2.14. The Secretary of State has approved Public Sector Audit Appointments Limited (PSAA) (a not-for-profit company established by the LGA) as an Appointing Person under the Regulations and on 27 October 2016 PSAA formally invited the County Council to opt in to its national scheme for auditor appointments. That offer document is attached as Appendix A.

Advantages/benefits

2.15. The costs of setting up the appointment arrangements and negotiating fees would be shared across all opt-in authorities.

2.16. By offering large contract values the firms would be able to offer better rates and lower fees than are likely to result from local negotiation.

2.17. Any conflicts at individual authorities would be managed by the SLB who would have a number of contracted firms to call upon.

2.18. PSAA would operate as a separate body set up to act in the collective interests of the 'opt-in' authorities.

Disadvantages/risks

2.19. Individual elected members will have less opportunity for direct involvement in the appointment process other than through the PSAA and/or stakeholder representative groups.

2.20. In order for the Appointing Person (PSAA) to be viable and to be placed in the strongest possible negotiating position they will need Councils to indicate their intention to opt-in before final contract prices are known.

3. The way forward

3.1. The Council have until December 2017 to make an appointment. In practical terms this means one of the options outlined in this report will need to be in place by spring 2017 in order that the contract negotiation process can be carried out during 2017. If the Council wishes to opt in to the national scheme established by PSAA it will need to accept PSAA's invitation not later than 9 March 2017.

3.2. Greatest economies of scale will come from the maximum number of councils acting collectively and opting-in to a SLB.

4. Risk Management

4.1. There is no immediate risk to the Council; however, early consideration by the Council of its preferred approach will enable detailed planning to take place so as to achieve successful transition to the new arrangement in a timely and efficient manner.

4.2. Providing the LGA with a realistic assessment of our likely way forward will enable the LGA to invest in developing appropriate arrangements to support the Council.

5. Legal implications

5.1. Section 7 of the Local Audit and Accountability Act 2014 (the Act) requires a relevant authority to appoint a local auditor to audit its accounts for a financial year not later than 31 December in the preceding year. Section 8 governs the procedure for appointment including that the authority must consult and take account of the advice of its auditor panel on the selection and appointment of a local auditor. Paragraph 1 of Schedule 3 to the Act provides that where a relevant authority is a local authority operating executive arrangements, the function of appointing a local auditor to audit its accounts is not the responsibility of an executive of the authority under those arrangements. The decision therefore falls within the remit of the full Council. Furthermore, under the same provisions the decision cannot be delegated to a Committee, sub-Committee or officer and therefore must be taken by full Council.

5.2. Section 12 makes provision for the failure to appoint a local auditor: the authority must immediately inform the Secretary of State, who may direct the authority to appoint the auditor named in the direction or appoint a local auditor on behalf of the authority.

- 5.3. Section 17 gives the Secretary of State the power to make regulations in relation to an 'appointing person' specified by the Secretary of State. This power has been exercised in the Local Audit (Appointing Person) Regulations 2015 (SI 192) and this gives the Secretary of State the ability to enable a Sector Led Body to become the appointing person. Where such an Appointing Person is established and the Council opts in to the Appointing Person's scheme the Appointing Person is obliged to appoint an auditor for the Council, not the Council itself.

Equality Act 2010

- 5.4 The Council's duty under the Equality Act 2010 needs to be taken into account by the decision-maker when coming to a decision.
- 5.5 The Council must, in the exercise of its functions, have due regard to the need to:
- Eliminate discrimination, harassment, victimisation and any other conduct that is prohibited by or under the Equality Act 2010;
 - Advance equality of opportunity between persons who share a relevant protected characteristic and persons who do not share it;
 - Foster good relations between persons who share a relevant protected characteristic and persons who do not share it: Equality Act 2010 section 149(1). The relevant protected characteristics are age; disability; gender reassignment; pregnancy and maternity; race; religion or belief; sex; sexual orientation: section 149(7).
- 5.6 Having due regard to the need to advance equality of opportunity involves having due regard, in particular, to the need to:
- Remove or minimise disadvantages suffered by persons who share a relevant protected characteristic that are connected to that characteristic;
 - Take steps to meet the needs of persons who share a relevant protected characteristic that are different from the needs of persons who do not share it;
 - Encourage persons who share a relevant protected characteristic to participate in public life or in any other activity in which participation by such persons is disproportionately low.
- 5.7 The steps involved in meeting the needs of disabled persons that are different from the needs of persons who are not disabled include, in particular, steps to take account of disabled persons' disabilities.
- 5.8 Having due regard to the need to foster good relations between persons who share a relevant protected characteristic and persons who do not share it involves having due regard, in particular, to the need to tackle prejudice, and promote understanding.

- 5.9 Compliance with the duties in this section may involve treating some persons more favourably than others.
- 5.10 A reference to conduct that is prohibited by or under this Act includes a reference to:
- (a) A breach of an equality clause or rule
 - (b) A breach of a non-discrimination rule
- 5.11 It is important that the decision-maker is aware of the special duties the Council owes to persons who have a protected characteristic as the duty cannot be delegated and must be discharged by the decision-maker. The duty applies to all decisions taken by public bodies including policy decisions and decisions on individual cases and includes this decision.
- 5.12 To discharge the statutory duty the decision-maker must analyse all the relevant material with the specific statutory obligations in mind. If a risk of adverse impact is identified consideration must be given to measures to avoid that impact as part of the decision making process.
- 5.13 Equality considerations have been taken into account but the decision in question is not considered to have any implications for people with a protected characteristic.

Joint Strategic Needs Assessment (JSNA) and Joint Health and Wellbeing Strategy

- 5.14 Regard has been had to both the JSNA and the Joint Health and Wellbeing Strategy and the decision in question is not considered to impact directly on either.
- 5.15 Regard has also been had to the Council's duty under section 17 of the Crime and Disorder Act 1998 and the decision is considered to have no direct implications for the Council's fulfilment of its crime and disorder obligations.

6. Financial Implications

- 6.1. Current external fees levels are likely to increase when the current contracts end in 2018.
- 6.2. The cost of establishing a local or joint Auditor Panel outlined in options 1 and 2 above will need to be estimated and included in the Council's budget for 2016/17 and 2017/18. This will include the cost of recruiting independent appointees (members), servicing the Panel, running a bidding and tender evaluation process, letting a contract and paying members fees and allowances.

6.3. Opting-in to a national SLB provides maximum opportunity to limit the extent of any increases by entering in to a large scale collective procurement arrangement and would remove the costs of establishing an auditor panel.

2. Conclusion

The Council is required to take action to appoint external auditors from April 2018. The analysis undertaken in this paper suggests the approach that will offer the best value for money is to participate in the sector led procurement initiative being coordinated by the LGA.

3. Legal Comments:

The Council is required to take action to appoint external auditors from April 2018. The available options and their legal implications are set out in the Report together with the considerations that must be taken into account in reaching a decision.

The decision is one which must be made by the full Council.

4. Resource Comments:

The use of a sector led procurement approach to the appointment of external auditors will maximise value for money both in terms of the procurement exercise itself but also, more significantly, in terms of the fee levels for the service from April 2018 onwards.

5. Consultation

a) Has Local Member Been Consulted?

n/a

b) Has Executive Councillor Been Consulted?

Yes

c) Scrutiny Comments

The concept of pursuing a sector led procurement exercise was considered and supported by the Audit Committee at its meeting on 20th June 2016.

d) Policy Proofing Actions Required

n/a

6. Appendices

These are listed below and attached at the back of the report	
Appendix A	Invitation to opt into the national scheme for auditor appointments

7. Background Papers

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

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

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27 October 2016

Email: appointingperson@psaa.co.uk

Tony McArdle
Lincolnshire County Council
County Offices
Newland
Lincoln LN1 1YL

Copied to: Pete Moore, Executive Director Of Finance & Public Protection, Lincolnshire
County Council
David Coleman, Head of Legal (shared service), Lincolnshire County Council

Dear Mr McArdle

Invitation to opt into the national scheme for auditor appointments

As you know the external auditor for the audit of the accounts for 2018/19 has to be appointed before the end of 2017. That may seem a long way away, but as there is now a choice about how to make that appointment, a decision on your authority's approach will be needed soon.

We are pleased that the Secretary of State has expressed his confidence in us by giving us the role of appointing local auditors under a national scheme. This is one choice open to your authority. We issued a prospectus about the scheme in July 2016, available to download on the [appointing person](#) page of our website, with other information you may find helpful.

The timetable we have outlined for appointing auditors under the scheme means we now need to issue a formal invitation to opt into these arrangements. The covering email provides the formal invitation, along with a form of acceptance of our invitation for you to use if your authority decides to join the national scheme. We believe the case for doing so is compelling. To help with your decision we have prepared the additional information attached to this letter.

I need to highlight two things:

- we need to receive your formal acceptance of this invitation by 9 March 2017; and
- the relevant regulations require that, except for a body that is a corporation sole (a police and crime commissioner), the decision to accept the invitation and to opt in needs to be made by the members of the authority meeting as a whole. We appreciate this will need to be built into your decision making timetable.

If you have any other questions not covered by our information, do not hesitate to contact us by email at appointingperson@psaa.co.uk.

Yours sincerely



Jon Hayes, Chief Officer

Appointing an external auditor

Information on the national scheme

Public Sector Audit Appointments Limited (PSAA)

We are a not-for-profit company established by the Local Government Association (LGA). We administer the current audit contracts, let by the Audit Commission before it closed.

We have the support of the LGA, which has worked to secure the option for principal local government and police bodies to appoint auditors through a dedicated sector-led national procurement body. We have established an advisory panel, drawn from representative groups of local government and police bodies, to give access to your views on the design and operation of the scheme.

The national scheme for appointing local auditors

We have been specified by the Secretary of State for Communities and Local Government as the appointing person for principal local government bodies. This means that we will make auditor appointments to principal local government bodies that choose to opt into the national appointment arrangements we will operate for audits of the accounts from 2018/19. These arrangements are sometimes described as the 'sector-led body' option, and our thinking for this scheme was set out in a prospectus circulated to you in July. The prospectus is available on the [appointing person](#) page of our website.

We will appoint an auditor for all opted-in authorities for each of the five financial years beginning from 1 April 2018, unless the Secretary of State chooses to terminate our role as the appointing person beforehand. He or she may only do so after first consulting opted-in authorities and the LGA.

What the appointing person scheme will offer

We are committed to making sure the national scheme will be an excellent option for auditor appointments for you.

We intend to run the scheme in a way that will save time and resources for local government bodies. We think that a collective procurement, which we will carry out on behalf of all opted-in authorities, will enable us to secure the best prices, keeping the cost of audit as low as possible for the bodies who choose to opt in, without compromising on audit quality.

Our current role means we have a unique experience and understanding of auditor procurement and the local public audit market.

Using the scheme will avoid the need for you to:

- establish an audit panel with independent members;
- manage your own auditor procurement and cover its costs;
- monitor the independence of your appointed auditor for the duration of the appointment;
- deal with the replacement of any auditor if required; and
- manage the contract with your auditor.

Our scheme will endeavour to appoint the same auditors to other opted-in bodies that are involved in formal collaboration or joint working initiatives, if you consider that a common auditor will enhance efficiency and value for money.

We will also try to be flexible about changing your auditor during the five-year appointing period if there is good reason, for example where new joint working arrangements are put in place.

Securing a high level of acceptances to the opt-in invitation will provide the best opportunity for us to achieve the most competitive prices from audit firms. The LGA has previously sought expressions of interest in the appointing person arrangements, and received positive responses from over 270 relevant authorities. We ultimately hope to achieve participation from the vast majority of eligible authorities.

High quality audits

The Local Audit and Accountability Act 2014 provides that firms must be registered as local public auditors with one of the chartered accountancy institutes acting in the capacity of a Recognised Supervisory Body (RSB). The quality of registered firms' work will be subject to scrutiny by both the RSB and the Financial Reporting Council (FRC), under arrangements set out in the Act.

We will:

- only contract with audit firms that have a proven track record in undertaking public audit work;
- include obligations in relation to maintaining and continuously improving quality in our contract terms and in the quality criteria in our tender evaluation;
- ensure that firms maintain the appropriate registration and will liaise closely with RSBs and the FRC to ensure that any quality concerns are detected at an early stage; and
- take a close interest in your feedback and in the rigour and effectiveness of firms' own quality assurance arrangements.

We will also liaise with the National Audit Office to help ensure that guidance to auditors is updated as necessary.

Procurement strategy

In developing our procurement strategy for the contracts with audit firms, we will have input from the advisory panel we have established. The panel will assist PSAA in developing arrangements for the national scheme, provide feedback to us on proposals as they develop, and helping us maintain effective channels of communication. We think it is particularly important to understand your preferences and priorities, to ensure we develop a strategy that reflects your needs within the constraints set out in legislation and in professional requirements.

In order to secure the best prices we are minded to let audit contracts:

- for 5 years;
- in 2 large contract areas nationally, with 3 or 4 contract lots per area, depending on the number of bodies that opt in; and
- to a number of firms in each contract area to help us manage independence issues.

The value of each contract will depend on the prices bid, with the firms offering the best value being awarded larger amounts of work. By having contracts with a number of firms, we will be able to manage issues of independence and avoid dominance of the market by one or two firms. Limiting the national volume of work available to any one firm will encourage competition and ensure the plurality of provision.

Auditor appointments and independence

Auditors must be independent of the bodies they audit, to enable them to carry out their work with objectivity and credibility, and in a way that commands public confidence.

We plan to take great care to ensure that every auditor appointment passes this test. We will also monitor significant proposals for auditors to carry out consultancy or other non-audit work, to protect the independence of auditor appointments.

We will consult you on the appointment of your auditor, most likely from September 2017. To make the most effective allocation of appointments, it will help us to know about:

- any potential constraints on the appointment of your auditor because of a lack of independence, for example as a result of consultancy work awarded to a particular firm;
- any joint working or collaboration arrangements that you think should influence the appointment; and
- other local factors you think are relevant to making the appointment.

We will ask you for this information after you have opted in.

Auditor appointments for the audit of the accounts of the 2018/19 financial year must be made by 31 December 2017.

Fee scales

We will ensure that fee levels are carefully managed by securing competitive prices from firms and by minimising our own costs. Any surplus funds will be returned to scheme members under our articles of association and our memorandum of understanding with the Department for Communities and Local Government and the LGA.

Our costs for setting up and managing the scheme will need to be covered by audit fees. We expect our annual operating costs will be lower than our current costs because we expect to employ a smaller team to manage the scheme. We are intending to fund an element of the costs of establishing the scheme, including the costs of procuring audit contracts, from local government's share of our current deferred income. We think this is appropriate because the new scheme will be available to all relevant principal local government bodies.

PSAA will pool scheme costs and charge fees to audited bodies in accordance with a fair scale of fees which has regard to size, complexity and audit risk, most likely as evidenced by audit fees for 2016/17. Pooling means that everyone in the scheme will benefit from the most competitive prices. Fees will reflect the number of scheme participants – the greater the level of participation, the better the value represented by our scale fees.

Scale fees will be determined by the prices achieved in the auditor procurement that PSAA will need to undertake during the early part of 2017. Contracts are likely to be awarded at the end of June 2017, and at this point the overall cost and therefore the level of fees required will be clear. We expect to consult on the proposed scale of fees in autumn 2017 and to publish the fees applicable for 2018/19 in March 2018.

Opting in

The closing date for opting in is 9 March 2017. We have allowed more than the minimum eight week notice period required, because the formal approval process for most eligible bodies, except police and crime commissioners, is a decision made by the members of an authority meeting as a whole.

We will confirm receipt of all opt-in notices. A full list of authorities who opt in will be published on our website. Once we have received an opt-in notice, we will write to you to request information on any joint working arrangements relevant to your auditor appointment, and any potential independence matters that would prevent us appointing a particular firm.

If you decide not to accept the invitation to opt in by the closing date, you may subsequently make a request to opt in, but only after 1 April 2018. The earliest an auditor appointment can be made for authorities that opt in after the closing date is therefore for the audit of the accounts for 2019/20. We are required to consider such requests, and agree to them unless there are reasonable grounds for their refusal.

Timetable

In summary, we expect the timetable for the new arrangements to be:

- Invitation to opt in issued 27 October 2016
- Closing date for receipt of notices to opt in 9 March 2017
- Contract notice published 20 February 2017
- Award audit contracts By end of June 2017
- Consult on and make auditor appointments By end of December 2017
- Consult on and publish scale fees By end of March 2018

Enquiries

We publish frequently asked questions on our [website](#). We are keen to receive feedback from local bodies on our plans. Please email your feedback or questions to: appointingperson@psaa.co.uk.

If you would like to discuss a particular issue with us, please send an email to the above address, and we will make arrangements either to telephone or meet you.

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Open Report on behalf of the Chairman of the Audit Committee

Report to:	County Council
Date:	16 December 2016
Subject:	Audit Committee Annual Report 2016

Summary:

The purpose of this paper is to present to the County Council the Annual Report of its Audit Committee. The Annual Report helps show how the Audit Committee provides a vital role in promoting good governance and accountability in the Council.

Recommendation(s):

That Council receive the Audit Committee Annual Report 2016

1. Background

A draft Annual Report was presented to and discussed by the Audit Committee at its meeting on 26 September 2016. At that meeting, the content and format of the report was agreed and the Chairman of the Audit Committee (Councillor Mrs S Rawlins) was authorised to present the report to Council on behalf of the Committee.

A copy of the Annual Report is at Appendix A of this report.

2. Conclusion

The Audit Committee has worked well with Officers to maintain effective governance arrangements. It has provided independent insight and challenge on the Council's strategic risks and key activities. This has in our view improved decision making, accountability and transparency.

3. Legal Comments:

The Audit Committee Annual Report will provide assurance to the Council as to whether the Audit Committee is fulfilling its Terms of Reference as laid down by the Council. The recommendation is lawful and within the remit of the full Council.

4. Resource Comments:

There are no financial implications arising from acceptance of the recommendation in the report.

5. Consultation

a) Has Local Member Been Consulted?

n/a

b) Has Executive Councillor Been Consulted?

n/a

c) Scrutiny Comments

n/a

d) Policy Proofing Actions Required

n/a

6. Appendices

These are listed below and attached at the back of the report	
Appendix A	Audit Committee Annual Report 2016

7. Background Papers

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

This report was written by Councillor Mrs S Rawlins, who can be contacted at clrs.rawlins@lincolnshire.gov.uk

AUDIT COMMITTEE ANNUAL REPORT NOVEMBER 2016

FOREWORD

Councillor Mrs Susan Rawlins

Chairman of the Audit Committee

The Audit Committee is a key component of Lincolnshire County Council's corporate governance, providing an independent and high-level focus on the audit, assurance and reporting arrangements that underpin good governance and financial standards. Its purpose is to provide independent assurance to members of the adequacy of the risk management framework and the internal control environment. These objectives are detailed within the Committee's Terms of Reference.

The Committee plays a vital "watchdog" role, promoting good governance and demonstrating accountability. Within this remit the Committee operates in a supportive, open and respectful environment. We have worked well with senior management with our discussion being frank and from varied perspectives, but always in an atmosphere of mutual respect. We believe that we have added strength to the internal audit function and that the Council values the Committee's deliberations and recommendations. The Committee in turn value and appreciate the support of Internal Audit, External Audit and the Council's Officers.

During the last year the Committee has engaged with the Council on a number of significant issues, particularly around the internal and financial control environment arising from the implementation of "Agresso". This will continue to be a key area of focus for the coming year and is examined in the Annual Governance Statement.

At the Audit Committee of 20th June 2016, Committee members considered a report which recommended the Terms of Reference for a review of the contract awarded to "Serco". A Review had been anticipated by the Committee but the Council had resolved at its meeting in May 2016 to ask KPMG to undertake a review in accordance with terms of reference approved by the Audit Committee. The review would focus on the management of the contract and would come back to the Committee before the Council meeting of 16 September 2016. It was proposed that the authority learned from the experience to inform similar processes in the future. KPMG presented their report on the "Serco" contract to the Audit Committee on 21st November 2016, (having experienced some delays in the external approval process for their work) detailing fifteen recommendations to the Council. The Committee accepted the report and sought assurances that the recommendations would be taken on board by the senior management and an action plan developed. The Committee instructed the Chairman to

feedback the outcome of their deliberations to the Chief Executive and Leader, which was duly undertaken.

The Council's Annual Governance Statement was reviewed at our Committee meetings on 18th July 2016 and 26th September 2016. Each year the Council reflects on how well its governance framework has operated during the year and identifies any significant governance issues that need to be drawn to the attention of its residents. The Audit Committee ensures the Statement reflects how the Council is run and identifies any improvement actions.

In addition to the review of the control environments, the Council faces financial challenges ahead, as a consequence of funding changes from central government and an ageing population, as well as issues around its risk culture and information and case management systems, all of which pose significant governance issues.

Audit Committee meetings are open to members of the public and I would encourage all to come along and see our work in action.

Finally, I should like to thank my Vice-Chairman, other members of the Committee and Officers for their support and contribution to its work.

REVIEW OF THE YEAR

Major Themes

The Committee's major themes for the year, in respect of internal control and governance, were as follows:

- the implementation of the new "Agresso" project from April 2015 particularly in terms of the recording and reporting of finance and payroll information.
- the role of Information Technology and the requirements of the ICO (Information Commissioner's Office),
- the Devolution agenda,
- Budgetary Pressures,
- the Libraries Action Plan

Governance and Internal Control

One of the key ways we obtain assurance on the Council's control environment is through the work undertaken by Internal Audit. We receive copies of all reports on work completed and focus particular attention on areas of low or no assurance and management responses and action plans thereto, with follow-up reports to ensure recommendations are being instituted.

We have the ability to respond pro-actively and escalate areas we have identified as a concern. In the last year we have had a joint meeting with the Value for Money Scrutiny Committee at which members of each committee sought assurances from senior management representatives of "Serco" regarding the areas of concern surrounding the "Agresso" project. Representatives from "Serco" have also attended the Audit Committee in the last year.

The Chief Executive and Executive Directors attended the Committee on 23rd November 2015 to give briefings on assurance arrangements and Executive Directors attended the Committee on 25th January 2016 to respond to the "Combined Assurance Status Report" and give updates to the Committee on the "Agresso" project. On 20th June 2016, the Committee approved the terms of reference for KPMG's review of the "Serco" contract as resolved by Full Council on 20th May 2016.

The Committee also met informally on 4th August 2016 to again review progress regarding the payroll function. The Chairman has had informal discussions throughout the year with the Leader and Chief Executive at the request of the Committee, and presented the draft Annual Report to the Informal Executive on 20th September 2016. A member of the Committee sits on the Recovery Board. We have an independent member of the Committee who offers different perspectives on how the Council is run.

KPMG are the Council's External Auditor and attend the majority of the Audit Committee's meetings. They audit and provide an opinion on the Council's financial statements and how well the Council provides value for money for the people of Lincolnshire.

KPMG presented their report on the "Serco" contract to the Audit Committee on 21st November 2016, detailing fifteen recommendations to the Council.

Internal Audit

The Council's Internal Audit service is provided by an in-house team, "Audit Lincolnshire". The Head of Internal Audit provides us with an Annual Report each year summarising the outcome of internal audit work and giving an opinion on the Council's control environment. We review this report.

Working with Internal Audit each Director provided the Committee with a "Combined Assurance Status Report" showing the level of assurances present across all critical activities, key risks and major projects in their service areas.

There are a number of areas where the management assurance provided was a low level of confidence and/or high risk currently facing the service with management action still required or where assurance information could not be co-ordinated. Areas where management assurance provided was of a low level of confidence and/or high level of risk currently facing the service include:

- Budget challenges and the implementation of the new finance system in Finance and Public Protection,
- Delays in the implementation of the case management system in Children's Services,
- Delays in the implementation of the case management system in Adult Care,
- ICT governance, service design and transition in Information and Commissioning,

In consequence the internal and financial control environments are assessed as Red/Amber.

Risk Management

The Audit Committee is responsible for reviewing how effective the risk management procedures are, overseeing the update of the Council's Strategic Risk Register and ensuring that key risks are being well managed. It was reported to the Committee at our November 2015 meeting, that a full refresh of the risk register would be carried out in 2016. At the Audit Committee's meeting in November 2016, members reviewed a report from an independent external assessor on the Council's risk management maturity; the assessor was particularly impressed by the clear risk management from the very top of

the Council, giving a level four outcome – risk management being embedded and integrated within the organisation.

Counter Fraud

Progress and delivery of counter fraud work is monitored through the Audit Committee, with an Annual Report produced to provide information on the overall effectiveness of the Council's Counter Fraud arrangements. The Council is dedicated to promoting a strong culture to prevent and detect fraud, with the Counter Fraud policy and annual work plan designed to reduce the Council's exposure to the risk of fraud.

Financial Reporting

We reviewed the Council's Financial Statements for 2015/2016 at our Committee meeting of 18th July 2016. We asked questions on the content and format of the statements (supported by an independent advisor).

At our meeting of 20th June 2016, we received the External Audit Progress Report from our External Auditors, KPMG. An increased risk this year about some form of qualification on the Financial Statements and the consideration of the impact of the "Serco" contract on the value for money conclusion existed. The KPMG team have worked closely with the officers in our finance team to make sure their opinion work reaches the appropriate conclusions. The Council has received an unqualified opinion on the financial statements and an element of qualification on the value for money conclusion based on the Agresso related lack of information to manage the business during most of last year.

A Summary of Committee Meetings and Outcomes from 22nd June 2015 to 21st November 2016 is appended.

SUMMARY OF COMMITTEE MEETINGS AND OUTCOMES

Meeting Date: 22nd June 2015

Audit Committee Advice / Recommendations: Internal Audit Progress Report

Three auditors had been assigned to support the “Agresso” project post implementation, being a significant audit resource. Members were assured that the consultancy work undertaken by the internal audit team was not done so to the detriment of the team’s general work. Members noted that the performance indicator for draft reports issues within two months of field work commencing was 80% yet actual performance was at 69%. Members were assured that the team was examining the causes of this and that the target would remain at 80% for future years.

Audit Committee Advice / Recommendations: External Audit Progress Report

Members were advised that the Council would run a mini close-down of the financial accounts over the Winter of 2015, to trial “Agresso” prior to the scheduled close-down in March 2016.

Audit Committee Advice / Recommendations: Counter Fraud Annual Report

Members were advised that the Council’s counter fraud commitment remained strong and the appropriate and robust sanctions were applied in line with its Counter Fraud Policy.

Audit Committee Advice / Recommendations: Information Governance Breaches – Internal Audit

The aim of the audit was to provide management assurance on a number of key information governance areas, including training and awareness, security incident reporting and third party information sharing and processing. Members were assured that any breaches were effectively managed and were dealt with in a appropriate manner with robust processes in place.

Audit Committee Advice / Recommendations: “Agresso” Update

Members were reminded that the “Agresso” system went live on 7th April 2015. A small number of staff had not received any payments as part of the April 2015 payroll. In response to members’ questions, officers advised that the vast majority of the payroll issues related to the system itself and not its operation and that officers were satisfied that “Serco” were putting in the right level of resources to address the issues. It was noted that “Mouchel’s” payroll control team did not transfer over to “Serco” until 1st April 2015 with no training prior on the new system due to contractual conditions. Members

were assured that all the issues would be examined in depth once the system was fully operational.

Members were advised that there had been a change in process in accounts payable regarding the requirement of purchase order numbers prior to invoice approval and that there were problems with the system in producing purchase order numbers. A critical invoice process had been implemented for emergency payments were necessary. In response to members' questions, it was suggested that the end of contract processes were reviewed to provide assurance that any hand-over in future would not suffer from the issues highlighted above.

As part of the work plan members approved amendments that an update on "Agresso" be presented at its meeting on 20th July 2015 and that a report was received to review the system's implementation at the meeting on 23rd November 2015.

Meeting Date: 20th July 2015

Audit Committee Advice / Recommendations: Internal Audit Progress Report

Members were advised that two audit opinions detailed "major improvement required", namely the Joint Commissioning Board and "Incendi" Fire and Rescue Trading Company. Significant governance, accountability and decision making issues had been observed with the Joint Commissioning Board in February 2015. Governance and business planning arrangements needed to be strengthened in relation to "Incendi". In response to members' questions, it was noted that the opinion given in relation to Joint Commissioning Board was due to the transition to a formal meeting setting to deal with the Better Care Fund. Regarding "Incendi", it was noted that the company was fully supported by Finance officers and the audit had been requested at an early stage due to the nature of the business.

Members were provided with an update on the audit team's work regarding the "Agresso" project. Members queried what costs would be passed onto "Serco" for the additional work which had been undertaken. Members were advised that officers were recording all the time that had been spent on the project to enable this to be quantified and that costs would be passed onto "Serco". The focus was on trying to get the system working properly. Members felt that further assurance was required regarding accounts payable and payroll.

The Committee opted for a joint meeting with the Value for Money Scrutiny Committee on 21st September 2015, at which members could further raise their concerns.

Members were reassured that the audit team had sufficient resources to examine critical areas and that the focus would be on a risk based approach.

Audit Committee Advice / Recommendations: Internal Audit Annual Report 2014/2015

Consideration was given to the Head of Internal Audit's opinion on the adequacy of the Council's governance, risk and control environment and the delivery of the Internal Audit Plan for 2014/2015. It was reported that one area which was deteriorating was the financial control environment, but the Council did have strong governance arrangements in place and were open and transparent regarding the situation. There was a need for the risks to be fully understood .

Audit Committee Advice / Recommendations: Review of Governance Framework and Development of Annual Governance Statement 2015

It was noted that good governance underpinned everything that the Council did and how services were delivered often came under close scrutiny. A "good" Annual Governance Statement was an open and honest self assessment of how well the Council had run its business across all activities, with a clear statement of action being taken or required to address any areas of concern. The development of the Annual Governance Statement is overseen by the Audit Committee, which recommends its approval to Council.

Members agreed that there would be a need to examine more closely how well the hand-over from "Mouchel" to "Serco" took place.

Regarding budgetary pressures, it was noted that the Council now need to find savings of £66 million.

Regarding information governance, it was expected that there would be a dialogue with the ICO, as the Council wishes to obtain guidance in relation to information sharing.

Audit Committee Advice / Recommendations: Draft Statement of Accounts 2014/2015

Members noted that officers expected that it would take longer in 2015/2016 to prepare the financial statements due to the implementation of the new financial systems. As 2014/2015 statements had been completed early, officers would start their preparations in the Summer months.

As part of the work plan, members approved the joint meeting with the Value for Money Scrunity Committee. Members requested that the Portfolio holders for Finance and IT be invited to attend this meeting.

Meeting Date: 21st September 2015

Audit Committee Advice / Recommendations: Internal Audit Progress Report

Members were advised that officers were looking at the audit schedule for the remainder of the year and what work would be prioritised. Additional resources were

available through the partnership with Leicester City Council and other contracts could be extended to March 2016.

Members were advised that an estimated additional £67,000 for finance staff and £6,500 for audit staff had been costed regarding the "Agresso" project.

Adult safeguarding showed good levels of assurance. Members were advised that the scope of the audit was that learning from national Serious Case Reviews transferred into training of staff. Members were assured that there were some strong processes in place to implement recommendations which were made.

Audit Committee Advice / Recommendations: Approval of the County Council's Annual Governance Statement 2015

The Committee had considered the draft statement at its previous meeting. Sections of the statement had been updated to include the current position regarding "Agresso". In relation to the transition to "Agresso", members were advised that similar issues had been experienced on the introduction of the former SAP system. Members were concerned about the amount of time and effort involved and were advised that additional officer time and related costs were being tracked.

Audit Committee Advice / Recommendations: External Auditors ISA 260 Report2014/2015

The External Auditors reported that they anticipated an unqualified audit opinion on the Council's Financial Statements which would be issued by 30th September 2015. There were however steps which would need to be taken for them to be able to issue an unqualified opinion for 2015/2016. Additional risks were expected in relation to 2015/2016 around the "Agresso" project, but the External Auditors should be able to make use of the control mechanisms in place. Additional audit fees were likely as a result of the time involved.

Audit Committee Advice/Recommendations: "Agresso" Update – Council's Financial Control Environment and "Serco" Performance – EXEMPT ITEM

Representatives from "Serco" attended the second part of the meeting in the Council Chamber, including the Managing Director, together with members of the Value for Money Scrutiny Committee. Members resolved that a Recovery Board be established.

As part of the work plan, members approved a follow-up report on the Libraries project for the January 2016 meeting and suggested an update on the "Agresso" project for the November 2015 meeting.

Meeting Date: 23rd November 2015

Audit Committee Advice / Recommendations: Chief Executive and Executive Director Briefings on Assurance Arrangements

Members received a briefing in order to provide the Committee with some insight into how potential changes and financial challenges ahead may impact on assurance arrangements.

The Chief Executive advised that the expectation was that the Council was about half way through the spending deductions that it would be expected to make. £130 million had already been taken out of the budget and another £130 million or more may be required, resulting in very difficult budget decisions. The Council would have to address demand management, cost reduction, efficiencies and income, together with its risk culture.

Members queried how the Council would deliver the message to limit demand. They were advised that there were plans to make more use of online platforms, to minimise crisis treatment and prioritise spending on immediate risk areas, particularly safeguarding. Further, the national living wage would present budgetary pressures.

The Executive Director for Adult Care advised that over the last five years income and income generation had been a priority, and that there was the opportunity now to create more stability and less risk in some areas by working with health partners. The risks faced by the Council included the introduction of the Care Act in April 2015, the integration with Health and workforce supply and quality. He advised that assurance levels were good as services were commissioned properly, with robust controls in place.

The Executive Director of Children's Services advised that the Council faced specific challenge, particularly around demand management. The Council was a comparatively low spend authority nationally due to strong preventative services – the risk being that this may not be possible to continue. The introduction of the living wage and market failure of suppliers were also large areas of concern. In relation to schools, the Council's statutory duties had not changed, but funding had reduced.

The Executive Director of Environment and Economy advised that there had been large investment of capital but the revenue budget was only just adequate, but his department understood the Council's financial constraints. The East-West Link was progressing well, but the Council still awaited the outcome of the public enquiry for the Lincoln Eastern Bypass. There had been a 30% reduction in the year of financial support to bus operators, but good progress was being made on the Total Transport project. The Local Enterprise Partnership would be of great importance in relation to economic development. A scrutiny review needed to be implemented, with changes to the

committee structure to take place post the 2017 elections. The Boundary Commission would decide upon the Council's future size in terms and divisions and elected members.

The Director emphasised that organisational change was an issue which needed to be addressed, with more collaboration across commissioning arms. The Audit Committee would have to have given ongoing attention to the change management process.

The Executive Director of Information and Commissioning advised that there were concerns around maintaining the range of skills required in the commissioning process, with a higher risk profile.

The Executive Director of Finance and Public Protection advised that the funding from government had reduced in real terms by around 30% and that this would be compounded by the introduction of the living wage. In order to manage financial risk, the Council had built up a financial volatility reserve but this would largely be exhausted by the end of the following year. Any devolution deals would have to be cost neutral, with collaborations between authorities giving cost saving opportunities.

Members stated that the Committee would seek assurances on how change was to be managed and the risk profile thereto.

Audit Committee Advice / Recommendations: Update on "Agresso" project

A verbal update was received from the Chief Information and Commissioning Officer. She reported that there were some signs of progress, as "Serco" had decided to make some staff changes at the Lincoln office. Payroll improvements were expected in the coming months. There were concerns regarding information being available to finance officers facing the statutory filing deadline for the 2016 year-end.

Members queried why the Council had experienced so many issues with "Agresso", when the system was used by other authorities seeming effectively. Members still waited to be advised of the cost to the Council to resolve the issues involved. It was confirmed that HMRC had contacted the Council regarding "Rti" failings and officers were working with "Serco" to supply a response.

Audit Committee Advice / Recommendations: Annual Audit Letter 2014/2015

Members were advised that the External Auditor had issued an Annual Audit Letter summarising the findings of the 2014/2015 external audit and had issued an unqualified opinion.

Audit Committee Advice / Recommendations: Review of Audit Committee Terms of Reference

Members resolved that the new terms of reference, which had been reviewed and updated to reflect good practice guidance, be recommended to Full Council for approval.

Audit Committee Advice / Recommendations: Outstanding Audit Actions

Members were advised that 10 of the 27 recommendations had been auctioned within the agreed timescales. Details of delays and revised action plans were recorded with proposed completion dates.

As part of the work plan, members stated that the Committee should keep a watching brief on the “Agresso” situation. Also they noted that the pace and volume of change and funding issues were key risk factors.

Meeting Date: 25th January 2016

Audit Committee Advice / Recommendations: Combined Assurance Status Report

The Committee received a report in connection with the assurances across the Council’s critical services, key risks and projects. Executive Directors attended to provide comments and to the Committee.

Monitoring and management were in place for the “Serco” contract. There were still outstanding issues regarding payroll – overpayments, pension deductions and HMRC. It was not possible to give an end date when the payroll and purchase ledger issues would be finalised. In addition, there were still some IT systems implementations behind schedule – these would be highlighted in the Annual Governance Statement.

The implementation of “Agresso” by “Serco” would be subject to a separate report in due course. Costs incurred by the Council as a result of “Serco’s” performance were reviewed on a monthly basis.

The Committee agreed to monitor the potential risks caused by any delay in the implementation of the MOSAIC package. Members were advised that appropriate back-up systems were in place in the event of problems with the package.

Audit Committee Advice / Recommendations: Update on Libraries Action Plan

Officers stated that the main issues learned from the Judicial Review was the need to ensure that the alternative options were evaluated and that statutory consultation and community engagement was undertaken fully – a toolkit had been produced to aid staff in the regard.

As part of the work plan, members resolved that officers consider the comments made by the Committee in identifying and ensuring that risks were managed in connection to the “Serco” contract.

Meeting Date: 21st March 2016

Audit Committee Advice / Recommendations: External Audit Progress Report

The External Auditors drew the Committee’s attention to the continuing work to resolve issues with the implementation of “Agresso”. The Chairman stated that a full enquiry into the implementation of the “Serco” contract would be carried out by the Council in due course.

Audit Committee Advice / Recommendations: Draft Internal Audit Plan

The Committee received an update in connection with the draft Audit Plan for 2016/2017. Members asked if the Council was satisfied that all its procedures were up-to-date following the Rotherham inquiry into child exploitation and were advised that issues raised would be reported to a future meeting. The Committee sought assurances from officers that the appropriate systems were in place to address issues raised by the Corner’s Service. The proposals announced by the Chancellor regarding devolution for Lincolnshire would need to be approved by Full Council and the internal audit team would be seeking assurances that necessary governance arrangements were in place.

Audit Committee Advice / Recommendations: Internal Audit Progress Report

Officers discussed the recent malware attack on the Council’s systems. A report was to be produced on the event and lessons learned thereto.

Internal Audit stated that they still had concerns over the necessary controls being in place in payroll and that there was still a low level of assurance.

Meeting Date: 20th June 2016

Audit Committee Advice / Recommendations: Statement of Accounts 2015/2016 Risk Update

The Committee considered a report which provided a summary of the key risks faced by the Council in producing the Statement of Accounts 2015/2016 and progress in addressing the same. Officers assured members that they were confident that the accounts would be available in time for the Council’s external auditors, KPMG, to undertake their work thereon, but that although the quality of the accounts who be acceptable it would not be of the same level as in previous years. It was acknowledged that some other work would have to be delayed in order to prioritise the accounts production.

Audit Committee Advice / Recommendations: Review of the “Serco” Contract:

The Committee considered a report which recommended the Terms of Reference for a review of the contract awarded to “Serco”. A Review had been anticipated by the Committee but the Council had resolved at its meeting in May 2016 to ask KPMG to undertake a review in accordance with terms of reference approved by the Audit Committee.

Members asked questions of the officers present. The review would focus on the management of the contract and would come back to the Committee before the Council meeting of 16 September 2016. It was proposed that the authority learned from the experience to inform similar processes in the future. To avoid a conflict of interest the review would be undertaken by KPMG staff who were not part of the external audit team dealing with the Council.

Audit Committee Advice / Recommendations: Risk Management Progress Report

The Committee was provided with an update on how well the Council’s largest risks were being managed and the way in which it “thinks” about risk. Sometimes events would not always go in the authority’s favour, but the Committee had to be assured that systems were in place to properly manage risk. Members noted that a common theme was the risks associated with the recruitment and retention of staff.

Audit Committee Advice / Recommendations: External Audit Progress Report

KPMG reported that there was an increased risk this year of some form of qualification in the accounts and that their team was working closely with the Council’s finance team.

Audit Committee Advice / Recommendations: Internal Audit Progress Report

Members considered internal audit work undertaken in the period from 1st March 2016 to 31st May 2016. Officers reported that outstanding actions relating to payroll would be followed up with the head of HR and “Serco”, with an up-to-date position presented at the July 2016 committee.

Audit Committee Advice / Recommendations: Review of Draft Annual Report on Audit Committee Work

Members considered the results of the workshop held on 6th May 2016 to look at the effectiveness of the Audit Committee and identify any areas of improvement. It was resolved that the Chairman and Vice-Chairman, in consultation with other members of the Committee, draft the annual report.

Meeting Date: 18th July 2016

Audit Committee Advice / Recommendations: Matters Arising from Meeting of 20th June 2016

The Executive Director for Environment and the Economy provided an update on the progress of the review by KPMG of the “Serco” contract. KPMG had not yet received clearance from “Public Sector Audit Appointments Limited” to carry out its work. An update would be provided to the Committee in September 2016. Interviews had been arranged with key members of staff.

Audit Committee Advice / Recommendations: Internal Audit Annual Report 2015/2016

Members considered a report which gave the opinion of the Head of Internal Audit on the adequacy of the Council’s governance, risk and control environment and delivery of the Internal Audit Plan for 2015/2016. There were a number of areas where there was a need for improved compliance and strengthening of the control processes – most notably “Agresso” and IMT systems. Accordingly, the financial and internal control environment had deteriorated from the previous year and had been assessed as Red/Amber. However, the Council’s governance and risk framework was assessed as Green/Amber and was performing well with some improvements identified.

Members noted the content of the report from the Head of Internal Audit and sought assurance on the current status of the Council’s IT systems. The Committee also resolved to meet informally to consider the two reports which received low assurance.

Audit Committee Advice / Recommendations: Review of Governance Framework & Development of Annual Governance Statement 2016.

Members considered the contents of the draft Annual Governance Statement for 2016, to ensure that it accurately reflected the Committee’s understanding of the Council’s governance and assurance arrangements. The Annual Governance Statement is part of the Statement of Accounts and the final version will be presented to the Committee in September 2016. The Committee agreed that that the Annual Governance Statement included the significant governance issues and key risks it expected and accurately reflected how the Council was run.

Audit Committee Advice / Recommendations: Counter Fraud Annual Report 2015/2016

Members considered the Counter Fraud Annual Report for 2015/2016, detailing the overall effectiveness of the authority’s arrangements to counter fraud and corruption. Officers reported that it was intended to increase proactive work in 2016/2017 and that the authority was supportive of individuals who reported concerns. The Committee

resolved that the Council's arrangements to counter fraud and corruption and the progress made to implement policy was effective.

Audit Committee Advice / Recommendations: Internal Audit Progress Report

Members considered internal audit work undertaken in the period from 1st June 2016 to 8th July 2016. Officers advised that the situation regarding duplicate payments within "Agresso" was improving. Members sought clarification on the value and percent of these.

Audit Committee Advice / Recommendations: Work Plan

Members considered the Committee's 2016/2017 work plan. Further work is taking place to improve the effectiveness of the Audit Committee following the self assessment workshop. Formal agenda setting meetings would be taking place with the Head of Internal Audit, the Chairman and Vice-Chairman a couple of weeks before the agenda was circulated.

Audit Committee Advice / Recommendations: Draft Statements of Accounts

Members were assisted the reviewing and scrutinising the Accounts by Ian Fifield from LG Futures, as had been the practice in previous years. The Committee's comments in relation to the Accounts were noted.

Meeting Date: 16th September 2016

Audit Committee Advice / Recommendations: Internal Audit Progress Report

Members considered internal audit work undertaken in the period from 9th July 2016 to 12th September 2016. It was reported that seven final reports had been issued, one school and six corporate (three with substantial and three with low assurance). Low assurance reports were in relation to pension contributions for 2015/2016 and the "Concerto" asset management system. In terms of the latter, members queried whether appropriate checks were in place. The relevant Corporate Property officer reported to the Committee that the majority of the issues raised had been resolved. Members raised questions about the security of the password system. They were advised that there had been no data breaches.

In relation to the payrolls and pension internal audit, members considered a report which provided an update on actions being taken. A detailed action report had been produced and a number of actions implemented thereto, with the appointment of two experienced payroll managers by "Serco". Officers reported that much more robust checking of the running of payroll had been implemented, including improved error and

warning reporting. Actions identified for completion by the end of September 2016 were complete or partially complete.

Members queried how the Corporate Management Board and Executive were being kept informed of progress. Members were advised that the Director responsible for People Management was accountable at a senior management level and the Portfolio Holder for Community Safety and People Management received updates on a monthly basis, with additional reporting to the Recovery Board.

It was acknowledged that there were some gaps in the transfer of information between “SAP” and “Agresso”. Officers reported that all priority actions due to be completed by the end of September 2016 had been completed. It was confirmed that KPI data for the “Serco” contract would be presented to the Value for Money Committee the following day. It was confirmed that “Serco” had previously implemented payroll; systems but had not previously implemented “Agresso”. Members queried whether this situation had been taken into account prior to awarding the contract. It was reported that this would form part of the KPMG review, due to be presented to the Committee in November 2016 due to the delayed starting date. It was confirmed that additional costs due to the management of the contract were being tracked and members resolved that this be noted.

Audit Committee Advice/Recommendations: Approval of Annual Governance Statement 2015/2016

Members considered the final Statement and were advised that it had broadly remained unchanged from the draft version, with more detail added in the corporate governance section. The Committee resolved that the Statement included the significant governance issues and key risks it would have expected and recommended its adoption by the Council.

Audit Committee Advice/Recommendations: External Audit Report.....2015/2016

Members were advised that the Statement of Accounts for the Council and the Pension Fund for 2016/2016 had been completed and externally audited and considered the findings thereto. The two risks identified were the changes to “Agresso” and the changes to the Pension Fund administration. It was confirmed that the annual audit fee would increase due to the additional work undertaken. Members resolved to note the report and approve the Letter of Recommendation from the external auditors. Members approved the Statement of Accounts for 2015/2016.

Audit Committee Advice/Recommendations: Work Plan

Members noted that a pre-meeting had taken place with the Head of Internal Audit, the Chairman and the Vice-Chairman to examine the work plan in more detail. Members noted that the final outcome of the KPMG review would be presented to the Committee in November 2016. An Audit Forum was to take place at NKDC on 11th October 2016 and was open to all members of the Committee to attend.

Meeting Date: 21st November 2016

Audit Committee Advice/Recommendations: KPMG's Review of "Agresso" Implementation and Management of "Serco" Contract

Members received a report by the Council's Monitoring Officer regarding KPMG's review and the report itself was presented by KPMG.

The Council's monitoring Officer summarized KPMG's report as follows:

KPMG's review concludes that the procurement philosophy was valid and the methodology and processes for the tendering and contract letting were sound. KPMG also identified how the Council might act differently in order to minimize the risk of service failure. KPMG have set out fifteen recommendations for the Council.

"Serco" accepted the contract on the understanding that there was only a twelve month mobilisation period. However insufficient resources were deployed during this period. The most obvious failing was in the implementation of the "Agresso" system, resulting to disruption in payroll and invoice payments. The contract allowed the council to impose service credits and this has occurred. "Serco's" performance had improved in the last six months, although there is outstanding transformation work which has been delayed as a result of the problems.

KPMG's findings and recommendations are intended to be lessons learnt, to be used by the Council in letting similar contracts and major procurements and to assist in managing the remaining period of the contract. The "intelligent client" has been important and would need to be properly resourced in a similar procurement. These procurements are complex and require good understanding of risk transfer and resource demands by all parties. However well technical risk is transferred, the Council will always carry the risk to its reputation.

The Chief Executive and other relevant officers will now consider the findings and recommendations and provide monitoring and progress reports to the Audit Committee in the normal way.

KPMG's key recommendations covered the following:

- *programme and project governance*

the Council should continue to maintain an “intelligent client” function, ensuring sufficient resources are employed; even where risk is transferred to the supplier the client needs to be in a position to hold them to account.

the Council should continue to use Programme Boards, with clear reporting and escalation processes including more detailed reporting to the CMB.

the Council should continue to have a dedicated programme manager to lead and coordinate for the Council.

the Council should in future consider whether to commission an Independent supplier to carry out programme assurance at key points.

- *tender evaluation*

the Council should in future ensure that when site visits are undertaken that they include the application and software versions being offered, a site where they are responsible for the delivery of the same package and the implementation timescale.

the Council should consider how it might manage its reputational risk.

the Council should challenge timescales.

specific implementation toolkits should be reviewed.

- *contingency arrangements*

in future the Council when outsourcing projects should always have an enforceable contingency plan in place, which is proportionate to risk.

- *data migration, parallel running and testing*

the Council should ensure for IT projects that it has adequate arrangements for data migration, that third parties carry out all their obligations and that there is adequate arrangements for the formal sign-off.

the Council should work closely with the supplier to ensure there is adequate information on testing and parallel running, with the appropriate formal sign-off arrangements.

for future IT outsourcing, the Council should ensure there are adequate change control mechanisms in place at all stages.

a procurement timescale should allow for eighteen to twenty-four months transition.

- *go live arrangements*

the Council should continue its appropriate governance arrangements are in place during the go live decision, with all parties being aware of the full implications.

- *services from 1st April 2015*

the Council needs to be in position to work with the supplier on staffing, quality, recovery, re-programming and sign-off.

Members questioned the Monitoring Officer and the Chief Information and Commissioning Officer. The Committee sought assurances from management that they had accepted the contents of the report and were confident that action would be taken from the lessons learnt – over the short, medium and long-term.

Members questioned the Monitoring Officer and the Chief Information and Commissioning Officer over the parallel running period, the contingency planning and the level of trust and confidence in the assurances given to management by “Serco”. The Committee asked how the Council could monitor the governance of third parties commissioned by the supplier to deliver services to the Council.

The Committee accepted the report and sought assurances that the recommendations would be taken on board by the CMB and an action plan developed. The Committee instructed the Chairman to feedback the outcome of their deliberations to the Chief Executive and Leader.

The Committee recommended that the Chief Executive acts on the findings and recommendations, especially in relation to future major procurements and monitors and reports on the progress of the actions taken.

Audit Committee Advice/Recommendations: Internal Audit Progress Report

Members considered internal audit work update for the period from 9th July 2016 to 12th September 2016. The Head of Internal Audit reported that progress was being made in relation to payroll and pension issues, but that there was still work to do. Members sought assurances that there would be follow-up reports from internal audit to confirm the adequacy of the control environment and that outstanding actions will be implemented.

Audit Committee Advice/Recommendations: Internal Audit External Quality Assessment

Members congratulated the Head of Internal Audit and her team on a successful review and the assessor’s very positive comments on the excellent work of Assurance Lincolnshire.

Audit Committee Advice / Recommendations: Risk Management Report

The Committee reviewed an independent evaluation of the Council's risk management maturity from "Kerberos". The assessor was particularly impressed by the clear risk management from the very top of the Council, giving a level four outcome – risk management being embedded and integrated within the organisation.

Audit Committee Advice / Recommendations: Final External Audit ISA

The Council's external auditors stated that the accounts will be unqualified, with an except for conclusion for Value for Money. The Committee was of the opinion that this was a good result in view of the challenges faced and asked to pass on their thanks to the finance team.

Audit Committee Advice / Recommendations: Counter Fraud Progress

The Committee noted the increase in the number of investigation cases and that schools were still a particular area of concern. Members were assured that lessons would be learnt from investigations made and action taken to reduce the fraud risk.

LOOKING AHEAD

The Committee aims to build on its role and will address the following for 2016/2017:

- review the Council's risk management strategy and continue to make good risk management integral to the way the Council conducts its business and makes informed decisions.
- review the organisational learning arising from the "Serco" review, identifying any opportunities to improve our governance framework, particularly around major contracts.
- ensure that the Council's governance framework remains fit for purpose, responding to changes in the organisational environment and the updated CIPFA / SOLACE guidance.
- seek assurance that the significant governance issues identified in the Annual Governance Statement are being addressed by management.
- review our work plan and identify ways in which we can work with other organisations through the Lincolnshire Audit Forum.
- continue our training programme to help with Committee effectiveness.
- produce the Council's Annual Governance Statement for 2017.
- review the effectiveness of the Council's standards regime, including how the Council has dealt with complaints, promoted and maintained standards and obtained assurances over the completeness and accuracy of the register of members interests.

- seek assurances from the Executive and Senior Management on their level of confidence in managing the Council's key risks associated with the business plan and medium –term financial strategy.