



County Offices  
Newland  
Lincoln  
LN1 1YL

20 September 2017

**Overview and Scrutiny Management Board**

A meeting of the Overview and Scrutiny Management Board will be held on **Thursday, 28 September 2017 at 10.00 am in Committee Room One, County Offices, Newland, Lincoln LN1 1YL** for the transaction of the business set out on the attached Agenda.

Yours sincerely

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

Tony McArdle  
Chief Executive

**Membership of the Overview and Scrutiny Management Board (11 Members of the Council and 4 Added Members)**

Councillors R B Parker (Chairman), L A Cawrey (Vice-Chairman), T Bridges, Mrs J Brockway, M Brookes, R L Foulkes, C S Macey, C E H Marfleet, Mrs A M Newton, N H Pepper and E W Strengiel

**Added Members**

Church Representatives: Mr S C Rudman and Reverend Sue Evans

Parent Governor Representatives: Mrs P J Barnett and Dr E van der Zee



**OVERVIEW AND SCRUTINY MANAGEMENT BOARD AGENDA  
THURSDAY, 28 SEPTEMBER 2017**

<b>Item</b>	<b>Title</b>	<b>Pages</b>
1	<b>Apologies for Absence/Replacement Members</b>	
2	<b>Declarations of Members' Interests</b>	
3	<b>Minutes of the meeting held on 27 July 2017</b>	5 - 14
4	<b>Announcements by the Chairman, Executive Councillor for Resources and Communications and Chief Operating Officer</b>	
5	<b>Consideration of Call-Ins</b>	
6	<b>Consideration of Councillor Calls for Action</b>	
7	<b>Revenue and Capital Budget Monitoring Report 2017/18</b> <i>(To receive a report by David Forbes (County Finance Officer), which invites the Overview and Scrutiny Management Board to consider a report on the Revenue and Capital Budget Monitoring Report 2017/18 which is being presented to the Executive on 3 October 2017. The views of the Board will be reported to the Executive as part of its consideration of this item)</i>	15 - 32
8	<b>2017/18 Council Business Plan Quarter 1</b> <i>(To receive a report by Jasmine Sodhi (Performance and Equalities Manager), which invites the Board to consider a report on the 2017/18 Council Business Plan Quarter 1 which was presented to the Executive on 5 September 2017. Although the views of OSMB are usually reported to the Executive as part of its consideration of this item, due to timeliness of reporting, the Committee timetable has meant that we are unable to report in the usual sequence for Quarter 1. However, any points OSMB wishes to bring to the attention of the Executive Councillors will be shared after the meeting)</i>	33 - 68
9	<b>Scrutiny Committee Work Programmes</b> <i>(To receive a report by Tracy Johnson (Senior Scrutiny Officer), which sets out the work programmes of the Children and Young People Scrutiny Committee; and the Public Protection and Communities Scrutiny Committee, in accordance with the Board's agreed programme)</i>	69 - 80
10	<b>Future Scrutiny Reviews</b> <i>(An item which provides the Board with the opportunity to discuss potential topics for future scrutiny reviews)</i>	Verbal Report
11	<b>Overview and Scrutiny Management Board Work Programme</b> <i>(To receive a report by Tracy Johnson (Senior Scrutiny Officer), which enables the Board to consider and comment on the content of its work programme for the coming year to ensure that scrutiny activity is focused where it can be of greatest benefit. Members are encouraged to highlight items that could be included for consideration in the work programme)</i>	81 - 104

## 12 Information Items

### 12a Treasury Management Update 2017/18 - Quarter 1 Update Report to 30 June 2017

105 - 130

*(A report by Karen Tonge (Treasury Manager), which has been prepared in accordance with the reporting recommendations of the CIPFA Code of Practice 2011 and details the results of the Council's treasury management activities for the first quarter of 2017/18 to 30 June 2017, comparing this activity to the Treasury Management Strategy for 2017/18, approved by the Executive Councillor for Finance on 20<sup>th</sup> March 2017)*

#### Democratic Services Officer Contact Details

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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.

All papers for council meetings are available on:

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**OVERVIEW AND SCRUTINY  
MANAGEMENT BOARD  
27 JULY 2017**

**PRESENT: COUNCILLOR R B PARKER (CHAIRMAN)**

Councillors L A Cawrey (Vice-Chairman), T Bridges, Mrs J Brockway, M Brookes, R L Foulkes, C S Macey, C E H Marfleet, Mrs A M Newton, N H Pepper and E W Strengiel

**Added Members**

Church Representatives: Mr S C Rudman

Parent Governor Representatives: Dr E van der Zee

Councillors: R G Davies, M J Hill OBE, Mrs C L Perraton-Williams, M A Whittington and B Young attended the meeting as observers

Officers in attendance:-

Paul Briddock (Partnership Director for SERCO), Justin Brown (Commissioner for Economic Growth), Simon Evans (Health Scrutiny Officer), Tracy Johnson (Senior Scrutiny Officer), Sophie Reeve (Chief Commercial Officer), Daniel Steel (Scrutiny Officer), Fiona Thompson (Service Manager - People), Nigel West (Head of Democratic Services and Statutory Scrutiny Officer) and Catherine Wilman (Democratic Services Officer)

**13 APOLOGIES FOR ABSENCE/REPLACEMENT COUNCILLORS**

Apologies were received from Added Members Mrs P Barnett and Mr P Thompson.

**14 DECLARATIONS OF MEMBERS' INTERESTS**

No interests were declared.

**15 MINUTES OF THE MEETING HELD ON 29 JUNE 2017**

**RESOLVED**

That the minutes of the meeting held on 29 June 2017 be approved by the Board and signed by the Chairman as a correct record.

**OVERVIEW AND SCRUTINY MANAGEMENT BOARD****27 JULY 2017****16 ANNOUNCEMENTS BY THE CHAIRMAN, EXECUTIVE COUNCILLOR FOR RESOURCES AND COMMUNICATIONS AND CHIEF OPERATING OFFICER**

The Chairman informed the Board that Mr P Thompson, the Church of England representative had resigned from the Board and would be replaced by Rev Sue Evans who was a member of the Diocesan Board of Education. Rev Evans was unable to attend the meeting and had sent her apologies.

**17 CONSIDERATION OF CALL-INS**

No call-ins had been received.

**18 CONSIDERATION OF COUNCILLOR CALLS FOR ACTION**

No Councillor Calls for Action had been received.

**19 PERFORMANCE OF THE CORPORATE SUPPORT SERVICES CONTRACT**

The Board considered a report which provided an update of Serco's performance against contractual Key Performance Indicators (KPI) as specified in the Corporate Support Services Contract between January 2017 and May 2017. With the addition of a new KPI, the total number for SERCO was 41.

Performance up to and including December 2016 had been previously reported to the Value for Money Scrutiny Committee at its meeting held on 28 February 2017.

The Board was required to seek reassurance about the performance of the Corporate Support Services Contract and provide feedback and challenge as required.

At this point, an addendum to the report was circulated which showed the performance of the Corporate Support Service Contract up to and including June 2017. It was noted that the Overall KPI Performance Summary figures for June on the addendum were incorrect and should read 30 (instead of 29) for Target Service Level Achieved; and 2 (instead of 3) for Below Minimum Service Level.

The Officer reported that performance had been difficult for SERCO to manage and as a result, Service Credits had been applied totalling £2million since the beginning of the contract. The level of Service Credits would fall over time as the service stabilised.

The Board discussed some of the KPIs in detail and the following points were noted:

**Customer Service Centre (CSC)**

- It was highlighted that in May 2017, 17.53% of all calls to the CSC had been abandoned and 14.05% in the last month. Officers advised that abandoned calls could be due to a number of reasons, for example, the caller terminating

**OVERVIEW AND SCRUTINY MANAGEMENT BOARD**  
**27 JULY 2017**

and calling back the next day, which the figures did not identify. However, despite this, performance on this KPI was not as high as desired and both LCC and Serco had concerns;

- It was highlighted that 100% of safeguarding calls were answered;
- In relation to KPI 4 - *% of total calls that are abandoned calls*, this KPI had failed to be met and between January – April 2017, mitigation had been agreed, although no service credits had been taken. It was confirmed that this was during the period when Mosaic had been introduced which could have reflected on this particular KPI. Further information was requested by the board on how many calls had actually been abandoned and what the average call answering time was;
- The report claimed that Serco had sampled a percentage of calls for the April/May performance information and clarity was sought by Members on how the samples were decided. Officers confirmed that the quantity of sampling had been agreed at 30% as set out in the *Book of Measures*, and that 30% was chosen at random. The Board requested further information on how the sampling was done;
- Clarity was sought on the specialised staffing requirements in the Children's Hub of the CSC (which included safeguarding). Officers confirmed this was something which had been discussed within the service with a view to relaxing the rules around answering children's calls so that more operators could deal with them. There were currently 11 staff trained to deal with calls related to children's issues and this would increase once more people had received the training, which took approximately two to three months to complete;
- In response to a question regarding staff retention, it was confirmed that on one occasion, 6 out of the 11 trained children's operators were absent from work and the CSC was not allowed to transfer children's related calls to untrained operators;
- Officers reported that staff absence within the CSC was the highest it had ever been. Absences were both long term and short and extra staff from Serco's Birmingham office had to be drafted in. Serco had had difficulty retaining staff at the CSC, and the training requirements for new staff were lengthy;
- A typical call taken by the CSC would take around 7-8 minutes, with a further 7-8 minutes to enter details of the call into the system. Work with LCC was being done to try and improve this process. An operator was also able to call a person back at a mutually convenient time. Working from home was also possible in certain circumstances;
- A report by a third party, relied upon by Serco in order to meet a KPI was revealed to be faulty. It was confirmed by Officers that the third party in question was Avaya/Vodafone who provided telephony within the CSC. Serco was now rewriting the report and as a result, meeting the target (KPI 5 - *% of contacts referred to in KPI 1,2&3 responded to within the timescale per month*);
- The Chairman of a scrutiny committee reported that his committee had previously received statistics for calls received, relating to their subject matter and suggested that this be resumed. The Officer reported that CSC managers regularly met with all service leads within the Council to scrutinise the data

## **OVERVIEW AND SCRUTINY MANAGEMENT BOARD 27 JULY 2017**

from CSC calls related to their area. The Chief Commercial Officer would look at bringing something back to the Board along these lines;

- It was suggested whether there was a way of doing call backs to those on hold. The Officer agreed to look into whether this was possible.

### People Management

- The performance for People Management in June 2017 had been the best performance so far for this category, and with only one KPI failure in May 2017, this area had shown improvement.

### Information Management Technology (IMT)

- IMT had shown good performance in May 2017, meeting 10 of 12 KPIs, however, only 8 had been met in June;
- There was still room for improvement in IMT particularly as there were ongoing issues with the Service Desk. Serco had involved support from its Birmingham office to help with this.
- As part of the KPI review, all possible solutions were considered to improve performance, and if Serco was still struggling to meet targets, the Council would review the KPI.

### Adult and Children's Services

- Following a question from the Committee, Officers confirmed that maintained schools could opt out of Serco HR and finance services, however they would have to manage their own accounts, which could be burdensome for a small school. So far 18 of 220 schools had withdrawn from Serco services.
- There was discussion regarding the provision of tablets for use by staff working in the field. Officers confirmed that Microsoft products were the least useful type of phone or tablet and that either an Android based system or an Apple product would more likely be chosen.

### RESOLVED

1. That the Board be reassured regarding the performance of the Corporate Support Services Contract;
2. That the further information requested by the Board be brought to the meeting on 26 October 2017.

### 20 TRADE UNION RECOGNITION OF THE ROYAL COLLEGE OF NURSING

The Board considered a report concerning the Trade Union Recognition of the Royal College of Nursing which would be presented to the Executive on 5 September 2017. The views of the Board would be reported to the Executive.



Due to the transfer of Public Health service commissioning from NHS to Local Authorities for 0-19 year olds over recent years, in October 2017, 240 employees were due to be transferred from the NHS to Lincolnshire County Council employment. The two main Trade Unions who supported this staff group were Unison and the Royal College of Nursing (RCN), however the Royal College of Nursing was not recognised by the Council and has requested Trade Union Recognition by LCC.

During discussion of the report, the following comments were made:

- It was suggested that the unions should look into having learning representatives as these would be beneficial to staff and to the employer. There was a vast array of courses available to help staff which could be promoted through learning representatives.
- It was queried what the relationship was like between Unison and the Royal College of Nursing and whether the Council had negotiated with them before. It was confirmed that the Council had not negotiated with the RCN before, but engagement meetings had been taking place between the RCN and Unison in the NHS and the Executive Director of Children's Services. The Council's Unison officers were being engaged in preparation for the forthcoming consultation.

#### RESOLVED

1. That the Board unanimously support the recommendations to the Executive as set out in the report;
2. That the additional comments made be passed to the Executive for its consideration of this item.

#### 21 WORKING GROUP INTO THE UK'S EXIT FROM THE EUROPEAN UNION

The Board considered a report on the previously established Working Group to consider the impact of the UK's exit from the European Union on the County Council and on Lincolnshire more generally. The report recommended to the Board that the Group be re-established with a cross-council remit.

In the previous council term, the Working Group had met twice, and had undertaken a lot of work as a result. LCC had been very proactive in setting up the working group and were ahead of many other authorities.

Board members asked what the working group could achieve. The Officer explained that it would be difficult for the Council to have influence over the main Brexit negotiations, however keeping abreast of what was involved and the progress being made may enable the Group to have influence over issues which affected the county, in particular in relation to agriculture and Britain's food exports to Europe. Huge changes in funding were expected and the Group would be there to represent Lincolnshire at the table.

**OVERVIEW AND SCRUTINY MANAGEMENT BOARD****27 JULY 2017**

Specific rules around procurement and data protection were expected which were important issues for Lincolnshire and its ever increasing population.

The Working Group would be established on a voluntary basis for those who were interested in the issues. It was suggested there should be a representative and a substitute from each committee on the Group. As the Constitution only allowed working groups to meet a maximum of three times, it was also proposed that the Board authorised the Working Group to meet more than three times so that it could continue to meet throughout the Brexit negotiation period.

There was discussion regarding the membership of the Group and it was agreed that the terms of reference state the Group be "politically inclusive" rather than politically balanced.

It was noted that Councillor Mrs M J Overton MBE did not currently sit on a scrutiny committee, and as the Vice Chairman of the Local Government Association, she may be a helpful member of the Group.

**RESOLVED**

1. That the Working Group on the UK's exit from the European Union with a new membership consisting of one member from each Scrutiny Committee, and being politically inclusive be re-established;
2. That the Working Group on the UK's exit from the European Union be authorised to meet more than three times during the Brexit negotiation period;
3. That the Working Group on the UK's exit from the European Union report back to the Overview and Scrutiny Management Board after each meeting.

**22 SCRUTINY REVIEWS 2017/18**

Consideration was given to a report which invited the Board to agree topics for in-depth scrutiny reviews to be undertaken by the two Scrutiny Panels, taking into account the Prioritisation Toolkit.

It was reported that the Chairmen of the two Scrutiny Panels had met with the Chairman and Vice Chairman of the Overview and Scrutiny Management Board to discuss and identify two topics for the Panels.

It was proposed that Scrutiny Panel A would look at the impact of current IT provision on council working practices with particular reference to the potential for enhancing roles by means of updated IT provision. The review would consider ways of maximising the use of IT, what opportunities were available to communicate better and the costs involved.

Issues were raised that data protection and safeguarding could be seen as having a negative impact on the use of IT in the field. The Scrutiny Panel Chairman would include this comment in the Panel's remit.

**OVERVIEW AND SCRUTINY MANAGEMENT BOARD**  
27 JULY 2017

The impact of the new street lighting policy to turn street lights off in certain areas at midnight would be the topic for Scrutiny Panel B. The Chairman of the Highways and Transport Scrutiny Committee supported this, however it was noted that a full 12 months' worth of data would have been useful, however data could be factored in to the review as it became available.

As both subjects were cross-cutting across all Scrutiny Committees, it was agreed that both Panels should report back to the Board.

RESOLVED

1. That a Scrutiny Review on the *impact of current IT provision on council working practices* be undertaken by Scrutiny Panel A;
2. That a Scrutiny Review on the *impact of the new Street Lighting Policy* be undertaken by Scrutiny Panel B;
3. That approval of the terms of reference for each scrutiny review be delegated to the Chairman and Vice Chairman of the Board.

23 OVERVIEW AND SCRUTINY WORK PROGRAMMES

The Board considered the work programmes for Adults and Community Wellbeing Scrutiny Committee and Health Scrutiny Committee for Lincolnshire (an updated replacement for which was circulated at the meeting).

**Adults and Community Wellbeing Scrutiny Committee**

The Chairman of Adults and Community Wellbeing Scrutiny Committee, Councillor C E H Marfleet updated Members on the work being undertaken by the Committee and its plans for the coming year. The work programme was in part driven by topics following the national agenda, as well as including several pre-decision scrutiny items. The Committee was also seeking to hold meetings on a themed basis.

The Chairman referred to the financial position of Adult Social Care which had stabilised over recent years. The Committee continued to receive regular updates on the overall financial position of Adult Care and Community Wellbeing.

The January agenda would include an item on Mosaic and other IT items.

There were often issues which fell within both Adult and Community Wellbeing Scrutiny Committee's and the Health Scrutiny Committee for Lincolnshire's remits, and these items would be addressed by liaison between the respective Chairmen.

**Health Scrutiny Committee for Lincolnshire**

There had been various updates to the Committee's work programme since the publication of the Board's agenda, and a new version of the work programme was circulated.

The Chairman of Health Scrutiny Committee for Lincolnshire, Councillor C S Macey, highlighted three items which would be considered by the Committee in the coming months: -

#### Sustainability and Transformation Plan

A key question was when the local NHS was going to begin its consultations on the main elements of the STP, such as women's and children's services; and emergency and urgent care. The timing of the consultation was dependent on approvals from NHS England and this meant it was largely outside local control, but it was more likely to be towards the end of the calendar year than any earlier.

An update item had been scheduled on the STP at the October meeting. The Committee will be seeking information at this meeting on the developments since the STP was last considered by the Committee in January of this year.

The terminology had evolved as STP was now also being used to mean a 'Sustainability and Transformation Partnership'. In effect each Sustainability and Transformation Plan area was being viewed as a 'partnership'. This usage was confirmed by an announcement by the Secretary of State for Health on 19 July 2017 of £325 million of capital to support 15 out of the 44 Sustainability and Transformation Partnerships. (Lincolnshire STP had not been included in this round of funding).

#### Lincoln Walk-in-Centre

On 19 July 2017, the Committee considered the Lincoln Walk-in-Centre and agreed that it did not support the proposals from Lincolnshire West CCG to close the service. If the CCG went ahead with the closure, they had indicated the walk-in-centre would close "during the autumn". The Committee was not convinced that the CCG would put in place alternative provision prior to this intended closure time. The Committee also believed that the proposed closure would lead to an increase in attendances at Lincoln County A&E. There were also some concerns with the consultation process, such as the availability of information and the financial rationale.

The Committee's Working Group was due to meet on 1 August, where it would draft a response.

#### Commissioning of Ambulance Services

The Committee was considering an item on the commissioning arrangements for emergency ambulance services in the East Midlands in September. A total of 22 Clinical Commissioning Groups had responsibility for commissioning services from the East Midlands Ambulance Service, with Hardwick CCG (in Derbyshire) undertaking the lead role across the region. Within Lincolnshire, Lincolnshire West CCG acted as the lead commissioner. The purpose of this item was to develop an understanding of the commissioning arrangements and how commissioning decisions were made.

In addition to the commissioners, the Committee would also have EMAS attending to present a separate item on their response to the CQC report, and providing an introduction to the national ambulance response programme, which introduces significant changes to ambulance performance measures.

During a discussion about the Health Scrutiny Committee for Lincolnshire's work programme, the following points were noted:

- 25 GPs had been recruited for the Lincolnshire area through a national scheme. The Chairman did not know how many GPs were needed to meet Lincolnshire's shortfall, and as a result, it was not clear what impact 25 extra GPs would have;
- With regard to the potential closure of the Walk-In Centre in Lincoln, Councillor Macey confirmed that Dr S Hindocha of the Lincolnshire West CCG had indicated that alternative provision was in place, however the Chairman of the Health Scrutiny Committee confirmed the view of the Committee that more information was needed on the alternatives in the event of the closure;
- There were surgeries in Lincolnshire who would happily take on extra GPs on a part time basis, however anecdotal evidence had suggested that the insurance, required by each GP, was too expensive to make this viable for them. Plans for a medical school as part of the University of Lincoln were highly significant as it was stated that some medical staff were not attracted to Lincolnshire because it did not have a teaching hospital;
- East Midlands Ambulance Service was aware that ambulance crews including paramedics were delayed unnecessarily at hospitals, waiting to handover patients and if the crews were released sooner, they could be answering other 999 calls. The issue had been a recurrent theme for the Health Scrutiny Committee and would be considered again.

#### RESOLVED

1. That the Overview and Scrutiny Management Board be satisfied with the content of the work programmes of:
  - The Adults and Community Wellbeing Scrutiny Committee; and
  - The Health Scrutiny Committee for Lincolnshire.
2. That no suggestions on the content of the work programmes of the two committees listed above be put forward by the Board.

#### 24 OVERVIEW AND SCRUTINY MANAGEMENT BOARD WORK PROGRAMME

Consideration was given to the Board's own work programme and it was reported that there were no changes to the programme published in the report.

It was further reported that the Chairmen of the Children and Young People Scrutiny Committee and the Public Protection and Communities Scrutiny Committee would be updating the board on the work of their committees at the next meeting on 28 September 2017.

**10**

**OVERVIEW AND SCRUTINY MANAGEMENT BOARD**

**27 JULY 2017**

There was a discussion regarding substitutions at Board meetings which were encouraged to ensure continuity. Any information which was required in advance for a substitute could be sought from the Chairman or officers.

RESOLVED

That the Board's work programme as set out in Appendix A to the report be agreed.

The meeting closed at 12.55 pm

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

Report to:	<b>Overview and Scrutiny Management Board</b>
Date:	<b>28 September 2017</b>
Subject:	<b>Revenue and Capital Budget Monitoring Report 2017/18</b>

**Summary:**

This report invites the Overview and Scrutiny Management Board to consider a report on the Revenue and Capital Budget Monitoring Report 2017/18 which is being presented to the Executive on 3 October 2017. The views of the Board will be reported to the Executive as part of its consideration of this item.

**Actions Required:**

The Overview and Scrutiny Management Board is invited to

- 1) consider the attached report and to determine whether the Board supports the recommendation(s) to the Executive as set out in the report.
- 2) agree any additional comments to be passed to the Executive in relation to this item.

## **1. Background**

The Executive is due to consider a report on the Revenue and Capital Budget Monitoring Report 2017/18 at its meeting on 3 October 2017.

The Executive report attached at Appendix 1 is the first budget monitoring report for the financial year 2017/18. It compares projected expenditure with the approved budget and provides explanations for any significant over or under spending.

## **2. Conclusion**

Following consideration of the attached report, the Board is requested to consider whether it supports the recommendation(s) in the report and whether it wishes to make any additional comments to the Executive. Comments from the Board will be reported to the Executive.

### 3. Consultation

**a) Have Risks and Impact Analysis been carried out?**

No

**b) Risks and Impact Analysis**

N/A

### 4. Appendices

These are listed below and attached at the back of the report	
Appendix A	Report on Revenue and Capital Budget Monitoring Report 2017/18 to be presented to the Executive at its meeting on 3 October 2017.

### 5. Background Papers

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

This report was written by David Forbes, who can be contacted on 01522 553642 or [david.forbes@lincolnshire.gov.uk](mailto:david.forbes@lincolnshire.gov.uk).



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

Report to:	<b>Executive</b>
Date:	<b>03 October 2017</b>
Subject:	<b>Revenue and Capital Budget Monitoring Report 2017/18</b>
Decision Reference:	<b>I014135</b>
Key decision?	<b>No</b>

**Summary:**

This report provides an update on spending compared with budgets for the financial year which started on 1 April 2017.

The tables in this report show the actual income and expenditure for five months of this financial year, along with the projections for spending and a comparison of the projections against the approved budgets.

**Recommendation(s):**

Note the current position on the revenue and capital budgets.

**Alternatives Considered:**

- |    |   |
|----|---|
| 1. | This report shows the actual revenue and capital expenditure to date, and projected outturns for 2017/18, therefore no alternatives have been considered. |
|----|---|

**Reasons for Recommendation:**

To consider the Council's budget monitoring position and decide on any corrective action necessary.

**1. Background**

## 1.1 In summary:

- Total Council revenue spending is predicted to be £7.098m less than the total budget (excluding the projected overspendings on Schools budgets);

- Total revenue income is predicted to be £3.447m more than the total budget;
- General reserves at the year-end are forecast on this basis to be within the 2.5% to 3.5% range. They are estimated to be at 3.5% of the total budget based on current spending; and
- Net capital spending is projected to be on target at the end of the financial year, subject to a review of the phasing of spend in the capital programme, planned to be undertaken in the Autumn of 2017.

## DISCUSSION

### Revenue

Table A (Position as at 31 August 2017)

	Revised Net Revenue Budget	Net Expenditure	Year End Forecast	Forecast Variance	Forecast Variance
	£'000	£'000	£'000	£'000	%
<b>COMMISSIONING STRATEGIES</b>					
Readiness for School	4,890	1,882	4,890	0	0.00
Learn & Achieve	32,342	11,098	32,342	0	0.00
Readiness for Adult Life	4,475	2,499	6,182	1,707	38.15
Children are Safe and Healthy	65,764	28,265	64,926	-838	-1.27
Adult Safeguarding	4,146	1,291	4,146	0	0.00
Adult Frailty & Long Term Conditions	121,037	21,786	121,037	0	0.00
Carers	2,304	646	2,304	0	0.00
Adult Specialities	62,080	32,205	62,080	0	0.00
Wellbeing	27,568	8,933	27,568	0	0.00
Community Resilience & Assets	10,103	3,827	10,103	0	0.00
Sustaining & Developing Prosperity Through Infrastructure	40,473	3,574	40,451	-22	-0.05
Protecting & Sustaining the Environment	25,372	8,672	25,658	286	1.13
Sustaining & Growing Business & the Economy	1,255	826	1,255	0	0.00
Protecting The Public	22,563	8,632	22,826	263	1.17
How We Do Our Business	9,468	4,250	9,185	-283	-2.99
Enablers & Support To Council's Outcomes	35,771	17,573	35,431	-340	-0.95
Enablers & Support To Key Relationships	0	-119	0	0	0.00
Public Health Grant Income	-33,524	-16,762	-33,524	0	0.00
Better Care Funding Income	-34,497	-7,238	-34,497	0	0.00
<b>TOTAL COMMISSIONING STRATEGIES</b>	<b>401,590</b>	<b>131,840</b>	<b>402,363</b>	<b>773</b>	<b>35.17</b>
<b>SCHOOL BUDGETS</b>					
Delegated Schools Budget	483,277	95,874	485,280	2,003	0.41
Dedicated Schools Grant	-515,950	-112,555	-515,950	0	0.00
Schools Related Expenditure	31,026	10,920	31,026	0	0.00
Schools Budgets (Other Funding)	5,559	-6,872	5,559	0	0.00
<b>TOTAL SCHOOL BUDGETS</b>	<b>3,912</b>	<b>-12,633</b>	<b>5,915</b>	<b>2,003</b>	<b>51.20</b>
<b>OTHER BUDGETS</b>					
Contingency	3,000	0	3,000	0	0.00
Capital Financing Charges	40,616	127	40,616	0	0.00
Other Budgets	18,023	6,472	10,152	-7,871	-43.67
<b>TOTAL OTHER BUDGETS</b>	<b>61,639</b>	<b>6,599</b>	<b>53,768</b>	<b>-7,871</b>	<b>-12.77</b>
<b>TOTAL EXPENDITURE</b>	<b>467,141</b>	<b>125,806</b>	<b>462,046</b>	<b>-5,095</b>	<b>-1.09</b>
<b>INCOME</b>					
Revenue Support Grant	-48,292	-21,248	-48,292	0	0.00
Business Rates	-106,837	-45,363	-108,608	-1,771	1.66
Council Tax	-264,868	-105,947	-264,868	0	0.00
Other Non Specific Grants	-18,024	-9,116	-19,700	-1,676	9.30
<b>TOTAL INCOME</b>	<b>-438,021</b>	<b>-181,674</b>	<b>-441,468</b>	<b>-3,447</b>	<b>0.79</b>
<b>USE OF BALANCES</b>					
Use of Balances - Earmarked Reserves	-29,020	-29,020	-29,020	0	0.00
Use of Balances - General Reserves	-100	-100	-100	0	0.00
<b>TOTAL USE OF RESERVES</b>	<b>-29,120</b>	<b>-29,120</b>	<b>-29,120</b>	<b>0</b>	<b>0.00</b>
<b>TOTAL</b>	<b>0</b>	<b>-84,988</b>	<b>-8,542</b>	<b>-8,542</b>	

## **Children's Services**

1.2 Over the four commissioning strategies, Children's Services is currently forecasting an overspend of £0.869m (0.81%).

### Readiness for School

1.3 Readiness for School commissioning strategy that focuses on Children Centre delivery is forecasting to be on target.

### Learn and Achieve

1.4 Learn and Achieve commissioning strategy is forecasting as being on target. The majority of this commissioning strategy relates to Home to School/College Transport (£24.137m), which is also projecting to be on target. At this stage of the financial year the final position of the Home to School/College Transport budget is difficult to predict. A clearer position will be known when all the invoices for the new academic year have been processed and analysed. Home to School/College Transport is a volatile budget with many external factors influencing its final spend, which was evident in the 2016/17 overspend position. Forecasts on spending will continue to be reviewed on a monthly basis by officers to ensure spend levels are controlled and an overspend mitigated.

### Readiness for Adult Life

1.5 Readiness for Adult Life commissioning strategy is forecasting an overspend of £1.707m (38.15%). The majority of this (£1.641m) relates to Supported Accommodation. This is the Local Authority's legal duty to provide supported accommodation for homeless 16-17 year olds and care leavers. It is creating a significant financial pressure despite a £0.600m increase to the budget agreed by full Council due to the increase in demand and complexity of young adults. A strategic review is being undertaken to consider ways of controlling the costs and commissioning more cost effective provision.

### Children are Safe and Healthy

1.6 Children are Safe and Healthy commissioning strategy is forecasting an underspend of £0.838m (-1.27%). The underspends relate to one-off monies, such as the reduction in insurance premiums (£0.226m) which are being put forward as a saving in 2018/19; the distribution of legal underspendings from the Shared Service (£0.345m), and the phased introduction of bed capacity at the Beacon development from 7 to 11 beds (£0.267m). The area of children's social care is however facing significant challenges nationally and locally. The national increase in Looked After Children is currently considered by the sector to be at 8% due to a number of reasons: case law, the impact of austerity, and the increasingly complex nature of family life as a result of substance use, mental health and domestic abuse. Officers will continue reviewing the position of Looked After Children and Children in Need numbers due to the demand-led nature of these services and placement costs, and updates will be provided through the forecast cycle on spending levels. It must also be noted that the in-house transfer of the 0-19 health

services will take place on the 1<sup>st</sup> October 2017; therefore managing one-off transition costs will be important.

## **Adult Care and Community Wellbeing**

1.7 Adult Care and Community Wellbeing are currently projecting a break even budget for the year as at the end of August 2017. The net budget has been updated to reflect the additional costs allocated for the Better Care Fund (BCF) projects, hence has increased from £183.066m to £217.136m. However this additionality is offset via a separate analysis in the report which identifies the receipt of £34.497m BCF funding. As a result the net budget remains the same overall.

### Adult Safeguarding

1.8 The Lincolnshire Safeguarding Adults Board discharges its function to safeguard adults on a multi-agency basis. This is led by an Independent Chair.

1.9 The current budget for Safeguarding for 2017/18 is £4.146m. This has increased by £1.800m due to a realignment of Adult Care Budgets, and also due to a £0.490m transfer from the Better Care Fund in August. The additional fund is being used to resource continuing pressures that the service has in the current financial year as a direct result of the Cheshire West ruling in Deprivation of Liberty Safeguards (DoLs).

1.10 The growth in available funds means the service now has resource to provide an additional amount of activity around DoLs for the current year and produce a balanced budget; however pressure in this area will continue to be significant until there is a change in the current legal framework.

### Adult Frailty & Long Term Conditions

1.11 Adult Frailty & Long Term Conditions is currently projecting on target against the budget of £121.037m.

1.12 Long Term Residential Activity has slowed down following the increase seen last year and is therefore expected to be on target for 2017/18.

1.13 Short Term Care placements have also decreased from the high levels seen last year and due to this reduction the current forecast is a small underspend in this area. One of the reasons for this reduction has been from the increase in the number of block beds that are being purchased and by the improved capacity seen in the Home Care Market where the amount of hours provided each week is increasing.

1.14 Growth has been built into Direct Payments for 2017/18 and they are currently on target against this forecast growth.

1.15 There are currently a number of small pressures on the Transport, Day Care and Supported Living budgets but at present they are covered by the underspends above.

1.16 Whilst Staffing costs are presently showing an underspend due to a number of vacancies across the service, it is anticipated that as these vacancies are filled the expenditure will be back on line with budget for the year.

1.17 Analysis of Income collection suggests this will be on target for 2017/18. However an area of concern is the increase in unsecured debts due to the removal of the Council's right to impose legal charges on properties due to non-cooperation or where legal authority to manage finances is in progress. The power which was under the old Health and Social Services and Social Security Adjudications Act 1983 (HASSASSA) was revoked with the implementation of the Care Act in April 2015 and the Council has already had to increase its bad debt provision as a direct result of this.

1.18 Estimates also suggest that the infrastructure budget will produce a small number of underspends in 2017/18 due to a number of vacancies across several teams within the infrastructure area.

### Carers

1.19 This strategy is responsible for services provided to all carers including children, helping to prevent inappropriate caring, and helping to reduce the negative impact on the carer's wellbeing and development, by ensuring adequate support for both service user and carer.

1.20 Carers will continue to see activity grow compared to last year including the number of direct payments made. However, at this stage it is envisaged that Carers will stay within the budget of £2.304m for 2017/18.

### Adult Specialties

1.21 Adult Specialties are currently projecting to break even against the budget of £62.080m.

1.22 The Adult Learning Disabilities Service (LD) is administered via a Section 75 (S75) agreement between the Council and NHS commissioners in Lincolnshire along with additional services related to Learning Disability that sit outside of the S75 that include the provision of in-house day services along with additional commissioning and management activity.

1.23 There have been a number of large support packages as a result of ongoing transitions from Children's Services to Adult Care and from those service users previously unknown to the Council. There has also been a number of high cost placements made in residential so far this year that are well above the average cost. Whilst growth within the service has been built into this year's budget, these additional high cost packages have placed additional pressure on the budget for 2017/18. Hence, early signs are that LD S75 may move towards a small overspend

in 2017/18. However, at this early stage it is still uncertain as there have not been any de-commitments to date to offset these additional costs.

1.24 The service has also continued to see an increase in levels of refunds back into the system from unspent service user Direct Payments. This is expected to at least double for the whole year which should help to mitigate some of the unexpected high cost placements described above.

1.25 The Mental Health service is run on behalf of the Council by the Lincolnshire Partnership Foundation Trust (LPFT) by way of a Section 75 agreement. Current reports from LPFT suggest an increase in services activity, however there is an expectation that LPFT budgets will remain on target in 2017/18.

### Wellbeing

1.26 This strategy is responsible for services related to the Council's statutory obligation for the delivery of Public Health services in Lincolnshire which include Health Improvement, Prevention and Self-Management, Housing Related Support, Prevention and Treatment of Substance Misuse and Sexual Health Services.

1.27 This strategy is projecting to break even for the year against the budget of £27.568m.

### Better Care Fund

1.28 The Better Care Fund (BCF) is a programme spanning both the NHS and local government to jointly plan and deliver local services while protecting ongoing Adult Care services within Lincolnshire.

1.29 The Better Care Funding for 2017/18 is being received by the Council in three separate income streams. The protection for Adult Care services (£17.130m) is drawn down on a monthly basis from the four Clinical Commissioning Groups (CCG's), Improved Better Care Funding (£2.106m) and the Supplementary Better Care Funding (£15.265m) is paid directly to Lincolnshire County Council (LCC). Adult Care protected services that continue to be funded include Reablement, Hospital discharge teams, and Adult Frailty and Specialist Adult Services. The two new areas of BCF are funding Market stabilisation, Delayed transfer of care and further system pressures within Adult Care.

## **Economy and Environment**

### Sustaining and Developing Prosperity through Infrastructure

1.30 Heritage is forecast to overspend by £0.172m due to increased business support costs and one-off payments. The service continues to review the level of income generated as it comes towards the conclusion of this summer's events. This is offset by some forecast underspends within Transport and Highways. This relates to vacancies following a service restructure and a forecast underspend on concessionary fares due to lower than expected travel over the summer.

## Protecting and Sustaining the Environment

1.31 The forecasting variance on Waste Management is currently showing a potential overspend of £0.207m. This forecast will continue to be monitored and refined as waste volumes are updated throughout the year.

## **Finance and Public Protection**

### Protecting the Public

1.32 Protecting the Public is forecasting an overspend of £0.263m. The Coroners Service is forecasting to overspend, caused mainly around long inquests due to the delay in appointing an Area Coroner alongside the continuing high level of deaths and costs of judicial review. It is expected this overspend will be offset, at least partially, by additional income from the Registration Service.

### How We Do Our Business

1.33 How We Do Our Business is currently forecasting to underspend £0.283m by year end. This is within the Budget & Policy Framework – Finance and Audit area. The underspend is mainly due to the following:

- there is an underspend of £0.180m on Serco contract volumes which mainly relates to the delay in implementing the Care Act;
- there is a small underspend on staffing costs (£0.041m) due to a delay in recruitment into a number of vacant posts and secondments within the finance team; and
- additional income from schools finance service £0.034m.

### Enablers and Support to Council Outcomes

1.34 Enablers and Support to Council Outcomes is currently forecasting to be £0.340m underspent by year end.

1.35 Business Support has been asked to save £2.566m from base budget since 2015/16 as part of the financial challenge. The service continues to review all opportunities to deliver such savings and has achieved over £2m in the last two years alongside increased demand to support services in delivering their outcomes. This has resulted in a forecast overspend of £0.430m for the current financial year.

1.36 An underspend of £0.512m in Legal is predicted. This is due to projected income generation continuing to be higher than the forecast for 2017/18. The Legal Management Board will decide on the use of any surplus at year end. In recent years it has taken a decision to redistribute the surplus in full to partner authorities in proportion to their use of the service.



1.37 People Strategy & Support is expecting to be £0.269m underspent by year end. This is mainly due to staffing vacancies within both the People Management and Graduate staffing areas alongside reductions within the anticipated costs for DBS checks and Fire & Rescue Pension Administration.

### **Schools Budgets**

1.38 Under government regulations, schools carry forward automatically their under and overspendings to the next financial year. Budgets held centrally within the ring-fenced 2017/18 Dedicated Schools Grant (DSG) were once again set prudently due to the demand led and volatile nature of the services demands. In line with the DfE regulations any under or overspends will automatically be carried forward to the next financial year and the Local Authority will consult the Schools Forum on its use.

### **Other Budgets**

1.39 Other Budgets is currently projecting an underspend of £7.871m. This is mainly explained by the following:

- National Living Wage is currently forecasting £4.603m underspend. After initial work undertaken during the financial year it is anticipated that this will be less than what was budgeted for.
- Pension Secondary Payment to the Pension Fund was reduced by £3.016m following advice from the actuary, Hymans Robertson, upon receipt of additional schools pensionable payroll information.

### **Council's General Funding**

1.40 The Council's general funding is currently forecast to be £3.447m more than the revenue budget approved at full Council in February 2017. The most significant reasons for this forecast increase in funding are as follows:

- Business Rates-Pooling with Districts - £1.771m (more than was budgeted for). Following the lack of gains in pooling income for the Council in previous financial years (due to the timing and size of business rate appeals received by the district councils) the Council did not budget to receive any income in 2017/18. The income we are currently estimated to receive from business rates pooling for 2017/18 is £1.771m.
- Partners in Practice - £1.339m (more than budgeted for). This S31 grant is intended to support projects relating to innovation and reform in Children's Social Care. This income was notified to us after the budget setting process had been completed. The full allocation for 2017/18 will be £2.678m.

- New Homes Bonus Returned Funding Grant - £0.249m (more than was budgeted for). At the time of budget setting, the Council had not been notified that it would be receiving this funding in 2017/18. This is funding that was originally allocated from the Local Government Finance Settlement to fund New Homes Bonus with a commitment from the Government that any unused funding would be returned to local authorities.
- Independent Living Fund - £0.088m (more than was budgeted for). The Independent Living Fund provides funds to help disabled people live an independent life. At the time of budget setting the Council had not been notified of this grant.

### **Use of Balances**

1.41 The Council planned to use £17.870m from the Financial Volatility Reserve to balance the Council's budgets in 2017/18 and £0.100m from the General Fund to keep this balance at 3.5% of the Council's budget requirement. Further earmarked reserves will be drawn down into service budgets during the financial year. The main drawdown of reserves so far this financial year is shown below:

- Drawdown of Schools Grant and Contribution Reserve (£6.610m) to the service budgets;
- Up to 1% carry forward on 2016/17 service budgets (£3.144m), allocated to service budgets for use in 2017/18;
- Growth Points Lincoln Reserve (£0.807m) drawdown to cover Historic Teal Park expenditure (£0.587m) and East-West Link Tentercroft Street compensation claims (£0.220m); and
- Re-distribution of excess Legal Services trading surplus returned to departments (£0.731m).

# Capital Programme

Table B (Position as at 31 August 2017)

Capital Programme	Gross Actual Expenditure £'000	Gross Revised Budget £'000	Gross Latest Forecast £'000	Gross Forecast Variance £'000	Net Actual Expenditure £'000	Net Revised Budget £'000	Net Latest Forecast £'000	Net Forecast Variance £'000
<b>Children's Services</b>								
<u>Readiness for School</u>								
Early Years Sufficiency / Extended Provision	817	136	136	0	817	136	136	0
Other Readiness for School	0	0	0	0	0	0	0	0
<b>Sub Total</b>	<b>817</b>	<b>136</b>	<b>136</b>	<b>0</b>	<b>817</b>	<b>136</b>	<b>136</b>	<b>0</b>
<u>Learn and Achieve</u>								
Devolved Capital	271	1,266	1,266	0	-941	0	0	0
Provision of School Places (Basic Need)	4,588	8,914	8,914	0	1,598	0	0	0
School Modernisation / Condition Capital	2,502	5,028	5,028	0	339	0	0	0
Academy Projects	0	1,040	1,040	0	0	1,040	1,040	0
Other Learn and Achieve	47	1,252	1,252	0	47	1,252	1,252	0
<b>Sub Total</b>	<b>7,408</b>	<b>17,500</b>	<b>17,500</b>	<b>0</b>	<b>1,043</b>	<b>2,292</b>	<b>2,292</b>	<b>0</b>
<u>Readiness for Adult Life</u>								
Other Readiness for Adult Life	1	2	2	0	1	2	2	0
<b>Sub Total</b>	<b>1</b>	<b>2</b>	<b>2</b>	<b>0</b>	<b>1</b>	<b>2</b>	<b>2</b>	<b>0</b>
<u>Children are Safe and Healthy</u>								
Universal Infant Free School Meals Capital	562	0	0	0	562	0	0	0
Other Children are Safe and Healthy	17	697	697	0	17	697	697	0
<b>Sub Total</b>	<b>579</b>	<b>697</b>	<b>697</b>	<b>0</b>	<b>579</b>	<b>697</b>	<b>697</b>	<b>0</b>
<b>Adult Care</b>								
<u>Adult Frailty, Long Term Conditions and Physical Disability</u>								
Adult Care	343	0	0	0	343	0	0	0
Better Care Fund - Disabled Facility Grants	5,291	0	0	0	0	0	0	0
<u>Wellbeing</u>								
Public Health	133	0	0	0	133	0	0	0
<b>Sub Total</b>	<b>5,767</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>476</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Environment and Economy</b>								
<u>Community Resilience and Assets</u>								
Libraries	63	603	603	0	63	603	603	0
<b>Sub Total</b>	<b>63</b>	<b>603</b>	<b>603</b>	<b>0</b>	<b>63</b>	<b>603</b>	<b>603</b>	<b>0</b>
<u>Sustaining and Developing Prosperity Through Infrastructure</u>								
Highways Asset Protection	21,632	43,587	43,587	0	2,711	5,516	5,516	0
Integrated Transport	2,103	4,826	4,826	0	41	1,514	1,514	0
Lincoln Eastern Bypass	5,860	20,242	20,242	0	-4,469	-416	-416	0
Lincoln East-West Link	447	-1,766	-1,766	0	396	-1,766	-1,766	0
Spalding Relief Road	0	250	250	0	0	250	250	0
Grantham Southern Relief Road	657	17,148	17,148	0	657	2,898	2,898	0
Transforming Street Lighting	48	793	793	0	48	793	793	0
Grantham Growth Point	0	2,214	2,214	0	0	2,214	2,214	0
Historic Lincoln	397	-1,442	-1,442	0	1,936	-1,442	-1,442	0
Lincolnshire Enterprise Partnership Contribution	0	18,004	18,004	0	0	18,004	18,004	0
National Productivity Investment Fund	702	0	0	0	-4,664	0	0	0
Other Sustaining and Developing Prosperity Through Infrastructure	201	142	142	0	201	142	142	0
<b>Sub Total</b>	<b>32,047</b>	<b>103,998</b>	<b>103,998</b>	<b>0</b>	<b>-3,143</b>	<b>27,707</b>	<b>27,707</b>	<b>0</b>
<u>Protecting and Sustaining the Environment</u>								
Flood Defence	0	2,200	2,200	0	0	2,200	2,200	0
Flood and Water Risk Management	106	954	954	0	58	954	954	0
Boston Barrier	0	11,000	11,000	0	0	11,000	11,000	0
Boston Household Waste Recycling Centre	1	0	0	0	1	0	0	0
Other Protecting and Sustaining the Environment	29	1,682	1,682	0	29	1,682	1,682	0
<b>Sub Total</b>	<b>136</b>	<b>15,836</b>	<b>15,836</b>	<b>0</b>	<b>88</b>	<b>15,836</b>	<b>15,836</b>	<b>0</b>
<u>Sustaining and Growing Business and the Economy</u>								
Skegness Countryside Business Park	-350	823	823	0	-350	823	823	0
Holbeach Peppermint Junction Programme	1,660	3,053	3,053	0	1,660	3,053	3,053	0
Other Sustaining and Growing Business and the Economy	788	885	885	0	788	885	885	0
<b>Sub Total</b>	<b>2,098</b>	<b>4,761</b>	<b>4,761</b>	<b>0</b>	<b>2,098</b>	<b>4,761</b>	<b>4,761</b>	<b>0</b>
<b>Finance and Public Protection</b>								
<u>Protecting the Public</u>								
Fire and Rescue	185	2,811	2,811	0	185	2,811	2,811	0
Fire Fleet Vehicles and Associated Equipment	23	1,414	1,414	0	23	1,414	1,414	0
Registration Celebratory & Coroners Services	0	20	20	0	0	20	20	0
<b>Sub Total</b>	<b>208</b>	<b>4,245</b>	<b>4,245</b>	<b>0</b>	<b>208</b>	<b>4,245</b>	<b>4,245</b>	<b>0</b>
<u>Enablers and Support to Council's Outcomes</u>								
Broadband	1,183	8,985	8,985	0	1,183	8,985	8,985	0
Infrastructure and Refresh Programme	36	1,997	1,997	0	36	1,997	1,997	0
Replacement ERP Finance System	-136	1,719	1,719	0	-136	1,719	1,719	0
Care Management System (CMPP)	57	72	72	0	57	72	72	0
ICT Development Fund	0	2,690	2,690	0	0	2,690	2,690	0
Property	834	5,008	5,008	0	834	5,008	5,008	0
Property Rationalisation Programme	3,459	6,802	6,802	0	3,451	6,802	6,802	0
<b>Sub Total</b>	<b>5,433</b>	<b>27,273</b>	<b>27,273</b>	<b>0</b>	<b>5,425</b>	<b>27,273</b>	<b>27,273</b>	<b>0</b>
<u>Other Programmes</u>								
New Developments Capital Contingency Fund	0	10,465	10,465	0	0	10,465	10,465	0
<b>Sub Total</b>	<b>0</b>	<b>10,465</b>	<b>10,465</b>	<b>0</b>	<b>0</b>	<b>10,465</b>	<b>10,465</b>	<b>0</b>
<b>Total Programme</b>	<b>54,557</b>	<b>185,516</b>	<b>185,516</b>	<b>0</b>	<b>7,655</b>	<b>94,017</b>	<b>94,017</b>	<b>0</b>

1.42 The capital programme comprises a series of schemes/projects which often span a number of years. Where a scheme/project is known to be exhibiting a material variance to its spending profile this will ordinarily be described in the narrative associated with that Director area.

1.43 The net capital programme is forecasting to be on target by end of the financial year. As part of budget monitoring process and in line with budget setting process, the Council will review the phasing of spending in the Capital Programme in autumn to realign capital budgets with current spending plans.

### Other Programmes

1.44 For 2017/18 the Council set aside £7.500m in a New Development Capital Contingency Fund for capital schemes which emerge during the financial year. There was also an underspending in 2016/17 of £7.718m which has been carried forward and is available for schemes in 2017/18. To date during the financial year £4.753m has been allocated. This has been utilised to fund the following schemes:

- Net Council contribution to Holbeach Peppermint Junction (£3.020m);
- Lancaster House Improvement Works (£1.600m); and
- County Farms - Road Improvement Schemes (£0.057m) and works to meet Minimum Energy Efficiency Standards (MEES) (£0.076m).

### Capital Financing

1.45 The following table sets out the financing of the net capital programme:

<b>NET CAPITAL PROGRAMME FUNDING</b>	
<b>Source of Financing</b>	<b>£'000</b>
Revenue Contributions to Capital	4,007
Borrowing	83,423
Use of Capital Grants Unapplied	5,695
Use of Revenue Grants Reserves to Fund the Capital Programme	857
Use of Other Reserves to Fund the Capital Programme	35
<b>TOTAL FUNDING</b>	<b>94,017</b>

## 2. Legal Issues:

### Equality Act 2010

Under section 149 of the Equality Act 2010, 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 Act

\* 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.

The relevant protected characteristics are age; disability; gender reassignment; pregnancy and maternity; race; religion or belief; sex; and sexual orientation

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

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.

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.

Compliance with the duties in section 149 may involve treating some persons more favourably than others.

The duty cannot be delegated and must be discharged by the decision-maker. 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.

As the Report simply reports on performance against the budget, there are no implications that need to be taken into account by the Executive.

Joint Strategic Needs Analysis (JSNA and the Joint Health and Wellbeing Strategy (JHWS)

The Council must have regard to the Joint Strategic Needs Assessment (JSNA) and the Joint Health & Well Being Strategy (JHWS) in coming to a decision.

As the Report simply reports on performance against the budget, there are no implications that need to be taken into account by the Executive.

## Crime and Disorder

Under section 17 of the Crime and Disorder Act 1998, the Council must exercise its various functions with due regard to the likely effect of the exercise of those functions on, and the need to do all that it reasonably can to prevent crime and disorder in its area (including anti-social and other behaviour adversely affecting the local environment), the misuse of drugs, alcohol and other substances in its area and re-offending in its area.

As the Report simply reports on performance against the budget, there are no implications that need to be taken into account by the Executive.

### **3. Conclusion**

3.1 The Council's current position on the revenue budget and capital programme are within the report for the Executive to note.

### **4. Legal Comments:**

The Report sets out an update on spending compared with budgets for the financial year starting on 1 April 2017 to assist the Executive to monitor the financial performance of the Council.

### **5. Resource Comments:**

The report indicates that both the current year revenue and capital budgets are projected to be spending within the resources available and therefore no additional call on the reserves of the Council are expected be required within the current financial year.

### **6. Consultation**

#### **a) Has Local Member Been Consulted?**

N/A

#### **b) Has Executive Councillor Been Consulted?**

Yes

#### **c) Scrutiny Comments**

The Overview and Scrutiny Management Board will consider this report at its meeting on 28 September 2017. Comments from the Overview and Scrutiny Management Board will be circulated to the Executive.

**d) Have Risks and Impact Analysis been carried out?**

No

**e) Risks and Impact Analysis**

N/A

**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 Forbes, who can be contacted on 01522 553642 or [David.Forbes@Lincolnshire.gov.uk](mailto:David.Forbes@Lincolnshire.gov.uk).

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**Open Report on behalf of Tony McArdle, Chief Executive**

Report to:	<b>Oveview and Scrutiny Management Board</b>
Date:	<b>28 September 2017</b>
Subject:	<b>2017/18 Council Business Plan Quarter 1</b>

**Summary:**

This report invites the Overview and Scrutiny Management Board (OSMB) to consider a report on the 2017/18 Council Business Plan Quarter 1 which was presented to the Executive on 5 September 2017. Although the views of OSMB are usually reported to the Executive as part of its consideration of this item, due to timeliness of reporting, the Committee timetable has meant that we are unable to report in the usual sequence for Quarter 1. However, any points OSMB wishes to bring to the attention of the Executive Councillors will be shared after the meeting.

**Actions Required:**

The Overview and Scrutiny Management Board is invited to consider the attached report and seek reassurance in relation to the performance for Quarter 1 against the Council Business Plan.

## **1. Background**

The Executive considered a report on the 2017/18 Council Business Plan Quarter 1 performance at its meeting on 5 September 2017. The full report to the Executive is attached at Appendix 1 to this report.

There are a small number of measures that fall within the remit of this Board. All of those measures where it is appropriate to compare with a target achieved the target in Quarter 1. All of the measures that fall within the remit of this Board can be viewed [here](#).

When considering this report, OSMB may wish to pay particular attention to updates from the Chairman of each scrutiny committee on any points they wish to bring to the attention of OSMB including the following:

- Plans to amend targets which are no longer appropriate (E.g. Carers who receive a direct payment; Carers supported to delay the care and support for the person they care for; Household Waste Recycling)
- Time frames for reviewing measures within the commissioning strategies;

- Measures which are outside of the responsibility of the County Council e.g. reduction in drugs and alcohol misuse, alcohol fuelled violence and anti-social behaviour, domestic abuse, reoffending and the partnership working taking place to improve the outcome;
- Alternative local measures in place of or in addition to measures where there is a considerable lag in reporting e.g. Lincolnshire CO<sup>2</sup> reductions, permanent exclusions and timeframes for reporting.

## 2. Conclusion

The Board is requested to consider and comment on the attached report.

## 3. Consultation

### a) Have Risks and Impact Analysis been carried out?

No

### b) Risks and Impact Analysis

Any changes to services, policies and projects are subject to an Equality Impact Analysis. The considerations of the contents and subsequent decisions are all taken with regard to existing policies.

## 4. Appendices

These are listed below and attached at the back of the report	
Appendix 1	Report on 2017/18 Council Business Plan Quarter 1 presented to the Executive at its meeting on 5 September 2017

## 5. Background Papers

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

This report was written by Jasmine Sodhi, who can be contacted on 01522 552124 or [jasmine.sodhi@lincolnshire.gov.uk](mailto:jasmine.sodhi@lincolnshire.gov.uk).

**Open Report on behalf of Tony McArdle, Chief Executive**

Report to:	<b>Executive</b>
Date:	<b>5 September 2017</b>
Subject:	<b>Council Business Plan 2017 - 2018 Performance Report, Quarter One</b>
Decision Reference:	<b>I014182</b>
Key decision?	<b>No</b>

**Summary:**

This report presents an overview of performance for Q1 against the Council Business Plan.

Executive can view performance on the web on the Lincolnshire Research Observatory using this [link](#)

**Recommendation(s):**

That Executive:-

1. Note and consider 2017/2018 Quarter 1 performance.
2. Approve the proposed changes to reporting as set out in this report.

**Alternatives Considered:**

1. No alternatives have been considered to recommendation 1 as it reflects factual information presented for noting and consideration.
2. The alternative to recommendation 2 is not to make any changes in reporting as recommended in this report and instead to continue to report against the measures as published in the Council Business Plan 2017/2018. However, without the recommended changes, these measures are not considered to assist the Executive in obtaining an accurate picture of the organisation's performance.

**Reasons for Recommendation:**

To provide the Executive with information about Quarter 1 performance against the Council Business Plan 2017/2018 and propose changes to reporting to assist the Executive in monitoring that performance in future.

## **1. Background**

The Council Business Plan 2017/2018 was approved by Council on 24<sup>th</sup> February 2017. This report provides the Executive with highlights of Q1 performance. The full range of infographics is available to view on this [link](#)

The infographics and publication on the LRO were introduced in September 2015 with engagement with Councillors: - in an initial workshop; in each of the scrutiny committees and with the Executive. Councillors were involved throughout the process to ensure the product was fit for purpose from the perspective of this key stakeholder.

### **Changes to go live timescales**

When web publication was introduced in September 2015, in order to take on board any comments from Councillors about the information presented and the infographics, it was agreed by the Executive that the infographics would not be published to the LRO until after the Executive meeting at which quarterly performance against the business plan was presented. Although this was a sensible approach in the beginning, having a user name and password for access to the infographics until after the meeting of the Executive is now an unnecessary barrier to access for Councillors. With this in mind it has been agreed that restricting publication until after the Executive meeting is no longer necessary.

This means that the LRO site is only unavailable for public viewing for a limited time (approximately 2 weeks) and that Councillors will no longer need a username and password to view the infographics on the LRO when they receive the quarterly performance report. We would aim to have the LRO live on the same day the first scrutiny committee reports are dispatched to Councillors. The reports become public documents at around this date and the proposed change would remove the barrier of access to the website for Councillors and therefore aid scrutiny of performance.

### **Changes to the infographics**

A number of changes have been made to the infographics: - Colour changes to the infographics to improve understanding and improve viewing when printed in greyscale; quarterly performance and cumulative performance shown for measures that are reported cumulatively and the word performance replaced with a descriptor of what is being measure e.g. Products, Days. Currently this only appears on the summary tile and not throughout the infographic. Explanations of the changes are detailed in Appendix A.

As Councillors are the primary stakeholder in this process, informal engagement took place with the Executive and Chairs and Vice Chairs of scrutiny committees prior to making proposed changes to the infographics so that changes could be made in time for Q1 reporting.

In order to assist Elected Members to see areas of performance they may be interested in on the website, a table with a link to the relevant web page for services within the Council Business Plan is detailed in Appendix C.

### **Headlines Quarter 1 performance**

Of the 14 commissioning strategies reported in Q1:-

10 performed really well (all measures reported in Q1 achieved the target);  
4 had mixed performance (some measures achieved and some measures did not achieve the target in Q1).

The following 3 commissioning strategies are reported annually in Q4:-

- [Readiness for school](#)
- [Sustaining and developing prosperity through infrastructure](#)
- [Learn and achieve](#)

#### The good news

The following 10 commissioning strategies have performed really well (all measures reported in Q1 achieved the target):-

[Adult Frailty, long term conditions and physical disability](#)

[Children are safe and healthy](#)

[Community resilience and assets](#)

[How we effectively target our resources](#) (Combination of 3 commissioning strategies)

[Readiness for Adult Life](#)

[Safeguarding adults](#)

[Specialist adult services](#)

[Sustaining and growing business and the economy](#)

Mixed performance (some measures achieved and some measures did not achieve the target)

The following 4 commissioning strategies had mixed performance:-

[Carers](#)

[Protecting the public](#)

[Protecting and sustaining the environment](#)

[Wellbeing](#)

Appendix B provides a summary of the measures that did not achieve the target in Q1.

### **Proposed changes to reporting performance against the Council Business Plan 2017/18**

The relevant Executive Councillor has been consulted and recommends that:-

- The measure '16 year olds participation in learning' is removed from the Council Business Plan as there are ongoing difficulties in obtaining the data from independent learning providers who, unlike schools and colleges, struggle to meet the demands of data provision. Approximately 9% of young

people are in this type of provision which is impacting on our reported performance. Previously, the careers service would have supported the independent learning providers in supplying information but as this service has been decommissioned there is no remedial action that can be taken. (Measure 44)

- The title and definition of the measure '16/18 year old Looked After Children participation in learning' change to '16-17 Looked After Children participating in learning' as the Department of Education no longer require the tracking of 18 year olds. (Measure 45)
- The target for Looked After Children is increased from 45 per 10,000 to 48 per 10,000 to recognise the national increase in Looked After Children. (Measure 23)

The above changes have been made to the infographics.

### **Date expected in Quarter 1 but not available**

No data is available for reporting in Quarter 1 for the measure 'Requests for support for new clients, where the outcome was universal services/signposting'. Although Mosaic can indicate the number of requests for support received, at present it is unable to determine the most appropriate outcome of those requests due to the multiple actions that can result from the complex Mosaic workflow. The service hopes this measure will be reported on in Quarter 3, however this is dependent on the progress made by the consultant database developer. (Measure 61).

## **2. Legal Issues:**

### Equality Act 2010

Under section 149 of the Equality Act 2010, 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 Act
- \* 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.

The relevant protected characteristics are age; disability; gender reassignment; pregnancy and maternity; race; religion or belief; sex; and sexual orientation

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

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.

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.

Compliance with the duties in section 149 may involve treating some persons more favourably than others.

The duty cannot be delegated and must be discharged by the decision-maker. 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.

The Report presents performance against the outcomes and measures that are the Council Business Plan many of which relate to people with a protected characteristic including young people, older people and people with a disability. It is the responsibility of each service when it is considering making a change, stopping, or starting a new service to make sure equality considerations are taken into account and an equality impact analysis completed.

#### Joint Strategic Needs Analysis (JSNA and the Joint Health and Wellbeing Strategy (JHWS)

The Council must have regard to the Joint Strategic Needs Assessment (JSNA) and the Joint Health & Well Being Strategy (JHWS) in coming to a decision

The Report presents performance against the outcomes and measures that are the Council Business Plan many of which relate directly to achievement of health and wellbeing objectives.

#### Crime and Disorder

Under section 17 of the Crime and Disorder Act 1998, the Council must exercise its various functions with due regard to the likely effect of the exercise of those functions on, and the need to do all that it reasonably can to prevent crime and disorder in its area (including anti-social and other behaviour adversely affecting the local environment), the misuse of drugs, alcohol and other substances in its area and re-offending in its area.

The Report presents performance against the outcomes and measures that are the Council Business Plan some of which relate to crime and disorder issues.

### **3. Conclusion**

This report presents an overview of performance for Quarter 1 against the Council Business Plan 2017/2018 and proposed changes to reporting to assist the Executive in monitoring that performance in future. Executive is invited to consider performance and consider and approve the proposed changes to reporting.

#### **4. Legal Comments:**

The Executive is responsible for ensuring that the Executive functions are discharged in accordance with the Budget and Policy Framework of which the Business Plan is a part. This report will assist the Executive in discharging this function.

The recommendation is lawful and within the remit of the Executive.

#### **5. Resource Comments:**

Acceptance of the recommendation in this report has no direct financial consequences for the Council.

#### **6. Consultation**

##### **a) Has Local Member Been Consulted?**

N/A

##### **b) Has Executive Councillor Been Consulted?**

N/A

##### **c) Scrutiny Comments**

The Overview and Scrutiny Management Board (OSMB) is scheduled to consider this report at its meeting on 28 September 2017.

##### **d) Have Risks and Impact Analysis been carried out**

No

##### **e) Risks and Impact Analysis**

Any changes to services, policies and projects are subject to an Equality Impact Analysis. The considerations of the contents and subsequent decisions are all taken with regard to existing policies.

#### **7. Appendices**

These are listed below and attached at the back of the report	
Appendix A	Proposed Changes to Performance Reporting against the Council Business Plan
Appendix B	Summary of those measures where the target was not achieved in Quarter 1
Appendix C	Links to performance measures by service area



## **8. Background Papers**

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

This report was written by Jasmine Sodhi, who can be contacted on 01522 552124 or [jasmine.sodhi@lincolnshire.gov.uk](mailto:jasmine.sodhi@lincolnshire.gov.uk).

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Appendix A  
Proposed changes to  
Performance Reporting  
against the Council  
Business Plan

# Current dashboard featuring colour variations

Groups
Communities are safe and protected
Health and Wellbeing is improved
Businesses are supported to grow
We effectively target our resources

## Council Business Plan and Performance Dashboard

Welcome to the Lincolnshire County Council Performance Dashboard. Here you will find details of the Councils Business Plan and the performance measures that underpin it.

Our Plan - We want to support a society where people contribute to their communities and are willing and able to look after themselves and others; a county where ....



Lincolnshire  
COUNTY COUNCIL  
*Working for a better future*

Side menu also displays current screen in orange which doesn't tie in with any other colours on the page.

Current dashboard uses different colours for each quadrant, none of which correlate to any particular meaning or use.

# Proposed new dashboard featuring colour uniformity

Groups
Communities are safe and protected
Health and Wellbeing is improved
Businesses are supported to grow
We effectively target our resources

## Council Business Plan and Performance Dashboard

Welcome to the Lincolnshire County Council Performance Dashboard. Here you will find details of the Councils Business Plan and the performance measures that underpin it.

Our Plan - We want to support a society where people contribute to their communities and are willing and able to look after themselves and others; a county where ....

*Green, instead of orange, tabs to indicate which page the user is on match the LCC logo at the bottom of each webpage*



Communities are safe and protected




Health and wellbeing is improved

*Basic graphics lend a simpler theme to the nature of the quadrant*



Businesses are supported to grow



We effectively target our resources

Lincolnshire  
COUNTY COUNCIL  
*Working for a better future*

*Proposed changes introduce a tidier, more uniform colour scheme which also ties in with the new style of graphics.*

# Current quadrant commissioning strategy menu

Groups
<b>Communities are safe and protected</b>
Health and Wellbeing is improved
Businesses are supported to grow
We effectively target our resources



## Communities are safe and protected



### Protecting the Public

The purpose of this commissioning strategy is to create an environment that enables the people of Lincolnshire to succeed and prosper, to ensure the public feel protected and secure and that those that are most vulnerable are safeguarded.

[Show Performance](#)

### Children are safe and Healthy

The purpose of this commissioning strategy is that children growing up in Lincolnshire are safe and healthy. We think this can be achieved by children growing up in homes where they feel safe and are supported to make decisions to live a healthier life.

[Show Performance](#)

### Safeguarding Adults

The purpose of this commissioning strategy is that vulnerable adults' rights are protected so that everyone can live safely and free from abuse and neglect.

[Show Performance](#)

*Purple title, orange tab and green logo, plus photo banner result in a very busy page.*

**Lincolnshire**  
COUNTY COUNCIL



*Let's Grow Future*

*Although the menu colour scheme correlates to the quadrant menu colour scheme, the colour itself does not lend any functionality to the viewing of the strategies or measures.*


# Proposed quadrant commissioning strategy menu

- Groups
- Communities are safe and protected**
- Health and Wellbeing is improved
- Businesses are supported to grow
- We effectively target our resources


## Communities are safe and protected



*Photo banner remains as previous to break up the page and keep some colour*

 **Protecting the public** **Show performance**

The purpose of this commissioning strategy is to create an environment that enables the people of Lincolnshire to succeed and prosper, to ensure the public feel protected and secure and that those that are most vulnerable are safeguarded.

 **Children are safe and healthy** **Show performance**

The purpose of this commissioning strategy is that children growing up in Lincolnshire are safe and healthy. We think this can be achieved by children growing up in homes where they feel safe and are supported to make decisions to live a healthier life.

 **Safeguarding Adults** **Show performance**

The purpose of this commissioning strategy is that vulnerable 'adults' rights are protected so that everyone can live safely and free from abuse and neglect.

*Simple graphic is used at the beginning of the menu drop down box, compared with the previous large arrow in the middle of the box.*

*Drop down box shape has changed from arrow to rounded ends – smoother presentation and overall feel to the page.*

# Proposed changes to Individual Measure Graphics



Alcohol related anti-social behaviour incidents

2,853

Incidents

Achieved



Current graphics type for a quarterly reported cumulative measure



Communities are safe and protected

Tile outline and banner colour completely changes depending on performance

Improve public safety by the reduction in drugs and alcohol misuse, focussed on town centre alcohol fuelled violence and anti-social behaviour, young people and drug misuse

Alcohol related anti-social behaviour incidents

This measure is a count of Police recorded Anti Social Behaviour incidents. An Anti Social Behaviour incident is classed as alcohol-related if it fulfils one of the following criteria: Where alcohol has been identified as contributing to the incident. The incident is classed as either 'street drinking' or 'drunken behaviour'. The caller's initial description of the incident contains the words 'drunk', 'drink', 'alcohol', 'intoxicated', or 'urinate'.



Achieved

2,853

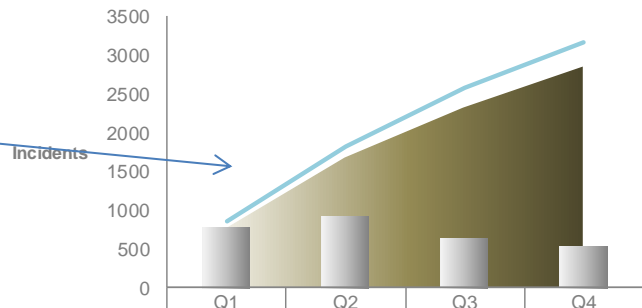
Incidents  
Quarter 4 March 2017

3,175

Incidents  
Target for March 2017

Similar colours on the chart can confuse the understanding of the performance when printed out in greyscale

Alcohol related anti-social behaviour incidents



	Q1	Q2	Q3	Q4
Cumulative	766	1681	2323	2853
Performance	766	915	642	530
Target	863	1823	2577	3175

Alcohol related anti-social behaviour incidents

2,853

Incidents

Achieved



Alcohol related anti-social behaviour incidents

2,853

Incidents

Not achieved



Proposed graphics type for a quarterly reported cumulative measure



## Communities are safe and protected

Improve public safety by the reduction in drugs and alcohol misuse, focussed on town centre alcohol fuelled violence and anti-social behaviour, young people and drug misuse

### Alcohol related anti-social behaviour incidents

This measure is a count of Police recorded Anti Social Behaviour incidents. An Anti Social Behaviour incident is classed as alcohol-related if it fulfils one of the following criteria: Where alcohol has been identified as contributing to the incident.

The incident is classed as either 'street drinking' or 'drunken behaviour'.

The caller's initial description of the incident contains the words 'drunk', 'drink', 'alcohol', 'intoxicated', or 'urinate'.

A lower number of alcohol related anti-social behaviour incidents indicates a better performance.

Outline colours of the tile are now uniform across all levels of performance with just the text and indicator graphic changing colour

Banner colour and graphics reflect the tile

Use of higher contrast colours appear clearer on greyscale prints



Achieved

2,853

Incidents

Quarter 2 September 2017

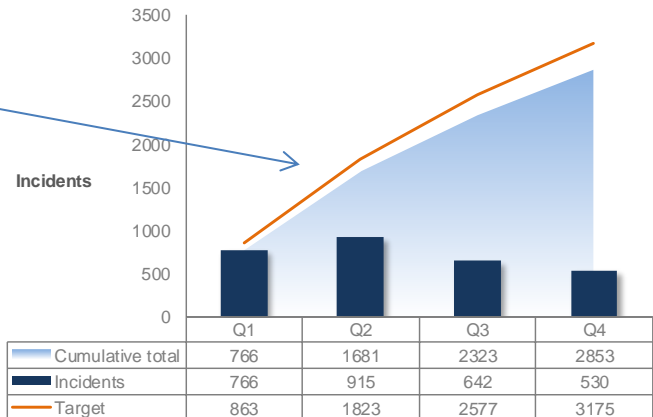


3,175

Incidents

Target for September 2017

Alcohol related anti-social behaviour incidents



Average time taken to match a child to an adoptive family

173

Days

Achieved



Current graphics type for a quarterly reported non-cumulative measure



## Communities are safe and protected

Children are safe and healthy

### Average time taken to match a child to an adoptive family

Average number of days between the local authority receiving the court order to place a child and the local authority deciding on a match to an adoptive family



Achieved

173

Days

Quarter 4 March 2017



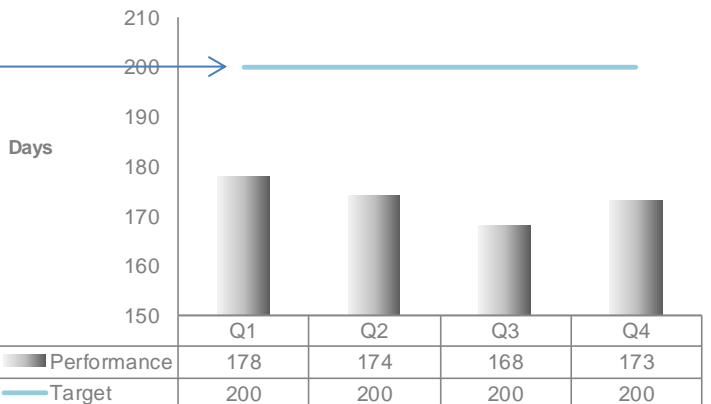
200

Days

Target for March 2017

Target line colour difficult to distinguish and doesn't match the colour of the target figure

### Average time taken to match a child to an adoptive family



Average time taken to match a child to an adoptive family

173

Days

Achieved



Proposed graphics type for a quarterly reported non-cumulative measure



Communities are safe and protected

Children are safe and healthy

Average time taken to move a child from care to an adoptive family

Average number of days between the child entering care and moving in with their adoptive family. A lower number of days taken to move a child from care into an adoptive family indicates a better performance.



Achieved

Permanent tile, banner and graph columns are now the same colour to create a more consistent and less fussy look

173

Days

Quarter 1 June 2017



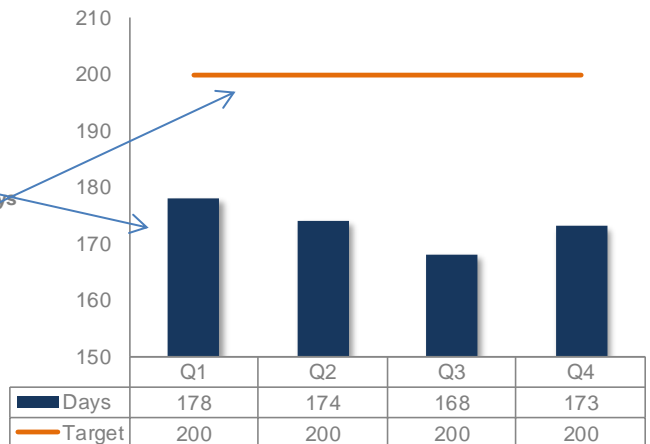
200

Days

Target for June 2017

Target line changed to a more prominent colour and matched with the target figure colour

Average time taken to move a child from care to an adoptive family



Unsafe and Counterfeit goods removed from market

27,292

Products

Achieved



Current graphics type for a quarterly reported cumulative measure without quarterly breakdown



## Communities are safe and protected

The public are protected from unsafe and dangerous goods

### Unsafe and Counterfeit goods removed from market

This measure is a count of the numbers of unsafe goods removed from the market in Lincolnshire, reducing the risk of any of these products causing harm to the end-user. This includes illicit goods (largely counterfeit) but not including alcohol and tobacco. An 'unsafe good' is any product that does not conform to European and/or UK safety standards and regulations or does not meet the definition of a safe product in the General Product Safety Regulations 2005. The measure is a count of the product as sold to the consumer. E.g. a pack of 2 walkie talkies would count as 1. There are many types of product that could be unsafe and would be the responsibility of Trading Standards and this includes electrical items, cosmetics, clothing, furniture and toys. These figures are dependent on successful legal process, meaning forfeiture or surrendering of the products.

*These measures only show the cumulative performance without quarterly figures*



Achieved

27,292

Products

Quarter 4 March 2016

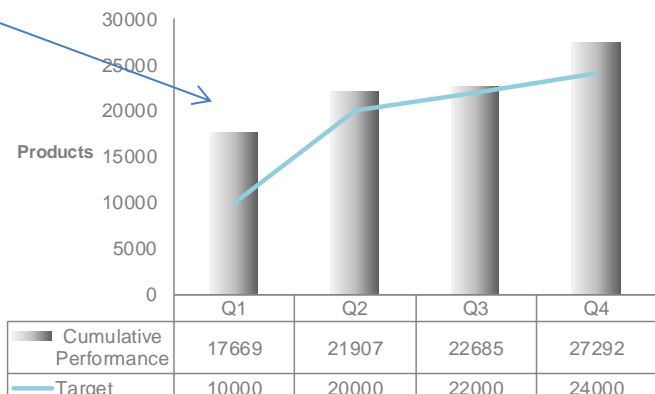


24,000

Products

Target for March 2016

### Unsafe and Counterfeit goods removed from market



Unsafe and Counterfeit goods removed from market

27,292


Products

Achieved



Current graphics type for a quarterly reported cumulative measure with quarterly breakdown added



 Communities are safe and protected

The public are protected from unsafe and dangerous goods

Unsafe and Counterfeit goods removed from market

This measure is a count of the numbers of unsafe goods removed from the market in Lincolnshire, reducing the risk of any of these products causing harm to the end-user. This includes illicit good (largely counterfeit) but not including alcohol and tobacco. An 'unsafe good' is any product that does not conform to European and/or UK safety standards and regulations or does not meet the definition of a safe product in the General Product Safety Regulations 2005. The measure is a count of the product as sold to the consumer. E.g. a pack of 2 walkie talkies would count as 1. There are many types of product that could be unsafe and would be the responsibility of Trading Standards and this includes electrical items, cosmetics, clothing, furniture and toys. These figures are dependent on successful legal process, meaning forfeiture or surrendering of the products. A higher number of Unsafe and Counterfeit goods removed for the market indicates a better performance.

 Achieved

27,292

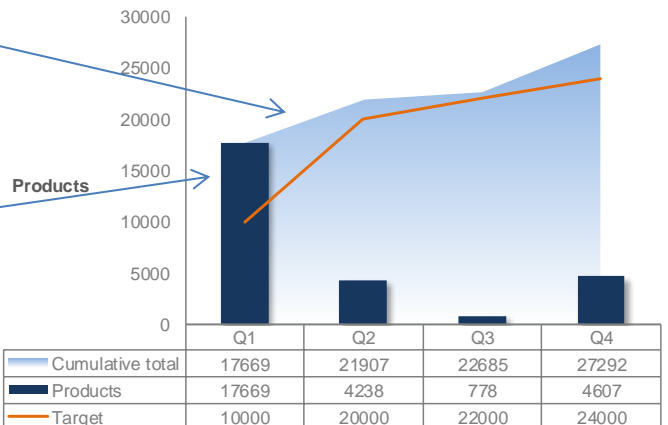
Products  
Quarter 2 September 2017



24,000

Products  
Target for September 2017

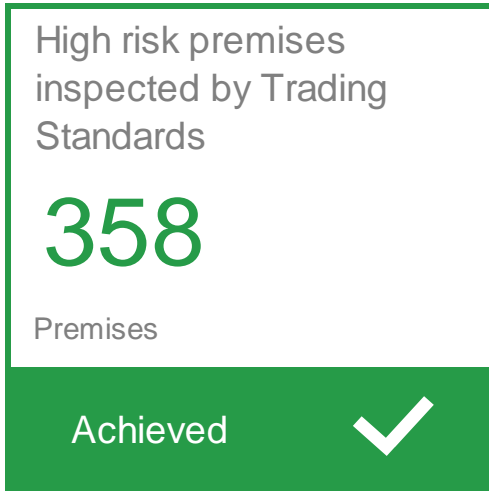
Unsafe and Counterfeit goods removed from market



The high contrast version with cumulative performance shown here

Quarterly performance now shown individually

## Comparison of current and proposed performance tile types



# Current tile graphics featuring outline colour changes



## Communities are safe and protected



## Protecting the Public



The purpose of this commissioning strategy is to create an environment that enables the people of Lincolnshire to succeed and prosper, to ensure the public feel protected and secure and that those that are most vulnerable are safeguarded.

[Show Performance](#)

Illicit alcohol and tobacco products seized

**8,125**

Products

Achieved



Unsafe and Counterfeit goods removed from market

**27,292**

Products

Achieved



High risk premises inspected by Trading Standards

**358**

Premises

Improving but not achieved



Alcohol related anti-social behaviour incidents

**2,853**

Incidents

Achieved



Alcohol related violent crime incidents

**1,470**

Incidents

Achieved





# Proposed tile graphics featuring outline colour uniformity



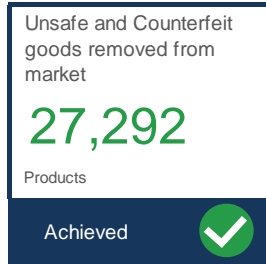
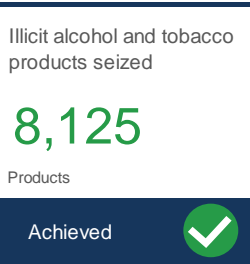
## Communities are safe and protected



## Protecting the public

The purpose of this commissioning strategy is to create an environment that enables the people of Lincolnshire to succeed and prosper, to ensure the public feel protected and secure and that those that are most vulnerable are safeguarded.

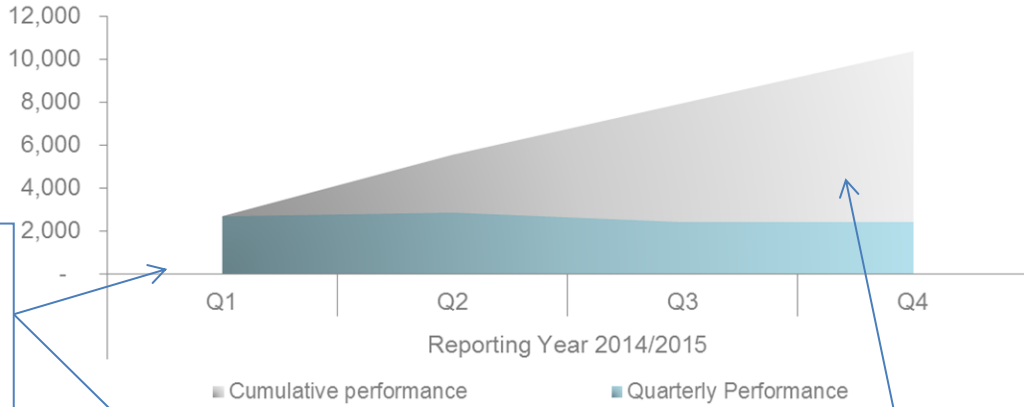
[Show performance](#)



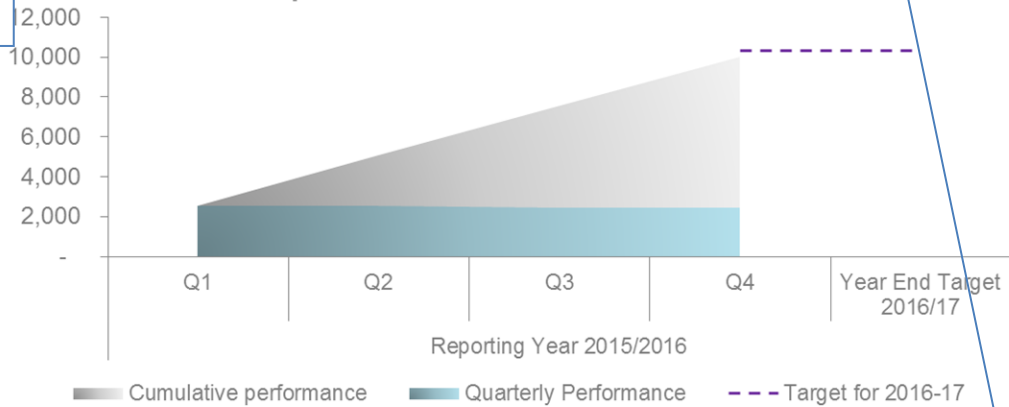
# Proposed changes to Further Details section of the individual measures

## Further Details – Old Graphical Display

**Reported incidents of domestic abuse**



**Reported incidents of domestic abuse**



	Reporting Year 2014/2015				Reporting Year 2015/2016				Year End Target 2016/17
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	
<b>Cumulative performance</b>	2,663	5,512	7,936	10,327	2,551	5,093	7,566	10,006	
<b>Quarterly Performance</b>	2,666	2,849	2,424	2,391	2,551	2,542	2,473	2,440	10,306

Separate graph for different years makes comparison between years difficult

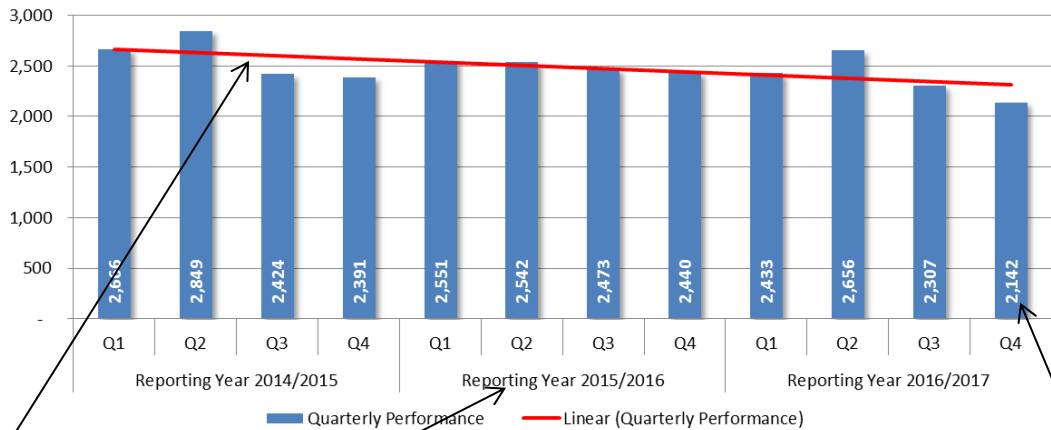
Data table at the bottom of the graphs, and no data labels on the graphs themselves makes the data harder to read and it is difficult to ascertain which data pertains to which graph.

**Graphs difficult to read.**  
Here the graph appears to indicate that reported cases of domestic abuse are increasing when, in fact, for this year, they are decreasing

Choice of colours not different enough, with separate areas difficult to discern when printed in black and white. Also, gradient of colour suggests another layer of data that doesn't exist

## Further Details – New Graphical Display

### Reported Incidents of Domestic Abuse Quarterly Performance



Choice of colours brighter, easier to read, with the trendline obvious, even when printed in black and white

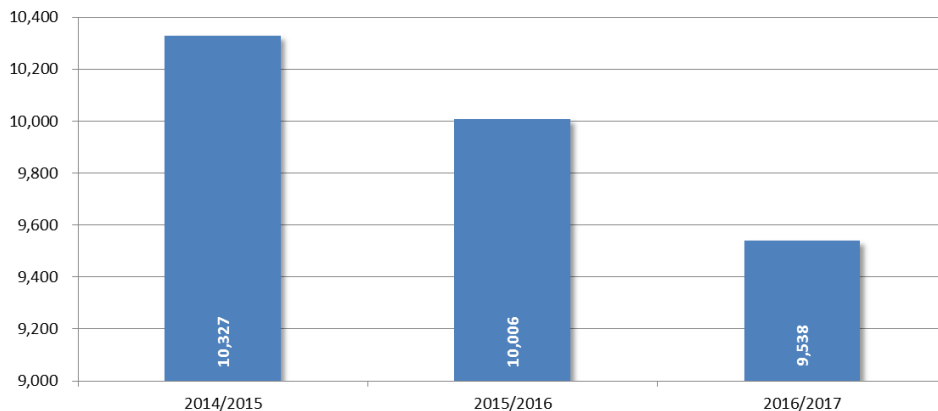
#### Multiple Years on the same graph

Data for different years displayed on the same graph make for a cleaner, more professional look. Also, more data (3 years on this graph as opposed to only 2 years on separate graphs displayed previously) allows for better analysis of the data. As an example, the data for the last 3 years looks to have a random nature, however the trendline shows that it is actually declining.

#### Graphs easier to read

Data labels within each column clearly show the figure the column represents, with the quarter and reporting year clearly displayed below each section.

### Reported Incidents of Domestic Abuse Annual Performance



#### Collated data yearly data

Collating the data for the year helps to further illustrate how the data is changing as the years progress. Again, a data label within each column negates the need for a data table.

## **Appendix B** Summary of those measures where the target was not achieved in Quarter 1

The following 4 commissioning strategies had mixed performance:-

### Carers

Of the 3 measures reported in Q1, 1 achieved the target, 1 did not achieve the target and 1 measure improved although the target was not achieved.

- 'Carers who receive a direct payment' did not achieve the target. Although there has been a 10% increase in the number of carers receiving a direct payment since the last quarter, the percentage of clients receiving this type of support has reduced. The driver for this is an increase in the number of carers receiving indirect support following a joint assessment with the person they care for. This has resulted in people choosing residential respite care for the person cared for and is another option for using the personal budget. (Measure 54)
- 'Carers supported to delay the care and support for the person they care for' has been assessed as improved but not achieved. As previously reported, this measure shows the proportion of carers receiving services where the person being cared-for is not known to Adult Care. The measure was initially included in the Council Business Plan to illustrate the preventative element of the carers' service in delaying the support of the people they care for. However, an equally important trend has emerged and the downward trend is indicative of a move towards a whole family approach where both the carer and person cared for are supported. This is largely due to an increase in the number of carer and person cared for joint assessments. This has shifted the focus of the measure slightly to acknowledge the early identification and support of carers to delay the support needs of the people they care for, but also, where care and support plans are developed for the person cared for the carer is also supported. This provides a more holistic and more efficient approach, which in turn helps to stabilise and/or reduce support needs. In these circumstances being below target is not a negative indication as the reason for the downturn is an approach to be encouraged. (Measure 57).

The following 3 measures are reported biennially in Q4. Latest performance relates to 2016/2017 and was reported in Q4 2016/2017:- 'Carer reported quality of life' (Measure 55), 'Carers included or consulted in discussions about the person they care for' (Measure 56), 'Carers who find it easy to find information about services' (Measure 58).

### Protecting the public

A summary of the 8 measures that did not achieve the target in Q1 for Protecting the Public Commissioning Strategy are:-

- 'Alcohol related antisocial behaviour incidents' due to technical issues there are some alcohol related anti-social behaviour incidents which have not been counted in the Q1 figure of 764 incidents. These will be corrected when data is available and it is anticipated that this figure will increase by around 70 incidents. Although the exact increase is not yet confirmed, given the under-counting of incidents there will be an increase compared to Q1 2016/2017 (766 incidents). In 2016 the two bank holidays for Easter fell within March whereas this year they fell within April which may have increased this quarters figures in comparison to last year. The weather may also have had an impact on these figures as during Q1 there were some warm sunny days which tend to see an increase in drinking behaviour. (Measure 5)
- 'Alcohol related violent crime incidents' (403 incidents) is up 14% compared to Q1 2016/2017 (354 incidents) and is higher than Q4 2016/2017 (370 incidents). Although

all violent crime is continuing on an upwards trend, the proportion of violence that is alcohol related has remained similar. (Measure 6)

- 'Reported incidents of domestic abuse' due to technical issues there are some domestic abuse incidents which have not been counted in the Q1 (2,196 incidents). These will be corrected when available. It is expected that this figure will increase by around 240 incidents when all data is available. With this in mind commentary in relation to trends is not possible at present. (Measure 7)
- 'Satisfaction with response to crime and antisocial behaviour' did not meet the target of 62%. This measures satisfaction that the police and local council are working in partnership to deal with community safety issues. 2016/2017 survey results (59.9%) are reported in Q1 2017/2018 and although for Lincolnshire satisfaction has increased by 4.3 percentage points compared to 2015/16 results, and are 2.1 percentage points higher than the East Midlands average satisfaction results (57.8%) satisfaction is below target. Nationally, satisfaction levels have dropped (61.9% in 2015/2016 to 61.3% in 2016/2017). Although previous year's results have showed a downward trend in satisfaction for Lincolnshire this now appears to be improving. (Measure 13)
- 'Juvenile first time reoffenders' the most recent published FTE (first time entrants) figure for Lincolnshire is 268 actual young people for the period of January 2016 to December 2016. This is higher than the target figure of 203. The number of young people entering the criminal justice system for the first time is mostly controlled by external influences, e.g. Police policies, and therefore it is difficult to predict future performance. However, there are no expectations that this figure is likely to rise sharply in the near future. The figure of 268, when expressed as a rate per 100,000, 10 to 17 year old population is 431, which is higher than the local midlands region of 357 and the national average of 327. In July a new diversionary project was launched in conjunction with Lincolnshire Police. This, through joint co-operation between both Services, will divert young people that offend at a low level, through local panels that will try to prevent those young people from getting a criminal record. What we should see will be a more effective restorative justice process, instead of giving the young person a criminal record that will unfairly affect their future life chances. This also should therefore help reduce the numbers of first time entrants. (Measure 15)
- 'Primary fires' we have seen an increase of 69 fires compared with Q1 last year. This can be attributed to a 40% increase in dwelling fires and a 43% increase in vehicle fires. In domestic dwellings, the number of cooking related fires and fires caused by electrical appliances has increased over the previous 2 years. We have developed a strategy around cooking fires and have engaged in a national campaign with the manufacturers of white goods, with the aim to reduce the occurrence of such incidents in future. (Measure 19)
- 'Deliberate primary fires' there has been an increase of 21 deliberate primary fires compared with Q1 last year; this is 15 more than target. Vehicle fires are the main reason for the increase which has more than doubled from the same period last year (35 vehicle fires this year compared with 16 in 2016/2017). The Arson Task Force continue to work collaboratively with the neighbourhood policing teams on initiatives aimed at reducing deliberate fires. (Measure 21)
- 'Deliberate secondary fires' there has been an increase of 34 deliberate secondary fires compared to Q1 last year; this is 10 more than target. All of the increases can be attributed to fires involving refuse. Gainsborough has seen an increase from 7 to 25, however local crews remain active with community engagement activities and the Arson Task Force work collaboratively with the neighbourhood policing teams on initiatives aimed at reducing deliberate fires. (Measure 22)

Although it is not appropriate to compare the following measures with a target, comparisons with historical data have been made:-

- 'Repeat referrals of domestic abuse to MARAC', comparison with previous quarters shows an increase by 3.5 percentage points this quarter compared to Quarter 4 2016/2017. The total number of referrals (new and repeat) to MARAC remains lower than in previous quarters which will have impacted the percentage repeat referral rate. The actual number of repeats referred (181) is not dissimilar to previous quarters, although is slightly higher than the number reported in Quarter 4 2016/2017 (167). (Measure 9)
- 'People killed or seriously injured (KSI) in road traffic accidents' the January – March 2017 figure (122 casualties) is higher than the same period in 2016 (92 casualties). Analysis of collision and casualty data does not indicate any clear commonality or patterns. The overall increase in KSI's is mirrored across most user groups for example car drivers, motorcyclists, pedestrians etc. (Measure 11)
- 'Children killed or seriously injured (KSI) in road traffic accidents' the figure for Jan – Mar 2017 (8 casualties) is higher than both January – March 2016 and January – March 2015 when there was 1 Child KSI recorded. However, the 2015 and 2016 figures of 1 Child KSI were unusually low in comparison to the overall average. (Measure 12)

### [Protecting and sustaining the environment](#)

A summary of the 2 measures that did not achieve the target in Q1 for Protecting and Sustaining the environment Commissioning Strategy are:-

- The Household Waste Recycling Centre (HWRC) recycling rate for Q1 (73.9%) was lower than Q1 last year (74.7%) and is below the target of 75%. We are currently seeing a reduction in the HWRC recycling rate. A contributing factor will be the processing of some materials down the waste hierarchy from recycling to recovery. The Environment Agency (EA) has concerns around some materials being stored which has reduced the recycling outlets in Lincolnshire. (Measure 76)
- 'Household waste recycled' our recycling rate for Q1 is expected to be higher than for the year overall due to more composting in summer. The recycling rate for Q1 is expected to be higher than for the year overall due to more composting in summer. The service is forecasting a drop in the overall recycling rate compared to 2016/2017 as the reported level of contamination (non-recyclables) has increased. There have been similar levels in Green waste composting to 2016/2017. The aspirational target of 55% was set in our Joint Municipal Waste Management Strategy and needs to be addressed as it is presently unachievable. The strategy is being refreshed in cooperation with the Districts. (Measure 78)

### [Wellbeing](#)

A summary of the 2 measures that did not achieve the target in Q1 for Wellbeing Commissioning Strategy are:-

'Successful completion of alcohol treatment', it is worth noting that this measure is reported with a 3 month lag and so the latest performance available is for Q4 2016/2017. Following the new contracts commencing in October 2016, it was anticipated that performance would dip over the remaining quarters of 2016/17. This has been realised with a reduction in outcomes to 36% against a target of 40%. Local data shows performance increasing in Q1 2017/18 however verified data is not yet available. Action plans and risks are all being










managed by the commissioning team and the provider continues to embed new working processes to enable performance to recover as quickly as possible. (Measure 31)











'Chlamydia diagnosis' it is worth noting that this measure is reported with a 6 month lag and so the latest performance available is for Q3 2016/2017. Service Credits have been in place since April 2017 to incentivise the service provider to improve performance of the chlamydia screening target and the impact will not be seen on performance of this measure until Q3 when April – June 2017 data is reported.






Although the target has not been achieved, comparison with the east midlands ranked Lincolnshire 2nd out of 9 Local Authorities, with the highest rate in Nottinghamshire at 2010. (A higher rate of diagnosis indicates a better performance). The positivity rate in Lincolnshire remains high at 9.2% (target 8%) ranked 5th out of 9 Local Authorities. Nationally the number of chlamydia tests have fallen, as have the number of young people accessing Sexual Health Services (8%) drop. Public Health East Midlands have advised that the quality indicator should be the focus of efforts rather than the Detection Rate Indicator. A full review of Lincolnshire Integrated Sexual Health (LISH) services for young people is being reviewed and an action plan has been revised to improve uptake. The chlamydia Pathway as recommended by Public Health England (PHE) has been integrated into LISH and places greater activity on partner notification and follow up testing which provide greater opportunities to meet the targets. (Measure 34)



**Appendix C** Links to performance measures by service area

Adult Care Frailty and long term conditions	<a href="http://www.research-lincs.org.uk/CBP-Wellbeing-page-final.aspx">http://www.research-lincs.org.uk/CBP-Wellbeing-page-final.aspx</a>	 Adult frailty, long term conditions and physical disability	
Adult Care Learning disability, autism, mental health	<a href="http://www.research-lincs.org.uk/CBP-Wellbeing-page-final.aspx">http://www.research-lincs.org.uk/CBP-Wellbeing-page-final.aspx</a>	 Specialist Adult Services	
Adult Care - Safeguarding	<a href="http://www.research-lincs.org.uk/CBP-Communities-page-final.aspx">http://www.research-lincs.org.uk/CBP-Communities-page-final.aspx</a>	 Safeguarding Adults	
Alcohol Treatment	<a href="http://www.research-lincs.org.uk/CBP-Wellbeing-page-final.aspx">http://www.research-lincs.org.uk/CBP-Wellbeing-page-final.aspx</a>	 Wellbeing	
Carers	<a href="http://www.research-lincs.org.uk/CBP-Wellbeing-page-final.aspx">http://www.research-lincs.org.uk/CBP-Wellbeing-page-final.aspx</a>	 Carers	
Children – looked after children	<a href="http://www.research-lincs.org.uk/CBP-Communities-page-final.aspx">http://www.research-lincs.org.uk/CBP-Communities-page-final.aspx</a>	 Children are safe and healthy	
Crime	<a href="http://www.research-lincs.org.uk/CBP-Communities-page-final.aspx">http://www.research-lincs.org.uk/CBP-Communities-page-final.aspx</a>	 Protecting the public	
Domestic Abuse	<a href="http://www.research-lincs.org.uk/CBP-Communities-page-final.aspx">http://www.research-lincs.org.uk/CBP-Communities-page-final.aspx</a>	 Protecting the public	
Early Years	<a href="http://www.research-lincs.org.uk/CBP-Wellbeing-page-final.aspx">http://www.research-lincs.org.uk/CBP-Wellbeing-page-final.aspx</a>	 Readiness for school	

Economy	<a href="http://www.research-lincs.org.uk/CBP-Businesses-page-final.aspx">http://www.research-lincs.org.uk/CBP-Businesses-page-final.aspx</a>	 Sustaining and growing business and the economy	
Educational attainment	<a href="http://www.research-lincs.org.uk/CBP-Businesses-page-final.aspx">http://www.research-lincs.org.uk/CBP-Businesses-page-final.aspx</a>	 Learn and achieve	
Environment	<a href="http://www.research-lincs.org.uk/CBP-Businesses-page-final.aspx">http://www.research-lincs.org.uk/CBP-Businesses-page-final.aspx</a>	 Protecting and sustaining the environment	
Fires	<a href="http://www.research-lincs.org.uk/CBP-Communities-page-final.aspx">http://www.research-lincs.org.uk/CBP-Communities-page-final.aspx</a>	 Protecting the public	
Heritage	<a href="http://www.research-lincs.org.uk/CBP-Wellbeing-page-final.aspx">http://www.research-lincs.org.uk/CBP-Wellbeing-page-final.aspx</a>	 Community Resilience and Assets	
Information Governance	<a href="http://www.research-lincs.org.uk/CBP-Resources-Final.aspx">http://www.research-lincs.org.uk/CBP-Resources-Final.aspx</a>	 We effectively target our resources	
Libraries	<a href="http://www.research-lincs.org.uk/CBP-Wellbeing-page-final.aspx">http://www.research-lincs.org.uk/CBP-Wellbeing-page-final.aspx</a>	 Community Resilience and Assets	
Looked After Children	<a href="http://www.research-lincs.org.uk/CBP-Communities-page-final.aspx">http://www.research-lincs.org.uk/CBP-Communities-page-final.aspx</a>	 Children are safe and healthy	
Property	<a href="http://www.research-lincs.org.uk/CBP-Resources-Final.aspx">http://www.research-lincs.org.uk/CBP-Resources-Final.aspx</a>	 We effectively target our resources	
Public Health	<a href="http://www.research-lincs.org.uk/CBP-Wellbeing-page-final.aspx">http://www.research-lincs.org.uk/CBP-Wellbeing-page-final.aspx</a>	 Wellbeing	

Road condition	<a href="http://www.research-lincs.org.uk/CBP-Businesses-page-final.aspx">http://www.research-lincs.org.uk/CBP-Businesses-page-final.aspx</a>	 Sustaining and developing prosperity through infrastructure	
Road Safety	<a href="http://www.research-lincs.org.uk/CBP-Communities-page-final.aspx">http://www.research-lincs.org.uk/CBP-Communities-page-final.aspx</a>	 Protecting the public	
Trading Standards	<a href="http://www.research-lincs.org.uk/CBP-Communities-page-final.aspx">http://www.research-lincs.org.uk/CBP-Communities-page-final.aspx</a>	 Protecting the public	
Voluntary and community groups	<a href="http://www.research-lincs.org.uk/CBP-Wellbeing-page-final.aspx">http://www.research-lincs.org.uk/CBP-Wellbeing-page-final.aspx</a>	 Community Resilience and Assets	
Young People - supported to reach their potential	<a href="http://www.research-lincs.org.uk/CBP-Wellbeing-page-final.aspx">http://www.research-lincs.org.uk/CBP-Wellbeing-page-final.aspx</a>	 Readiness for Adult life	

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

Report to:	<b>Overview and Scrutiny Management Board</b>
Date:	<b>28 September 2017</b>
Subject:	<b>Scrutiny Committee Work Programmes: -</b> <ul style="list-style-type: none"><li>• <b>Children and Young People Scrutiny Committee</b></li><li>• <b>Public Protection and Communities Scrutiny Committee</b></li></ul>

**Summary:**

On 29 June 2017, the Overview and Scrutiny Management Board agreed a process for reviewing the work programmes of scrutiny committees whereby the work programme of each scrutiny committee would be considered on a quarterly basis, with the focus on two or three scrutiny committee work programmes at each meeting of this Board. This would allow in-depth consideration of the work programme; both in terms of the outcomes from the items considered and intended future activity.

In accordance with the Board's agreed programme, this report sets out the work programmes of the Children and Young People Scrutiny Committee; and the Public Protection and Communities Scrutiny Committee.

**Actions Required:**

- (1) The Overview and Scrutiny Management Board is invited to consider whether it is satisfied with the content of the work programmes of:
  - the Children and Young People Scrutiny Committee (Appendix A to this report); and
  - the Public Protection and Communities Scrutiny Committee (Appendix B).
- (2) Depending on its decisions in (1) above, the Overview and Scrutiny Management Board is invited to make suggestions on the content of the work programmes of the two committees listed above.

### 1. Background

One of the roles of the Overview and Scrutiny Management Board is to challenge, review and hold to account the work programmes of each scrutiny committee.

On 29 June 2017, the Board agreed a process whereby the work programme of each scrutiny committee would be considered on a quarterly basis to allow for more in-depth consideration. To facilitate this, the chairman of each scrutiny committee would be invited to provide an update on the work of their committee and any working groups, and highlight future items that their committee will be focussing on.

On 29 June 2017, the following reporting timetable was agreed:

<b>Scrutiny Committee</b>	<b>First Review</b>	<b>Second Review</b>	<b>Third Review</b>
Adults and Community Wellbeing	27 Jul 2017	30 Nov 2017	29 Mar 2018
Health	27 Jul 2017	30 Nov 2017	29 Mar 2018
Children and Young People	28 Sept 2017	25 Jan 2018	26 Apr 2018
Public Protection and Communities	28 Sept 2017	25 Jan 2018	26 Apr 2018
Environment and Economy	26 Oct 2017	22 Feb 2018	24 May 2018
Highways and Transport	26 Oct 2017	22 Feb 2018	24 May 2018
Flood and Water Management	26 Oct 2017	22 Feb 2018	24 May 2018

### Children and Young People Scrutiny Committee

The work programme of the Children and Young People Scrutiny Committee is attached at Appendix A. Councillor Robert Foulkes, the Chairman of the Children and Young People Scrutiny Committee, will be making a statement to provide supporting information on the content of the work programme.

### Public Protection and Communities Scrutiny Committee

The work programme of the Public Protection and Communities Scrutiny Committee is attached at Appendix B. Councillor Nigel Pepper, the Chairman of the Public Protection and Communities Scrutiny Committee, will be making a statement to provide supporting information on the content of the work programme.

## **2. Conclusion**

As part of the new reporting arrangements of the work programmes of scrutiny committees, the Overview and Scrutiny Management Board is asked to consider the work programmes of the Children and Young People Scrutiny Committee, and the Public Protection and Communities Scrutiny Committee.

### 3. Consultation

#### a) Have Risks and Impact Analysis been carried out?

Not Applicable

#### b) Risks and Impact Analysis

Not Applicable

### 4. Appendices

These are listed below and attached at the back of the report	
Appendix A	Children and Young People Scrutiny Committee Work Programme
Appendix B	Public Protection and Communities Scrutiny Committee Work Programme

### 5. Background Papers

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

This report was written by Tracy Johnson, Senior Scrutiny Officer, who can be contacted on 01522 552164 or by e-mail at [tracy.johnson@lincolnshire.gov.uk](mailto:tracy.johnson@lincolnshire.gov.uk), and Daniel Steel, Scrutiny Officer, who can be contacted on 01522 552102 or by e-mail at [daniel.steel@lincolnshire.gov.uk](mailto:daniel.steel@lincolnshire.gov.uk)

## CHILDREN AND YOUNG PEOPLE SCRUTINY COMMITTEE

### Work To Date

Prior to the despatch of this agenda, three meetings of the Children and Young People Scrutiny Committee have taken place in the new County Council term. The key issues that the Committee has considered so far are:

#### Inclusive Lincolnshire Strategy

The Committee received a report at its meeting on 21 July 2017 regarding the progress made against the Inclusive Lincolnshire Strategy. The Inclusive Lincolnshire Strategy was implemented in 2016/17 to address the problem of a rising and unsustainable rate of permanent exclusions from Lincolnshire schools. Lincolnshire was consistently the highest excluder of primary aged children nationally and nearly the highest for secondary. Since its introduction, primary exclusions have halved, but secondary exclusions still remain high. A key priority for 2017/18 is to build on this position, by targeting support and challenge to the small number of vulnerable secondary schools (five in total) that account for the disproportionate number of secondary exclusions. The Committee will be closely monitoring progress on secondary exclusions and the work being undertaken to address this, and will be receiving an update at its January 2018 meeting. In addition, visits are being arranged for Committee members to providers of alternative provision for pupils excluded from school.

#### Children and Young People's Commissioning Strategies

At its 8 September 2017 meeting, the Committee considered the four commissioning strategies relating to children and young people. A number of issues were raised out of this item that will be looked at by the Committee in future. This included the new Emotional Health and Wellbeing Service which will go live in October 2017 and Intensive Needs Supported Accommodation. A number of concerns were raised by Committee members regarding impartial careers advice in schools and links to businesses to address the skills gaps, and this issue will be considered at a future meeting. The Committee also requested to receive training on Signs of Safety and a workshop on this will be arranged shortly.

#### Partners in Practice

Lincolnshire County Council is one of eight leading local authorities chosen by Government to be part of the Partners in Practice (PiP) programme. The PiP programme is scheduled to run until 31 March 2020 and is made up of three workstreams: practice and systems; governance and accountability; and people and leadership. The Committee received a report on the Partners in Practice programme at its meeting on 8 September 2017 which set out the eight projects sitting below the three workstreams that Children's Services will be undertaking. The PiP programme will improve practice in Lincolnshire and other Children's Services, transform the quality of children's social care services and early help arrangements, and support the reform of the wider system. The Committee requested to be kept informed on the progress and outcomes from the PiP projects and the outcomes from the independent evaluation that will be undertaken by the Department for Education to measure the impact of the projects. An update on Lincolnshire's PiP programme will



be coming to the meeting on 9 March 2018, and the Committee requested that the report included information about the financial benefits to Lincolnshire County Council of the PiP programme.

### **Work Planned**

<b>20 October 2017</b>		
<b>Item</b>	<b>Contributor</b>	<b>Purpose</b>
Sector-Led School Improvement Model - Presentation	Martin Smith Children's Service Manager - School Standards	Policy Review
Corporate Parenting Sub-Group Update (21 September 2017 minutes)	Cllr David Brailsford Chairman of the Sub Group	Member Report
Lincolnshire Safeguarding Boards Scrutiny Sub-Group Update (26 September 2017 minutes)	Chairman of the Sub Group	Member Report

<b>1 December 2017</b>		
<b>Item</b>	<b>Contributor</b>	<b>Purpose</b>
A Proposed Future Model of SEN Provision from Lincolnshire Special Schools ( <i>TBC</i> )	Eileen McMorro Senior Project Officer SEND Review	Pre-Decision Scrutiny ( <i>TBC</i> )
0-19 Public Health Nursing	Sally Savage Chief Commissioning Officer – Children's	Performance Scrutiny
Lincolnshire Music Service	John O'Connor Children's Services Manager: Education Support  Jen McKie Senior Music Adviser Lincolnshire Music Service	Policy Review
Theme Performance: Quarter 2	Sally Savage Chief Commissioning Officer – Children's	Performance Scrutiny

<b>19 January 2018</b>		
<b>Item</b>	<b>Contributor</b>	<b>Purpose</b>
Budget Proposals 2018/19	Debbie Barnes Executive Director of Children's Services	Budget Scrutiny
A Proposed Future Model of SEN Provision from Lincolnshire Special Schools	Eileen McMorrow Senior Project Officer SEND Review	Policy Development / Consultation
Early Years Childcare Provision	Michelle Andrews Children's Service Manager – Early Years	Policy Review
Inclusive Lincolnshire Strategy	Mary Meredith Children's Service Manager - Inclusion	Policy Review
Corporate Parenting Sub- Group Update (7 December 2017 minutes)	Cllr David Brailsford Chairman of the Sub Group	Member Report

<b>9 March 2018</b>		
<b>Item</b>	<b>Contributor</b>	<b>Purpose</b>
Lincolnshire Local Authority School Performance 2016-17	Martin Smith Children's Service Manager - School Standards	Performance Scrutiny
Restorative Panels Pilot	Andy Cook Youth Offending Manager	Policy Review
Partners in Practice	Tara Jones Children's Service Manager – Partners in Practice	Policy Review
Lincolnshire Safeguarding Boards Scrutiny Sub- Group Update (January 2018 minutes)	Chairman of the Sub Group	Member Report
Theme Performance: Quarter 3	Sally Savage Chief Commissioning Officer – Children's	Performance Scrutiny

<b>20 April 2018</b>		
<b>Item</b>	<b>Contributor</b>	<b>Purpose</b>
Prevent and the Implications for Children and Young People	Nicole Hilton Community Assets and Resilience Commissioning Manager	Policy Development
Corporate Parenting Sub- Group Update (March 2018 minutes)	Cllr David Brailsford Chairman of the Sub Group	Member Report

<b>8 June 2018</b>		
<b>Item</b>	<b>Contributor</b>	<b>Purpose</b>
Lincolnshire Safeguarding Boards Scrutiny Sub-Group Update (April 2018 minutes)	Chairman of the Sub Group	Member Report
Theme Performance: Quarter 4	Sally Savage Chief Commissioning Officer – Children's	Performance Scrutiny

<b>20 July 2018</b>		
<b>Item</b>	<b>Contributor</b>	<b>Purpose</b>
A Proposed Future Model of SEN Provision from Lincolnshire Special Schools	Eileen McMorro Senior Project Officer SEND Review	Pre-Decision Scrutiny (Executive / Executive Councillor decision TBC)
Prevent and the Implications for Children and Young People	Nicole Hilton Community Assets and Resilience Commissioning Manager	Policy Development
Corporate Parenting Sub-Group Update (June 2018 minutes)	Cllr David Brailsford Chairman of the Sub Group	Member Report

### **Items to be Programmed**

- School funding and the impact of the National Funding Formula implementations
- Lincolnshire Learning Partnership (LLP) Strategic Plan and Impact Evaluation
- Home to School Transport Policy including post 16 transport and grammar school transport (The outcome of the scrutiny review in 2016 on Grammar School Transport was to reconsider the current policy in two years' time.)
- Education including educational policy updates and the impact in Lincolnshire's schools; monitoring the changing position and how the Local Authority is fulfilling its responsibilities; relationship with academies; school improvement; overview of academies and maintained schools; and small rural schools
- Significant place planning and school reorganisation
- Safeguarding children and social care work
- Supported accommodation
- Educational progress of Looked After Children (LAC), including electronic Personal Education Plans (ePEPs)
- Post Adoption Support
- Support for foster carers

**PUBLIC PROTECTION AND COMMUNITIES SCRUTINY COMMITTEE**

**June 2017 – September 2017**

The Committee continues to scrutinise the services covered within Public Protection and Communities remit. This includes County Public Protection, Community Resilience and Assets and Lincolnshire Fire and Rescue, and is reflected in the planned programme of work.

Performance of the Library Services Contract

The Committee has continued to fulfil its role in scrutinising performance of the first year of the out-sourced Library Contract to Greenwich Leisure Limited (GLL). At the meeting in July 2017 the Committee supported the ongoing development of the library service by GLL, including a set of proposed 'Year 2 Developments' which included delivering the Arts Council funded 'ForgingLincs' project and implement revised District Mobile Library routes.

The Committee will continue to monitor the performance of the Library Services Contract on an annual basis going forward.

Future of the Heritage Service

The Committee has continued to have input into the future of the Heritage Service and formed a Working Group in July 2017 to explore potential future options of reducing the costs of the Heritage Service, whilst improving and enhancing its public offer and becoming financially self-sustainable.

Both the Working Group and wider Committee will need to consider whether the preference is to keep control and build business, income and market, or cede control of these assets but realise more immediate savings. As part of this process the Committee will consider a mixture of options, including retaining the service in-house and a mixture of external options.

The Working Group will make a recommendation back to the Committee in October 2017 before considering the final proposals in early 2018.

Fire and Rescue

At the July 2017 meeting the Committee scrutinised the progress made against the Retained Duty System (RDS) improvement action plan; following on from a report presented in November 2016 on the RDS Improvement Strategy.

The Committee paid particular attention to how Fire and Rescue could get across the message to larger employers of the benefits of releasing staff to become retained fire fighters and the benefits this can bring to local communities.

The Committee also received reassurance that Fire and Rescue continues to be a priority service area.

At the September 2017 meeting the Committee also scrutinised the change of Fire and Rescue service delivery strategy and transition from Home Safety Checks to

Safe and Well Visits. The Committee supported the current pilot of Safe and Well Visits to broaden the check to incorporate a wider range of issues, recognising the effectiveness of the fire service's preventative work.

### Future Work Planned

The Committee continues to actively monitor and have input into the future work programme and has highlighted the importance of sitting as the Crime and Disorder Scrutiny Committee to consider Lincolnshire Community Safety Partnership Priorities and reassurance on the work being undertaken on Neighbourhood Policing.

The forward Work Programme for the Committee is shown below:

<b>31 OCTOBER 2017 – 10:00am</b>		
<b>Item</b>	<b>Contributor</b>	<b>Purpose</b>
<b>Annual Prevent Review Report</b>	Nicole Hilton, Chief Community Engagement Officer, Paul Drury, Programme Officer - Prevent	The Lincolnshire Annual report on Prevent related activities in relation to local authority responsibilities as defined under Counter Terrorism & Security Act 2015.
<b>Fire and Rescue Statement of Assurance</b>	Nick Borrill, Chief Fire Officer	To consider and note the contents of Lincolnshire Fire and Rescue Authority's Statement of Assurance 2016 - 2017.
<b>Road Safety Partnership Annual Report</b>	Steven Batchelor, Lincolnshire Road Safety Partnership	Annual update on the Road Safety Partnership including information on fatal, killed and serious injury figures for Lincolnshire.
<b>Future Governance Structure for the Heritage Service</b>	Nicole Hilton, Chief Community Engagement Officer, Louise Egan, Libraries & Heritage Client Lead	Update and Policy Development item on the work being undertaken on the potential future governance models for the Heritage Service.

<b>31 OCTOBER 2017 – 10:00am</b>		
<b>Item</b>	<b>Contributor</b>	<b>Purpose</b>
<b>Citizen Engagement Strategy (Next Steps paper)</b>	Nicole Hilton, Chief Community Engagement Officer	Policy Development item describing the initial work streams and timeframes for the exploration of the potential options for the Citizen Engagement Strategy

<b>12 DECEMBER 2017 – 10:00am</b>		
<b>Item</b>	<b>Contributor</b>	<b>Purpose</b>
<b>Quarter 2 Performance Report (1 July to 30 September 2017)</b>	Nick Borrill, Chief Fire Officer, Daryl Pearce, County Officer - Public Protection, Nicole Hilton, Chief Community Engagement Officer	Review of the Key Performance and Customer Satisfaction Information.
<b>Fire and Rescue – Fire Peer Challenge Report</b>	Nick Borrill, Chief Fire Officer	To present the outcomes from the Local Government Association (LGA) / Chief Fire Officers Association (CFOA) Fire Peer Challenge.

<b>23 JANUARY 2018 – 10:00am</b>		
<b>Item</b>	<b>Contributor</b>	<b>Purpose</b>
<b>Revenue and Capital Budget Proposals 2018/19</b>	TBC	Pre-Decision Scrutiny Item on the budget proposals for 2018/19. The comments of the Committee will be passed to the Executive for consideration.
<b>Future Governance Structure for the Heritage Service</b>	Nicole Hilton, Chief Community Engagement Officer, Louise Egan, Libraries & Heritage Client Lead	<b>PRE-DECISION SCRUTINY Executive – 4 April 2018</b>
<b>Assisting Rehabilitation through Collaboration (ARC)</b>	Daryl Pearce, County Officer - Public Protection	Review of the collaboration work aiming to reduce reoffending in Lincolnshire.

13 MARCH 2018 – 10:00am		
Item	Contributor	Purpose
<b>Citizen Engagement Strategy</b>	Nicole Hilton, Chief Community Engagement Officer, Bev Finnegan, Programme Manager, Community Engagement	<b>PRE-DECISION SCRUTINY</b> <b>Executive – 4 April 2018</b> <b>Council – 18 May 2018</b>

24 APRIL 2018 – 10:00am		
Item	Contributor	Purpose
<b>Quarter 3 Performance Report (1 October to 31 December 2017)</b>	Nick Borrill, Chief Fire Officer, Daryl Pearce, County Officer - Public Protection, Nicole Hilton, Chief Community Engagement Officer	Review of the Key Performance and Customer Satisfaction Information.

Items to be programmed

- Joint Ambulance Conveyance Project
- Domestic Abuse
- Blue Light Collaboration Programme
- Fire and Rescue Integrated Risk Management Plan

***Sitting as the Crime and Disorder Scrutiny Committee***

- Lincolnshire Community Safety Partnership Priorities
- Neighbourhood Policing
- Assisting Rehabilitation through Collaboration (ARC)

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

Report to:	<b>Overview and Scrutiny Management Board</b>
Date:	<b>28 September 2017</b>
Subject:	<b>Overview and Scrutiny Management Board Work Programme</b>

**Summary:**

This item enables the Board to consider and comment on the content of its work programme for the coming year to ensure that scrutiny activity is focused where it can be of greatest benefit. Members are encouraged to highlight items that could be included for consideration in the work programme.

The work programme will be reviewed at each meeting of the Board to ensure that its contents are still relevant and will add value to the work of the Council and partners.

**Actions Required:**

Members of the Board are invited to:

- 1) Review and agree the Board's work programme as set out in Appendix A to this report.
- 2) Highlight for discussion any additional scrutiny activity which could be included for consideration in the work programme.

### 1. Background

Overview and Scrutiny should be positive, constructive, independent, fair and open. The scrutiny process should be challenging, as its aim is to identify areas for improvement. Scrutiny activity should be targeted, focused and timely and include issues of corporate and local importance, where scrutiny activity can influence and add value.

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.

All members of overview and scrutiny committees are encouraged to bring forward important items of community interest to the Board whilst recognising that not all items will be taken up depending on available resource and assessment against the prioritisation toolkit.

## Purpose of Scrutiny Activity

Set out below are the definitions used to describe the types of scrutiny, relating to the items on the Board's Work Programme:

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

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

Policy Review - The Board is reviewing the implementation of policy, to consider the success, impact, outcomes and performance.

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

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

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

Requests for specific items for information should be dealt with by other means, for instance briefing papers to members.

## Identifying Topics

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. Members may wish to consider the following questions when highlighting potential topics for discussion to the Board:-

- Will Scrutiny input add value?  
*Is there a clear objective for scrutinising the topic, what are the identifiable benefits and what is the likelihood of achieving a desired outcome?*
- 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?*
- Is the topic a Council or partner priority area?  
*Does the topic relate to council corporate priority areas and is there a high level of budgetary commitment to the service/policy area?*
- Are there relevant external factors relating to the issue?  
*Is the topic a central government priority area or is it a result of new government guidance or legislation?*

## **Scrutiny and Executive Protocol**

The County Council's Scrutiny and Executive Protocol is attached at Appendix B to the report. The Scrutiny and Executive Protocol sets out practical working arrangements which develops a unity of purpose between the Executive, overview and scrutiny committees as well as the Council's senior managers.

The 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 the Protocol.

The Protocol includes the following expectations:

- The Chairman or Vice Chairman of the Overview and Scrutiny Management Board will as far as possible attend each meeting of the Executive.
- 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.
- 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.
- 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.

## **Scrutiny Panel Activity**

Where a topic requires more in-depth consideration, the Board may commission a Scrutiny Panel to undertake a Scrutiny Review, subject to the availability of resources and approval of the Board. Details of Scrutiny Panel activity is set out in Appendix C.

Work Programme items on scrutiny review activity can include discussion on possible scrutiny review items; finalising the scoping for the review; consideration and approval of the final report; the response to the report; and monitoring outcomes of previous reviews.

The Board may also establish a maximum of two working groups at any one time, comprising a group of members from the Board.

## **Committee Working Group Activity**

Scrutiny Committees may establish informal working groups, which can meet a maximum of three times, usually to consider matters in greater detail, and then to put their proposals to Committee. Details of Working Group activity is set out at Appendix D.

## **Executive Forward Plan**

The Executive Forward Plan of key decisions to be taken from 2 October 2017 is set out at Appendix E. This is background information for the Committee's consideration to ensure that all key decisions are scrutinised by the relevant scrutiny committee.

## **2. Conclusion**

The Board's work programme for the coming year is attached at Appendix A to this report.

Members of the Board are invited to review, consider and comment on the work programme as set out in Appendix A and highlight for discussion any additional scrutiny activity which could be included for consideration in the work programme.

Consideration should be given to the items included in the work programme as well as any 'items to be programmed' listed.

## **3. Consultation**

### **a) Have Risks and Impact Analysis been carried out?**

Not Applicable

### **b) Risks and Impact Analysis**

Not Applicable

## **4. Appendices**

These are listed below and attached at the back of the report	
Appendix A	Overview and Scrutiny Management Board – Work Programme
Appendix B	Scrutiny and Executive Protocol
Appendix C	Scrutiny Panel Activity
Appendix D	Working Group Activity
Appendix E	Forward Plan of Decisions

## **5. Background Papers**

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

This report was written by Tracy Johnson, Senior Scrutiny Officer, who can be contacted on 01522 552164 or by e-mail at [tracy.johnson@lincolnshire.gov.uk](mailto:tracy.johnson@lincolnshire.gov.uk)

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**OVERVIEW AND SCRUTINY MANAGEMENT BOARD**

Chairman: Councillor Robert Parker  
 Vice Chairman: Councillor Lindsey Cawrey

<b>28 September 2017</b>		
<b>Item</b>	<b>Contributor</b>	<b>Purpose</b>
Call-in (if required)		Call-in
Councillor Call for Action (if required)		CCfA
Revenue and Capital Budget Monitoring Report 2017/18	David Forbes County Finance Officer	Pre-Decision Scrutiny (Executive Decision on 3 October 2017)
2017/18 Council Business Plan Quarter 1	Jasmine Sodhi Performance and Equalities Manager	Performance Scrutiny
Overview and Scrutiny Work Programmes <ul style="list-style-type: none"> <li>• Children and Young People Scrutiny Committee</li> <li>• Public Protection and Communities Scrutiny Committee</li> </ul>	Cllr Robert Foulkes Chairman of Children and Young People Scrutiny Committee  Cllr Nigel Pepper Chairman of Public Protection and Communities Scrutiny Committee	Performance Scrutiny
Future Scrutiny Reviews		Scrutiny Review Activity
Treasury Management Performance Quarter 1 (1 April to 30 June 2017)	Karen Tonge Treasury Manager	Performance Scrutiny (For Information)

<b>26 October 2017</b>		
<b>Item</b>	<b>Contributor</b>	<b>Purpose</b>
Call-in (if required)		Call-in
Councillor Call for Action (if required)		CCfA
Performance of the Corporate Support Services Contract	Sophie Reeve Chief Commercial Officer  Ciaran Gaughan Serco Contract Manager	Performance Scrutiny
Review of Financial Risk Assessment	David Forbes County Finance Officer	Budget Scrutiny

<b>26 October 2017</b>		
<b>Item</b>	<b>Contributor</b>	<b>Purpose</b>
Council Workforce Plan 2017/18 – Progress Report	Fiona Thompson Service Manager - People	Performance Scrutiny
Overview and Scrutiny Work Programmes <ul style="list-style-type: none"> <li>Environment and Economy Scrutiny Committee</li> <li>Flood and Water Management Scrutiny Committee</li> <li>Highways and Transport Scrutiny Committee</li> </ul>	Cllr Tony Bridges Chairman of Environment and Economy Scrutiny Committee  Cllr Daniel McNally Chairman of Flood and Water Management Scrutiny Committee  Cllr Mike Brookes Chairman of Highways and Transport Scrutiny Committee	Performance Scrutiny
Future Scrutiny Reviews		Scrutiny Review Activity

<b>30 November 2017</b>		
<b>Item</b>	<b>Contributor</b>	<b>Purpose</b>
Call-in (if required)		Call-in
Councillor Call for Action (if required)		CCfA
2017/18 Council Business Plan Quarter 2	Jasmine Sodhi Performance and Equalities Manager	Performance Scrutiny / Pre-Decision Scrutiny (Executive decision on 5 December 2017)
Housing Company Business Case	Kevin Kendall County Property Officer	Policy Development
Property Service Contract Update	Kevin Kendall County Property Officer	Performance Scrutiny
Corporate Health and Safety Annual Report 2016/17 (TBC)	Fraser Shooter Corporate Health & Safety Advisor	Performance Scrutiny
Overview and Scrutiny Work Programmes <ul style="list-style-type: none"> <li>Adults and Community Wellbeing Scrutiny Committee</li> <li>Health Scrutiny Committee</li> </ul>	Cllr Hugo Marfleet Chairman of Adults and Community Wellbeing Scrutiny Committee  Cllr Carl Macey Chairman of Health Scrutiny Committee	Performance Scrutiny
Future Scrutiny Reviews		Scrutiny Review Activity



<b>30 November 2017</b>		
<b>Item</b>	<b>Contributor</b>	<b>Purpose</b>
Treasury Management Performance Quarter 2 (1 July to 30 September 2017)	Karen Tonge Treasury Manager	Performance Scrutiny (For Information)

<b>21 December 2017</b>		
<b>Item</b>	<b>Contributor</b>	<b>Purpose</b>
Call-in (if required)		Call-in
Councillor Call for Action (if required)		CCfA
Future Scrutiny Reviews		Scrutiny Review Activity

<b>25 January 2018</b>		
<b>Item</b>	<b>Contributor</b>	<b>Purpose</b>
Call-in (if required)		Call-in
Councillor Call for Action (if required)		CCfA
Revenue and Capital Budget Monitoring Report 2017/18	David Forbes County Finance Officer	Pre-Decision Scrutiny (Executive Decision on 6 February 2018)
Council Budget 2018/19	David Forbes County Finance Officer	Budget Scrutiny (Council Decision on 23 February 2018)
Service Budget Proposals 2018/19	David Forbes County Finance Officer	Budget Scrutiny (Council Decision on 23 February 2018)
Final Draft Council Business Plan 2018/19	Jasmine Sodhi Performance and Equalities Manager	Pre-Decision Scrutiny (Executive Decision on 6 February 2018)
Performance of the Corporate Support Services Contract	Sophie Reeve Chief Commercial Officer  Ciaran Gaughan Serco Contract Manager	Performance Scrutiny
Overview and Scrutiny Work Programmes <ul style="list-style-type: none"> <li>• Children and Young People Scrutiny Committee</li> <li>• Public Protection and Communities Scrutiny Committee</li> </ul>	Cllr Robert Foulkes Chairman of Children and Young People Scrutiny Committee  Cllr Nigel Pepper Chairman of Public Protection and Communities Scrutiny Committee	Performance Scrutiny
Future Scrutiny Reviews		Scrutiny Review Activity

<b>22 February 2018</b>		
<b>Item</b>	<b>Contributor</b>	<b>Purpose</b>
Call-in (if required)		Call-in
Councillor Call for Action (if required)		CCfA
2017/18 Council Business Plan Quarter 3	Jasmine Sodhi Performance and Equalities Manager	Performance Scrutiny / Pre-Decision Scrutiny (Executive decision on 6 March 2018)
Treasury Management Strategy Statement and Annual Investment Strategy 2018/19	Karen Tonge Treasury Manager	Pre-Decision Scrutiny
Overview and Scrutiny Work Programmes <ul style="list-style-type: none"> <li>Environment and Economy Scrutiny Committee</li> <li>Flood and Water Management Scrutiny Committee</li> <li>Highways and Transport Scrutiny Committee</li> </ul>	Cllr Tony Bridges Chairman of Environment and Economy Scrutiny Committee  Cllr Daniel McNally Chairman of Flood and Water Management Scrutiny Committee  Cllr Mike Brookes Chairman of Highways and Transport Scrutiny Committee	Performance Scrutiny
Future Scrutiny Reviews		Scrutiny Review Activity
Treasury Management Performance Quarter 3 (1 September 2017 to 31 December 2017)	Karen Tonge Treasury Manager	Performance Scrutiny (For Information)

<b>29 March 2018</b>		
<b>Item</b>	<b>Contributor</b>	<b>Purpose</b>
Call-in (if required)		Call-in
Councillor Call for Action (if required)		CCfA
Performance of the Corporate Support Services Contract	Sophie Reeve Chief Commercial Officer  Ciaran Gaughan Serco Contract Manager	Performance Scrutiny

<b>29 March 2018</b>		
<b>Item</b>	<b>Contributor</b>	<b>Purpose</b>
Overview and Scrutiny Work Programmes <ul style="list-style-type: none"> <li>• Adults and Community Wellbeing Scrutiny Committee</li> <li>• Health Scrutiny Committee</li> </ul>	Cllr Hugo Marfleet Chairman of Adults and Community Wellbeing Scrutiny Committee  Cllr Carl Macey Chairman of Health Scrutiny Committee	Performance Scrutiny
Future Scrutiny Reviews		Scrutiny Review Activity

<b>26 April 2018</b>		
<b>Item</b>	<b>Contributor</b>	<b>Purpose</b>
Call-in (if required)		Call-in
Councillor Call for Action (if required)		CCfA
Overview and Scrutiny Work Programmes <ul style="list-style-type: none"> <li>• Children and Young People Scrutiny Committee</li> <li>• Public Protection and Communities Scrutiny Committee</li> </ul>	Cllr Robert Foulkes Chairman of Children and Young People Scrutiny Committee  Cllr Nigel Pepper Chairman of Public Protection and Communities Scrutiny Committee	Performance Scrutiny
Future Scrutiny Reviews		Scrutiny Review Activity

For more information about the work of the Overview and Scrutiny Management Board please contact Tracy Johnson, Senior Scrutiny Officer, on 01522 552164 or by e-mail at [tracy.johnson@lincolnshire.gov.uk](mailto:tracy.johnson@lincolnshire.gov.uk)



## **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 Board 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 Robert Parker  
Chairman of the Overview and Scrutiny Management Board

## **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 framework<sup>1</sup>. 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 two months<sup>2</sup>, which will indicate whether recommendations have been accepted or

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<sup>1</sup> 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.

<sup>2</sup> Section 9FE of the Local Government Act 2000.

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 Board 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 Board will highlight any pertinent issues to the next meeting of the Overview and Scrutiny Management Board. The Chairman may also raise any issues with any other overview and scrutiny committee of the Council.

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 Board (OSMB). Each year the OSMB 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 statute<sup>3</sup> 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.

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<sup>3</sup> Section 9FB of the Local Government Act 2000

## Scrutiny Panel Activity

(as at 20 September 2017)

### Current Reviews

<b>Scrutiny Panel A</b>	<b>Membership</b>	<b>Completion Date</b>
Impact of Current IT Provision on Council Working Practices	Councillors Mrs J Brockway (Chairman), S Dodds (Vice Chairman), B Aron, M Boles, Mrs P Cooper, S Roe and H Spratt	Overview and Scrutiny Management Board on 26 April 2018 (To be confirmed)

<b>Scrutiny Panel B</b>	<b>Membership</b>	<b>Completion Date</b>
Impact of the Part Night Street Lighting Policy	Councillors Mrs A Newton (Chairman), S Kirk (Vice Chairman), D McNally, R Renshaw, P Skinner, A Stokes, M Storer and R Woolley	Overview and Scrutiny Management Board on 26 April 2018 (To be confirmed)

All completed review reports to be approved by relevant scrutiny committee before consideration at a meeting of the County Council's Executive.

## Working Group Activity

(as at 20 September 2017)

Committee	Working Group	Membership
Health Scrutiny Committee for Lincolnshire	Walk-in-Centre	Councillors C Macey, Mrs K Cook, J Kirk, T Boston, and R Renshaw
Overview and Scrutiny Management Board	UK's exit from the European Union	To be confirmed.
Public Protection and Communities Scrutiny Committee	Future Governance Models for the Heritage Service	Councillors B Adams, C Brewis, Mrs J Brockway, Mrs J Killey, Mrs E Sneath and A Stokes

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**FORWARD PLAN OF KEY DECISIONS FROM 02 OCTOBER 2017**

DEC REF	MATTERS FOR DECISION	REPORT STATUS	DECISION MAKER AND DATE OF DECISION	PEOPLE/GROUPS CONSULTED PRIOR TO DECISION	DOCUMENTS TO BE CONSIDERED	OFFICER(S) FROM WHOM FURTHER INFORMATION CAN BE OBTAINED AND REPRESENTATIONS MADE (All officers are based at County Offices, Newland, Lincoln LN1 1YL unless otherwise stated)	DIVISIONS AFFECTED
I014135	Revenue and Capital Budget Monitoring Report 2017/18	Open	Executive 3 Oct 2017	Overview and Scrutiny Management Board	Report	County Finance Officer Tel: 01522 553642 Email: david.forbes@lincolnshire.gov.uk	All Divisions
I014212	Wolsey Way Wragby Road Improvement Scheme	Open	Executive Councillor: Resources and Communications  Between 23 Oct 2017 and 3 Nov 2017	Executive Councillor for Highways and Transport; and the Highways and Transport Scrutiny Committee on the funding source (National Productivity Investment Fund)	Report	Assistant Project Leader Tel: 01522 555586 Email: charlotte.hughes@lincolnshire.gov.uk	Ermine and Cathedral; St Giles
I014211	A17 Gedney, 2 +1 Carriage Widening		Executive Councillor: Resources and Communications  Between 23 Oct 2017 and 3 Nov 2017	Executive Councillor for Highways and Transport; and the Highways and Transport Scrutiny Committee on the funding source (National Productivity Investment Fund)	Report	Senior Project Leader (Major Schemes) Tel: 01522 550328 Email: sam.edwards@lincolnshire.gov.uk	Holbeach Rural; The Suttons
I014029	The re-procurement of the Domestic Abuse Support Services	Open	Executive Councillor: Adult Care, Health and Children's Services  Between 26 Oct 2017 and 3 Nov 2017	Adults and Community Wellbeing Scrutiny Committee	Report	Senior Commercial and Procurement Officer Tel: 01522 554087 Email: marie.kaempfe- rice@lincolnshire.gov.uk	All Divisions

**FORWARD PLAN OF KEY DECISIONS FROM 02 OCTOBER 2017**

DEC REF	MATTERS FOR DECISION	REPORT STATUS	DECISION MAKER AND DATE OF DECISION	PEOPLE/GROUPS CONSULTED PRIOR TO DECISION	DOCUMENTS TO BE CONSIDERED	OFFICER(S) FROM WHOM FURTHER INFORMATION CAN BE OBTAINED AND REPRESENTATIONS MADE (All officers are based at County Offices, Newland, Lincoln LN1 1YL unless otherwise stated)	DIVISIONS AFFECTED
I014125	Shared Lives Services - Re-procurement	Open	Executive Councillor: Adult Care, Health and Children's Services  Between 26 Oct 2017 and 3 Nov 2017	Adults and Community Wellbeing Scrutiny Committee	Report	Commercial Team Tel: 01522 553658 Email: reena.fehnert@lincolnshire.gov.uk	All Divisions
I014239 <b>New!</b>	Stop Smoking Services Re-Procurement	Open	Executive Councillor: Adult Care, Health and Children's Services  Between 1 Dec 2017 and 6 Dec 2017	Adults and Community Wellbeing Scrutiny Committee	Report	Health Improvement Programme Manager Tel: 01522 550541 Email: philip.garner@lincolnshire.gov.uk	All Divisions
I014285 <b>New!</b>	Council Budget 2018/19	Open	Executive  19 Dec 2017		Report	County Finance Officer Tel: 01522 553642 Email: david.forbes@lincolnshire.gov.uk	All Divisions
I014286 <b>New!</b>	Council Budget 2018/19	Open	Executive  6 Feb 2018	Overview and Scrutiny Management Board	Report	County Finance Officer Tel: 01522 553642 Email: david.forbes@lincolnshire.gov.uk	All Divisions
I014134	Revenue and Capital Budget Monitoring Report 2017/18	Open	Executive  6 Feb 2018	Overview and Scrutiny Management Board	Report	County Finance Officer Tel: 01522 553642 Email: david.forbes@lincolnshire.gov.uk	All Divisions

**FORWARD PLAN OF KEY DECISIONS FROM 02 OCTOBER 2017**

DEC REF	MATTERS FOR DECISION	REPORT STATUS	DECISION MAKER AND DATE OF DECISION	PEOPLE/GROUPS CONSULTED PRIOR TO DECISION	DOCUMENTS TO BE CONSIDERED	OFFICER(S) FROM WHOM FURTHER INFORMATION CAN BE OBTAINED AND REPRESENTATIONS MADE (All officers are based at County Offices, Newland, Lincoln LN1 1YL unless otherwise stated)	DIVISIONS AFFECTED
I014208	Citizen Engagement Strategy	Open	Executive 4 Apr 2018	Public Protection and Communities Scrutiny Committee	Report	Programme Manager, Community Engagement Tel: 01522 550516 Email: bev.finnegan@lincolnshire.gov.uk	All Divisions
I013959	Future Governance Structure for the Heritage Service	Open	Executive 4 Apr 2018	Public Protection and Communities Scrutiny Committee	Report	Chief Community Engagement Officer Tel: 01522 553831 Email: nicole.hilton@lincolnshire.gov.uk	All Divisions

**FORWARD PLAN OF KEY DECISIONS FROM 02 OCTOBER 2017**

DEC REF	MATTERS FOR DECISION	REPORT STATUS	DECISION MAKER AND DATE OF DECISION	PEOPLE/GROUPS CONSULTED PRIOR TO DECISION	DOCUMENTS TO BE CONSIDERED	OFFICER(S) FROM WHOM FURTHER INFORMATION CAN BE OBTAINED AND REPRESENTATIONS MADE (All officers are based at County Offices, Newland, Lincoln LN1 1YL unless otherwise stated)	DIVISIONS AFFECTED
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**EXECUTIVE MEMBERS**

Councillor Name	Portfolio
Councillor M J Hill OBE (Leader of the Council)	Resources and Communications
Councillor Mrs P A Bradwell (Deputy Leader)	Adult Care, Health and Children's Services
Councillor C J Davie	Economy and Place
Councillor R G Davies	Highways, Transport and IT
Councillor E J Poll	Commercial and Environmental Management
Councillor Mrs S Woolley	NHS Liaison and Community Engagement
Councillor C N Worth	Culture and Emergency Services <i>(Libraries, Heritage, Culture, Registration and Coroners Service, Fire and Rescue and Emergency Planning)</i>
Councillor B Young	Community Safety and People Management <i>(Crime Reduction, Trading Standards, Equality and Diversity People Management and Legal)</i>



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

Report to:	<b>Overview and Scrutiny Management Board</b>
Date:	<b>28 September 2017</b>
Subject:	<b>Treasury Management Update 2017/18 - Quarter 1 Update Report to 30 June 2017</b>

**Summary:**

This report has been prepared in accordance with the reporting recommendations of the CIPFA Code of Practice 2011 and details the results of the Council's treasury management activities for the first quarter of 2017/18 to 30 June 2017, comparing this activity to the Treasury Management Strategy for 2017/18, approved by the Executive Councillor for Finance on 20<sup>th</sup> March 2017. It will also detail any issues arising in treasury management during this period.

**Actions Required:**

That the report be noted.

## **1. Background**

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

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

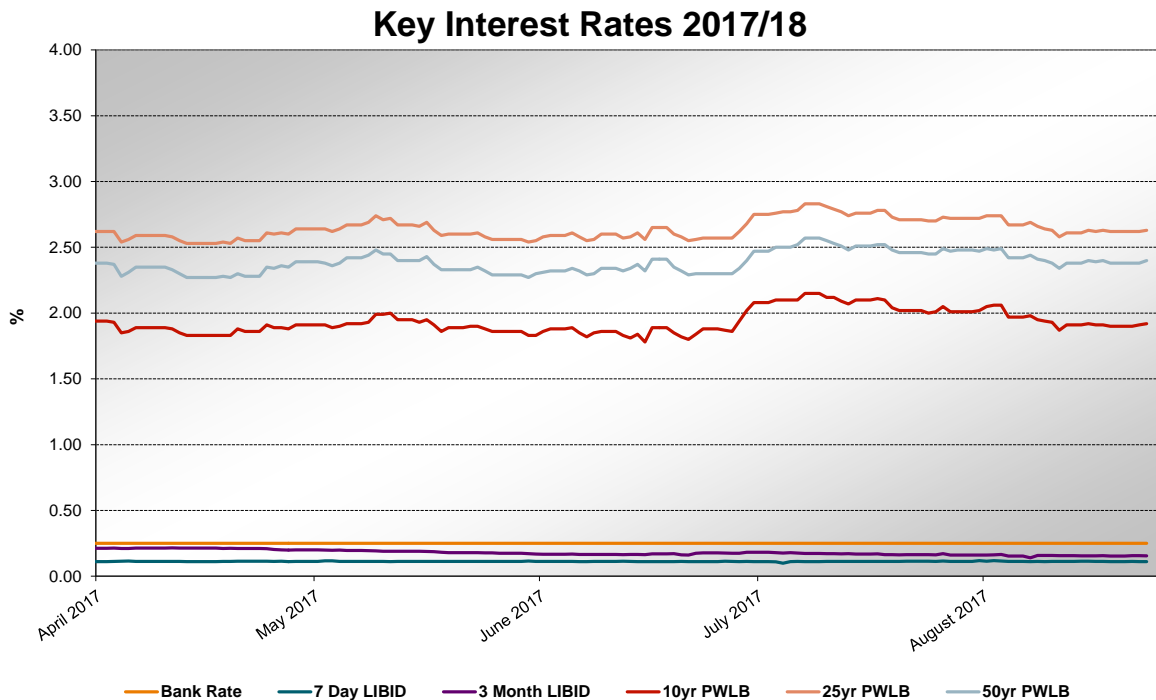
1.2. This Treasury Report will cover the following positions to 30<sup>th</sup> June 2017:

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

## 2. Interest Rate Review, Economic Overview and Revised Interest Rate Forecast to 30<sup>th</sup> June 2017

2.1. At the time of setting the Strategy in March 2017, short term bank rate was expected to remain at 0.25% for the year and long term rates were forecast to rise no more than 0.10% by the end of the year.

2.2. Actual rates have indeed remained relatively flat since the start of the year as shown in the graph below:



2.3. Economic Background - The quarter ended 30<sup>th</sup> June 2017 saw the following:

- The economy showed signs of re-accelerating, but forecasts for GDP have since been pulled back to 1.7% from 1.9%;
- Little change to inflation forecasts –inflation to peak around 3% in October 2017 (currently 2.6%), then fall back to about 2.2% at the end of the three year time horizon.
- Higher inflation has led to an intensifying squeeze on households' real earnings as wage inflation struggles to keep pace;
- The MPC took a more hawkish turn, with 3 members voting to raise interest rates;
- A snap General Election (8<sup>th</sup> June 2017) delivered a hung Parliament, a huge backfire for the Government position;
- Face to Face negotiations with the EU began, with Brexit still the main cause of uncertainty.

2.4. The latest interest rate from Capita is shown below which has not altered since setting the Strategy in March 2017:

	Sep-17	Dec-17	Mar-18	Jun-18	Sep-18	Dec-18	Mar-19	Jun-19	Sep-19	Dec-19	Mar-20
<b>Bank rate</b>	0.25%	0.25%	0.25%	0.25%	0.25%	0.25%	0.25%	0.50%	0.50%	0.75%	0.75%
<b>5yr PWLB rate</b>	1.40%	1.50%	1.60%	1.70%	1.70%	1.80%	1.80%	1.90%	1.90%	2.00%	2.00%
<b>10yr PWLB rate</b>	2.10%	2.20%	2.30%	2.30%	2.40%	2.40%	2.50%	2.50%	2.60%	2.60%	2.70%
<b>25yr PWLB rate</b>	2.80%	2.90%	2.90%	3.00%	3.00%	3.10%	3.10%	3.20%	3.20%	3.30%	3.30%
<b>50yr PWLB rate</b>	2.60%	2.70%	2.70%	2.80%	2.80%	2.90%	2.90%	3.00%	3.00%	3.10%	3.10%

**Capita stress** that forecasting rates remains difficult with so many external influences weighing on the UK and that their forecasts will be liable to further amendment depending on how economic data and developments in financial markets transpire over the next year with Brexit. Major volatility in bond yields is likely to endure due to investor fears and market uncertainty. They view the overall balance of risks to economic recovery in the UK to be on the downside. But the balance of risks to increases in Bank Rate and shorter term PWLB rates are to the upside and are dependent on how quickly inflation pressures rise. Their forecast also assumes there will be no breakup of the Eurozone, other than the UK departure, and no major escalation of international relations between the US and China/North Korea.

#### **Downside Risks (Rates falling for UK gilts/PWLB rates)**

- Geopolitical risks in Europe, the Middle East and Asia, which could lead to increasing safe haven flows.
- UK economic growth and increases in inflation are weaker than anticipated.
- Weak growth or recession in the UK's main trading partners – the EU, US and China.
- A resurgence of the Eurozone sovereign debt crisis.
- Weak capitalisation of some European banks requiring more government financial support.
- Monetary policy action failing to stimulate sustainable growth and to get inflation up consistently to around monetary policy target levels.

#### **Upside Risks: (Rates Increasing)**

- The pace and timing of increases in the US Fed. Funds rate causing a fundamental reassessment by investors of the relative risks of holding bonds as opposed to equities leading to a major flight from bonds to equities.
- UK inflation returning to significantly higher levels than in the wider EU and US, causing an increase in the inflation premium inherent to gilt yields.

3. Annual Investment Strategy/ Authorised Lending List Changes to 30<sup>th</sup> June 2017

3.1. The Council's Annual Investment Strategy for 2017/18 was approved, along with the Treasury Strategy, by the Executive Councillor for Finance on 20<sup>th</sup> March 2017, after being scrutinised by the Value For Money Scrutiny Committee on 28<sup>th</sup> February 2017. The Strategy outlines the Council's investment priorities as **the security of capital and the liquidity of investments**, with the aim to achieve the optimum return on investments commensurate with proper levels of security and liquidity.

3.2. As such investments are only placed with highly credit rated financial institutions, using Capita's suggested creditworthiness approach, including Short and Long Term Ratings, Sovereign Credit Ratings and Credit Default Swap overlay information provided by Capita.

3.3. In addition to Capita's credit methodology, the Council also maintains a minimum limit of **A+ Long Term Rating (two out of three agencies)** for all its Counterparties, excluding part-nationalised UK banks and a **minimum limit AA- Sovereign Rating, (two out of three agencies)** for any Country in which a Counterparty is based. Appendix A shows the Council's Authorised Lending List at 30 June 2017, based on this creditworthiness approach, together with a key explaining the credit rating scores.

3.4. The table below details changes to the Authorised Lending List during the first quarter of 2017/18:

<b>Counterparty</b>	<b>Action</b>	<b>Reason</b>
Union Bank of Switzerland (UBS)-Swiss	Addition: Limit £20m 364 Day	In line with Credit Policy
Nationwide Building Society UK	Addition: Limit £15m 6 Months	In line with Credit Policy

3.5. There were no breaches of Lending Limit over the quarter to 30<sup>th</sup> June 2017 due to limit changes or error.

3.6. A full list of the investments held at 30<sup>th</sup> June 2017, compared to Capita's creditworthiness list, and changes to credit rating of counterparties during June 2017 are shown in Appendix B.

4. Investment Position to 30<sup>th</sup> June 2017- Comparison with Strategy

4.1. The Council's investment position and cumulative annualised return at 30<sup>th</sup> June 2017 are detailed in the table below:

<b>Investment Position At 30.06.17</b>	<b>Return (Annualised %)</b>	<b>Weighted Benchmark (Annualised %)</b>	<b>Outperformance</b>
<b>£301.285m</b>	<b>0.54%</b>	<b>0.18%</b>	<b>0.36%</b>

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

4.3. All investments have been placed in line with the Strategy. Where possible lending has been done in the one year period during the first quarter which has increased the investment portfolio weighted average maturity (WAM) slightly from 153 days at 31<sup>st</sup> March 2017 to 168 days at 30<sup>th</sup> June 2017.

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

4.5. The investment performance was also benchmarked against the Capita quarterly benchmark analysis, comprising a mixture of 9 other authorities in the East Midlands area and 15 English Counties. The results of this benchmarking for the 1<sup>st</sup> quarter are detailed below, which shows that the Council's return was above that of the comparators, achieved by having a longer WAM. The Council's return is also in line with Capita's suggested risk banding achievable for the level of risk being taken on its investments.

<b>Capita Benchmarking – Position at 30/6/2017</b>			
	<b>LCC</b>	<b>Benchmark Group (9)</b>	<b>English Counties (15)</b>
<b>30 June Return %</b>	0.52%	0.41%	0.45%
<b>Risk Banding</b>	0.48% to 0.59%	0.34% to 0.46%	0.35% to 0.47%
<b>WAM (days)</b>	168	75	83

4.6. Temporary borrowing of £10m was outstanding at 30<sup>th</sup> June 2017, taken to support identified cashflow requirements forecast in 2017/18. This was at an interest rate of 0.28% and is cash neutral being offset with Investment returns in excess of this amount.

5. Borrowing & Debt Rescheduling Position to 30<sup>th</sup> June 2017 - Comparison with Strategy

5.1. The Strategy for 2017/18 stated that new borrowing would be undertaken in all periods with the aim of achieving an even spread of maturity profile and keeping an increase in the average cost of the Council's debt to a minimum. Borrowing would be undertaken at a time appropriate to coincide with an identified dip in borrowing rates available.

5.2. To date, no external debt has been taken or debt rescheduling undertaken and the Council's borrowing position at 30<sup>th</sup> June 2017 is as follows:

<b>Borrowing Activity 2017/18</b>	<b>Maturing Debt £m</b>	<b>Debt To Fund Capital Expenditure £m</b>	<b>Total £m</b>	<b>% Cost</b>
Opening Balance at 1.4.2017	0.000	476.745	476.745	4.068%
New Borrowing to 30.6.2017	0.000	0.000	0.000	
Borrowing Repaid to 30.6.2017	(10.000)	(0.677)	(10.677)	
Debt Rescheduling to 30.6.2017	0.000	0.000	0.000	
-Borrowing Repaid	0.000	0.000	0.000	
-Borrowing Replaced				
<b>Balance at 30.6.2017</b>	<b>(10.000)</b>	<b>476.068</b>	<b>466.068</b>	<b>4.077%</b>
Projected Further Borrowing Required in 2017/18 (net of internal borrowing CF)	0.000	48.844	48.844	
Projected Further Borrowing Repayments –Actual	(4.000)	(0.677)	(4.677)	
-Voluntary		(1.794)	(1.794)	
<b>Projected Borrowing Position at 31.03.2018</b>	<b>(14.000)</b>	<b>522.441</b>	<b>508.441</b>	
Authorised Limit For External Debt			583.007	

5.3. Internal borrowing is using internal balances instead of taking external borrowing to finance the capital programme. This strategy reduces interest rate risk (the risk of unexpected adverse changes in interest rate) and credit risk (the risk of default by counterparties to whom investments are held as investment exposure falls) and also provides a net saving in interest costs in the short term, provided that Council balances are sufficiently available to maintain this strategy. The balance of internal borrowing stood at £69.343m at 31<sup>st</sup> March 2017. A further £34.579m of internal borrowing will be made in 2017/18 to cover the 2016/17 carry forward of capital expenditure, making the total predicted internal borrowing balance for 2017/18 of £103.922m.

5.4. The Council's Capital Expenditure plans and Borrowing Requirement at 30<sup>th</sup> June 2017, from that originally agreed by full Council at its meeting on 24<sup>th</sup> February 2017 is shown below:

	Original Budget at 1/4/2017 £m	Position at 30/6/2017 after Carry Forwards
Net Capital Expenditure Programme 2017/18	49.444	94.017
Borrowing Requirement 2017/18	48.844	83.423

5.5. Total LOBO debt the Council has secured is still at £30m, well within the limit set in the strategy of 10% of total external debt (equating to £46m). A limit is set on this type of borrowing to limit the amount of variability within the debt portfolio of debt repayment. The average cost of the Council's LOBO debt is 3.93%.

5.6. No debt rescheduling activity of existing debt has taken place to 30<sup>th</sup> June 2017, due to all existing borrowing loans being in premium position. (Meaning that the coupon rate of existing debt is higher than the current market rate for equivalent outstanding periods and so a premium would be incurred to repay this debt back early).

5.7. Full Council, at its meeting on 24<sup>th</sup> February 2017, approved the Council's Prudential Indicators for 2017/18, set as a requirement of the Prudential Code to ensure the Council's capital financing, in particular its long term borrowing, is prudent, affordable and sustainable. It can be confirmed that no Prudential Indicator limits have been breached in the first quarter to 30<sup>th</sup> June 2017.

## 6. Other Treasury Management Issues

### 6.1. MiFID II (Markets in Financial Instruments Directive)

The Financial Conduct Authority (FCA) has issued the above Directive which comes into force on 3<sup>rd</sup> January 2018. It relates to the rules governing the relationship between investors and who they invest with and applies to regulated products such as Certificates of Deposit, Bonds and Money Market Funds.

The Council will have to opt up to Professional Status to deal in these products by passing certain Qualitative and Quantitative tests, which it will do.

This will involve a certain amount of administration to achieve and it is hoped that this can be streamlined to cut down on the work required.

## 6.2. Consultation on Proposed Changes to CIPFA Treasury Management Code and Prudential Code –Closes 30<sup>th</sup> September

Views are being sought to proposed changes to the above CIPFA Codes that govern Treasury Management, which were last updated in 2011. It is intended to bring the Codes more up to date with the current Treasury environment.

## 7. Conclusion

Interest Rates have remained flat over the quarter in line with forecasts. The Council continues to outperform the investment by lengthening the Weighted Average Maturity of the Fund. No external borrowing has been undertaken to date. The cost of the Council's borrowing at 30<sup>th</sup> June 2017 was 4.077%. The Council's internal borrowing level stood at £69.343m at 31<sup>st</sup> March 2017 with £34.579m of internal borrowing being carried forward in 2017/18 along with capital expenditure and borrowing requirement underspends. Temporary borrowing of £10m was outstanding at 30<sup>th</sup> June 2017 taken to cover predicted liquidity shortfalls at a cost neutral level. The Council will have to opt to Professional Status under MiFID II requirements which come into force on 3<sup>rd</sup> January 2018. Changes to the CIPFA Treasury Management Code and Prudential Code are planned to bring it more up to date with the current treasury environment.

## 8. Consultation

### a) Have Risks and Impact Analysis been carried out?

Yes

### b) Risks and Impact Analysis

Risk & Impact Analysis for Treasury Management forms TMP1 of the Treasury Management Practices, as required by the CIPFA Code of Practice 2011. A Risk Register which details the main risks for Treasury Management has been completed and is reviewed annually. Both the TMPs and the Risk Register are held in the Treasury Files held on IMP at County Offices.

## 9. Appendices

These are listed below and attached at the back of the report	
Appendix A	Authorised Lending List and Credit Rating Key.
Appendix B	Investment Analysis Review at June 2017 -Capita Asset Services Ltd.



## 10. Background Papers

Document title	Where the document can be viewed
Treasury Management Strategy Statement and Annual Investment Strategy 2017/18 -20/3/2017	Lincolnshire County Council, Finance and Public Protection
Council Budget 2017/18 - 24/2/2017	Lincolnshire County Council, Finance and Public Protection

This report was written by Karen Tonge, who can be contacted on 01522 553639 or [karen.tonge@lincolnshire.gov.uk](mailto:karen.tonge@lincolnshire.gov.uk).

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## LINCOLNSHIRE COUNTY COUNCIL LENDING OF TEMPORARY SURPLUSES

Country		Lending Limit £m	Maturity Limit	# Watch/ Outlook Adjusted	FITCH Credit Long Term	IBCA Rating Sovereign	For Tre: CDS Overlay
	<b>1 Other Local Authorities</b>	20 each	24 Months				
	<b>2 Debt Management Account Deposit Facility</b>	50	6 Month				
	<b>3 UK Banks :</b>						
UK	<b># HSBC Group</b>	20	364 Day				
	HSBC Bank Plc	20	364 Day	364 Day	SB	AA-	AA
	HSBC Evergreen Notice Account	20	364 Day				364 Day
UK	<b># RBS Group - Part Nationalised</b>	40	364 Day				
	National Westminster Plc	40	364 Day		SB	BBB+	AA
	Natwest Instant Access Liquidity Account	40	364 Day				
UK	Natwest 90 Access - Liquidity Account	40	364 Day				
UK	Royal Bank of Scotland Plc	40	364 Day		SB	BBB+	AA
UK	<b># LloydsHBOS Group -Part Nationalised</b>	15	364 Day				
UK	Lloyds TSB Bank Plc	15	6 Months		SB	A+	AA
	Bank of Scotland - Guaranteed Fixed Deposits	15	6 Months				6 Months
UK	Nationwide Building Society	15	6 Months	6 Months	SB	A+	AA
UK	Standard Chartered Bank	15	6 Months	6 Months	SB	A+	AA+
	<b>4 Other Banks</b>						
AUS	Australia & New Zealand Banking Group	20	364 Day	364 Day	SB	AA-	AAA
AUS	Commonwealth Bank of Australia	20	364 Day	364 Day	SB	AA-	AAA
AUS	National Australia Bank	20	364 Day	364 Day	SB	AA-	AAA
AUS	Westpac Banking Corporation	20	364 Day	364 Day	SB	AA-	AAA
	<b># BNP Paribas Group</b>	15	6 Months				
BEL	BNP Paribas Fortis	15	6 Months	6 Months	SB	A+	AA-
FRA	BNP Paribas	15	6 Months	6 Months	SB	A+	AA
CAN	Bank of Montreal	20	364 Day	364 Day	SB	AA-	AAA
CAN	Bank of Nova Scotia	20	364 Day	364 Day	SB	AA-	AAA
CAN	Canadian Imperial Bank Commerce	20	364 Day	364 Day	SB	AA-	AAA
CAN	National Bank of Canada	15	6 Months	6 Months	SB	A+	AAA
CAN	Royal Bank of Canada	20	364 Day	364 Day	NO	AA	AAA
CAN	Toronto Dominion Bank	20	364 Day	364 Day	SB	AA-	AAA
	<b># Nordea Group</b>	20	364 Day				
FIN	Nordea Bank Finland	20	364 Day	364 Day	SB	Aa3	AA+
SWE	Nordea Bank AB	20	364 Day	364 Day	SB	AA-	AAA
FRA	Credit Industriel et Commercial	15	6 Months	6 Months	SB	A+	AA
FIN	OP Corporate Bank	20	364 Day	364 Day	SB	Aa3	AA+
GER	DZ Bank AG	20	364 Day	364 Day	SB	AA-	AAA
GER	Landesbank Hessen-Thuringen Girozentrale (Heleba)	20	364 Day	364 Day	SB	A+	AAA
NETH	Bank Nederlande Gemeenten	25	24 Months	24 Months	SB	AA+	AAA
NETH	Cooperative Centrale Raiffeisen Boerenleenbank BA (Rabobank)	20	364 Day	364 Day	SB	AA-	AAA
NETH	ING Bank NV	15	6 Months	6 Months	SB	A+	AAA
SING	DBS Bank Ltd	20	364 Day	364 Day	SB	AA-	AAA
SING	Oversea Chinese Banking Corporation Ltd	20	364 Day	364 Day	SB	AA-	AAA
SING	United Overseas Bank	20	364 Day	364 Day	SB	AA-	AAA
	<b># UBS Group</b>	20	364 Day				
SWITZ	UBS AG	20	364 Day	364 Day	SB	A+	AAA
UK	UBS Ltd	15	6 Months	6 Months	SB	A+	AA+
SWE	Skandinaviska Enskilda Banken AB	20	364 Day	364 Day	SB	AA-	AAA
SWE	Swedbank AB	20	364 Day	364 Day	SB	AA-	AAA
	<b># Svenska Group</b>	20	364 Day				
SWE	Svenska Handelsbanken	20	364 Day	364 Day	SB	AA-	AAA
	Svenska Handelsbanken - 35 Day Notice Account	20	364 Day	364 Day			364 Day
	Svenska Handelsbanken- 10 Day Notice Account	20	364 Day	364 Day			364 Day
	Svenska Handelsbanken- Call Account	20	364 Day	364 Day			364 Day
USA	Bank of New York Mellon	25	24 Months	24 Months	SB	AA	AAA
USA	Bank of America	15	6 Months	6 Months	SB	A+	AAA
USA	JP Morgan Chase Bank	20	364 Day	364 Day	SB	AA-	AAA
	<b>5 AAA Money Market Funds</b>						
	<b># MMF Group</b>	100	24 Months				
	HSBC Global Liquidity Fund	20	24 Months			AAA	
	Aberdeen Global Liquidity Fund	20	24 Months			AAA	
	Morgan Stanley Sterling Liquidity Fund	20	24 Months			AAA	
	Deutsche Managed Sterling Fund	20	24 Months			AAA	
	Insight GBP Liquidity Fund	20	24 Months			AAA	
	Standard Life Liquidity Fund	20	24 Months			AAA	
	<b># Group Limit of applies where indicated.</b>						
	** A maximum of 20% of total funds to be held in the Building Society Sector.						
	** No more than 20% of total funds to be held in any one institution or group,excluding Govt/MMFs.						
	Any adverse press comments concerning borrowers/potential borrowers should be referred to D Forbes / C Machej / K Tonge / N Kay.						
	Revised: 27th July 2017						

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

### **Credit Ratings:**

#### **Long Term Rating (Fitch)**

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

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

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

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

**A - High Credit Quality** - Low expectation of credit risk. Strong capacity for timely payment of financial commitments. More vulnerable to adverse foreseeable events than the case for higher ratings.

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

#### **Sovereign Ratings (Fitch)**

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

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

**Sovereign Ratings range from AAA, AA, A to DDD, DD, D. Only countries with a Sovereign Rating AA- are acceptable on the Councils Lending List.**

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

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

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

## Money Market Fund Rating (Moody's)

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

## Credit Default Swap (CDS) Spreads

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

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

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# Lincolnshire County Council

## Monthly Investment Analysis Review

June 2017



Lincolnshire County Council  
Monthly Economic Summary

**General Economy**

'A strong and stable Britain', a phrase commonly used by Prime Minister Theresa May during her general election campaign which can only be described as an antonym of the UK's current economic state. The outcome of the election revealed that the Conservative's failed to secure a majority, having detrimental affects on the UK's negotiating position on Brexit – the one thing Theresa May wanted the election to secure. The dissatisfaction with living standards is widely seen as a key factor behind Theresa May's election result however, a deal with the Democratic Unionist Party (DUP) towards close of the month resulted in her remaining as UK Prime Minister. Prior to this deal, Brexit negotiations started at the beginning of the month leaving the UK's negotiation stance at an all-time low after the shock election result. Having said that, economists anticipate a softer form of Brexit as a result of the recent deal with the DUP as having open borders with Ireland after the UK leaves the EU is believed to be a key part of the deal with the Conservative party. Elsewhere the Monetary Policy Committee (MPC) came its closest to voting for a rate hike since 2007 as it was voted 5 to 3 to keep rates at 0.25%, with Bank of England Governor Mark Carney, voting to leave the rate unchanged. Nevertheless, shortly after this outcome Carney had, on the face of it, a very different tone when speaking at the European Central Bank's conference in Portugal as he suggested that economic activity and the outcome of Brexit are factors which would trigger a change in interest rates, although it is still 'too early' to decide.

The initial economic tone for the UK economy for the month was set by the Purchasing Managers Index (PMI) figures for May. They continued to reveal how the post-Brexit and snap-election uncertainty has affected the Services, Construction and Manufacturing sectors. Manufacturing fell slightly to 56.7 in May from April's three-year high of 57.3, as a result of higher raw material costs for factories, although orders grew at the second fastest rate in three year's. Likewise, Britain's dominant Services sector, fell to a three-month low of 53.8 last month from 55.8 in April, as uncertainty surrounding the general election made businesses put off any investment decisions and inflationary pressure continued to squeeze household income. On the other hand, the Construction industry expanded at its fastest rate since 2015, up to 56.0 from 53.1 in April. This jump is believed to be due to a sudden pick-up in housebuilding, allowing builders to recover from a quiet start to the year. However, it is widely expected that, as Brexit discussions advance, the UK economy will experience a slowdown as rising inflation will continue to eat into household disposable income as a result of high costs and weaker relative wage growth.



UK inflation jumped to its highest level in nearly four years in May as the Consumer Price Index rose by 2.9% year-on-year, above the forecasted rise of 2.7%. An increase in the cost of holidays abroad for British tourists, due to the Brexit-related depreciation in Sterling, was one of the main contributors to this sudden pick-up in inflation. Retail Price Inflation also rose in May to 3.7%, its highest rate since February 2012. As a result, consumer expenditure is set to be sluggish over the coming months as rising inflation continues to tighten the squeeze on household disposable income. Elsewhere, data on Britain's labour market continued to be somewhat mixed. The unemployment rate held steady at a more than four-decade low of 4.6% in the three months to April, with the employment figure rising to 31.954million in the same period. However, worker's "real" earnings (ie after inflation) contracted at its fastest pace since 2014 by 0.4% in the three months to April, underlining the impact on household finances. The Bank of England have announced that they are watching wage growth closely with it expecting wages to rise by 2% this year before picking up further in 2018 and 2019. In terms of growth, the final estimates showed Britain's economy slowed sharply in the first three months of 2017 as quarter-on-quarter Q1 GDP came in at 0.2% from 0.7% recorded in Q4. Conversely, the year-on-year figure rose to 2.0% in Q1, from 1.9% previously.

Meanwhile, UK retail sales continued to show how the economy has been affected by the rising inflation since the Brexit vote. On the month figures showed a contraction of 1.2% in May with the year-on-year figure also dropping from 4.2% in April to 0.9% in May. Both falls came after the unexpected surge in figures in April; data which economists believe to be an anomaly and broadly related to the timing of Easter. Increased retail prices across all sectors are believed to be a key factor in this slowdown in growth, strengthening the common view among economists that inflationary pressure is continuing to squeeze consumer expenditure. The UK GfK consumer confidence reading also echoed this view as it slumped to -10 in June from -5 in May as weakening wage growth, rising inflation and political uncertainty took its toll on consumer's economic outlook.

The UK's budget deficit was down nearly 5% when compared with May's figure last year as it came in at £6.7bn, providing Chancellor Philip Hammond some relief ahead of an expected increase in borrowing later this year. This narrowing in the deficit was largely due to the biggest intake of value-added tax receipts recorded in May. Despite the unexpected outcome of the general election and uncertainty surrounding Brexit negotiations, Hammond has stated that he currently has no reason not to stick to the fiscal rules he set out late last year. Therefore as of now, the UK Economy is still committed to a balanced budget by the first half of the 2020s.

Across the pond US unemployment growth fell to a 16-year low of 4.3% in May from 4.4% in the previous month. This came in despite non-farm payrolls rising by just 138,000, down from the revised figure of 174,000 for April, leading some to question whether the US labour market is starting to lose momentum. As published in the Federal Reserve's Beige Book, there is growing evidence of companies struggling to find qualified workers, something clearly highlighted by the fact employment in manufacturing, government and retail sectors fell again in May. This struggle to fill posts would add to the view that the lack of slack in the labour market should translate to rising wages in the coming months. The Fed raised interest rates by 25bps in their June meeting to a range target of 1.00% to 1.25% as they continue to focus strong economic growth and strengthening of the labour market – key policies on Trump's administration's economic agenda. Later in the month, the final estimates of US Q1 2017 GDP showed the annual rate dropped to 1.4% from the 2.1% seen in Q4 2016. This was largely due to consumer expenditure growing at its slowest pace since 2013 showing a relatively weak start to the year for the US economy. It must be said that US Q1 GDP figures have tended to be disappointing in recent years, therefore, the proposed stimulus package by Trump's administration by cutting the taxation rate and implementing deregulation, is likely to help boost the US economy as the year progresses...if and when it finally materialises.

Amidst the potential internal turbulence caused by the official start of Brexit negotiations, data for the Eurozone came in rather positive. Employment levels in the region were up 0.4% for the first three-months of this year resulting in a year-on-year change of 1.5%, providing a clear picture of current labor market conditions. Final figures for Q1 GDP 2017 showed quarterly growth at 0.6% and annual growth rose to 1.9% from 1.8% recorded in Q4 2016. In their June meeting, the European Central Bank (ECB) kept with the status quo, maintaining both its main refinancing rate and deposit rate steady at 0% and -0.40% respectively. In addition, the ECB confirmed that the net asset purchases are intended to run until the end of December, or beyond if necessary, at the new monthly pace of €60bn. However, speaking at the recent ECB's conference in Portugal President of the ECB, Mario Draghi, hinted that the ECB policymakers are ready to reduce monetary stimulus in the area in order to focus on reflation, thus a possible change in policy in the Eurozone could be on the horizon.

Looking ahead, all eyes will be on the UK economy as Brexit negotiations begin to advance amongst all the political uncertainty surrounding the UK economy and household's real income continue to feel the strain from rising inflation. Monetary policy is set to be thrown in the limelight across the UK, US and Eurozone economies as Mark Carney, Janet Yellen and Mario Draghi have all hinted at possible tightening to current policy in order to meet desired economic targets.

## Housing

The month began by Halifax reporting that house price growth showed a significant slowdown in May as annual house price growth hit a 4-year low at 3.3%, down from the 3.8% rise recorded in April. In monthly terms, price were up 0.4% although, house prices should be supported over the coming months as a result of a shortage in existing properties for sale as well as weak supply of new homes being built. Towards the close of the month, Nationwide published relatively upbeat data for the housing market as house prices rose 1.1% in June, bouncing back from the 0.2% fall in May; although monthly growth rates can be highly volatile so the data may not represent an underlying improvement in demand. However, the annual figure showed a rise of 3.1% in June from the 2.1% recorded in May, pointing to modest price gains over recent months.

## Forecast

Neither Capita Asset Services (CAS) nor Capital Economics (CE) altered their forecasts this month. It is forecasted by CAS that a rate hike to 0.50% will occur in Q2 2019 followed by a further hike to 0.75% in Q4 2019. CE expects a hike in the bank rate to occur in Q2 2018 to 0.50% with further hikes forecasted in Q4 2018 to 0.75% and in Q2 2019 to 1.00%.

Bank Rate	Sep-17	Dec-17	Mar-18	Jun-18	Sep-18
Capita Asset Services	0.25%	0.25%	0.25%	0.25%	0.25%
Capital Economics	0.25%	0.25%	0.25%	0.50%	0.50%

# Lincolnshire County Council

## Current Investment List

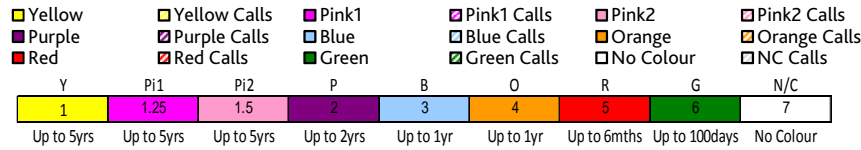
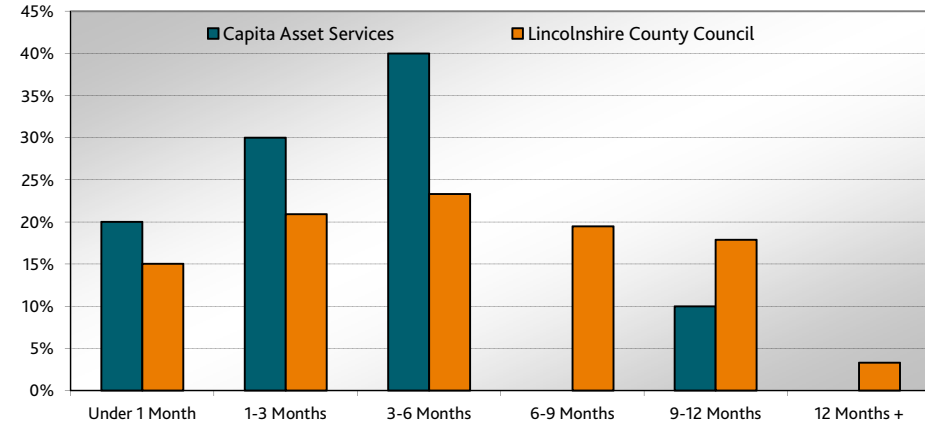
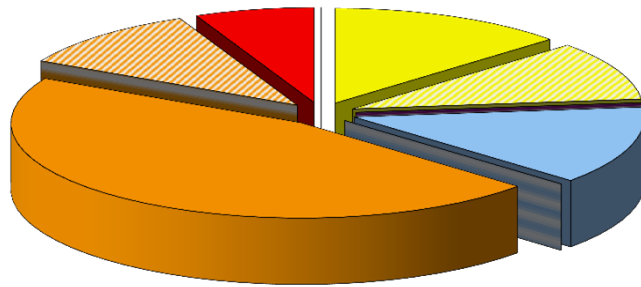
Borrower	Principal (£)	Interest Rate	Start Date	Maturity Date	Lowest Long Term Rating	Historic Risk of Default
MMF Standard Life	20,000,000	0.24%		MMF	AAA	0.000%
MMF Deutsche	10,350,000	0.23%		MMF	AAA	0.000%
Skandinaviska Enskilda Banken AB	5,000,000	0.58%	21/07/2016	20/07/2017	A+	0.003%
HSBC Bank Plc	10,000,000	0.35%		Call30	AA-	0.002%
Svenska Handelsbanken AB	12,000,000	0.35%		Call35	AA-	0.002%
Skandinaviska Enskilda Banken AB	10,000,000	0.50%	05/08/2016	04/08/2017	A+	0.005%
Cooperatieve Rabobank U.A.	6,075,000	0.50%	08/08/2016	07/08/2017	A+	0.006%
Credit Industriel et Commercial	5,000,000	0.48%	21/02/2017	21/08/2017	A	0.008%
DBS Bank Ltd	5,000,000	0.50%	26/08/2016	25/08/2017	AA-	0.004%
Cooperatieve Rabobank U.A.	10,000,000	0.57%	16/09/2016	15/09/2017	A+	0.012%
Highland Council	5,000,000	0.45%	20/02/2017	20/09/2017	AA	0.005%
HSBC Bank Plc	10,000,000	0.43%		Call90	AA-	0.006%
Landesbank Hessen-Thuringen Girozentrale (Helaba)	6,800,000	0.68%	13/10/2016	12/10/2017	A	0.016%
Toronto Dominion Bank	10,000,000	0.59%	14/10/2016	13/10/2017	AA-	0.007%
DZ Bank AG (Deutsche Zentral-Genossenschaftsbank)	7,050,000	0.59%	19/10/2016	18/10/2017	AA-	0.007%
Canadian Imperial Bank of Commerce	3,500,000	0.52%	02/03/2017	18/10/2017	A+	0.017%
Canadian Imperial Bank of Commerce	10,000,000	0.65%	20/10/2016	19/10/2017	A+	0.017%
Bank of Scotland Plc	5,000,000	0.55%	28/04/2017	30/10/2017	A	0.019%
United Overseas Bank Ltd	6,775,000	0.58%	02/11/2016	01/11/2017	AA-	0.008%
National Australia Bank Ltd	1,140,000	0.52%	03/05/2017	08/11/2017	AA-	0.008%
Bank of Scotland Plc	5,000,000	0.55%	10/05/2017	10/11/2017	A	0.021%
Bank of Scotland Plc	5,000,000	0.55%	19/05/2017	20/11/2017	A	0.022%
DBS Bank Ltd	5,000,000	0.50%	30/11/2016	29/11/2017	AA-	0.010%
North Tyneside Metropolitan Borough Council	5,000,000	0.50%	21/12/2016	20/12/2017	AA	0.011%
United Overseas Bank Ltd	4,675,000	0.51%	16/01/2017	15/01/2018	AA-	0.013%
The Royal Bank of Scotland Plc	10,000,000	0.62%	17/01/2017	17/01/2018	BBB+	0.093%
Commonwealth Bank of Australia	5,000,000	0.50%	27/01/2017	26/01/2018	AA-	0.013%
Landesbank Hessen-Thuringen Girozentrale (Helaba)	5,445,000	0.52%	20/02/2017	19/02/2018	A	0.036%
United Overseas Bank Ltd	5,275,000	0.45%	26/05/2017	26/02/2018	AA-	0.015%
United Overseas Bank Ltd	3,275,000	0.53%	13/03/2017	12/03/2018	AA-	0.016%
North Ayrshire Council	5,000,000	0.55%	15/03/2017	14/03/2018	AA	0.016%
Birmingham City Council	5,000,000	0.55%	24/03/2017	23/03/2018	AA	0.017%
Isle of Wight Council	5,000,000	0.55%	27/03/2017	26/03/2018	AA	0.017%
The Royal Bank of Scotland Plc	5,000,000	0.70%	05/04/2017	27/03/2018	BBB+	0.125%
Stockport Metropolitan Borough Council	5,000,000	0.60%	03/04/2017	29/03/2018	AA	0.017%
The Royal Bank of Scotland Plc	5,000,000	0.70%	11/04/2017	10/04/2018	BBB+	0.132%

## Lincolnshire County Council

### Current Investment List

Borrower	Principal (£)	Interest Rate	Start Date	Maturity Date	Lowest Long Term Rating	Historic Risk of Default
The Royal Bank of Scotland Plc	5,000,000	0.68%	21/04/2017	13/04/2018	BBB+	0.133%
The Royal Bank of Scotland Plc	4,000,000	0.68%	08/05/2017	04/05/2018	BBB+	0.143%
The Royal Bank of Scotland Plc	6,000,000	0.64%	17/05/2017	08/05/2018	BBB+	0.145%
DBS Bank Ltd	5,000,000	0.52%	26/05/2017	11/05/2018	AA-	0.020%
Commonwealth Bank of Australia	5,000,000	0.52%	26/05/2017	25/05/2018	AA-	0.021%
The Royal Bank of Scotland Plc	5,000,000	0.66%	28/06/2017	27/06/2018	BBB+	0.168%
Cooperatieve Rabobank U.A.	3,925,000	0.50%	29/06/2017	28/06/2018	A+	0.056%
Commonwealth Bank of Australia	10,000,000	0.52%	30/06/2017	29/06/2018	AA-	0.023%
Australia and New Zealand Banking Group Ltd	5,000,000	0.50%	30/06/2017	29/06/2018	AA-	0.023%
Liverpool City Council	5,000,000	0.70%	13/01/2017	11/01/2019	AA	0.035%
Doncaster Metropolitan Borough Council	5,000,000	0.77%	20/04/2017	05/04/2019	AA	0.039%
<b>Total Investments</b>	<b>£301,285,000</b>	<b>0.52%</b>				<b>0.028%</b>

Portfolio Composition by Capita Asset Services' Suggested Lending Criteria



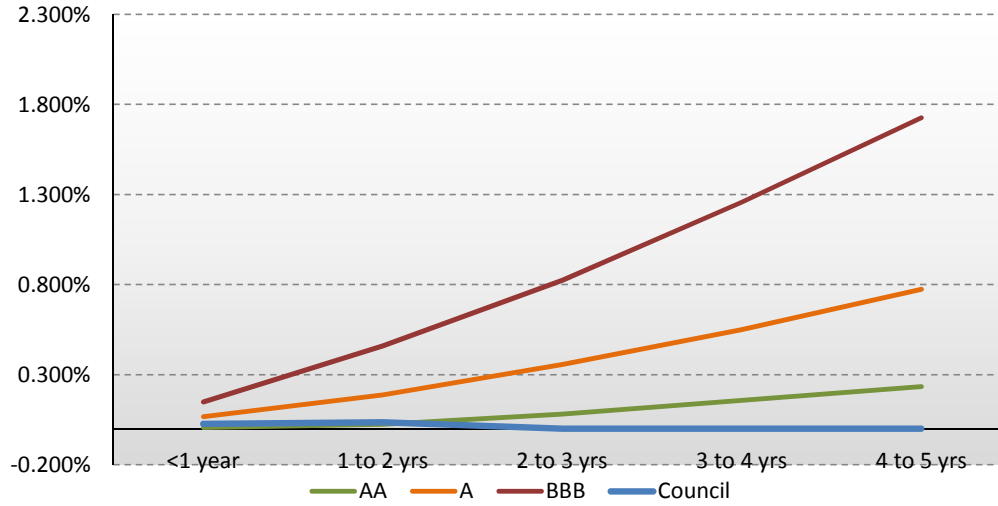
Portfolios weighted average risk number = **3.23**

WARoR = Weighted Average Rate of Return  
WAM = Weighted Average Time to Maturity

	% of Colour		% of Call		Excluding Calls/MMFs/USDBFs					
	% of Portfolio	Amount	in Calls	Amount of Colour in Calls	in Portfolio	WARoR	WAM	WAM at Execution	WAM	WAM at Execution
Yellow	23.35%	£70,350,000	43.14%	£30,350,000	10.07%	0.43%	179	247	315	434
Pink1	0.00%	£0	0.00%	£0	0.00%	0.00%	0	0	0	0
Pink2	0.00%	£0	0.00%	£0	0.00%	0.00%	0	0	0	0
Purple	0.00%	£0	0.00%	£0	0.00%	0.00%	0	0	0	0
Blue	13.28%	£40,000,000	0.00%	£0	0.00%	0.66%	278	361	278	361
Orange	56.74%	£170,935,000	18.72%	£32,000,000	10.62%	0.51%	144	298	165	355
Red	6.64%	£20,000,000	0.00%	£0	0.00%	0.53%	113	184	113	184
Green	0.00%	£0	0.00%	£0	0.00%	0.00%	0	0	0	0
No Colour	0.00%	£0	0.00%	£0	0.00%	0.00%	0	0	0	0
<b>Total</b>	<b>100.00%</b>	<b>£301,285,000</b>	<b>20.69%</b>	<b>£62,350,000</b>	<b>20.69%</b>	<b>0.52%</b>	<b>168</b>	<b>287</b>	<b>205</b>	<b>355</b>

Investment Risk and Rating Exposure

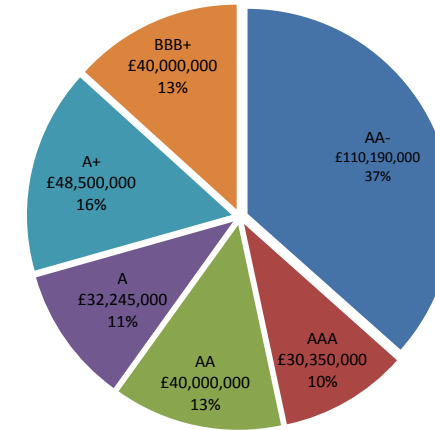
Investment Risk Vs. Rating Categories



Historic Risk of Default

Rating/Years	<1 year	1 to 2 yrs	2 to 3 yrs	3 to 4 yrs	4 to 5 yrs
AA	0.007%	0.024%	0.081%	0.158%	0.234%
A	0.067%	0.189%	0.356%	0.551%	0.775%
BBB	0.150%	0.460%	0.824%	1.257%	1.726%
Council	0.028%	0.037%	0.000%	0.000%	0.000%

Rating Exposure



**Historic Risk of Default**

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

**Chart Relative Risk**

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

**Rating Exposures**

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

**Monthly Credit Rating Changes**  
**FITCH**

Date	Update Number	Institution	Country	Rating Action
12/06/2017	1530	Qatar Sovereign Rating	Qatar	Sovereign Rating removed from Stable Outlook and placed on Negative Watch, affirmed at 'AA'.
21/06/2017	1533	Qatar National Bank	Qatar	Long Term Rating removed from Stable Outlook and placed on Negative Watch, affirmed at 'AA-'. Short Term Rating placed on Negative Watch, affirmed at 'F1+'. Viability Rating placed on Negative Watch, affirmed at 'bbb+'. Support Rating placed on Negative Watch, affirmed at '1'.
30/06/2017	1535	Co-operative Bank Plc	United Kingdom	Long Term Rating affirmed at 'B-', Evolving Watch. Short Term Rating changed to Negative Watch from Evolving Watch, affirmed at 'B'. Viability Rating downgraded to 'c' from 'cc'. Support Rating removed from Positive Watch, affirmed at '5'.



**Monthly Credit Rating Changes  
MOODY'S**

Date	Update Number	Institution	Country	Rating Action
16/06/2017	1531	Royal Bank of Scotland Group Plc	United Kingdom	Long Term Rating upgraded to 'Baa3' from 'Ba1', Outlook changed to Stable from Negative. Short Term Rating upgraded to 'P-3' from 'NP'
16/06/2017	1531	National Westminster Bank Plc	United Kingdom	Long Term Rating upgraded to 'A2' from 'A3', Outlook changed to Stable from Negative. Short Term Rating upgraded to 'P-1' from 'P-2'.
16/06/2017	1531	The Royal Bank of Scotland Plc	United Kingdom	Long Term Rating upgraded to 'A2' from 'A3', Outlook changed to Stable from Negative. Short Term Rating upgraded to 'P-1' from 'P-2'.
19/06/2017	1532	Australia and New Zealand Banking Group Ltd	Australia	Long Term Rating downgraded to 'Aa3' from 'Aa2', Outlook changed to Stable from Negative. Short Term Rating affirmed at 'P-1'.
19/06/2017	1532	Commonwealth Bank of Australia	Australia	Long Term Rating downgraded to 'Aa3' from 'Aa2', Outlook changed to Stable from Negative. Short Term Rating affirmed at 'P-1'.
19/06/2017	1532	National Australia Bank Ltd	Australia	Long Term Rating downgraded to 'Aa3' from 'Aa2', Outlook changed to Stable from Negative. Short Term Rating affirmed at 'P-1'.
19/06/2017	1532	Westpac Banking Corporation	Australia	Long Term Rating downgraded to 'Aa3' from 'Aa2', Outlook changed to Stable from Negative. Short Term Rating affirmed at 'P-1'.
23/06/2017	1534	Ulster Bank Ltd	United Kingdom	Long Term Rating upgraded to 'A2' from 'A3', Outlook changed to Stable from Positive. Short Term Rating upgraded to 'P-1' from 'P-2'.

**Monthly Credit Rating Changes**  
S&P

Date	Update Number	Institution	Country	Rating Action
08/06/2017	1528	Qatar Sovereign Rating	Qatar	Sovereign Rating downgraded to 'AA-' from 'AA', removed from Negative Outlook and placed on Negative Watch.
09/06/2017	1529	Qatar National Bank	Qatar	Long Term Rating downgraded to 'A' from 'A+', removed from Negative Outlook and placed on Negative Watch. Short Term Rating placed on Negative Watch and affirmed at 'A-1'.