

**OVERVIEW AND SCRUTINY
 MANAGEMENT COMMITTEE
 28 JULY 2016**

PRESENT: COUNCILLOR P J O'CONNOR (CHAIRMAN)

Councillors Mrs A M Newton (Vice-Chairman), C J T H Brewis, A Bridges, Mrs J Brockway, M Brookes, P M Dilks, R L Foulkes, A G Hagues, C E D Mair, C E H Marfleet, Mrs M J Overton MBE, R B Parker, C L Strange and R Wootten.

Added Members

Church Representatives: Mr S C Rudman.

Councillor D McNally was also in attendance.

Officers in attendance:-

Simon Challis (Strategic Development Officer), Simon Evans (Health Scrutiny Officer), David Forbes (County Finance Officer), Michelle Grady (Head of Finance (Communities)), Andy Gutherson (County Commissioner for Economy and Place), Cheryl Hall (Democratic Services Officer), David Hickman (Environment Commissioner), Steve Houchin (Head of Finance (Adult Care)), Tracy Johnson (Senior Scrutiny Officer), Claire Machej (Head of Finance (Corporate)), Daniel Steel (Scrutiny Officer), Tony Warnock (Operations and Financial Advice Manager), Nigel West (Head of Democratic Services and Statutory Scrutiny Officer) and Richard Wills (Executive Director, Environment and Economy).

22 APOLOGIES FOR ABSENCE/REPLACEMENT MEMBERS

Apologies for absence were received from Councillors A J Jesson and Mrs C A Talbot and Added Members Mrs P J Barnett, Mr P Thompson and Dr E van der Zee.

23 DECLARATION OF MEMBERS' INTERESTS

No interests were declared.

24 MINUTES OF THE MEETING HELD ON 30 JUNE 2016

RESOLVED

That the minutes of the meeting held on 30 June 2016 be approved and signed by the Chairman as a correct record.

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25 CHAIRMAN'S ANNOUNCEMENTS

The Chairman advised the Committee that at the meeting of the Executive held on 5 July 2016, consideration was given to the report concerning 'Developing a model for the charging of Lincolnshire County Council services to schools', which had been considered by the Scrutiny Committee at its meeting on 30 June 2016.

The Chairman stated that he was given the opportunity to present the Scrutiny Committee's views on the report to the Executive.

26 CONSIDERATION OF CALL-INS

No Call-Ins had been received.

27 PROPOSAL FOR SCRUTINY REVIEWS

No Scrutiny Reviews had been received.

28 CONSIDERATION OF COUNCILLOR CALLS FOR ACTION

No Councillor Calls for Action had been received.

29 REVIEW OF FINANCIAL PERFORMANCE 2015/16

Consideration was given to a report by the Chief Finance Officer, which invited the Committee to consider a report on the Review of Financial Performance 2015/16, which would be considered by the Executive at its meeting on 6 September 2016.

The Chief Finance Officer presented the report to the Committee, which described the Council's financial performance for 2015/16; identified and explained the variances from the Council's revenue and capital budgets; made proposals on the carry forward of over and under spendings into the current financial year; and reported prudential and financial performance indicators for 2015/16. It highlighted that the report, and any comments of the Scrutiny Committee, would be presented to the Executive at its meeting on 6 September 2016.

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

- The impact of business rate appeals could be a significant risk to councils, but business rate income was a complex topic and would merit consideration in its own right;
- A councillor commented that prior to the setting of the 2015/16 budget, it was widely reported that it would be a challenging year. However, an underspend of £20 million (County Council budget, net of school budget) had occurred. The councillor felt that improved budget monitoring during the course of 2015/16 would have enabled the Council to use identified underspends to deliver improved services;

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- It was felt that if certain information technology systems in the capital programme had been implemented sooner, the County Council could have achieved savings;
- With the exception of the items listed in paragraph 1.77 of the report [proposed transfer of funds to reserves], it was noted that no executive directors had submitted any bids to carry forward underspends in excess of 1%, on the basis that executive directors understood the overall financial challenges facing the County Council and they had not identified any special circumstances, other than those items in paragraph 1.77, to merit making a bid for funding over and above the 1% limit;
- It was suggested that more information should have been included in the report to the Executive on how the underspends of up to 1%, representing £4.295 million (referred to in paragraph 1.76 of the report) had been allocated;
- In relation to the allocation of funds from underspends up to 1% (paragraph 1.76 of the report), Members were advised that it was a matter for each executive director, in consultation with the relevant Executive Councillor, to determine how these funds would be allocated;
- In relation to the proposal to add £0.498 million to reserves for Civil Parking Enforcement (paragraph 1.77 of the report), it was understood that the reserve funds would be used to provide closed circuit television to support parking enforcement activity, and could not be used for other activities, but further clarification would be required on whether under the relevant legislation, the bid for a street lighting reserve of £100,000 (paragraph 1.77 of the report) could be funded from it;
- Approximately £4.5 million had been raised by the Council Tax increase of 1.9% for 2015/16;
- It was noted that the Disability Facilities Grant (DFG) had been passed to the County Council as part of the Better Care Fund since 2015/16. The responsibility for the approval of the Better Care Fund rested with the Lincolnshire Health and Wellbeing Board. In 2015/16, the full Better Care Fund identification of allocated DFG had been transferred to district councils. A higher element of DFG had been identified in the Better Care Fund for 2016/17, but no district council had received a lower level of DFG funding than under the previous system;
- The capital programme underspend on broadband was a concern and there was a risk that broadband would not be delivered to an adequate level and might require additional funding in the future. The Overview and Scrutiny Management Committee would consider progress with broadband as part of its next regular update on the topic;
- A councillor commented that an overall underspend of 3% of the Council's total budget was not excessive, and the Executive and the executive directors should be congratulated for managing the budget in challenging circumstances;
- Another councillor commented that the overall budgetary position of the County Council was good;
- The reported underspend of £18.802 million on the schools budgets was a cumulative total, meaning it was inclusive of previous year underspends, and did not solely relate to the 2015/16 financial year;

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- Executive directors actively monitored budgets. For example, one executive director had taken action during 2015/16 to manage a potential overspend, by reallocating funds within the directorate. Executive directors continued to monitor budgets, and data from the in-year monitoring of the 2016/17 budget was a factor in setting the budget for 2017/18;
- The Committee concluded that it would like to see more information on budget monitoring considered by overview and scrutiny committees during the course of the year, including consideration by the Overview and Scrutiny Management Committee;
- The Committee also recorded that it would look forward to improved financial information in the current year to enable underspends to be identified sooner, rather than being reported after the end of the financial year;
- An underspend of £20 million (County Council budget, net of school budget) in 2015/16 might be a relatively small percentage of the County Council's budget. However, for a district council, this sum would be substantial. The County Council needed to ensure that appropriate explanations were given to the public for this level of underspend;
- The Council's overall budget strategy was on course and there was no need for the County Council to change its approach.

Upon putting the recommendations in the report to the vote it was:

RESOLVED

- (1) That the Committee supports the four recommendations in the report to the Executive.
- (2) That the above comments be passed onto the Executive for its consideration.

Councillors P M Dilks and R B Parker requested that their votes against supporting the recommendations were recorded.

30 EAST LINDSEY LOCAL PLAN

Consideration was given to a report by the Environment Commissioner, which provided the Committee with information on the East Lindsey District Council draft Local Plan.

The Committee was invited to endorse the proposals made within the report, which would inform the position the County Council takes with regard to its engagement with its partners during public consultation on the draft East Lindsey Local Plan.

The County Commissioner for Economy and Place presented the report to the Committee and in doing so, highlighted that the Council had sought to engage with East Lindsey District Council in the development of its Local Plan, but believed that there were a number of outstanding areas where further debate was desirable if the draft Local Plan was to take account of national policy developments since 2010, and if it was to be sufficiently robust for submission for the Examination in Public process.

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Members of the Committee, and a Local Member who was observing the meeting (*the Local Member wished it be noted that he was a Member of East Lindsey District Council and a North Somercotes Parish Councillor*), were provided with an opportunity to ask questions, where the following points were noted: -

- Members highlighted that a revised, effective and up-to-date local plan for East Lindsey was urgently required and the current proposals would need additional work and support to ensure they were fit for purpose;
- The Committee supported the work undertaken so far to engage with East Lindsey District Council in the development of its Local Plan, and highlighted that further engagement and communication were needed to achieve a positive outcome;
- The Committee expressed concerns regarding the implications on future school demand given the levels of engagement with Local Education Officers during the development of the plan. This included the urgent need for joint working on the development of an appropriate projected education model to aid in ensuring a sustainable pupil population as part of future development and growth. General concerns were raised regarding this issue and it was therefore suggested that the Children and Young People Scrutiny Committee scrutinised this matter further;
- It was requested that the Committee revisited the South East Lincolnshire Local Plan, as additional land had been incorporated in the draft local plan during the consultation phase which may be of interest to the Committee;
- Further to the above, the Committee highlighted the need to continue to review all Lincolnshire Local Plans throughout their consultation periods to ensure the information remains current, relevant and appropriate;
- The Committee highlighted significant concerns in relation to the proposals for new developments with low numbers of dwellings across multiple sites as these would not help secure the vital s106 contributions to support sustainable school provision;
- The Committee queried whether the level of communication and engagement between Lincolnshire County Council and East Lindsey District Council throughout the process leading up to the consultation on the draft Local Plan had been sufficient;
- Members highlighted that the proposed locations for Traveller sites within the current Draft Local Plan consultation needed additional thought to ensure sites were appropriately placed to have minimal impact on growth and future development of the coastal economy;
- The Committee highlighted concerns regarding the volume of new housing allocations in East Lindsey in relation to the published Greater Lincolnshire growth targets, and whether the number of new homes proposed was adequate or ambitious enough in the context of promoting local growth;
- The Committee highlighted the need for ambitious growth to release funding to address current and future infrastructure concerns. Horncastle was given as an example where extra housing could lead to potential investment in additional Highways infrastructure, such as a bypass;
- The Committee highlighted concern that the current draft Local Plan did not appear to include a practical Infrastructure Delivery Plan and that the detailed assessments which had been undertaken in relation to the transport network, had

not been taken into account in arriving at draft conclusions regarding potential levels of growth and development required;

- The Committee highlighted the need to move away from the idea that some communities were unsustainable, as the purpose of a local plan was to look at future planning and development of areas that could receive a significant boost to growth and infrastructure. The Committee also highlighted the need to encourage and promote local business development as a key part of effective local planning;
- The Committee suggested that representatives from East Lindsey District Council be invited to attend a future meeting to discuss the current situation and how this could be progressed to a positive outcome;
- The Committee highlighted concern in relation to some of the evidence used as part of the current Draft Local Plan. Members asked officers to continue to work with East Lindsey District Council to work through these points and ensure the most appropriate and current information formed the basis of the Local Plan;
- A Local Member highlighted the need for the East Lindsey Local Plan to support growth of the coastal economy and facilitate improving the aspirations for young people. The Local Member also highlighted that the current draft Local Plan put too much emphasis on affordable housing in coastal areas and stressed the need for a balance of affordable and open market housing; and
- The Committee highlighted the need for more engagement to be undertaken as part of the wider consultation on the draft Local Plan and a greater level of co-operative working as exists with the South East and Central Lincolnshire Local Plans.

RESOLVED

That the comments of the Committee be submitted to East Lindsey District Council, as the Overview and Scrutiny Management Committee's response to the consultation for the East Lindsey Local Plan.

31 COMBINED AUTHORITY - SCRUTINY ARRANGEMENTS

Consideration was given to a report by the Head of Democratic Services and Statutory Scrutiny Officer, which set out the requirement for the Greater Lincolnshire Combined Authority to establish overview and scrutiny arrangements and sought views from the Committee on those arrangements.

During discussion on the content of the report, the following points were noted: -

- The Committee felt there was a need for scrutiny arrangements to be established in shadow form to scrutinise the work of the shadow joint committee of leaders from the ten constituent authorities;
- The provisions in the Scheme closely mirrored the legal requirements set out in Schedule 5A of the Local Democracy, Economic Development and Construction Act 2009. However, one element where there was a degree of discretion was whether the chairman should be an elected member of one of the Constituent Councils who was not a member of a registered political party of which the Mayor was a member or an independent person. However, a

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councillor commented that this did not take into consideration political coalitions;

- It was highlighted that under the draft Order, a majority of an Overview and Scrutiny Committee must be members of the Constituent Councils. The implication of this was that some members may be drawn from outside the Constituent Councils. Members felt that any non-elected members should only be allowed to vote on matters relevant to them;
- Members were advised that as the shadow joint committee was exercising Executive functions on behalf of the constituent authorities, current arrangements allowed for the leader of each authority to be held to account by their own scrutiny process. However, the Committee stated that although this was possible, they would only be scrutinising one tenth of the shadow committee. Therefore, it was reiterated that there was a need for shadow scrutiny arrangements to be established in the interim;
- A Member suggested that both maintained schools and academies should be presented on the shadow scrutiny committee; and
- It was suggested that the Chairman should invite the Leader of the Council to the next meeting of the Committee on 29 September 2016 to discuss the work of the shadow joint committee. It was also suggested that the Chairman should write to the other nine authorities seeking their views on the proposal to establish shadow scrutiny arrangements.

RESOLVED

- (1) That report and comments made be noted.
- (2) That the Chairman be requested to invite the Leader of the Council to the next scheduled meeting of the Committee to discuss the work of the shadow joint committee.
- (3) That the Chairman be requested to write a letter to the nine other authorities seeking their views on the proposal to establish shadow scrutiny arrangements.

32 REVIEW OF SCRUTINY UPDATE

Consideration was given to a report by the Head of Democratic Services and Statutory Scrutiny Officer, which updated Members on the work of the Review of Scrutiny Working Group and sought endorsement of the Scrutiny Protocol, as detailed at Appendix A to the report.

It was noted that the Working Group would continue to meet to consider culture and the governance structure for scrutiny, with a view to reporting back to Council with proposals that could be in place for the new Council in May 2017.

It was reiterated that there was a need for executive councillors to regularly attend scrutiny committees, including the Overview and Scrutiny Management Committee.

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RESOLVED

- (1) That the progress of the Review of Scrutiny Working Group be noted.
- (2) That the Scrutiny Protocol, as detailed at Appendix A to the report, be endorsed.

33 OVERVIEW AND SCRUTINY WORK PROGRAMME

Consideration was given to a report which enabled the Committee to consider its own work programme and the work programmes from the scrutiny committees for 2016.

Overview and Scrutiny Management Committee

It was noted that an update item on 'Developing a Model for the Charging of Lincolnshire County Council Services to Schools' would be considered by the Committee at its meeting on 29 September 2016.

Further to Minute 29, as detailed above, an Update on the Lincolnshire Broadband Programme would be added to the Committee's work programme.

Further to Minute 31, as detailed above, the Chairman confirmed he would invite the Leader of the Council to the meeting of the Committee scheduled to be held on 29 September 2016, for an update on the work of the joint shadow committee. Further to this, it was requested that the Committee received regular updates from the Leader until shadow scrutiny arrangements were established.

Adults Scrutiny Committee

The item on 'Adults with Learning Disabilities – Employment and Health Care' scheduled for 7 September 2016 had been deferred to a later meeting.

It was noted that there was a plan for a visit to the officers of Carers First, the new provider of carers services, on either 11 or 18 October 2016.

Children and Young People Scrutiny Committee

There were no changes to the Committee's work programme.

Community and Public Safety Scrutiny Committee

The item on the 'Wellbeing Services Recommissioning' would now be considered for pre-decision scrutiny on 14 December 2016. The report would then be considered by the Executive at its meeting on 4 January 2017.

Economic Scrutiny Committee

There were no changes to the Committee's work programme.

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Environmental Scrutiny Committee

An item on the 'Lincolnshire Minerals and Waste Local Plan: Site Locations Document (Pre-Submission Draft)' had been added to the work programme for the meeting of the Committee scheduled for 14 October 2016. It was noted that the item would seek a resolution that the Committee approve the document for public consultation and would subsequently be considered by the Executive on 1 November 2016.

Flood and Drainage Management Scrutiny Committee

An item on the 'Development Road Specification' had been added to the work programme for the meeting on 23 September 2016.

Health Scrutiny Committee for Lincolnshire

An item on the 'Lincolnshire Partnership NHS Foundation Trust Response to the Care Quality Commission Inspection' had been added to the work programme for the Committee's meeting scheduled to be held on 26 October 2016.

The Vice-Chairman provided Members with an update on the following issues:-

- Glenfield Hospital / East Midlands Congenital Heart Centre

On 20 July 2016, the Committee had considered an announcement by NHS England that it intended to decommission congenital heart surgery services from Glenfield Hospital in Leicester. The Committee agreed to seek from NHS England as a commitment for full consultation, as required by the relevant health scrutiny regulations. The letter to NHS England, which was sent on 22 July 2016, also advised them that the Committee was looking to invoke procedures under the regulations, should their response be negative. Depending on NHS England's response, the Committee would allocate time on the work programme in the coming months.

- Four GP Practices in Lincolnshire

On 21 July 2016, it was announced that new management arrangements would be introduced in four GP practices in Lincolnshire from 1 August 2016. The four surgeries were: Arboretum, Lincoln; Burton Road, Lincoln; Metheringham Surgery; and Pottergate, Gainsborough. Between the four surgeries there were over 11,100 registered patients.

The four surgeries operated under a special type of GP contract, referred to as an Alternative Provider of Medical Services contract. The contracts had been awarded by NHS England to Universal Health Ltd in 2015, but Universal Health had run into financial difficulties. The contract management had fully transferred to Lincolnshire West Clinical Commissioning Group, who had secured Lincolnshire Community Health Services NHS Trust as a caretaker manager until at least mid-December 2016.

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Lincolnshire West Clinical Commissioning Group had also launched a survey of the patients registered at the surgeries, seeking their views on the services they currently received and what they would like in the future. Patients had been asked to complete the surveys by 9 September 2016. Should the Clinical Commissioning Group make proposals for a change in provision, the Committee would be including the item in its work programme.

Members wished it be noted that they had congratulated the Chairman and Vice-Chairman, and the Committee, for all their hard work in seeking to keep the four surgeries open.

Highways and Transport Scrutiny Committee

The item on the 'Preparations for Winter 2016/17' had been deferred from September to the Committee's meeting on 24 October 2016. This change would enable the outcomes of the Winter Maintenance Working Group to be considered as part of the update.

An item on the 'Development Road Specification' had been added to the Committee's meeting on 12 September 2016.

Value for Money Scrutiny Committee

An update on the 'Localisation of Business Rates' had been added to the agenda for the meeting on 27 September 2016.

It was noted that the Committee had resolved to consider an additional meeting of the Value for Money Scrutiny Committee, as appropriate, to consider a possible input into the review by KPMG of the contract awarded to Serco.

RESOLVED

- (1) That the content of the Overview and Scrutiny Management Committee Work Programme as set out in Appendix A of the report be noted.
- (2) That the work programmes from the Overview and Scrutiny Management Committee set out at Appendix B of the report be noted.
- (3) That the Working Group activity set out at Appendix C of the report be noted.
- (4) That the work programmes, in light of the Executive Forward Plan, as set out in Appendix D of the report, be noted.

The meeting closed at 1.25 pm.