

**OVERVIEW AND SCRUTINY
 MANAGEMENT COMMITTEE
 26 JANUARY 2017**

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, A J Jesson, C E D Mair, Mrs M J Overton MBE, R B Parker, C L Strange, Mrs C A Talbot and R Wootten

Councillors M J Hill OBE (Leader of the Council) and C N Worth (Executive Councillor for Culture and Emergency Services) were also in attendance.

Officers in attendance:-

Simon Evans (Health Scrutiny Officer), David Forbes (County Finance Officer), Michelle Grady (Head of Finance (Communities)), Cheryl Hall (Democratic Services Officer), Steve Houchin (Head of Finance (Adult Care)), Tracy Johnson (Senior Scrutiny Officer), Claire Machej (Head of Finance (Corporate)), Mark Popplewell (Head of Finance (Children's Services)), Jasmine Sodhi (Performance and Equalities Manager), Daniel Steel (Scrutiny Officer), Nigel West (Head of Democratic Services and Statutory Scrutiny Officer), Richard Wills (Executive Director, Environment and Economy) and Simon Wright (Principal Officer (Regeneration)).

70 APOLOGIES FOR ABSENCE/REPLACEMENT MEMBERS

Apologies for absence were received from Councillor C E H Marfleet, and Added Members Mrs P J Barnett, Mr S C Rudman, Mr P Thompson and Dr E van der Zee.

71 DECLARATION OF MEMBERS' INTERESTS

No interests were declared.

72 MINUTES OF THE MEETING HELD ON 24 NOVEMBER 2016

RESOLVED

That the minutes of the meeting held on 24 November 2016 be approved and signed by the Chairman as a correct record.

73 CONSIDERATION OF CALL-INS

No Call-Ins had been received.

OVERVIEW AND SCRUTINY MANAGEMENT COMMITTEE 26 JANUARY 2017

74 PROPOSAL FOR SCRUTINY REVIEWS

No proposals for Scrutiny Reviews had been received.

75 CONSIDERATION OF COUNCILLOR CALLS FOR ACTION

No Councillor Calls for Action had been received.

76 CHAIRMAN'S ANNOUNCEMENTS

The Chairman advised that at the meeting of the County Council on 16 December 2016, it was agreed to set up a working group on the Sustainability and Transformation Plan to explore the likely financial and other impacts on County Council services, with the appointment of the membership of the working group delegated to the Chairman and Vice-Chairman of the Committee. A meeting of the working group was scheduled to be held on 30 January 2017 at 2.00 pm. The outcomes from the Working Group would be reported to the Executive on 7 February 2017.

The Chairman also advised that towards the end of 2016, Internal Audit had conducted a review to seek assurance around the Council's overview and scrutiny committee arrangements. The Chairman was pleased to report that the outcome of the review was 'high assurance' and the potential risk was rated green, meaning that there were no significant or high risks identified by Internal Audit. Further to this, the Chairman thanked members of the Committee and the Review of Scrutiny Working Group for all the work undertaken in reviewing the scrutiny arrangements, which had led to this positive outcome.

The Chairman highlighted that he had attended the last two meetings of the Executive, which were held on 20 December 2016 and 4 January 2017. At the meeting held on 20 December, the Executive had considered the budget proposals and as part of this, the Chairman had presented the comments from the informal scrutiny budget workshops. In particular, it was noted that the Chairman had highlighted the concerns around weed spraying once a year and licensing costs for Microsoft. In response, it was highlighted by the Executive that approximately £50,000 was currently spent on weed control and that officers were looking into alternative options, but these were very limited. In terms of the Microsoft license, it was highlighted that the cost of migrating to an alternative software platform would not have a substantial benefit due to the cost of additional training and migrating data.

77 REVENUE AND CAPITAL BUDGET MONITORING REPORT 2016/17

Consideration was given to a report by David Forbes (County Finance Officer), which invited the Committee to consider a report on the second budget monitoring report for the financial year 2016/17, which was being presented to the Executive on 7 February 2017. Michelle Grady (Head of Finance – Communities); Steve Houchin (Head of Finance – Adult Care); Claire Machej (Head of Finance – Corporate); and Mark Popplewell (Head of Finance – Children's) were also in attendance.

OVERVIEW AND SCRUTINY MANAGEMENT COMMITTEE
26 JANUARY 2017

The report compared projected expenditure with the approved budget and provided explanations for any significant over or under spending. Any comments from the Committee would be presented to the Executive as part of its consideration of this item.

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

- A concern was highlighted regarding the decision to extend the borrowing repayment period from 25 to 50 years and queried whether this would push additional costs to the County Council into future years. Further to this, it was confirmed that projected estimates had shown that the longer term borrowing would start to cost the Council more after 17 years, however this would also depend on the level of borrowing in future years;
- It was confirmed that the work undertaken for the Sustainability and Transformation Plan was funded by the local NHS;
- The increase in levels of refunds from unspent service users' Direct Payments was highlighted, and it was queried as to whether this was related to the growth in the number of direct payments in relation to carers. Further to this, it was confirmed by officers that the legislation relating to personal budgets for carers had changed with the introduction of the Care Act 2014. These changes had introduced a more detailed assessment which had resulted in a significant reduction in applications but these were now starting to increase;

NOTE: At this stage in the proceedings, Councillor P M Dilks wished it be noted that he was a Councillor at South Kesteven District Council.

- The Disabled Facility Grants (DFG) was highlighted as a concern due to funding arrangements between the County Council and District Councils. A Councillor requested that consideration be given at year end with regards to the retained element held by the County Council and whether this could be used to support the district councils. It was requested that a discussion take place with district councils about the funding for the past financial year. It was confirmed that the position for the next financial year was much clearer as all parties were working towards developing a memorandum of understanding on the expenditure of the DFG;
- A Councillor highlighted the £1.904m underspend caused by delays in making milestone payments to Serco relating to Agresso. It was confirmed that these payments should have been made two years ago and that the payments would be made once the system was fully functional;
- The Committee highlighted the forecasted £1.014m overspend relating to home to school transport which included the costs associated with the closure of the Mablethorpe school site for Louth Monks Dyke College; an increase in SEN transport costs leading up to the new One School One Provider contracts; and an increase in the number of planned transport days;
- A Councillor highlighted the block booking of beds and it was suggested that 25% of people who could be discharged from hospital could not be discharged due to Lincolnshire County Council not being able to provide a placement. Officers reported that a new contract had been made to block book beds in a

OVERVIEW AND SCRUTINY MANAGEMENT COMMITTEE 26 JANUARY 2017

number of homes across the County, initially just for deficit beds but now for all types of placements. It was also confirmed that Adult Social Care had a team of 20 Social Workers working with hospitals to allow people to move on as quickly as possible;

- It was noted that a Delayed Transfers of Care Working Group had been established to give initial consideration to the topic and its first meeting was scheduled to be held on 2 February 2017 at 10.00 am;
- The underspend on Wellbeing Services of £1.724m due to unfilled vacancies was highlighted. It was queried whether this underspend had indicated a reduction in service capacity. Further to this, it was confirmed that this underspend was also due to efficiencies following recent re-provision of a number of services, and that the unfilled vacancies was only a small proportion of the overall underspend;
- The Committee highlighted the one year budget and whether consideration had been given to future planning of the level of County Council precept, to meet the budget shortfalls for the next three financial years. Officers confirmed that the County Council had agreed a four year funding deal from Government, which had enabled planning to take place and that it was projected that a 3.95% increase would be made over the next four years.

The Chairman thanked those officers present for their detailed report.

RESOLVED

- (1) That the recommendations, as detailed in the Executive's report, be supported.
- (2) That the comments of the Committee be passed onto the Executive for its consideration.

78 COUNCIL BUDGET 2017/18

A report by David Forbes (County Finance Officer) was considered, which set out the Council Budget Proposals for 2017/18. Michelle Grady (Head of Finance – Communities); Steve Houchin (Head of Finance – Adult Care); Claire Machej (Head of Finance – Corporate); and Mark Popplewell (Head of Finance – Children's) were also in attendance.

The report described the Council's Budget Proposals based on the four year funding deal which had been announced by Government, as part of the 2016/17 Local Government Financial Settlement. Details of the Provisional Local Government Finance Settlement for 2017/18 were attached at Appendix A to the Committee's report.

In addition to the review of budget proposals by the Committee, it was noted that further scrutiny and consultation included:

- All other Council Scrutiny Committees had received the opportunity to scrutinise budget proposals in detail during January 2017;

OVERVIEW AND SCRUTINY MANAGEMENT COMMITTEE
26 JANUARY 2017

- Budget proposals had been publicised on the Council's website together with the opportunity for the public to comment; and
- A consultation meeting with local business representatives, trade unions and other partners was scheduled to take place on 27 January 2017.

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

- With regards to the loss of £1m from the New Homes Bonus Grant for 2017/18 due to a reduction in the number of payment years from six years to five, concerns were raised about how this would affect future plans and budgets, as these would have been based on the original figures. It was noted that the New Homes Grant was top sliced from the Revenue Support Grant and the amount received would be based on the number of houses built;
- Clarification was sought as to why it was proposed to increase council tax by 3.95% rather than 3.99%. It was confirmed that it was proposed to increase the council tax by 3.95%, rather than 3.99%, as the Environment Agency and Eastern Inshore Fisheries and Conservation Authority precept the Council so there was a need to allow for a 'safety net' for these precepts to ensure that the council tax rate was not pushed over 4%, thus triggering a referendum inadvertently;
- In relation to the reserves, it was clarified that there was approximately £15m in the general reserves which were used as an emergency fund, and circa £50m in the Financial Volatility Reserve, which was used to balance the Council's budget. It was proposed to use approximately £26m of the Financial Volatility Reserve to balance the budget in 2017/18. The remaining balance in the Financial Volatility Reserve would be used to assist in balancing future budgets. It was noted that if the council tax was not increased by 3.95% each year, then there would be a loss of circa £9.8m from the reserves each year, leading to a cumulative loss of over £27m by the end of year three;
- Concerns were raised about the impact of reducing grass cutting and whether there was a risk that road traffic accidents could increase. It was also queried how many parish councils were picking up the costs of grass cutting. It was confirmed that the grass safety cut would still continue twice a year but that it was the amenity grass cutting which would stop. It was noted that a letter had been sent to parish councils on 18 January 2017, which had set out the County Council's offer to pay 20% of the costs if parish councils took on the amenity cuts and the two safety cuts;
- Concerns were raised about the rising costs of adult care and whether the approximate £2.6m increase in the budget to address cost pressures would be adequate, given that other councils across the country were overspending on adult care. Further to this, it was noted that Lincolnshire was one of the most cost effective adult care authorities in the country which meant that the Council was currently managing the increasing pressures. However, it was highlighted that meeting the costs of adult care would become increasingly difficult in future years and as a result, other services may need to be reduced to help cover the costs;
- With regards to the National Infrastructure Delivery Plan, it was confirmed that any bids for funding would need to be through the Midlands Engine, and would

**OVERVIEW AND SCRUTINY MANAGEMENT COMMITTEE
26 JANUARY 2017**

need to be for a large scale infrastructure project for a bid to be successful. One potential project that was being looked into was the Newark rail/road interchange;

- It was confirmed that the County Council was working with the Lincolnshire Care Association to promote the career of a carer;
- Concerns were raised in relation to the impact on the Council's finances if power stations and NHS organisations received charitable status and were exempt from paying business rates. It was confirmed that national legal advice was being sought on this issue.

The Chairman thanked those officers present for their detailed report.

RESOLVED

- (1) That the recommendations, as detailed in the Executive's report, be supported.
- (2) That the comments of the Committee be passed onto the Executive for its consideration.

79 FINAL DRAFT COUNCIL BUSINESS PLAN 2017/2018

Consideration was given to a report by Jasmine Sodhi (Performance and Equalities Manager), which invited the Committee to comment on the outcomes and measures that were the final draft Council Business Plan 2017/18, as detailed in Appendix A to the report.

It was noted that the format and content of the Council Business Plan had remained largely unchanged from 2016/17. The changes to the content were attached at Appendix B to the report. It was highlighted that the Executive was scheduled to consider the final draft Council Business Plan at its meeting on 7 February 2017, prior to approval by Council on 24 February 2017.

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

- A Councillor suggested that performance of 'Reported incidents of domestic abuse' was potentially lower than expected due to Lincolnshire Police not recording incidents of domestic abuse as such. It was suggested that this was reviewed with Lincolnshire Police to ensure accurate reporting was taking place;
- A Councillor highlighted the Chlamydia diagnosis target and recommended that this should also include another measure for under 15's and over 50's, rather than focus on the outcomes framework measure of 15-24 year olds. It was suggested that these other age groups were seeing a marked increase in Chlamydia diagnosis and also had an impact on health and associated services. Councillors also queried whether it was appropriate to have a Chlamydia diagnosis target or whether this could be a measure;

OVERVIEW AND SCRUTINY MANAGEMENT COMMITTEE
26 JANUARY 2017

- The 'People killed and seriously injured in road traffic collisions' and 'Children killed or seriously injured in road traffic collisions' measures were highlighted as requiring a performance trend over time to enable longer term monitoring of this area. Concern was also highlighted as to whether the increase in road traffic collisions was directly linked to the condition of the Highway;
- The Committee highlighted two measures which were due to be removed from the Business Plan, NEET (measure 41) and Pupils aged 16-18 participating in learning (measure 43). A Councillor requested that consideration be given to retaining both these measures at service level to ensure data was still being collated;
- Members highlighted the 'Alcohol related antisocial behaviour' measure and requested that a comparison base measure for overall antisocial behaviour also be included;
- The Committee suggested that the 'Domestic homicides' measure and 'repeat victims of domestic abuse' measure include a trend over time, to allow for better comparison of longer term performance.

The Chairman thanked the Equalities and Performance Manager for the detailed report.

RESOLVED

- (1) That the recommendations, as detailed in the Executive's report, be supported.
- (2) That the comments of the Committee be passed onto the Executive for its consideration.

80 SOUTH LINCOLNSHIRE FOOD ENTERPRISE ZONE AND PEPPERMINT JUNCTION IMPROVEMENTS, HOLBEACH

Consideration was given to a report by Simon Wright (Principal Officer – Regeneration), which invited the Committee to consider a report on the South Lincolnshire Food Enterprise Zone (FEZ) and Peppermint Junction Improvements, Holbeach, which was being presented to the Executive on 7 February 2017. The views of the Scrutiny Committee would be reported to the Executive as part of its consideration of the item.

The Committee was advised that the South Lincolnshire FEZ would provide an opportunity to create new, purpose built employment space using a simplified planning process for the benefit of the agri-sector across south Lincolnshire.

The completion of the South Lincolnshire FEZ (the development of both Lincolnshire County Council and private owned land) would lead to the creation of approximately 59,400sq m of new business space which would in turn accommodate over 2,000 jobs.

**OVERVIEW AND SCRUTINY MANAGEMENT COMMITTEE
26 JANUARY 2017**

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

- It was agreed that this development was extremely important and exciting for the area as it would lead to traffic improvements, additional housing and create 2000 jobs. However, concerns were raised about the impact of the development on Holbeach with the additional 900 houses planned. It was confirmed that these houses would be built over a period of time and were part of the South East Lincolnshire Local Plan for the next 20 years.
- It was highlighted that the Economic Scrutiny Committee visited the site in October 2016, and was very impressed and supportive of the proposals.
- With regards to optimism bias, it was clarified that this meant that a contingency was built in to the costings in case the tenders came in higher than anticipated;
- In relation to whether there would be any student accommodation provided by the University of Lincoln on the site, it was noted that there were no plans to do so, but consideration was being given to whether there was a need for a hotel in the area, potentially on land adjacent to the old site of the National Centre for Food Manufacturing;
- In response to a query about the impact on the county farm estate, it was confirmed that statutory notice had been served to terminate the tenancy on the part of land needed. However, it was noted that the farming business would still continue and compensation would be provided to the farmer in accordance with the terms of their lease;

NOTE: At this point in the proceedings, Councillor C E D Mair wished it be noted that he had previously been involved in the design and production of food processing equipment.

- With regards to whether there were any major concerns about the scheme, it was noted that this decision was asking the Executive to allow officers to undertake more analysis, such as the employment opportunities in the Food Enterprise Zone, and investigate the costs in more depth, such as for utilities;
- In relation to whether any analysis had been undertaken on the target market and what the incentive was for businesses to invest, it was clarified that South Holland District Council had done some market analysis and it was felt that the market was there but not highly visible. It was confirmed that the benefits for businesses would come from the clustering effect and there would be more planning benefits initially than financial benefits.

At this point in the meeting it was moved, seconded and:

OVERVIEW AND SCRUTINY MANAGEMENT COMMITTEE
26 JANUARY 2017

RESOLVED

That in accordance with section 100(A) (4) of the Local Government Act 1972, the public and press be excluded from the meeting for the consideration of Appendix E to the report on the grounds that if they were present there could be a disclosure of exempt information as defined in paragraph 3 of Part 1 of Schedule 12A of the Local Government Act 1972, as amended.

The Chairman invited Members of the Committee to ask questions in relation to Appendix E of the report and officers responded to those questions raised.

RESOLVED

That after the consideration of exempt information, as defined above, the remainder of the meeting be held in public.

The Chairman thanked the Principal Officer – Regeneration for the comprehensive report.

RESOLVED

- (1) That the recommendations, as detailed in the Executive's report, be supported.
- (2) That the comments of the Committee be passed onto the Executive for its consideration.

81 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 2017.

Overview and Scrutiny Management Committee

There were no changes to the published work programme.

Members were reminded that the Brexit Working Group would be holding its next meeting during the afternoon of 26 January 2017.

Members supported the suggestion to cancel the meeting scheduled to be held on 27 April 2017. It was agreed that this would be removed from the calendar closer to the date.

Adults Scrutiny Committee

The item on *Extra Care Developments* would be deferred to a later meeting of the Committee, a date was yet to be confirmed. It was noted that there would be an additional item on 22 February 2017 on the *Council's Graduation Pilot Submission*. In November 2015, it had been announced that all local health and care systems in

OVERVIEW AND SCRUTINY MANAGEMENT COMMITTEE 26 JANUARY 2017

the country would be required to have integration plans. The new term for integration was 'graduation' and the Government was seeking a small number of local health and care systems to pilot 'graduation plans'. The Executive had approved a submission to become a pilot on 4 January 2017.

Children and Young People Scrutiny Committee

There was one change to the work programme. At the meeting on 20 January 2017, the Committee had received the outcomes from the Joint Targeted Area Inspection of the multi-agency response to abuse and neglect in Lincolnshire. This inspection took place in October 2016 and had a particular focus on children living with domestic abuse.

Concerns were raised by the Committee in relation to multi-agency working and the timeliness of information sharing, particularly in relation to the police. An action plan in response to the Inspection's finding was being finalised ready for submission to Ofsted by the 7 March 2017 deadline. The Committee had required that this action plan was considered at its next meeting on 10 March 2017.

Community and Public Safety Scrutiny Committee

There was one change to the work programme. An item on *The Director of Public Health's Annual Report 2016* had been added to the meeting scheduled to be held on 9 March 2017. It was also noted that this meeting would be held at Fire and Rescue Training Facility, Waddington.

It was also noted that items on the *Wellbeing Service re-procurement project* (pre-decision) and on the *Assisting Rehabilitation through Collaboration (ARK) project* would be added to the work programme for future meetings.

Economic Scrutiny Committee

There was one amendment to the work programme. A report summarising the work and outcomes of the Economic Scrutiny Committee over the last four years would be brought to the meeting on 21 February 2017.

In addition, the meeting on 21 February 2017 would be held at the Think Tank in Lincoln and would be followed by a visit to the Lincoln Science and Innovation Park. The Committee had received a report on the Lincoln Science and Innovation Park at its meeting in November 2016 and requested a tour of the facility. The visit was being held after the February meeting as the Committee was considering a report on medical sector training, which links into the work being undertaken at the Park.

Reference was made to the *Community Pharmacy 2016-17 and Beyond: The Final Package* issued by the Department of Health in October 2016 and the risk that as a result, up to 25% of the community pharmacies in Lincolnshire could close. This was contrasted with the provision of pharmacy training at the Lincoln Science and Innovation Park.

OVERVIEW AND SCRUTINY MANAGEMENT COMMITTEE
26 JANUARY 2017

Environmental Scrutiny Committee / Flood and Drainage Management Committee

There were two changes to the work programme. An Emergency Planning item on *East Coast Severe Weather Event* would be programmed for the meeting on 3 March 2017 of the Flood and Drainage Management Scrutiny Committee. An item on the *Lincoln Eastern Bypass Archaeology Update* had been scheduled for the meeting of the Environmental Scrutiny Committee on 3 March 2017.

Health Scrutiny Committee for Lincolnshire

i) 15 February 2017

The Chairman advised that she was awaiting confirmation of whether the consultation on *Transforming Care – Community Learning Disabilities Support – Long Leys Court*, which was referenced in the Lincolnshire Sustainability and Transformation Plan would be brought to the Committee on 15 February 2017.

The Care Quality Commission was not expected to have published its inspection report on United Lincolnshire Hospitals NHS Trust by 15 February 2017, so this item would need to be deferred to a later meeting.

ii) 15 March 2017

An item concerning *The Director of Public Health's Annual Report 2016* would be added to the work programme for the meeting on 15 March 2017.

iii) Initial Response of the Committee to the Lincolnshire Sustainability and Transformation Plan

On 18 January 2017, the Committee had approved its initial response to the Lincolnshire Sustainability and Transformation Plan (STP). The response had been circulated to all members of the County Council.

It was noted that an STP Options Event had been held on 25 January 2017, which explored some of the details for change within the STP. Clinicians and NHS managers had been in attendance. The Chairman advised that she had attended this Event, along with a small number of other councillors from district councils.

iv) Congenital Heart Disease Services

The Chairman advised the Committee of an issue relating to the imminent consultation by NHS England on Congenital Heart Disease Services. In September 2016, NHS England had indicated that the consultation would begin by mid-December 2016. Subsequently, in November 2016, NHS England had announced that the consultation would begin early in 2017. It was reported that NHS England had still not confirmed the consultation date, but had advised the Committee on 18 January 2017 that clearance had been provided by the Department of Health to run consultation during local government purdah. The Chairman had written to the Secretary of State for Health to request that this decision was reconsidered.

**OVERVIEW AND SCRUTINY MANAGEMENT COMMITTEE
26 JANUARY 2017**v) Working Group Activity

The Working Group on the United Lincolnshire Hospitals NHS Trust Five Year Strategy had met on 24 January 2017. The Working Group had passed on comments to the Trust to develop its Five Year Strategy, which was aligned to the Lincolnshire STP.

In response to a question, the Committee was advised that a report on the *East Midlands Congenital Heart Centre*, on behalf of Lincolnshire County Council, was scheduled to be considered by the East Midlands Councils General Meeting on 15 February 2017.

NOTE: At this point in the proceedings, Councillor R B Parker left for the remainder of the meeting.

In response to a further question, the Chairman confirmed that she had not yet received a response to the Committee's referral to the Secretary of State in relation to the changes at Accident and Emergency at Grantham District Hospital. The Chairman confirmed she would send a further letter.

NOTE: At this point in the proceedings, Councillors M Brookes and C L Strange left for the remainder of the meeting.

Highways and Transport Scrutiny Committee

There were no changes to the work programme.

Value for Money Scrutiny Committee

There were no changes to the work programme.

RESOLVED

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

The meeting closed at 1.15 pm.