



County Offices
Newland
Lincoln
LN1 1YL

19 September 2018

Overview and Scrutiny Management Board

A meeting of the Overview and Scrutiny Management Board will be held on **Thursday, 27 September 2018 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

Keith Ireland
Chief Executive

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

Councillors R B Parker (Chairman), R Wootten (Vice-Chairman), Mrs J Brockway, M Brookes, Mrs K Cook, B M Dobson, R L Foulkes, C S Macey, C E H Marfleet, N H Pepper and E W Strengiel

Added Members

Church Representatives: Reverend P A Johnson and Mr S C Rudman

Parent Governor Representatives: Mrs P J Barnett and 1 Parent Governor Vacancy

**OVERVIEW AND SCRUTINY MANAGEMENT BOARD AGENDA
THURSDAY, 27 SEPTEMBER 2018**

Item	Title	Pages
1	Apologies for Absence/Replacement Members	
2	Declarations of Members' Interests	
3	Minutes of the Meeting held on Thursday 30th August 2018	5 - 14
4	Announcements by the Chairman, Executive Councillor for Resources and Communications and Chief Officers	
5	Considerations of Call-Ins	
6	Consideration of Councillor Calls for Action	
7	Corporate Support Services – Re-commissioning <i>(To receive a report by Sophie Reeve (Chief Commercial Officer) and Andrew McLean (Chief Commissioning Officer) which updates the Overview and Scrutiny Management Board on the Corporate Support Services Re-commissioning. The report and views of the Board will be presented to the Executive on 2nd October 2018.)</i>	15 - 54
	NOTE: Appendix 1 to Appendix A of this report contains exempt information under Paragraph 3 of Part 1 of Schedule 12A of the Local Government Act 1972, and discussion of this information could result in exclusion of the press and public)	
8	Revenue and Capital Budget Monitoring Report 2018/19 <i>(To receive a report by David Forbes (County Finance Officer) which presents the Revenue and Capital Budget Monitoring which compares the Council's projected expenditure with the approved budget for 2018/19. The report and views of the Board will be presented to the Executive on 2nd October 2018.)</i>	55 - 72
9	Impact of the Part Night Street Lighting Policy Scrutiny Review - Executive Response <i>(To receive a report which presents the response on behalf of Barry Young (Executive Councillor for Community Safety and People Management), to the recommendations of the Impact of the Part Night Street Lighting Policy Scrutiny Review)</i>	73 - 92
10	Property Service Contract Year 3 Report <i>(To receive a report by Kevin Kendall (County Property Officer) which presents the performance of the Property Services Contract with VINCI Facilities Partnership Limited at the end of the third year contract.)</i>	93 - 98

11	Treasury Management - Quarter 1 Update Report <i>(To receive an update on the Council's Treasury Management activities for the first quarter of 2018 (1 April 2018 – 30 June 2018), and to compare the activity to the approved Treasury Management Strategy for 2018/19)</i>	99 - 124
12	Scrutiny Committee Work Programmes <i>(To receive a report 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>	125 - 136
13	Overview and Scrutiny Management Board Work Programme	137 - 150

Democratic Services Officer Contact Details

Name: **Emily Wilcox**
Direct Dial **01522 553787**
E Mail Address emily.wilcox@lincolnshire.gov.uk

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:

www.lincolnshire.gov.uk/committeerecords



**OVERVIEW AND SCRUTINY
MANAGEMENT BOARD
30 AUGUST 2018**

PRESENT: COUNCILLOR R B PARKER (CHAIRMAN)

Councillors R Wootten (Vice-Chairman), Mrs J Brockway, M Brookes, B M Dobson, R L Foulkes, C S Macey, N H Pepper, E W Strengeil and Mrs A M Newton

Councillors: M Hill OBE, B Young, and M A Whittington attended the meeting as observers

Officers in attendance:-

Andrew McLean (Service Manager Commissioning), Arnd Hobohm (Contract Support Services Manager), Emily Wilcox (Democratic Services Officer), Fiona Thompson (Service Manager - People), Gail MacDonald (Project Officer), Gareth Roberts (ERP Consultant), Jasmine Sodhi (Performance and Equalities Manager), Jason Davenport (Payroll Consultant), John Wickens (Chief Digital Officer), Mark Bennett (Partnership Director (Serco)), Nigel West (Head of Democratic Services and Statutory Scrutiny Officer), Richard Wills (Executive Director, Environment and Economy), Simon Evans (Health Scrutiny Officer), Sophie Reeve (Chief Commercial Officer), and Steve North (Independent ICT Advisor)

24 APOLOGIES FOR ABSENCE/REPLACEMENT MEMBERS

Apologies for absence were received from Councillor H Marfleet, Councillor Mrs K Cook and Reverend P A Johnson.

It was reported that, under the Local Government (Committee and Political Groups) Regulations 1990, Councillor Mrs A Newton had been appointed as a replacement member for Councillor Mrs K Cook, for this meeting only.

25 DECLARATION OF MEMBERS' INTERESTS

There were no declarations of interest.

**26 MINUTES OF THE MEETING OF THE OVERVIEW AND SCRUTINY
MANAGEMENT BOARD HELD ON 28 JUNE 2018**

RESOLVED

That the minutes of the meeting held on 28 June 2018 be signed by the Chairman as a correct record.

**OVERVIEW AND SCRUTINY MANAGEMENT BOARD
30 AUGUST 2018****27 ANNOUNCEMENTS BY THE CHAIRMAN, EXECUTIVE COUNCILLOR
FOR RESOURCES AND COMMUNICATIONS AND CHIEF OFFICERS**

On behalf of the Overview and Scrutiny Management Board (OSMB), the Chairman thanked Richard Wills (Executive Director, Environment and Economy) for his valued work to the Council over the last 18 years and wished him a long and happy retirement. Richard Wills thanked the Elected Representatives for always showing commitment and doing a great job of supporting their constituents.

Councillor B Young (Executive Councillor for Community Safety and People Management) explained it was unlikely that he would be able to submit a completed report on the Street Lighting Review by the 5th September. It was agreed that the Board would allow more time for the submission of this report, providing that there was enough time for it to be considered at the next meeting of the Board on the 27th September 2018.

28 CONSIDERATION OF CALL-INS

None were received.

29 CONSIDERATION OF COUNCILLOR CALLS FOR ACTION

None were received.

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

The Chief Commercial Officer presented a report which provided an update of Serco's performance against contractual Key Performance Indicators (KPI's) specified in the Corporate Services Contract between April and June 2018; as well as providing an update on the progress of the top 20 priority projects previously agreed by the Board.

Attention was drawn to the KPI's which had failed to meet the Minimum Service Level (MSL), and those that had failed to reach the Target Service Level (TSL).

Officers also highlighted the KPI's which had been granting mitigation relief, meaning that Serco were relieved from the application of Service Credits.

Overall, officers were pleased with the results and felt that KPI performance across the service area was generally good, with the exception to some IMT issues which were being addressed.

One Member felt that there was not enough explanation on the impacts of the KPI's that were in mitigation relief.

The top 20 priority IMT projects were then discussed. It was noted that five of the top 20 priority projects had been cancelled, completed, or closed, allowing the Board to

OVERVIEW AND SCRUTINY MANAGEMENT BOARD
30 AUGUST 2018

select five new projects to fill the gap. Officers recommended the following five projects be selected:

1. IMT-273 – CEC Gap analysis
2. IMT-315 – Implement Attachit for SNAP Surveys
3. IMT-318-808 – LFR South Park Blind
4. IMT-334 – Swap out WAP's 2018
5. IMT-380-1808 – EMPSN 10Gb & HSCN

Comments and questions from members and responses from officers included:

- IMT-368-1806 – Members questioned what would happen to the ageing devices and asked whether they could be passed on to Children's Services. Officers explained that once data destruction had taken place, it would be possible to look into options for passing on the devices.
- IMT-329 – Officers clarified that the recurring costs for Office 365 had not been included in the approved budget of £67,742.50
- 1. IMT-317-1807 – Members highlighted the difficulty both staff and members had experienced with network access, with reports that social workers were unable to connect to networks remotely, meaning they sometimes struggled to carry out their jobs effectively. Officers agreed that there had been a long running problem with the Council's network service and work had been carried out which had improved it dramatically over recent weeks.
- 2. It was felt that there should be more explanation on the criteria of selection, specifically when there was a change in the priorities.

One member felt that the following projects were important and suggested they be considered:

- REM-IMT-001 – Microsoft Identity Management
- IMT-361-1085 – Azure site to site
- IMT-371-1806 – Network Monitoring Tools Implementation
- IMT-317-1807 – Children's Services
- REM-IMT-1807 – Securing SAP legacy data

RESOLVED:

- That the Board were reassured about the performance of the Corporate Services Contract
- That the comments and suggestions from the Board be considered by officers

31 CORPORATE SUPPORT SERVICES RE-PROVISION: UPDATE ON ICT
SOFT MARKET TESTING AND STAFF ENGAGEMENT

The Head of ICT & Chief Digital Officer presented a report which provided the Board with an update on the soft market testing that had been undertaken to help inform the Council's decision making process regarding the delivery of IT Services from 2020; and to provide a summary of the internal engagement sessions that had taken place

OVERVIEW AND SCRUTINY MANAGEMENT BOARD 30 AUGUST 2018

with staff members, to provide an understanding of the current and future IT needs of the Council. The Board were invited to consider the report and provide feedback on the points raised.

The report provided drew attention to the two stages of engagement that had been conducted:

1. External engagement - Soft market testing
2. Internal engagement - Steps taken to engage staff/members

The soft market testing had been carried out, with five providers expressing an interest in progressing to the final stage of the engagement process, presenting a range of potential service delivery models. It was noted that the procurement principles explored with providers, officers and members during the soft market testing were now being finalised.

Officers emphasised that although the market was small it was a viable one with some credible providers. Officers were confident that if they were to go to market in December there was sufficient interest from the market for a competitive procurement to be undertaken.

The Internal Engagement Process had involved 11 workshop sessions, nine with officers and two with members. The Head of IMT and Chief Digital Officer thanked those Members who had attended the workshop sessions.

The Board were advised that all information had now been recorded and officers would now consider the feedback of the providers and staff in order to present a likely potential procurement option for consideration to OSMB in September 2018.

Questions and comments from members and officers included the following:

1. It was questioned why the tactical issues were being dealt with before the strategic elements of the process were in place. In response, officers explained that it was essential to address the immediate problems whilst still planning ahead.
2. In response to a question, it was clarified that there was a mid-level draft in place which considered the service level strategy along with the technical strategy.
3. The Leader of the Council explained that different options were being explored and that the strategy would look forward to the future. It was noted that the Council should have a clearer vision by April 2019.
4. It was noted the strategy had been shared with the Working Group and the sessions had been productive and successful. The Board requested the principles of the new strategy to be shared with them by the end of the month.
5. Officers explained that in line with the feedback gathered, the strategy would look at what needed to be in place currently as well as assessing future needs, which included investments in basic infrastructure by 2020.

OVERVIEW AND SCRUTINY MANAGEMENT BOARD
30 AUGUST 2018

6. Members expressed concerns that there were only a small number of providers expressing an interest in delivering ICT service for the Council. Officers were confident that although there were only a small number of providers expressing an interest in a potential procurement, this was reflective of the national picture, and a viable procurement was available for the Council should it seek to pursue this option for 2020.
7. Officers clarified that of the 1025 comments made by internal employees, it was expected a significant proportion of concerns raised could be resolved through updating equipment and infrastructure.
8. One member felt that it was important to highlight the impact that procurement would have on citizens as well as the internal impacts.

10:50am – Councillor R Wootten entered the meeting.

RESOLVED

1. That the report and comments made be noted
2. That the principles of the new strategy be shared with the Board by the end of September 2018

**32 CORPORATE SUPPORT SERVICES RE-PROVISION: PAYROLL
PROGRESS REPORT**

The Chief Commissioning Officer presented a report which updated the Board on progress for the potential transition of the Council's Payroll/HR Admin Services and Enterprise Resource Planning (ERP) system to Hoople Ltd, via a shared service agreement with Herefordshire Council.

The report focused on the outcome of recent workshops held between the Council and Hoople in July 2018; and the due diligence activities being carried out on the suitability and capability of Hoople Ltd and Herefordshire Council to deliver the service and the direction of travel of the areas reported.

It was noted that the following actions had been carried out to date:

- The Hoople proposal and the high level project plan had been reviewed.
- The Payroll specification had been reviewed and updated ready for completion in August
- Engagement with schools and Lincolnshire Fire and Rescue had been established
- System rectification design work had been completed, with improvement packages under construction
- Officers had identified gaps in the provision in terms of how Business World On! currently operated and were concentrating on planning to how best resolve these. There had been dialogue with the relevant trade unions
- Work had continued on the due diligence of Hoople along with Risk Management.
- Sovereignty issues with ERP along with issues surrounding the transition of contracts had been identified as possible risks.

OVERVIEW AND SCRUTINY MANAGEMENT BOARD 30 AUGUST 2018

- Officers had identified risks with Serco's Council supply, and were working on a continuity plan to ensure a clean transfer.
- It was highlighted that a move to Hoople would result in a loss of Sovereignty with regards ERP, meaning the loss of a direct decision making power for the Council. Although there would still be some ability to negotiate and influence, there would be loss of overall power as Herefordshire Council would have the majority of the control.
- However, officers felt there was a sense of reassurance that the Hoople system was in use and operating effectively for other local government authorities and parts of the NHS.

Questions and comments from members and officers included the following:

- One member highlighted that some services had not previously adhered to standard business practice and asked how assurance could be provided to ensure that standards and compliance could be guaranteed. Officers explained that they were challenging the process at an early stage and resolving any issues before technical elements were implemented and any new processes were set up.
- In response to a question, the Chief Commissioning Officer clarified that as there had been not yet been any formal agreement to transfer to Hoople, the Fire Brigade's Union had not yet been consulted. At this stage, there had only been discussions with those directly affected.
- Members were largely concerned with the loss of sovereignty as a result of a transfer to Hoople.
- Officers clarified that the Council did have sovereignty within the current Serco contract and that should a contract with Hoople be established, there would only be the power to influence decision, rather than having a direct decision making power.
- Members were assured that the sovereignty issue had been recognised and was firmly on the agenda.
- It was suggested that the risk around loss of sovereignty would need to be looked at by Internal Audit to investigate the extent of the impact on the Council and mitigation would need to be shown.
- Although Members acknowledged that Hoople operated with other similar organisations, they were concerned that these organisations were much smaller than Lincolnshire County Council and questioned whether Hoople would have the capacity to take on a much larger organisation.

RESOLVED

1. That the above comments and concerns be considered by officers
2. That the Board receive a further report to compare and contrast the risks of the contract, prior to the Executive decision being made

11:55am – The meeting adjourned for a short break

33 CORPORATE BUSINESS PLAN 2018 - 2019 QUARTER ONE
PERFORMANCE REPORT

12:03pm – The meeting reconvened

The Performance and Equalities Manager invited the Overview and Scrutiny Management Board to consider a report on the Council Business Plan for Quarter One 2018 – 2019, prior to it being presented to the Executive on 4 September 2018.

In relation to the performance measures against the Council Business Plan 2018 - 2019, attention was drawn to the recommended changes to measures 59 'carers supported in the last 12 months per 100,000 population'; 122 'Percentage of requests for support for new clients aged 65 or over, where the outcome was long term support services'; and 115 'Deprivation of Liberty'. It had also been proposed that an alternative measure would replace measure 6 'Alcohol related violent crimes', following discussion with the relevant Executive Councillors.

It was explained that the data for 'Reduce Carbon emissions' was unavailable but was expected to be reported in the Quarter 2 Performance Report.

The Performance and Equalities Manager referred Members to Appendix A of the report, which provided a summary of the measures to which the target had not been achieved in Quarter 1.

The Chairman requested that the Chairmen of the Adults and Community Wellbeing; Environment and Economy; and Public Protection and Communities Scrutiny Committees provide a statement on indicators under the remit of their committee which had not met their Quarter 1 Target. It was agreed that these statements would be reflected in any comments made to the Executive on this item.

Questions from Members and responses from Officers included:

- With reference to measure 31 – 'percentage of alcohol users left drug treatment successfully', Members asked for clarification as to whether the measure referred to alcohol or drug users as the measure seemed to be conflicting. The Performance and Equalities Manager agreed to look into this further.
- In relation to Measure 1 – 'Illicit alcohol and tobacco seized', a Member commented that they had noticed a reduction in trading standards officers incidents which could have resulted in targets not being met.
- One councillor also questioned whether a reduction in staffing was to blame for Measure 1 'Illicit alcohol and tobacco sized' not being met. In response, it was clarified that targets were set directly by the service with relation to their capacity, so staffing levels would have been reflected within the targets.

RESOLVED:

1. That the recommendations to the Executive, as set out in the report be supported

OVERVIEW AND SCRUTINY MANAGEMENT BOARD 30 AUGUST 2018

2. That the Chairmen of Adults and Community Wellbeing; Environment and Economy; and Public Protection and Communities Scrutiny Committees provide a statement on indicators under the remit of their committees which had not met their quarter one target, which would be passed to the Executive

34 EMPLOYEE SURVEY 2017 - PROGRESS UPDATE

The Service Manager (People Management) provided a progress update on the actions taken to address issues that the Overview and Scrutiny Management Board had previously raised from the results of the Employee Survey 2017.

The report highlighted the following key areas of corporate focus and the findings and actions:

- IMT
- Property
- Insights into the cause of lower participation rates in some areas and actions to improve these
- The drivers for 23% of participants not feeling they have opportunities to develop both personally and professionally and actions to improve this
- Actions to improve levels of awareness of: employee benefits; work of other director areas; and the performance and appraisal system

The Service Manager (People Management) also outlined the Service Areas key themes and actions which included:

- An ongoing project to encourage greater engagement and inclusion from the Retained Firefighters. Actions had been added to address the communication issue in relation to participation rates.
- Briefing sessions which had been held with Children's Services teams to discuss the service outcomes and there was commitment to improving IT kit and action had been taken to roll this out in a phased approach.
- The roll out of new tablets for Children's Health had been successfully completed and the order for Phase 1 or the Social Care and early help tablets had been approved with an estimated start date of the beginning of September.

Overall, the Board noted that work was underway to address themes raised in the Employee Survey and many of the issues had already been identified and planned ahead of the survey results, with IMT remaining the most common issue.

Comments and questions from members and responses from officers included:

- One Member suggested that reminders to complete the survey could be displayed on television screens within the authority in an attempt to increase engagement.

OVERVIEW AND SCRUTINY MANAGEMENT BOARD
30 AUGUST 2018

- Officers acknowledged that more work needed to be done to engage the Fire and Rescue employees and access by a mobile phone would be a good way to engage if this was possible.
- One Member highlighted that there had been employee development sessions offered in the past but these had not been well attended.
- The Chairman requested that the Board received an update on progress in six months' time. It was explained that there was due to be a progress update on the Council Workforce Plan in October 2018 so it may be possible to combine the two reports. Officers agreed to look into this further and agree the best approach.

RESOLVED

That the report and comments made be noted.

35 SCRUTINY COMMITTEE WORK PROGRAMMES

The Board reviewed the Work Programmes of two of the Scrutiny Committees:

Health Scrutiny Committee for Lincolnshire

The Chairman of the Health Scrutiny Committee highlighted the continued concerns of the Committee regarding the provision of Children and Young People Services at Pilgrim Hospital. An interim model of care had been implemented and was maintaining 97%. However, with staffing rotas remaining fragile, he emphasised that the Health Scrutiny Committee would seek reassurance that the contingency arrangements were fully worked through, in case the interim model were to fail.

It was noted that the Committee continued to be frustrated that it had not been possible to consider the Acute Services Review element of the Lincolnshire Sustainability and Transformation Partnership and there had been an item added to the Committees Work Programme for September to provide feedback on the consultation plan.

In response to a question, the Chairman of Health Scrutiny explained that there had been no discussion about the stockpiling of medicine as it had currently been seen as a national issue, but there may be an opportunity for the committee to look at this further.

Adults and Community Wellbeing Scrutiny Committee

The Board were advised that there were no changes to the future Work Programme as listed in the report.

It was noted that following recommendations from the Board, provision had been made within the Committee's work programme for the five commissioning strategies under the remit of the Committee. The Specialist Adult Services and Adult Safeguarding strategies would be considered on the 5th September, and a further three strategies would be considered on the 10th October.

**OVERVIEW AND SCRUTINY MANAGEMENT BOARD
30 AUGUST 2018**

One Councillor requested a definition of adult frailty which was agreed to be circulated via email to the Board following the meeting.

RESOLVED:

That the Board was satisfied with the content of the Work Programmes for the Adults and Community Wellbeing Scrutiny Committee; and the Health Scrutiny Committee for Lincolnshire.

36 APPROVAL OF TERMS OF REFERENCE OF SCRUTINY REVIEWS

The Head of Democratic Services invited the Board to approve the terms of reference and completion dates for both the Roundabout Sponsorship and Advertising and the Transitions Scrutiny Reviews.

As parts of the review would involve aspects of developing the economy, it was agreed that the *Roundabouts Sponsorship and Advertising* Scrutiny Panel would engage with the Environment and Economy Scrutiny Committee as well as the Highways and Transport Scrutiny Committee.

RESOLVED

1. That the terms of reference and a completion date of the 11th March 2019 for the review of *Roundabout Sponsorship and Advertising* (Scrutiny Panel A) be approved
2. That the terms of reference and a completion date of the 28th March 2019 for the review of the *Transitions* (Scrutiny Panel B) be approved
3. That, in addition to reporting to the Highways and Public Protection Scrutiny Committee, the *Roundabout Sponsorship and Advertising* Scrutiny Panel would also submit a report to the Environment and Economy Scrutiny Committee

37 OVERVIEW AND SCRUTINY MANAGEMENT BOARD WORK PROGRAMME

The Board was provided with an opportunity to review its own Work Programme.

The Head of Democratic Services advised that there had been no additions to the Work Programme since the last meeting. It was agreed that a further item to provide an update on the Employee Survey would be added if necessary.

RESOLVED:

1. That the Board was satisfied with the content of the Work Programme
2. That a further item to provide an update on the Employee Survey be added to the Work Programme if necessary

The meeting closed at 1.00 pm

Report on behalf of Debbie Barnes Executive Director of Children's Services

The Report and Appendix A and Appendix 2 is open.

Appendix 1 of Appendix A is exempt and not for publication by virtue of paragraph 3 of part 1 of Schedule 12A of the Local Government Act 1972 as the Appendix contains information relating to the business affairs of the Council and information from Serco which has been provided to the Council on a confidential basis.

The information has a high commercial value. The law of confidence places a legal obligation on the Council to maintain confidentiality. In the event that the Council fails to keep the information confidential then Serco may be able to bring a substantial claim in damages against the Council.

Appendix 1 also contains legal advice to the Council which attracts legal professional privilege and is in itself confidential and exempt information under paragraph 5 of Part 1 of Schedule 12A of the Local Government Act 1972. The Council is entitled to protect such advice from disclosure. In these circumstances the public interest in the Council complying with its legal obligations regarding confidentiality and maintaining legal professional privilege in its legal advice to ensure robust decision making outweighs any interest in disclosing the information particularly where as much information as possible has been made available to the public in the open parts of the report.

Report to:

Overview and Scrutiny Management Board

Date:

27 September 2018

Subject:

Corporate Support Services Re-commissioning

Summary:

This report invites the Overview and Scrutiny Management Board to consider a report on the Corporate Support Services Re-commissioning which is being presented to the Executive on 02 October 2018. 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 Corporate Support Services Re-commissioning at its meeting on 02 October 2018. The full report to the Executive is attached at Appendix A to this report.

2. Conclusion

Following consideration of the attached report, the Board is requested to consider whether it supports the recommendations 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?

A risk log has been produced for the CSSC Programme overall and for each of the individual projects delivered within the programme. The key risks have been identified along with relevant mitigations and have been rated in terms of probability and impact. The risk log is reviewed monthly by the CSSC Programme Board, which then reports by exception to CMB and the Sounding Board as appropriate.

b) Risks and Impact Analysis

An Equality Impact Assessment is attached Within Appendix A at Appendix 2.

4. Appendices

These are listed below and attached at the back of the report

Appendix A	Report on Corporate Support Services Re-commissioning to be presented to the Executive at its meeting on 02 October 2018.
------------	---

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 Andrew McLean, who can be contacted on 01522 554079 or andrew.mclean@lincolnshire.gov.uk.

Open Report on behalf of Debbie Barnes OBE, Executive Director of Children's Services

NOTE: Appendix 1 is exempt and not for publication by virtue of paragraph 3 of part 1 of Schedule 12A of the Local Government Act 1972 as the Appendix contains information relating to the business affairs of the Council and information from Serco which has been provided to the Council on a confidential basis.

The information has a high commercial value. The law of confidence places a legal obligation on the Council to maintain confidentiality. In the event that the Council fails to keep the information confidential then Serco may be able to bring a substantial claim in damages against the Council.

Appendix 1 also contains legal advice to the Council which attracts legal professional privilege and is in itself confidential and exempt information under paragraph 5 of Part 1 of Schedule 12A of the Local Government Act 1972. The Council is entitled to protect such advice from disclosure. In these circumstances the public interest in the Council complying with its legal obligations regarding confidentiality and maintaining legal professional privilege In its legal advice to ensure robust decision making outweighs any interest in disclosing the information particularly where as much information as possible has been made available to the public in the open parts of the report.

Report to:	Executive
Date:	02 October 2018
Subject:	Corporate Support Services Re-commissioning
Decision Reference:	I016334
Key decision?	Yes

Summary:

A review has been undertaken to consider possible alternative commissioning approaches to the existing Serco contract discussed in this report and in the background papers.

The review work included an assessment of the Serco contract extension proposal along with a consideration of how the Council's corporate centre can be more effective in supporting staff and front-line services. In addition, further exploration was carried out following through on the recommendations approved at the Executive meeting of 1st May 2018; carrying out the necessary due diligence and assurance of the potential Payroll/HR Admin service and ERP system solution with Hoople, along with undertaking market engagement with potential ICT suppliers.

Recommendation(s):

That the Executive;

1. Approves the entering into a contract extension with Serco for a period of two years, with effect from 1st April 2020 to 31st March 2022 to include the following services:
 - Information Management Technology
 - Payroll
 - HR Administration
 - Customer Service Centre (CSC)
 - Exchequer Services and Adult Care Finance.
2. Approves the insourcing of the following services into the Council, with effect from the 1st April 2019;
 - Mosaic technical development support
 - Freedom of Information , Complaints and Information Governance (including Subject Access Requests) administration
 - Agresso (also known as Business World On) System Administration (People Management).
3. Delegates to the Chief Executive in consultation with the Leader of the Council and Executive Councillor for Community Safety and People Management authority to take all decisions relating to the future commissioning or provision of Professional People Management services to the Council and to schools
4. Delegates to the Chief Executive authority to determine the final terms of the extension and insourcing referred to in paragraphs 1 and 2 above and approve the form and the entering into of all contractual and other documentation necessary to give effect to the said extension and insourcing in consultation with the Leader of the Council.

Alternatives Considered:

1. Decide to commence a repeat procurement for another Business Process Outsourcing (BPO) contract to take effect from 1 April 2020. This would enable much of the work done on the original Serco procurement to be re-used having been revised to update/make improvements. That would reduce the cost of the re-provision work and repeat a procurement procedure with which the Council is familiar. However, that would require the continued use of a model which is falling out of favour with Councils and suppliers alike and which has not always delivered across all service streams. It would also potentially require a significant transition to another provider of services at a time when the Council is managing other significant change and when consolidation of its IT platform is necessary to enable the best value to be obtained from any procurement
2. Decide now not to extend the contract with Serco and instead seek to in-source all of the services. This would enable the Council to take more control of the day-to-day delivery of the services but would require the insourcing of staff on what are primarily back-office support services, potentially diverting resource and attention away from front line services. It would also pass the employment, service delivery and cost risk back to the Council. This raises the Council's risk profile particularly in the more complex service areas where the Council has limited experience to mitigate that risk, experienced employees are hard to recruit and where other suppliers may be better positioned to manage that risk.
3. Identify a re-commissioning strategy, which separates out the existing services from a single BPO contract, and seek to re-commission the services independently. This would allow more flexibility and therefore less reliance on a few potential suppliers, but it would probably mean, with the exception of ICT, that the service bundle would be too small to encourage Serco or other suppliers to bid, would enhance fragmentation and increase contract management costs. Initial research has identified that for a number of services there is not a widely available, local authority focussed market place with which to commission these services within.

Reasons for Recommendation:

1. Robust due diligence and risk assessment has been carried out on a potential shared service arrangement for Payroll/HR Admin services and ERP system; however it is felt that the significant disruption caused and cost of migration, loss of sovereignty over the ERP system and job losses in Lincolnshire provides too great a risk to pursue.
2. Whilst engagement with ICT suppliers has identified that there is a strong market available to deliver an effective core service, the Council is not in a position to establish its ICT commissioning objectives and will require time to reflect on this prior to any potential re-procurement. Furthermore, following a recent review of the service, a root cause analysis of issues affecting ICT provision identified that many of the issues were in relation to Council policy matters not linked to supplier delivery, which will take some time to work through.
3. Serco's overall performance has improved and is currently performing well against contract measures; where there are known qualitative issues, these have been identified and are being addressed collaboratively.
4. There are clear strategic, financial and operational benefits to insourcing a number of additional roles/functions identified, providing an integrative service within the Council and further strengthening the corporate centre. Further work is required to determine the right scope and delivery mechanisms for professional People Management services to the Council and schools.
5. Additionally, with the exception of ICT, the remaining services do not naturally lend themselves to fragmentation and the review work undertaken has identified that there is not a widely available, local authority focussed market place with which to commission these services within.
6. On this basis, it is appropriate to consider extending the current contract with Serco for a period of 2 years, in order to provide the Council with sufficient time and a period of stability to address important work to develop its IT platforms and systems and re-focus and align its corporate centre and commissioning objectives, in order to act as an effective enabler to the services provided to Lincolnshire citizens.

Background

General

1. The Council entered into a contract with Serco Ltd on 24th March 2014 for a range of corporate support services which then commenced operational delivery on 1st March 2015. These services include:
 - People Management including HR Administration and Payroll;
 - Exchequer Services and Adult Care Finance;
 - Customer Service Centre (CSC);
 - Information Management Technology.
2. To support delivery of these services, Serco contracted the software provider Unit 4 to provide Agresso as its Enterprise Resource Planning (ERP) system. The Council holds this licence for 25 years and is not reliant on Serco to continue access to Agresso.
3. Serco's winning bid had offered the Council sizeable savings of £15m over the initial five-year contract term mainly due to their margins being so low. It became clear that Serco underestimated its costs of delivering the service and as a result, the contract overspent significantly, with Serco liable for these costs. The overspend resulted from under budgeting transformation work, under resourced staffing, over estimating the time efficiency that Agresso could generate and the Council's delayed implementation of Mosaic.
4. The Serco contract will expire on 31 March 2020 but the Council has the option to extend the contract by up to four further years (2+2). Overall performance against key performance indicators is good across all services provided and whilst there remain a number of qualitative issues to manage, it is felt these can be addressed as part of contract extension dialogue and enhanced, collaborative contract management. The Council needs to decide its commissioning approach for these services as any notice of extension must be issued to Serco by 30 March 2019.
5. A report was presented to the Executive on the 1st May 2018 which provided an overview of the Serco contract, service performance, issues with the Agresso ERP system and an appraisal of the Business Process Outsourcing marketplace. The recommendations of the report were approved; subject to satisfactory assurances being received, the outcome of which features in the recommendation being made in this report.
6. A review has been undertaken by the Corporate Support Services Commissioning (CSSC) programme to consider possible alternatives to the Serco contract. This Report includes an assessment of the Serco contract extension proposal together with consideration of a number of options including the result of work following through on the recommendations approved at the Executive on the 1st May 18; including carrying out the necessary due diligence assurance on the potential Hoople payroll service and ERP system solution, along with undertaking market engagement with ICT suppliers.

Serco Proposal

7. A detailed overview of the proposal, including the price and key assumptions can be found in Appendix 1. Serco were initially asked for a proposal that priced an extension over two and four years and which covered (i) all of the services; (ii) all of the services minus payroll & HR Admin and (iii) all of the services minus payroll & HR Admin and IT. It was recognised that Serco could not continue to make losses on any extension and that it would only be interested in maintaining a presence in Lincolnshire for a significant proportion of the existing services. Serco delivered a draft proposal on the 6th July 2018 and over the last few weeks the Council has worked with Serco to refine that proposal and to better understand its own requirements.
8. As the Council wishes to maximise its flexibility and to keep to the existing contract terms, Serco were also asked to provide a proposal for a fourth option, namely a 2 year extension for all of the services with the exception of professional People Management. This is because People Management is a core strategic function and there are potential opportunities to streamline the service in relation to the Council and schools.
9. In addition, the Council requested a proposal which excluded the following services in order to incorporate them with the corresponding services within the Council, providing an integrative, agile function:
 - Technical development support to Mosaic
 - Freedom of Information , complaints and Information Governance (including Subject Access Requests) administration
 - Agresso System Administration (People Management)
10. Serco raised the following matters in support of an extension;
 - Serco's continued honouring of contractual obligations in spite of large losses;
 - Serco's restructuring of the business, strong leadership and a healthy balance sheet;
 - A new management team in Lincoln;
 - Their experienced and local workforce;
 - As incumbent they have a full understanding of the Council's environment, current risks and opportunities;
 - Combining the above makes acceptance of Serco's proposal a low risk and comprehensive solution.
11. The approach to pricing is on the basis set out in the contract – i.e. a fixed and a volume variable element. As a result of the volume variable element any future price given by Serco can only be an estimate based on the Council's expected volume.

Separate Arrangements for ICT Services

12. The Council has outsourced its IMT Service since 2000. There are currently c6000 users over 120 sites and those working from home or in the community. The Council has a direct contract with Serco who sub contract with other suppliers to deliver specialist capability where necessary. The Council is not yet in a position to focus on transformation e.g. fundamentally changing how the Council uses ICT. Instead the focus needs to be on improving its current ICT infrastructure.
13. The Council's current intelligent client function is considered too small and regardless of the commissioning approach taken an increase to this team is required.
14. Should the Council seek to procure ICT services for 2020 outside the existing contract, there are two main delivery models available:
 - Prime supplier – a single supplier is appointed who is responsible for delivering all of the commissioned ICT services.
 - Multi source – a number of suppliers are appointed to deliver separate specialised aspects of the ICT service.
15. A review of these options was undertaken by a leading Local Authority ICT procurement advisor and due to the complexity of the multi-source approach combined with the limited time available for implementing such a delivery model, it was recommended that, should a procurement option be selected for 2020, a prime supplier model should be sought through the Crown Commercial Framework (RM3804) as the recommended route.
16. Given the preferred procurement route, soft market testing was directed at providers on this framework and a market update document was issued to all 72 providers registered on the appropriate lot of the Crown Commercial Framework. The market update included a high level service design for our ICT services from 2020 and detailed the scope of the procurement in terms of services and scale as well as a broad indication of the likely minimum and maximum costs anticipated by the Council. The market update also set out the process for soft market testing.
17. Following the issuing of the market update, 19 providers contacted the Council by email to express their initial interest and/or develop a better understanding of the prospect. Following further dialogue regarding matters such as the procurement route, service design models, the scope of services to be included, anticipated and required investment levels, the Council's aspirations and vision etc., a number of providers went on to participate in face to face meetings with the Council to further explore the potential procurement and included consideration of issues such as:
 - Potential operating models
 - Ability/view to deliver:
 - a core managed ICT service

- IT modernisation
- digital/citizen transformation
- The potential procurement route and commercial considerations.

18. Embarking on a new procurement for ICT services beyond 2020 provides a number of opportunities for the Council and could result in a range of benefits including; having an ICT specialist provider to deliver ICT Services, providing the Council with the ability to update and re-specify the Council's requirements and secure improved ICT service delivery with a focus on the quality of ICT services.

19. There are also a number of risks associated with an ICT procurement which include; no award being made and service disruption whilst alternative arrangements are put in place and a new provider's delivery model could include the structure and particularly the locality of some service provision being delivered off-site outside of Lincolnshire. Significantly, during the 15 month period of the procurement and transition to a new supplier, the majority of ICT effort would be focused on transition rather than service and system stabilisation and improvement.

20. The standard professional nature of much of the core managed service supports the Council's commissioning principles for outsourcing the service and it is felt that Serco are able to maintain and in places improve overall service levels. Largely, Serco performance is good, and whilst there remain a number of qualitative issues to manage, it is felt these can be addressed as part of collaborative contract management and improved governance.

21. It is not possible, nor appropriate to determine a direct cost and value for money assessment by comparing Serco's price with an indicative estimate of what a potential price from prospective suppliers would be following market testing. Serco's price is based on delivering the existing contract for a further 2 years, of which ICT is one element, whereas any potential market place price would be based on an indicative estimate, purely to deliver ICT services for a 5 year period which would likely be based on a different (more remote) model of delivery and less stringent Key Performance Indicators.

Separate Arrangements for Payroll/HR Administration and ERP (Agresso)

22. The Council has the option to extend its contract with Serco for the continued provision of HR Administration and Payroll Services. Alternatively, the Council has been exploring another option of entering into a shared service agreement. Further information on the background to this can be found in the Executive report of the 1st May 2018.

23. On 1st May 2018, the Executive approved, subject to satisfactory assurances being provided, the entering into of a shared service agreement with Herefordshire Council to exercise the Council's People Management function for HR administration and Payroll. Executive also approved the entering into of an agreement with Herefordshire Council to provide access to Hoople Ltd.'s

Agresso ERP system. Further decision making in relation to these agreements was delegated to the Executive Director of Children's Services in consultation with the Leader and Executive Councillor for Community Safety and People Management. If the Executive decide to pursue the option to extend this element of the contract with Serco, the Executive Director of Children's Services will not exercise this discretion.

24. Since the Executive decision, extensive due diligence activity and risk assessment has been undertaken on the potential arrangement with Hoople. The due diligence activity carried out on Hoople has identified that they are an effective payroll supplier with whom the Council should have confidence with to provide the payroll/HR Admin service and ERP system. Should the Council choose to enter into a contract with Hoople - there would, however, be number of significant issues to deal with as part of any transfer which must be taken into account - updates on the due diligence activity and risk assessment have been provided to Overview & Scrutiny Management Board on the 28th June and 30th August.
25. The loss of sovereignty of the ERP system remains a concern to the Council. The ERP system is a fundamental tool to enable the Council to make strategic decisions on how the Council commissions its services at a strategic, tactical and operational level and therefore it is essential that the Council considers the need to retain overall authority and control of the development and configuration of the system.
26. Whilst the payroll service operational cost for Hoople to deliver the service is lower than the price with Serco, there are significant costs associated with the on-boarding to Hoople along with further transfer costs which the Council would incur. These are in addition to the Agresso development costs, estimated at £0.998m required to both repair the existing system to deliver payroll until March 2020 and have it in a fit state prior to a potential transfer to Hoople, which once complete, should provide the Council with a robust Agresso platform, only to then move onto Hoople's platform.
27. As part of any service transition to a new supplier there are issues in being able to retain existing staff to deliver business as usual support. Hoople have identified they do not intend to have a local base in Lincoln which would result in a loss of local knowledge and jobs. Should there be an issue with the Hoople service in the future or should Hoople no longer wish to deliver the service then there would not be the expertise locally to deliver a payroll service/ERP system and existing staff employed within Hoople are unlikely to want to transfer from Hereford into Lincoln. As a result there are no opportunities or contingencies available to offer some form of mitigation against this. Previous market analysis has identified that there isn't a readily available market place to deliver these services outside of a BPO contract. We also know from Serco's experience that recruiting public sector payroll managers and staff is difficult.
28. Serco's results against the payroll performance indicators within the contract are good and are accompanied by wider improvements in delivering the service overall, with a 0.3% Serco payroll error failure rate (as at June 18), well within

the (2015) 1.01% national average. There remain a number of improvements to make associated with the June 18 Payroll Internal Audit Report, but the service is now moving in the right direction and all the issues are resolvable.

29. Overall Serco offer a knowledgeable service of the Council, with a specific understanding of Fire & Rescue payroll, whereas Hoople offer a more capable Agresso system, but with the loss of system sovereignty for the Council. Consideration should be given to the Council maintaining the existing Agresso system post reparation because of the cost savings and retention of sovereignty whilst at the same time avoiding the risks that accompany a transition of the service to a new supplier.

Separate Arrangements for Customer Service Centre

30. The highly transactional and standard professional nature of much of this service supports the commissioning principles for outsourcing the service and it is felt that Serco are able to maintain and in places improve overall service levels.

31. Whilst there is a broad CSC market place available, local authority commissioning often forms part of a wider BPO contract for this type of function. There are limitations to independent CSC contracts that can meet the Council's requirements, which are far more complex than standard call centres and which can also be delivered locally.

32. Overall Serco performance is good, and whilst there remain a number of qualitative issues to manage, it is felt these can be addressed as part of enhanced collaborative contract management.

Professional People Management Services

33. Although performance in the delivery of the service by Serco is good, the service forms part of the Council's core strategic function and supports its ability to set the appropriate HR related policies and governance arrangements, whilst providing strategic planning & advice and overseeing the control of the Council's change management principles.

34. The professional People Management service provides a range of support including; HR advisory, recruitment, organisational and learning development, along with People Management advisory staff to schools. Potentially in-sourcing these services would help the Council continue to manage its agency spend down and reduce its financial exposure in relation to school claims. As indicated above Serco would retain payroll and HR administration.

35. An opportunity therefore exists to end the current fragmentation of the strategic and professional operational service and for the future provision to be consolidated into a single strategic function delivered by the Council. Further work is required on this, however and it is proposed that the precise scope of

the services and delivery mechanisms would be considered under the delegation to the Chief Executive set out in recommendation 3.

Exchequer and Adult Care Finance

36. There is no identifiable dedicated market place for this type of function and the opportunity to segregate the exchequer service and combine it with an alternative supplier would present too great a risk at this stage.

37. The transactional and standard professional nature of much of this service supports the commissioning principles for outsourcing the service and it is felt that Serco are able to maintain and in places improve overall service levels. Overall Serco performance is good, and whilst there remain a number of qualitative issues to manage, it is felt these can be addressed as part of ongoing contract management arrangements.

Legal Issues:

Equality Act 2010

38. 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.

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

40. 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.

41. 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.

42. 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.
43. Compliance with the duties in section 149 may involve treating some persons more favourably than others.
44. 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.
45. An Equality Impact Analysis is attached at Appendix 2 and identifies any potential impact on persons with a protected characteristic. The mitigating factors are set out in the impact analysis and relate to channels of communication. The analysis results in a number of actions for the Council as set out in Appendix 2. The Impact Analysis and the conclusions drawn from it will be kept under review so that as issues arise any potential for differential impact can be mitigated.
46. The legal duty is to have due regard to the section 149 obligations and as a consequence so long as the Executive carefully consider the Impact Analysis at Appendix 2 it is entitled to adopt the recommendations or one of the alternatives considered.

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

47. 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.
48. Again there is not an immediate direct connection between the back-office services under the corporate support services contract and the themes of the JSNA and JHWS but the following connections can be identified:
- Pursuing good value solutions for back office support services will enable a high proportion of the Council's resources to be allocated to front line services directly relevant to the achievement of the strategy.
 - The proposed approach is likely to maintain local delivery for much of the services thus helping to maintain local jobs and creating the potential for further employment, which would tackle social determinants of ill health.

Crime and Disorder

49. 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.
50. The specific nature of the services is not of direct relevance to Crime and Disorder. However, the ongoing securing of good value back office support services will ensure that a greater proportion of the Council's available resources can be allocated to front line services including those aimed at reducing crime and disorder.

Conclusion

51. Serco's overall performance has improved and is currently performing well against contract measures. Where there are known qualitative issues, these have been identified and are being addressed collaboratively. An extension of the existing contract with Serco provides continuity of services at a time when the Council needs to focus on stabilising and developing its ICT and rebuilding Agresso. To pursue a procurement at the same time as carrying out this work presents unacceptable risks of failure while going to the market when existing issues have not been resolved.
52. Additionally, with the exception of ICT, the remaining services do not naturally lend themselves to fragmentation and the review work undertaken has identified that there is not a widely available, local authority focussed market place with which to commission these services within.
53. At the same time there are clear strategic, financial and operational benefits to insourcing the services identified, providing an integrative service within the Council and further strengthening the corporate centre. There are also potential strategic, financial and operational benefits to insourcing professional people management services to the Council and schools but it is proposed that these are further explored and decisions on the scope and delivery mechanisms for such services be delegated to the Chief Executive in consultation with the Leader.
54. On this basis, it is appropriate to consider extending the current contract with Serco for the existing services, excluding professional People Management services and the other services referred to. It is considered that a period of 2 years will provide the Council with sufficient time and a period of stability to re-focus and align its corporate centre and commissioning objectives, in order to act as an effective enabler to the services provided to Lincolnshire citizens.
55. This allows the position to be kept under further review and enables the option of the services being taken to market in future in an appropriate package and at

a time when underlying systems are stabilised and improved and present a better risk profile to any incoming contractor. Insofar as comparison is possible the price being offered by Serco for a two year extension on the proposed scope is competitive.

Legal Comments:

The Council has the power to adopt the recommendations.

The recommendation is considered to be consistent with the Council's procurement law obligations for the reasons given in Appendix 1.

The decision is consistent with the Policy Framework and within the remit of the Executive.

Resource Comments:

Accepting the recommendation of extending the Serco contract for a period of two years, with effect from 1st April 2020 will have budget implications for the Council. Although this will create a budget pressure for these service budgets, this had been anticipated and has been allowed for in the budget forecast modelling. These pressures will be determined and put to Council as part of the budget setting process for 2020/21.

Accepting the recommendation to insource the roles identified in the report from April 2019, together with any future insourcing associated with professional People Management services, will create service budget pressures requiring the update of existing budgets as part of the budget setting exercise for the review of 2019/20 budgets by Council.

Consultation

a) Has Local Member Been Consulted?

N/A

b) Has Executive Councillor Been Consulted?

Yes. Councillor M J Hill OBE - Leader of the Council and Executive Councillor for Resource and Communications; Councillor R G Davies - Executive Councillor Highways, Transport and IT and Councillor B Young - Executive Councillor Community Safety and People Management

Identified Councillors are members of the relevant programme Sounding Board meetings and have been consulted accordingly.

c) Scrutiny Comments

This report will be presented to Overview & Scrutiny Management Board on the 27th September 2018. The views of the Committee will be reported to the Executive.

d) Have Risks and Impact Analysis been carried out?

A risk log has been produced for the CSSC Programme overall and for each of the individual projects delivered within the programme. The key risks have been identified along with relevant mitigations and have been rated in terms of probability and impact. The risk log is reviewed monthly by the Programme Board, which then reports by exception to CMB and the Sounding Board as appropriate.

e) Risks and Impact Analysis

An Equality Impact Assessment is attached at Appendix 2.

Appendices

These are listed below and attached at the back of the report	
Appendix 1	Serco Contract Extension Overview (EXEMPT)
Appendix 2	Equality Impact Assessment

Background Papers

The following Background Papers within the meaning of section 100D of the Local Government Act 1972 were used in the preparation of this Report.

Background Paper	Where it can be obtained
Report to the Executive "Corporate Support Services re-provision" dated 1 May 2018.	Democratic Services
Reports to Overview & Scrutiny Management Board "Corporate Support Services Re-provision – Payroll Progress Report" dated 28 th June 2018	Democratic Services
Reports to Overview & Scrutiny Management Board "Corporate Support Services Re-provision – Payroll Progress Report" dated 30 August 2018	Democratic Services

This report was written by Andrew McLean, who can be contacted on 01522 554079 or andrew.mclean@lincolnshire.gov.uk and Sophie Reeve who can be contacted on 01522 552578 or sophie.reeve@lincolnshire.gov.uk

This page is intentionally left blank

By virtue of paragraph(s) 3 of Part 1 of Schedule 12A
of the Local Government Act 1972.

Document is Restricted

This page is intentionally left blank

Equality Impact Analysis to enable informed decisions

The purpose of this document is to:-

- I. help decision makers fulfil their duties under the Equality Act 2010 and
- II. for you to evidence the positive and adverse impacts of the proposed change on people with protected characteristics and ways to mitigate or eliminate any adverse impacts.

Using this form

This form must be updated and reviewed as your evidence on a proposal for a project/service change/policy/commissioning of a service or decommissioning of a service evolves taking into account any consultation feedback, significant changes to the proposals and data to support impacts of proposed changes. The key findings of the most up to date version of the Equality Impact Analysis must be explained in the report to the decision maker and the Equality Impact Analysis must be attached to the decision making report.

****Please make sure you read the information below so that you understand what is required under the Equality Act 2010****

Equality Act 2010

The Equality Act 2010 applies to both our workforce and our customers. Under the Equality Act 2010, decision makers are under a personal duty, to have due (that is proportionate) regard to the need to protect and promote the interests of persons with protected characteristics.

Protected characteristics

The protected characteristics under the Act are: age; disability; gender reassignment; marriage and civil partnership; pregnancy and maternity; race; religion or belief; sex; sexual orientation.

Section 149 of the Equality Act 2010

Section 149 requires a public authority to 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 relevant protected characteristics and persons who do not share those characteristics
- Foster good relations between persons who share a relevant protected characteristic and persons who do not share it.

The purpose of Section 149 is to get decision makers to consider the impact their decisions may or will have on those with protected characteristics and by evidencing the impacts on people with protected characteristics decision makers should be able to demonstrate 'due regard'.

Decision makers duty under the Act

Having had careful regard to the Equality Impact Analysis, and also the consultation responses, decision makers are under a personal duty to have due regard to the need to protect and promote the interests of persons with protected characteristics (see above) and to:-

- (i) consider and analyse how the decision is likely to affect those with protected characteristics, in practical terms,
- (ii) remove any unlawful discrimination, harassment, victimisation and other prohibited conduct,
- (iii) consider whether practical steps should be taken to mitigate or avoid any adverse consequences that the decision is likely to have, for persons with protected characteristics and, indeed, to consider whether the decision should not be taken at all, in the interests of persons with protected characteristics,
- (iv) consider whether steps should be taken to advance equality, foster good relations and generally promote the interests of persons with protected characteristics, either by varying the recommended decision or by taking some other decision.

Conducting an Impact Analysis

The Equality Impact Analysis is a process to identify the impact or likely impact a project, proposed service change, commissioning, decommissioning or policy will have on people with protected characteristics listed above. It should be considered at the beginning of the decision making process.

The Lead Officer responsibility

This is the person writing the report for the decision maker. It is the responsibility of the Lead Officer to make sure that the Equality Impact Analysis is robust and proportionate to the decision being taken.

Summary of findings

You must provide a clear and concise summary of the key findings of this Equality Impact Analysis in the decision making report and attach this Equality Impact Analysis to the report.

Impact – definition

An impact is an intentional or unintentional lasting consequence or significant change to people's lives brought about by an action or series of actions.

How much detail to include?

The Equality Impact Analysis should be proportionate to the impact of proposed change. In deciding this asking simple questions “Who might be affected by this decision?” “Which protected characteristics might be affected?” and “How might they be affected?” will help you consider the extent to which you already have evidence, information and data, and where there are gaps that you will need to explore. Ensure the source and date of any existing data is referenced.

You must consider both obvious and any less obvious impacts. Engaging with people with the protected characteristics will help you to identify less obvious impacts as these groups share their perspectives with you.

A given proposal may have a positive impact on one or more protected characteristics and have an adverse impact on others. You must capture these differences in this form to help decision makers to arrive at a view as to where the balance of advantage or disadvantage lies. If an adverse impact is unavoidable then it must be clearly justified and recorded as such, with an explanation as to why no steps can be taken to avoid the impact. Consequences must be included.

Page 41

Proposals for more than one option If more than one option is being proposed you must ensure that the Equality Impact Analysis covers all options. Depending on the circumstances, it may be more appropriate to complete an Equality Impact Analysis for each option.

The information you provide in this form must be sufficient to allow the decision maker to fulfil their role as above. You must include the latest version of the Equality Impact Analysis with the report to the decision maker. Please be aware that the information in this form must be able to stand up to legal challenge.

Background Information			
Title of the policy / project / service being considered	Corporate Support Services Commissioning	Person / people completing analysis	Andrew McLean, Programme Manager
Service Area	Corporate Services	Lead Officer	Debbie Barnes, Executive Director and Programme Sponsor
Who is the decision maker?	LCC Executive	How was the Equality Impact Analysis undertaken?	A desktop review
Date of meeting when decision will be made	Initial decision to be made on the 1 st May 2018. Updated for decision 2 October 2018	Version control	Version 0.5
Is this proposed change to an existing policy/service/project or is it new?	Existing policy/service/project	LCC directly delivered, commissioned, re-commissioned or de-commissioned?	Commissioned
Describe the proposed change	<p>To carry out a full commissioning review of the existing Corporate Support Services contract held between LCC and Serco in order to determine the future commissioning arrangements when the existing agreement comes to an end on the 31st March 2020. Existing services affected by this review include Payroll, People Management, Exchequer services, Adult Care Finance, IMT and the Customer Service Centre. The Council's Enterprise Resource Planning (ERP) system is also subject to this review.</p> <p>The Council is reviewing how the services can best be commissioned from April 2020. The possible outcomes that are under consideration to-date are an extension of the contract with Serco, insourcing some or all of the services or finding a third party provider for some or all of the services or a combination of the above. Once the preferred option is agreed by the Executive on the 2nd October 2018 then the content of this document will specifically focus on the preferred approach to be implemented.</p> <p>At this stage of the review, in advance of a formal decision by the Executive, the Council is recommending that the existing</p>		

contract with Serco be extended for a further 2 years, with the following exceptions: (i) the professional People Management service to the Council and schools, (ii) People Management Agresso System Admin staff, (iii) Freedom of Information, Complaints and Information Governance (including Subject Access Requests) and (iv) Mosaic support team. It is proposed that (ii), (iii) and (iv) above be insourced, with a view to complete the insourcing by 31/3/19. For (i) above further work being undertaken with a final decision on scope and delivery mechanism to be taken by the Chief Executive. This is the proposal that has been considered for this EIA.

Evidencing the impacts

In this section you will explain the difference that proposed changes are likely to make on people with protected characteristics. To help you do this first consider the impacts the proposed changes may have on people without protected characteristics before then considering the impacts the proposed changes may have on people with protected characteristics.

You must evidence here who will benefit and how they will benefit. If there are no benefits that you can identify please state 'No perceived benefit' under the relevant protected characteristic. You can add sub categories under the protected characteristics to make clear the impacts. For example under Age you may have considered the impact on 0-5 year olds or people aged 65 and over, under Race you may have considered Eastern European migrants, under Sex you may have considered specific impacts on men.

Data to support impacts of proposed changes

When considering the equality impact of a decision it is important to know who the people are that will be affected by any change.

Population data and the Joint Strategic Needs Assessment

The Lincolnshire Research Observatory (LRO) holds a range of population data by the protected characteristics. This can help put a decision into context. Visit the LRO website and its population theme page by following this link: <http://www.research-lincs.org.uk> If you cannot find what you are looking for, or need more information, please contact the LRO team. You will also find information about the Joint Strategic Needs Assessment on the LRO website.

Workforce profiles

You can obtain information by many of the protected characteristics for the Council's workforce and comparisons with the labour market on the [Council's website](#). As of 1st April 2015, managers can obtain workforce profile data by the protected characteristics for their specific areas using Agresso.

Positive impacts

The proposed change may have the following positive impacts on persons with protected characteristics – If no positive impact, please state 'no positive impact'.

Age	The proposed extension of the Serco contract insofar as it relates to payroll and HR administration, rather than a shared service arrangement delivered from Herefordshire, will benefit those who may by reason of age have found it more difficult to relocate than a person who did not share that characteristic
Disability	The proposed extension of the Serco contract insofar as it relates to payroll and HR administration, rather than a shared service arrangement delivered from Herefordshire will benefit those who may by reason of a disability have found it more difficult to relocate than a person who did not share that characteristic
Gender reassignment	No positive impact.
Marriage and civil partnership	No positive impact.
Pregnancy and maternity	The proposed extension of the Serco contract insofar as it relates to payroll and HR administration, rather than a shared service arrangement delivered from Herefordshire, will benefit those who may by reason of pregnancy and maternity have found it more difficult to relocate than a person who did not share that characteristic
Race	No positive impact.
Religion or belief	No positive impact.

Sex	The proposed extension of the Serco contract insofar as it relates to payroll and HR administration, rather than a shared service arrangement delivered from Herefordshire will benefit those who may by reason of caring responsibilities have found it more difficult to relocate than a person who did not share this characteristic
Sexual orientation	No positive impact.

If you have identified positive impacts for other groups not specifically covered by the protected characteristics in the Equality Act 2010 you can include them here if it will help the decision maker to make an informed decision.

Adverse/negative impacts

You must evidence how people with protected characteristics will be adversely impacted and any proposed mitigation to reduce or eliminate adverse impacts. An adverse impact causes disadvantage or exclusion. If such an impact is identified please state how, as far as possible, it is justified; eliminated; minimised or counter balanced by other measures.

If there are no adverse impacts that you can identify please state 'No perceived adverse impact' under the relevant protected characteristic.

Negative impacts of the proposed change and practical steps to mitigate or avoid any adverse consequences on people with protected characteristics are detailed below. If you have not identified any mitigating action to reduce an adverse impact please state 'No mitigating action identified'.

Age	No perceived adverse impact
Disability	No perceived adverse impact
Gender reassignment	No perceived adverse impact
Marriage and civil partnership	No perceived adverse impact
Pregnancy and maternity	Staff may feel adversely affected by changes because of their absence from the workplace. Where appropriate, we will be requesting TUPE information from Serco and further analysis will be necessary. Regular communication with staff affected will be carried out by both the Council and Serco to mitigate the impact.

Race	No perceived adverse impact
Religion or belief	No perceived adverse impact
Sex	Based on historic analysis of these services, we believe there may be a greater number female employees likely to be affected by TUPE. At the appropriate time, we will be requesting TUPE information from Serco and further analysis will be necessary. Regular communication with staff affected will be carried out by both the Council and Serco to mitigate the impact.
Sexual orientation	No perceived adverse impact

If you have identified negative impacts for other groups not specifically covered by the protected characteristics under the Equality Act 2010 you can include them here if it will help the decision maker to make an informed decision.

It should be noted that depending on arrangements TUPE transfers could be seen as positive or negative by an employee. In any event the change will be carefully managed.

Stakeholders

Stake holders are people or groups who may be directly affected (primary stakeholders) and indirectly affected (secondary stakeholders)

You must evidence here who you involved in gathering your evidence about benefits, adverse impacts and practical steps to mitigate or avoid any adverse consequences. You must be confident that any engagement was meaningful. The Community engagement team can help you to do this and you can contact them at consultation@lincolnshire.gov.uk

State clearly what (if any) consultation or engagement activity took place by stating who you involved when compiling this EIA under the protected characteristics. Include organisations you invited and organisations who attended, the date(s) they were involved and method of involvement i.e. Equality Impact Analysis workshop/email/telephone conversation/meeting/consultation. State clearly the objectives of the EIA consultation and findings from the EIA consultation under each of the protected characteristics. If you have not covered any of the protected characteristics please state the reasons why they were not consulted/engaged.

Objective(s) of the EIA consultation/engagement activity

There has been no specific stakeholder consultation or engagement activity at this stage of the review.

Who was involved in the EIA consultation/engagement activity? Detail any findings identified by the protected characteristic

Age	
Disability	
Gender reassignment	
Marriage and civil partnership	
Pregnancy and maternity	
Race	
Religion or belief	

Sex	
Sexual orientation	
<p>Are you confident that everyone who should have been involved in producing this version of the Equality Impact Analysis has been involved in a meaningful way?</p> <p>The purpose is to make sure you have got the perspective of all the protected characteristics.</p>	<p>Yes, at this stage of the review. Going forward the programme will seek to:</p> <ul style="list-style-type: none"> Analyse both LCC and Serco HR data in order to understand and analyse the make-up of staff with protected characteristics. Identify the potential impacts and any further potential mitigating actions. <p>Consultation or engagement exercises will be undertaken at the appropriate stage, if any changes to employment and working practices are considered, comments from staff will be taken into account.</p> <p>Staff on maternity or paternity leave will receive the same information, support and guidance as those staff who are not pregnant or on maternity or paternity leave. Staff will not be treated differently if they become pregnant.</p> <p>A person's disability should not act as a barrier to employment if the person is able to demonstrate that they can undertake the work.</p> <p>In the event of any transfers from one employer to another there will be counselling opportunities available for staff who feel they need to access this.</p>
<p>Once the changes have been implemented how will you undertake evaluation of the benefits and how effective the actions to reduce adverse impacts have been?</p>	<p>Workforce statistical data will continue to be monitored throughout the implementation of the programme.</p>

Further Details

Are you handling personal data?	<p>Yes</p> <p>If yes, please give details.</p> <p>Going forward we will be handling HR data on LCC and Serco employees identifying protected characteristics.</p>
--	---

Actions required	Action	Lead officer	Timescale
Include any actions identified in this analysis for on-going monitoring of impacts.	Clarify workforce information and undertake analysis by protected characteristics – particularly gender, disability and pregnancy/maternity.	Wendy Henry	30 June 2018
	Continued iteration of the impact analysis throughout the programme	Wendy Henry	Ongoing
	Individual EIA considered for the projects that will continue once the formal decision is made.	Project Leads	2 nd October – 29 th October 2018
	In the event of any change in employer, consultation exercised will be required at the appropriate time.	Appropriate Service Leads as required.	

Version	Description	Created/amended by	Date created/amended	Approved by	Date approved
v0.1	Issued following establishment of the CSSC programme.	Andrew McLean	04/04/2018	Debbie Barnes	16/04/2018
v0.2	Updated for OSMB 28/06/2018	Andrew McLean	14/06/2018	Debbie Barnes	15/06/2018
v0.3	Updated for OSMB 30/08/2018	Andrew McLean	14/08/2018	Debbie Barnes	15/08/2018
v0.4	Updated for OSMB 27/09/2018 and Executive 02/10/2018	Andrew McLean	12/09/2018	Debbie Barnes	11/09/2018

This page is intentionally left blank

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

Report to:	Overview and Scrutiny Management Board
Date:	27 September 2018
Subject:	Revenue and Capital Budget Monitoring Report 2018/19

Summary:

This report invites the Overview and Scrutiny Management Board to consider a report on the Revenue and Capital Budget Monitoring Report which is being presented to the Executive on 2 October 2018. The views of the Board will be reported to the Executive as part of its consideration of this item.

It compares the Council's projected expenditure with the approved budget for 2018/19 and provides explanations for any significant over or under spending.

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 2018/19 at its meeting on 2 October 2018.

The Executive report attached at Appendix 1 is the first budget monitoring report for financial year 2018/19. 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 at its meeting on 2 October 2018.

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 1	Report on Revenue and Capital Budget Monitoring 2018/19 to be presented to the Executive at its meeting on 2 October 2018

5. Background Papers

The details of the budget set for financial year 2018/19 is within the document Budget Book 2018/19 which can be found in the Council's website by following this [link](#).

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

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

Report to:	Executive
Date:	02 October 2018
Subject:	Revenue and Capital Budget Monitoring Report 2018/19
Decision Reference:	I015179
Key decision?	No

Summary:

This report provides an update on spending compared with budgets for the financial year which started on 1 April 2018.

The tables in this report show the actual income and expenditure for four 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 2018/19, 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 £3.738m less than the total budget (excluding the projected under spending on Schools budgets);

- 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 £0.656m more than the budget at the end of the financial year.

DISCUSSION

Revenue

Table A (Position as at 31 July 2018)

	Revised Net Revenue Budget	Net Expenditure	Year End Forecast	Forecast Variance	Forecast Variance
	£'000	£'000	£'000	£'000	%
COMMISSIONING STRATEGIES					
Readiness for School	4,846	1,801	4,888	42	0.9
Learn & Achieve	34,495	11,965	34,537	42	0.1
Readiness for Adult Life	6,775	3,417	6,413	-361	-5.3
Children are Safe and Healthy	65,883	29,131	64,983	-900	-1.4
Adult Safeguarding	4,937	1,581	4,937	0	0.0
Adult Frailty & Long Term Conditions	120,705	21,293	120,705	0	0.0
Carers	2,464	1,164	2,464	0	0.0
Adult Specialities	65,808	36,528	65,808	0	0.0
Wellbeing	27,374	9,471	27,374	0	0.0
Community Resilience & Assets	10,375	3,797	10,375	0	0.0
Sustaining & Developing Prosperity Through Infra	40,480	6,872	40,480	0	0.0
Protecting & Sustaining the Environment	24,911	8,349	24,911	0	0.0
Sustaining & Growing Business & the Economy	1,313	-7,337	1,313	0	0.0
Protecting The Public	23,582	9,407	23,582	0	0.0
How We Do Our Business	7,754	2,825	7,754	0	0.0
Enablers & Support To Council's Outcomes	41,393	20,215	39,443	-1,950	-4.7
Enablers & Support To Key Relationships	0	-95	0	0	0.0
Public Health Grant Income	-32,662	-16,331	-32,662	0	0.0
Better Care Funding Income	-40,044	-9,940	-40,044	0	0.0
TOTAL COMMISSIONING STRATEGIES	410,391	134,114	407,263	-3,128	-0.8
SCHOOL BUDGETS					
Central School Services Block (DSB)	3,929	1,399	3,692	-238	-6.0
Early Years Block	40,579	16,689	40,486	-93	-0.2
High Needs Block	81,133	25,415	79,961	-1,172	-1.4
Schools Block	427,169	44,829	427,169	0	0.0
Dedicated Schools Grant	-538,857	-113,222	-538,857	0	0.0
Schools Budgets (Other Funding)	501	-3,546	501	0	0.0
TOTAL SCHOOL BUDGETS	14,453	-28,436	12,950	-1,503	-10.4
OTHER BUDGETS					
Contingency	1,749	0	1,749	0	0.0
Capital Financing Charges	43,937	196	43,937	0	0.0
Other Budgets	7,541	4,893	6,931	-610	-8.1
TOTAL OTHER BUDGETS	53,227	5,090	52,617	-610	-1.1
TOTAL EXPENDITURE	478,071	110,768	472,830	-5,241	-1.1
INCOME					
Revenue Support Grant	0	0	0	0	0.0
Business Rates	-163,200	-61,483	-163,200	0	0.0
Council Tax	-280,793	-112,317	-280,793	0	0.0
Other Non Specific Grants	-6,900	-3,445	-6,900	0	0.0
TOTAL INCOME	-450,894	-177,245	-450,894	0	0.0
USE OF BALANCES					
Use of Balances - Earmarked Reserves	-26,377	-22,801	-26,377	0	0.0
Use of Balances - General Reserves	-800	-800	-800	0	0.0
TOTAL USE OF RESERVES	-27,177	-23,601	-27,177	0	0.0
TOTAL	0	-90,079	-5,241	-5,241	

Children's Services

1.2 Over the four commissioning strategies, Children's Services is currently forecasting an under spend of £1.177m (-1.05%).

Readiness for School

1.3 Readiness for School commissioning strategy that focuses on Children Centre delivery is forecasting to be marginally over spend by £0.042m (0.87%).

Learn and Achieve

1.4 Learn and Achieve commissioning strategy is forecasting to be marginally overspent of £0.042m (0.12%) across delivery areas of Special Educational Needs & Disabilities, School Improvement, School Support Services and Home to School/College Transport.

1.5 The majority of this commissioning strategy relates to Home to School/College Transport (£25.518m), which is currently 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 spending and there are 191 transport days this year. Forecasts on spending will continue to be reviewed on a monthly basis by officers to ensure spend levels are controlled and any overspend mitigated.

Readiness for Adult Life

1.6 Readiness for Adult Life commissioning strategy is forecasting an under spend of £0.361m (-5.33%). The majority of the underspend (£0.328m) relates to the Local Authority's legal duty for Supported Accommodation, which comes from the work undertaken through the transformational group in determining a suitable accommodation pathway policy for young people who require support or who are experiencing homelessness, and providing suitable more cost effective accommodation. A saving is planned to be put forward through the 2019/20 budget setting process.

Children are Safe and Healthy

1.7 Children are Safe and Healthy commissioning strategy is forecasting an under spend of £0.900m (-1.37%). The under spend mainly relates to the funding of central staffing costs temporarily in 2018/19 from grants (relating to the social care peripatetic team and commissioning staff (£0.421m)), and the lower occupancy rates at the Beacon development which is being reviewed (£0.100m). The in-house transfer of the 0-19 Health Services in October 2017 has enabled a lower cost base structure through utilisation of existing Council sites, and a realisation of new ways of delivery (£0.400m).

1.8 The area of children's social care continues to face challenges nationally and locally. The national increase in Looked After Children is due to a number of reasons: case law, the impact of austerity, and the increasing 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. The service however feels confident that spending can be kept within the revised budgets for 2018/19.

Adult Care and Community Wellbeing

Adult Frailty & Long Term Conditions

1.9 The budget for this strategy is £120.705m and at this time it is considered that the outturn for 2018/19 will be a balanced budget.

1.10 Direct Payments growth in both Older Persons and Physical Disabilities has stabilised after two years of continuous growth. There are some cases to transfer from Children's to Physical Disabilities (PD), which will happen before financial year end, but it is considered that the budget will be underspent. Home Support activity has increased slightly from last year particularly in PD but this overspend will be offset by the under spend in Direct Payments.

1.11 Long term residential care numbers are projected to be similar to 2017/18 with approximately 1,200 new long term placements, Base placements are currently 60 more than same time in 2017/18. Short term residential care activity has increased slightly but it is estimated that this will also be on target.

1.12 Overall income continues to outperform targets set especially in regards to Direct Payment Audit. The first quarter of Debtor Income invoices is in the process of being completed - this income is mainly in relation to property debt and currently projecting on target for end of 2018/19

1.13 This strategy also includes the infrastructure budget.

Specialist Adult Services

1.14 The current budget for this commissioning strategy is £65.808m, and at this time it is considered that it will breakeven for the year. However, we are seeing a number of high cost placements being made in both Learning Disabilities and Mental Health that may have an effect on the budget during the year, but as we have also had a number of attritions to date, and an increase in income, we are at present projecting a balanced budget for the year.

1.15 The majority of the services in this strategy are administered via two Section 75 agreements between the Council and NHS commissioners and providers in Lincolnshire; however a small budget allocation exists for the Council's remaining in-house day care services.

1.16 Part of the Learning Disabilities section 75 agreement is with Health and the 4 Lincolnshire Clinical Commissioning groups (CCG's) amounting to £11.900m relating to all service users with continuing health care that are either joint funded with Social Care, or fully funded through Health. Whilst we currently have an overspend of over £1.000m within this area, we have had verbal agreement from the CCG's that this will be repaid to LCC in 2018/19. Hence this overspend is currently not being reported as a pressure against the LCC budget.

1.17 Direct payments within the Learning Disabilities budget is currently under pressure due to a higher than anticipated increase in new packages agreed during the summer months relating to school and college leavers. We have also built in an estimate for the additional cost of night rate payments that will affect clients who employ personal assistants using their direct payment.

1.18 Whilst growth in usage and costs has been built into the budget for Supported Living for 2018/19, we are seeing a higher than expected increase in care packages being approved at panel so far to date, which again may result in a pressure on this budget for the year.

1.19 Residential activity has seen an increase in new placement costs compared to those leaving the service this year. To date we have had 8 new placements, all of which have higher needs than the 4 lower cost de-commitments in year. If this trend continues then again we will see pressures mounting in the later part of the year.

1.20 Income is projected to outperform budgeted expectations by £0.700m, with increases in all areas with the exception of short term care income. The largest area of growth is in non-residential income. This additional income will help to minimize some of the additional pressures already reported above.

1.21 The current budget for Mental Health is £6.100m for 2018/19. The Council has a section 75 (S75) Partnership agreement set up with Lincolnshire Partnership Foundation Trust (LPFT) to provide this service on behalf of LCC. Demographic growth and inflationary increases around all of the Community care packages in year has created further pressures on this budget this year. LCC is currently working very closely alongside LPFT to ensure any higher than average cost placements are being challenged and that these packages are being checked for any Continuous Health care element, to ensure this is reclaimed from Health and reduce costs to Social Care. There is also an ongoing stringent review of the LPFT staffing structure in year. The current structure was set up in 2012 when the S75 was first signed. This now needs to be restructured to be able to meet and cope with the increasing demand and complex nature of this service. It is not yet known whether this change will cause any further pressure on this budget for 2018/19.

Community Wellbeing

1.22 The current budget for Community Wellbeing is £27.374m.

1.23 Based on information received to the end of August 2018/19 it is projected that this area will be within budget and breakeven for the year. Whilst there are overspends within the Wellbeing services, particularly the Integrated Community Equipment, these have been offset by underspends within the Sexual Health area and the Public Health Statutory services.

Safeguarding

1.24 The current budget for Safeguarding for 2018/19 is £4.937m, which has been increased in year by £0.700m which came from a successful bid from the Adult Care 1% carry forward from 2017/18. It is now envisaged that this budget will cover all of the additional costs for the increased Best Interest Assessments still coming through each month.

1.25 Whilst work was carried out last year to significantly reduce the backlog of Deprivation of Liberty Safeguarding (DoLS) assessments and reviews in the system, the volume of new assessments we are receiving each month is still very high. It is expected that this volume will continue whilst the Cheshire West Judgement is still in place.

1.26 This high volume continues to put pressure on the Mental Health Capacity team to ensure that all Best Interest Assessments and Reviews are completed on time so that backlogs are monitored and kept to a minimum.

Carers

1.27 The current budget for Carers for 2018/19 is £2.464m.

1.28 The number of carers receiving services from the Lincolnshire Carers Service continues to increase with a focus on early identification and support of carers providing a wide range of services including carers universal support services, community networks, information and advice as well as statutory assessments. This increase has been delivered within the allocated budget.

Better Care Fund

1.29 The Lincolnshire Better Care Fund (BCF) is a framework agreement between Lincolnshire County Council and the Lincolnshire Clinical Commissioning Groups (CCGs) and looks to pool funds from those organisations to help support the national and local objective of closer integration between the Council and the CCGs.

1.30 The total pooled amount in 2018/19 is £232.123m which includes £56.164m that was allocated to the Lincolnshire BCF from the Department of Health and Social Care. The BCF has recently been reviewed, which has resulted in minor changes to BCF expenditure plans. These have been agreed by the Lincolnshire Joint Executive Team, with confirmation issued to the regional Better Care Support Team confirming the changes. The nationally directed changes to Non-Elective Admissions and Delayed Transfers of Care metrics have also been noted and included within the local performance monitoring for 2018/19.

1.31 Lincolnshire's fund is one of the largest in the country and includes pooled budgets for Learning Disabilities, Children and Adolescence Mental Health Services (CAMHS) and Community Equipment plus 'aligned' Mental Health funds from the County Council and the four CCGs

1.32 In addition to the continuation of existing pooled funds, there are a number of other funding streams, these increases result from:

- Inflationary increases in CCG funding, and as a result in the CCG funding for the Protection of Adult Care Services;
- The addition of the Improve Better Care Fund (iBCF) funding that was announced in the Chancellor's November 2015 budget totalling £14.249m in 2018/19; and
- The announcement of iBCF Supplementary funding in the Chancellor's March 2017 budget totalling £9.609m in 2018/19.

1.33 Overall BCF funding from central government has increased by £6.772m in 2018/19.

1.34 There is a requirement to ensure that the funding has a positive impact on performance in the areas of Delayed Transfers of Care, Non-Elective Admissions, Residential Admissions and positive outcomes following Re-ablement, these have been reflected in our plans.

Economy and Environment

Sustaining and Developing Prosperity through Infrastructure

1.35 The current budget for Sustaining and Developing Prosperity through Infrastructure is £40.480m.

1.36 Highways Asset Maintenance and the Network Management functions accounts for 60% of this budget. Included within this is an additional £3.300m to improve road conditions.

1.37 Included within this area is a budget of £0.859m for advanced design. This budget has a forecast overspend of £0.393m that will be accommodated through this budget and earmarked reserve for this area. This budget enables the service to prepare schemes for future grant funding opportunities.

Protecting and Sustaining the Environment

1.38 The current budget for Protecting and Sustaining the Environment is £24.911m.

1.39 Almost 90% of this budget is allocated to the Waste Management function. Potentially there are some small projected underspends in this area in relation to staff vacancies, however the service is volatile and forecasts will be monitored following the summer activities.

Finance and Public Protection

Enablers and Support to Council Outcomes

1.40 Enablers and Support to Council Outcomes is currently forecasting to be £1.950m underspent by year end.

1.41 IMT are in the process of revising coding structures to assist in financial management of the service following the funding of additional non-specific revenue pressures into the base budget (£3.000m).

1.42 The current forecast show a predicted under spend of £1.800m. However a number of projects are underway to allocate the remaining elements of the £3.000m base budget. This includes the following:

- Increase in broadband bandwidth for Lincoln Campus
- One off Support for windows 10 deployment
- Enhanced security monitoring service
- Serco Service Improvement programme
- An increased in the retained IMT staffing function in line with requirements
- IMT staff development and training programme
- Departmental process and modelling system
- Revenue costs of previous capital spend (eg migration to cloud services)

1.43 This will allow a balanced base budget position to be achieved during 2018/19.

1.44 People Strategy & Support are projecting to be £0.143m underspent by the year end. This underspend relates entirely to the income received as a result of the purchase of employee leave by Council staff. The annual income from employee's purchasing additional annual leave is a variable sum, of which People Management and CMB will consider options for its use.

Schools Budgets

1.45 Under government regulations, schools carry forward automatically their under and overspendings to the next financial year. Budgets held centrally within the ring-fenced 2018/19 Schools block, Central Schools Services block, Early Years block and High Needs block of the Dedicated Schools Grant (DSG) were once again set prudently due to the demand-led and volatile nature of the services demands, particularly in the area of High Needs. In line with the Department for Education (DfE) regulations any under or over spends will automatically be carried

forward to the next financial year and the Council will consult the Schools Forum on its use.

Other Budgets

1.46 Other Budgets is currently projecting an under spend of £0.610m. This is mainly explained by the following:

- National Living Wage is currently forecasting £0.500m underspend. After initial work undertaken during the financial year it is anticipated that this element of budget will not be required this year as the actual living wage rate is lower than anticipated.
- Successful prosecution against Mid UK Recycling Ltd for breaching planning and environmental controls resulting in the fire at Barkston Heath concluded with an award of £0.226m to the Council. Half of this was transferred to Fire and Rescue to cover blue light cost pressures. The other half, £0.113m is anticipated not to be used.

Use of Balances

1.47 The Council planned to use £5.076m from the Financial Volatility Reserve to balance the Council's budgets in 2018/19 and £0.800m from the General Fund. Additionally, to maintain the General Fund balance at 3.5% of the Council's budget requirement as part of the 2018/19 budget setting, a further £0.600m was transferred from the Financial Volatility Reserve to the General Fund Reserve.

1.48 Further earmarked reserves will be drawn down into service budgets during the financial year. The main drawdown of reserves so far this year is shown below:

- Schools - Drawdown of Schools' carry forward (£16.552m) from reserve and Dedicated Schools Grant under spend (£2.991m) from reserve to the service budgets;
- Up to 1% carry forward on 2017/18 service budgets (£3.576m), allocated to service budgets for use in 2018/19;
- Better Care Fund drawdown (£0.400m) to cover co-responding cost in 2018/19.

Capital Programme

Table B (Position as at 31 July 2018)

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
Children's Services								
<u>Readiness for School</u>								
Early Years Sufficiency / Extended Provision	36	135	36	-99	36	135	36	-99
Other Readiness for School	104	0	0	0	104	0	0	0
Sub Total	140	135	36	-99	140	135	36	-99
<u>Learn and Achieve</u>								
Devolved Capital	382	1,213	1,213	0	-755	0	0	0
Provision of School Places (Basic Need)	5,474	11,026	11,026	0	1,476	0	0	0
School Condition / Maintenance Capital	1,066	0	0	0	1,066	0	0	0
School Modernisation / Condition Capital	1,415	4,867	4,867	0	-879	0	0	0
Schools Access Initiative	80	0	0	0	80	0	0	0
Academy Projects	0	-8	0	8	0	-8	0	8
Other Learn and Achieve	438	2,831	2,371	-460	-333	2,060	1,600	-460
Sub Total	8,855	19,929	19,478	-452	653	2,052	1,600	-452
<u>Readiness for Adult Life</u>								
Other Readiness for Adult Life	0	2	0	-2	0	2	0	-2
Sub Total	0	2	0	-2	0	2	0	-2
<u>Children are Safe and Healthy</u>								
Universal Infant Free School Meals Capital	111	0	0	0	-44	0	0	0
Foster Capital	141	586	478	-108	141	586	478	-108
Short Breaks for Disabled Children	0	20	0	-20	0	20	0	-20
Phase 1 Children's IT	0	1,150	1,150	0	0	1,150	1,150	0
Sub Total	253	1,756	1,628	-129	97	1,756	1,628	-129
Adult Care								
<u>Adult Frailty, Long Term Conditions and Physical Disability</u>								
Adult Care	7	0	0	0	7	0	0	0
Better Care Fund - Disabled Facility Grants	5,698	0	0	0	0	0	0	0
<u>Wellbeing</u>								
Public Health	8	0	0	0	8	0	0	0
Sub Total	5,712	0	0	0	14	0	0	0
Environment and Economy								
<u>Community Resilience and Assets</u>								
Libraries	14	498	498	0	14	498	498	0
Sub Total	14	498	498	0	14	498	498	0
<u>Sustaining and Developing Prosperity Through Infrastructure</u>								
Highways Asset Protection	28,606	44,156	44,156	0	9,979	13,077	13,077	0
Integrated Transport	923	5,972	5,972	0	-733	2,660	2,660	0
Lincoln Eastern Bypass	6,414	39,926	39,926	0	3,183	26,811	26,811	0
Lincoln East-West Link	152	-683	-683	0	152	-683	-683	0
Spalding Relief Road	0	8,000	8,000	0	0	8,000	8,000	0
Grantham Southern Relief Road	330	16,427	16,427	0	330	3,674	3,674	0
Transforming Street Lighting	45	871	871	0	45	871	871	0
Grantham Growth Point	0	2,264	2,264	0	0	2,264	2,264	0
Historic Lincoln	94	-1,338	0	1,338	110	-1,338	0	1,338
Lincolnshire Enterprise Partnership Contribution	0	2,537	2,537	0	0	2,537	2,537	0
National Productivity Investment Fund	1,512	3,166	3,166	0	1,512	1,166	1,166	0
A16/A1073 Spalding to Eye Road Improvement	3	-32	-32	0	3	-32	-32	0
Other Highways and Transportation	46	136	136	0	38	136	136	0
Lincoln Growth Point	11	33	33	0	19	33	33	0
Lincolnshire Waterways	1	8	8	0	1	8	8	0
Network Resilience	0	480	480	0	0	480	480	0
A46 Welton Roundabout (Integrated Transport/NPIF)	11	0	0	0	-469	0	0	0
Other Sustaining and Developing Prosperity Through Infrastructure	233	0	0	0	233	0	0	0
Sub Total	38,380	121,923	123,261	1,338	14,402	59,663	61,001	1,338
<u>Protecting and Sustaining the Environment</u>								
Flood Defence	0	1,100	1,100	0	0	1,100	1,100	0
Flood and Water Risk Management	26	938	938	0	-164	938	938	0
Boston Barrier	0	11,000	11,000	0	0	11,000	11,000	0
Boston Household Waste Recycling Centre	524	646	646	0	524	646	646	0
Energy from Waste	0	112	112	0	0	112	112	0
Equipment & Vehicles at Waste Transfer Stations	186	441	441	0	186	441	441	0
Other Protecting and Sustaining the Environment	0	283	283	0	0	283	283	0
Sub Total	736	14,520	14,520	0	546	14,520	14,520	0
<u>Sustaining and Growing Business and the Economy</u>								
Skegness Countryside Business Park					0			0
Teal Park, Lincoln	0	-69	-69	0	2	-69	-69	0
Other Sustaining and Growing Business and the Economy	346	2,737	2,737	0	442	2,737	2,737	0
Sub Total	346	2,668	2,668	0	444	2,668	2,668	0

Capital Programme	Gross Actual Expenditure	Gross Revised Budget	Gross Latest Forecast	Gross Forecast Variance	Net Actual Expenditure	Net Revised Budget	Net Latest Forecast	Net Forecast Variance
	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Finance and Public Protection								
<u>Protecting the Public</u>								
Fire and Rescue and Emergency Planning	310	2,270	2,270	0	310	2,270	2,270	0
Fire Fleet Vehicles and Associated Equipment	19	2,437	2,437	0	19	2,437	2,437	0
Registration Celebratory & Coroners Services	12	120	120	0	12	120	120	0
Sub Total	341	4,827	4,827	0	341	4,827	4,827	0
<u>Enablers and Support to Council's Outcomes</u>								
Broadband	-783	4,660	4,660	0	-5,686	4,660	4,660	0
Infrastructure and Refresh Programme	274	1,087	1,087	0	272	1,087	1,087	0
Replacement ERP Finance System	942	1,601	1,601	0	942	1,601	1,601	0
Care Management System (CMPP)	46	-173	-173	0	43	-173	-173	0
ICT Development Fund	88	2,690	2,690	0	88	2,690	2,690	0
Property	1,170	6,080	6,080	0	1,170	6,080	6,080	0
Property Rationalisation Programme	788	649	649	0	780	649	649	0
Blue Light South Park	2,225	863	863	0	2,358	863	863	0
Sub Total	4,750	17,458	17,458	0	-32	17,458	17,458	0
<u>Other Programmes</u>								
New Developments Capital Contingency Fund	0	15,465	15,465	0	0	15,465	15,465	0
Sub Total	0	15,465	15,465	0	0	15,465	15,465	0
Total Programme	59,526	199,182	199,838	656	16,619	119,045	119,701	656

1.49 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.

1.50 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.

Children's Services

1.51 The £0.682m net under spend of Children's capital programmes relate to the following projects of supported accommodation, special schools, childcare sufficiency and foster carers. Supported accommodation and special schools relate to transformational projects that will run longer than one financial year, which will deliver outcomes for service users and value for money from a revenue perspective. Foster carers and childcare sufficiency capital enables local solutions to be provided when situations arise, which ensures the Council can meet its statutory duty and delivered through a cost effective approach.

Environment and Economy

Sustaining and Developing Prosperity Through Infrastructure

1.52 Highways Asset Protection and Integrated Transport are currently on target to spend the Department for Transport (DfT) grants. The budgets of the major schemes will be reviewed in the autumn and re-profiled as required.

1.53 The Historic Lincoln project is currently showing an over spend of £1.338m, the final claim for Heritage Lottery Fund for Lincoln Castle Revealed will be submitted shortly, and all final accounts will need to be settled by then. Officers are working to ensure that all grant income is received, and a final budget position will then be known.

Sustaining and Growing Business and the Economy

1.54 The current programme regarding Holbeach Food Enterprise Zone and Skegness Countryside Business Park within Other Sustaining and Growing the Business and Economy is being reviewed in light of negotiations with landowners and potential tenants. Budgets will be realigned across financial years later in the year.

Finance and Public Protection

Protecting the Public

1.55 The fire fleet replacement programme is underway and the profile of this budget will be reviewed and re-phased in the autumn to reflect the programme of expenditure.

Enablers and Support to Council's Outcomes

1.56 The Council's spend on the broadband project is expected to be approximately £6.000m offset by £5.000m contractual underspends and clawback. This is showing on target as it is intended to re-phase all budget not required in 2018/19 into future years.

1.57 The expected Council's contribution for the Blue Light project is £4.100m. The Council's contribution will be funded by this budget and from the New Developments Capital Contingency Fund.

Other Programmes

1.58 For 2018/19 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 under spend in 2017/18 of £9.299m which has been carried forward and is available for schemes in 2018/19.

1.59 To date during the financial year £1.333m has been allocated. This has been used to fund the following schemes:

- Children's Services IT investment for front line services such as social workers and early help workers (£1.150m); and
- County Farms – works to meet Minimum Efficiency Standards (£0.107m) and road improvement programme (£0.076m).

Capital Financing

1.60 The following table sets out the financing of the capital programme:

CAPITAL PROGRAMME FUNDING		
	Gross	Net
Source of Financing	£'000	£'000
Revenue Funding of Capital	3,900	3,900
Borrowing	110,827	110,827
Use of Capital Grants Unapplied	4,307	4,307
Grants and Contributions	80,137	
Use of Earmarked Reserves	11	11
TOTAL FUNDING	199,182	119,045

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 2018 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 report is due to be considered by the Overview and Scrutiny Management Board at its meeting on 27 September 2018. The comments of the Board will be passed onto the Executive for consideration at the meeting on 2 October 2018.

d) Have Risks and Impact Analysis been carried out?

No

e) Risks and Impact Analysis

N/A

7. Background Papers

Document title	Where the document can be viewed
Budget Book 2018/19	This can be found in the Council's website by following this link .

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

**Open Report on behalf Councillor Barry Young,
Executive Councillor for Community Safety and People Management**

Report to:	Overview and Scrutiny Management Board
Date:	27 September 2018
Subject:	Response to the Part Night Street Lighting Policy Scrutiny Review – Final Report

Summary:

In October 2017, the Overview and Scrutiny Management Board established a Scrutiny Panel to review the impact of the Council's Part Street Lighting Policy. The Panel's Report which was presented to the Executive at its meeting on 5 June 2018 contained five recommendations. The Executive supported these recommendations in principle and this report details the response on behalf of Councillor Barry Young, Executive Councillor for Community Safety and People Management to the recommendations of the Scrutiny Panel and outlines an Action Plan for implementation.

Actions Required:

- 1) To consider the response on behalf of the Executive Councillor for Community Safety and People Management to the recommendations of the Part Night Street Lighting Policy Scrutiny Review.
- 2) To agree any additional comments to be passed to the Executive Councillor for Community Safety and People Management, in relation to this item.

1. Background

In October 2017, the Overview and Scrutiny Management Board established a Scrutiny Panel to review the impact of the Council's Part Street Lighting Policy. The Panel's Report, which was presented to the Executive at its meeting on 5th June 2018, contained five recommendations, as detailed below. The Executive supported these recommendations in principle but the Executive Councillor for Community Safety and People Management was requested to respond to the Report, indicating in his response which recommendations have been accepted and bringing forward an action plan for their implementation.

Panel Recommendation 1

That Lincolnshire Police are requested to continue to review and update a street lighting crime data report for consideration by Lincolnshire County Council's Public Protection and Communities Committee on an annual basis.

In addition, the following considerations to be reviewed by Lincolnshire Police for development as part of future reports:

- Where possible, ensure the clear recording of the lighting conditions for when the crime occurred to allow better records of data and to allow a more reflective assessment of specific streets where crimes have occurred and street lighting has been reduced
- Inclusion of additional crime types highlighted as a key concern for local residents as part of the public engagement activity – sexual offences, burglaries, car and van crime, drug related incidents, muggings, vandalism and anti-social behaviour.

The Scrutiny Panel recommends that crime rates and fears about safety/crime continue to be reviewed over the coming years to monitor the longer term impact of the introduction of part night street lighting. However, the evidence received as part of their review shows little evidence to suggest night time crime has significantly increased.

Executive Councillor for Community Safety Comments

Lincolnshire Police have agreed with Councillor Young to review and update a crime data report on an annual basis. An illustration of the format is contained in Appendix B. This is inclusive of updated figures and tables and should be read in conjunction with the original Street Lighting Report produced in November 2017. Table / graph numbers used replicate the original document and feature in the same order. The 'difference' column within tables denotes the difference for 2016/17 to 2017/18. The same approach as was used previously has been used for these updated figures. Details of the methodology and data limitations can be found in the original report. As will be observed, there are few real outliers and most top line offence types have fallen as compared with the same period last year. Exceptionally, the vehicle crime rise for Boston is +18. This is a localised issue which has a distorting effect on the overall number.

Discussion continues between Cllr Young, DCS Chris Davison and Police analysts about more comprehensive recording of lighting conditions at the time specific crimes were committed. These are expected to conclude by the end of October 2018. Cllr Young will report further on this as soon as he is in a position to do so.

The panel requested the inclusion of 'additional' crime types as above. It is not proposed to include sexual offences as the vast majority occur indoors and street lighting is not an issue. Burglaries, car and van crime, vandalism and muggings are already included under the personal robbery, vehicle offences, criminal damage and theft from the person categories respectively. Drug related incidents are not included as the term needs further clarification by the Panel. This is because drug offences such as possession are linked to police proactivity or intelligence gathering neither of which is affected by street lighting. Anti-social behaviour is also not included on the basis that the majority of ASB occurs at night in any event. As

was pointed out by a Panel member at one of its meetings there is therefore little point in including it.

Panel Recommendation 2

That the Lincolnshire Road Safety Partnership ensures data regarding street lighting levels is captured and reported as part of any analysis of road safety and collisions. And for this data to be reported and considered by Lincolnshire County Council's Public Protection and Communities Scrutiny Committee on an annual basis.

The Scrutiny Panel recommends the need to continue to monitor accident trends over the coming years to fully understand if part night street lighting does have a meaningful impact. However, at this stage no clear link has been identified.

Executive Councillor for Community Safety Comments

Cllr Young has met with John Siddle and Graeme Butler of the Lincolnshire Road Safety Partnership ("LRSP") who have confirmed to him that LRSP already captures details of lightness conditions through its accident report forms (Stats 19). This form categorises 5 options for light conditions as follows:

- Daylight
- Darkness: street lights present and lit
- Darkness: street lights present but unlit
- Darkness: no street lighting
- Darkness: street lighting unknown

Although this means that information is available to determine the presence of street lighting which is unlit at the time of say a collision, this does not necessarily indicate this was the cause of that collision. Among other factors, it might just as easily have been careless or dangerous driving, loss of control, impairment by alcohol, poor manoeuvre, aggressive or reckless driving.

In its report the Scrutiny Panel acknowledged that there had not been time since the introduction of part street lighting to gather sufficient statistics to make any comparisons or identify meaningful impacts resulting from the change. LRSP would normally wish for a time scale of 3 or 5 years and has confirmed that it would be happy to produce annual figures to establish whether the elements on its accident report forms as above highlight any increase or cause for concern relating to lighting conditions. Cllr Young recommends that this offer be accepted. Messrs Siddle and Butler are standing by to receive further instructions about this from him.

Panel Recommendation 3

That the Executive considers formalising the list of exemption sites as part of the County Council Street Lighting Policy and includes an additional

exemption for community public access defibrillator sites where requested by local communities.

Executive Councillor for Community Safety Comments

At present the formal published Street Lighting Policy effective from 18th July 2016 does not contain a list of exemption sites. However, the County Council's web page entitled Street Lighting Transformation Project does acknowledge that it would not have been appropriate to switch lights off in certain areas and they will therefore remain switched on all night in some places, particularly where the location:

- has a significant record of night time road traffic accidents
- has a significant record of night time crime
- has a care/nursing home, sheltered housing, or warden controlled accommodation
- has an operational emergency service facility
- has road safety features, such as traffic calming, speed humps, zebra crossings etc as originally installed by the County Council
- is the centre of a major urban area or larger town as referred to in LTP 4 (the Local Transport Plan) with a night time economy
- has permanent local authority or police CCTV surveillance equipment
- is a footpath and/or cycle way that links to two separate roads that are lit all night

The Panel's Scrutiny Review Report of April 2018 contained a similar but not identical list. To avoid confusion and in particular to define more clearly the meaning of "an operational emergency facility" as the Panel attempted to do in its report, Cllr Young recommends that an official agreed list is incorporated into an updated Street Lighting Policy document. This should include specific reference to community public access defibrillator sites where requested by local communities. He also suggests that the updated Policy document be circulated by Highways to all Parish and Town Councils with a reminder of the exemptions and a note of how to request an exemption as per the existing Street Lighting Transformation Project web page referred to above.

Panel Recommendation 4

That the Executive endorse working between the County Council and other agencies to plan communication activity with the public to reassure and address the cause of fears of crime surrounding the change to part night street lighting. And to develop an action plan and work to reduce these fears and change public perceptions.

Executive Councillor for Community Safety Comments

Cllr Young recommends that the Panel's recommendation be accepted. As Chairman of the Safer Lincolnshire Partnership he is particularly well placed to play a lead role in this. Work has already started on a communications strategy for the Partnership and an event designed to develop this, to which all partners were

invited, took place 21st September 2018. One of the emphases was on perception versus reality. Partners include all Lincolnshire district councils, clinical commissioning groups, HM Prisons, Lincolnshire Fire and Rescue, LPFT, Lincolnshire Police, the PCC, Public Health and the National Probation Service. The Partnership also works closely with other statutory boards such as the Lincolnshire Safeguarding Adults and Children's Boards, the Health and Wellbeing Board and the Road Safety Partnership. This report went to press before the event and Cllr Young will provide an oral update to OSMB on 27th September.

Panel Recommendation 5

That the Executive considers the County Council developing an appropriate protocol to enable local communities (through Town/Parish/District Councils) to financially support street lighting to be upgraded to LED and reinstated to full night operation on request as part of routine maintenance.

Executive Councillor for Community Safety Comments

Cllr Young recommends that the Panel's recommendation be accepted and that a draft protocol be prepared by Highways in conjunction with the Highways Portfolio Holder for circulation as appropriate.

2. Conclusion

Members of the Overview and Scrutiny Management Board are invited to consider the response on behalf the Executive Councillor for Community Safety and People Management to the recommendations of the Part Night Street Lighting Policy Scrutiny Review; and, to agree any additional comments to be passed to the Executive Councillor for Community Safety and People Management, in relation to this item.

3. Consultation

a) Have Risks and Impact Analyses 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	Action Plan Arising From Panel Recommendations
Appendix B	Updated crime data report

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 Councillor Barry Young, Executive Councillor for Community Safety and People Management.

Recommendation	Recommendation Accepted	Initial Response	Action	Timescale	Who
1 Lincs Police to be requested to continue to review & update street lighting data report for consideration by LCC's Public Protection & Communities Scrutiny C'tee ("PPCSC") annually	Yes	Update on original provided (see appendix B) but further discussion with Police needed on recording of lighting conditions.	Cllr Young & DCS Chris Davison continue to work on this with Police analysts	Working towards final agreement on what is feasible. Cllr Young to confirm to delivery date when agreement reached. (Target date 31/10/18)	Cllr Young B
2 LRSP to ensure data is captured regarding street lighting levels as part of analysis of road safety and collisions and report annually to PPCSC	Yes	LRSP will produce annual figures, initially for 3 years	If initial response acceptable to Review Panel Cllr Young to instruct LRSP to proceed on this basis	Immediately	Cllr Young B
3 List of exemption sites to be formalised with addition of community public access defibrillator sites where requested by local communities	Yes	List to be formalised and included in updated Street Lighting Policy document to be circulated by Highways to Town and Parish Councils.	In conjunction with the Portfolio Holder, Highways to prepare and circulate updated Policy document	By end October 2018	Highways / Cllr Davies R

Recommendation	Recommendation Accepted	Initial Response	Action	Timescale	Who
4 Executive to endorse work between LCC and other agencies on communications plan to re-assure and address the fears of crime and develop action plan to reduce those fears	Yes	Will work closely with Safer Lincolnshire Partnership who are already developing comms strategy to deal with reality v perception issues generally	Cllr B Young will keep Panel informed as matters develop	Ongoing	Cllr B Young
5 Executive to consider LCC developing protocol for local councils to finance LED upgrades and reinstatement of full night operation	Yes	Protocol to be formalised and included in updated Street Lighting Policy document to be circulated by Highways to Town, Parish and District Councils.	In conjunction with the Portfolio Holder, Highways to prepare and circulate protocol with revised street lighting policy document.	By end October 2018.	Highways / Cllr R Davies



Updated figures for 2017/2018
***Lincolnshire County Council Street Lighting
Transformation Project and Lincolnshire Police
crime rates***

Author	R Soutar, Intelligence Analyst, Lincolnshire Police
Date	30 th August 2018

This document carries a Government protective marking
The Protective Marking for this document has been classed as:

GSC - OFFICIAL

Contents

<u>Lincolnshire</u>	11
<i>Table 1: Number of each offence type recorded for Lincolnshire</i>	11
<i>Table 2: Number of each offence type recorded for East of Lincolnshire</i>	11
<i>Table 3: Number of each offence type recorded for West of Lincolnshire</i>	11
<u>West Lindsey</u>	12
<i>Graph 1: Number of each offence type within beat code areas for WL</i>	12
<i>Graph 2: Number of each offence type within beat code areas NC08 and NC09</i>	12
<u>Lincoln South</u>	13
<i>Graph 3: Number of each offence type within beat code areas NC16 – NC20</i>	13
<u>South Holland</u>	14
<i>Table 4: Number of each offence type recorded for the NC25 beat code area</i>	14
<i>Graph 4: Number of each offence type within beat code areas NC21 – NC24</i>	14
<u>Boston</u>	15
<i>Table 5: Number of each offence type recorded for the NC28 beat code area</i>	15
<i>Table 6: Number of each offence type recorded for the NC29 beat code area</i>	15
<u>North Kesteven</u>	16
<i>Graph 5: Number of each offence type within beat code areas within NK</i>	16
<i>Table 7: Number of each offence type recorded for the NC38 beat code area</i>	16
<i>Table 8: Number of each offence type recorded for the NC36 beat code area</i>	16
<u>Grantham</u>	17
<i>Table 9: Number of each offence type recorded for the NC40 & NC41 beat code areas</i> ..	17
<u>Stamford</u>	18
<i>Graph 6: Number of each offence type within beat code areas in the Stamford area</i>	18
<i>Table 10: Number of each offence type recorded for the NC47 beat code area</i>	18
<u>Coast</u>	19
<i>Table 11: Number of each offence type recorded for the NC49 beat code area</i>	19
<i>Graph 7: Number of each offence type within beat code areas in the Coast area</i>	19
<u>Wolds</u>	20
<i>Table 12: Number of each offence type recorded for the NC54 beat code area</i>	20
<i>Graph 8: Number of each offence type within beat code areas in the Wolds</i>	20

This document is inclusive of updated figures and tables and is an accompaniment to the original Street Lighting Report produced in November 2017.

OFFICIAL

*Table/graph numbers used will replicate the original document and will feature in the same order.
The 'difference' column within tables denotes the difference for 16/17 to 17/18.*

*The same approach has been used for these updated figures as was previously used; therefore
details of the methodology and data limitations can be found within the original report.*

Lincolnshire

Table 1: Number of each offence type recorded for Lincolnshire

Offence Type	Jan 16 - May 16 (Period 1)	Jan 17 - May 17 (Period 2)	Jan 18 - May 18 (Period 3)	Difference
Burglary	191	187	152	-35
Vehicle Crime	103	90	133	+43
Criminal Damage	104	159	85	-74
Theft from the person/ Robbery	4	3	8	+5

Table 2: Number of each offence type recorded for East of Lincolnshire

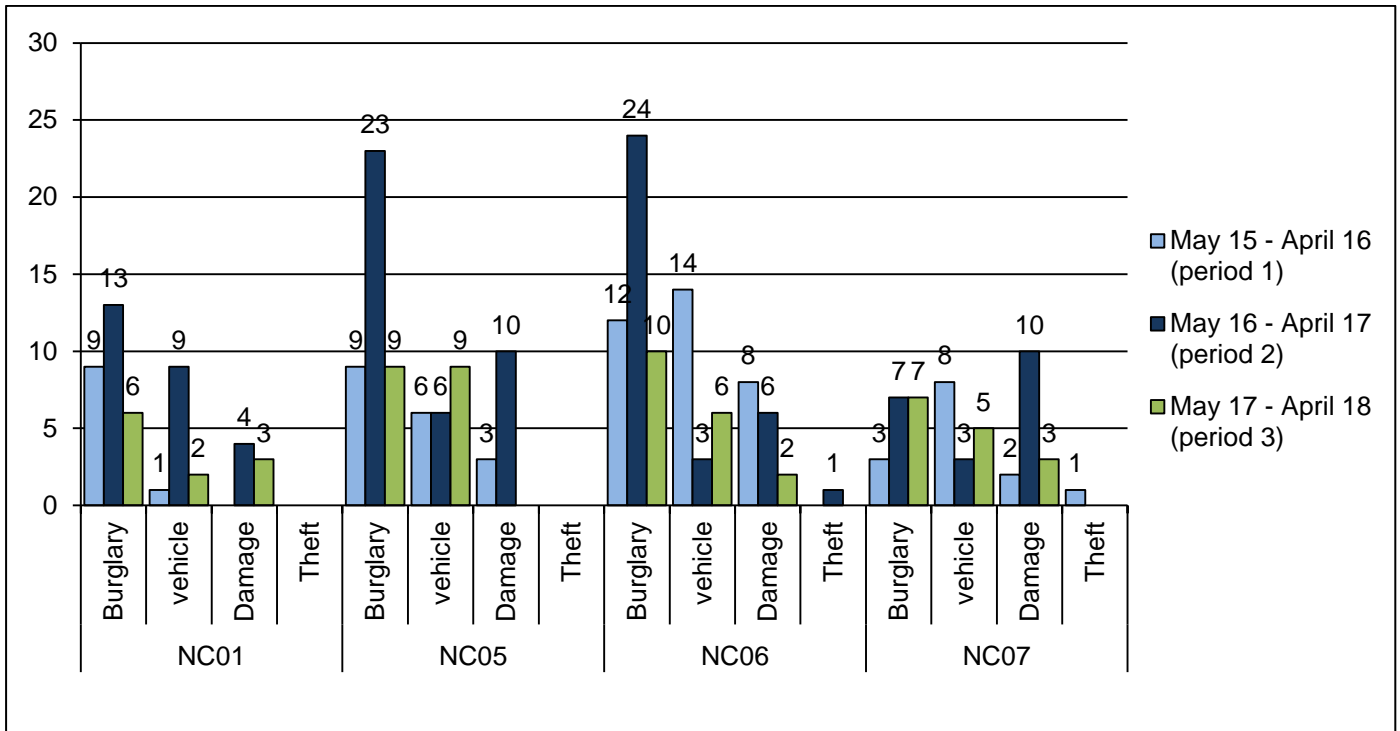
	Offence Type	Jan 16 - May 16 (Period 1)	Jan 17 - May 17 (Period 2)	Jan 18 - May 18 (Period 3)	Difference
East	Burglary	104	101	80	-21
	Vehicle Crime	48	39	77	+38
	Criminal Damage	57	67	45	-22
	Theft from the person/ Robbery	0	1	4	+3

Table 3: Number of each offence type recorded for West of Lincolnshire

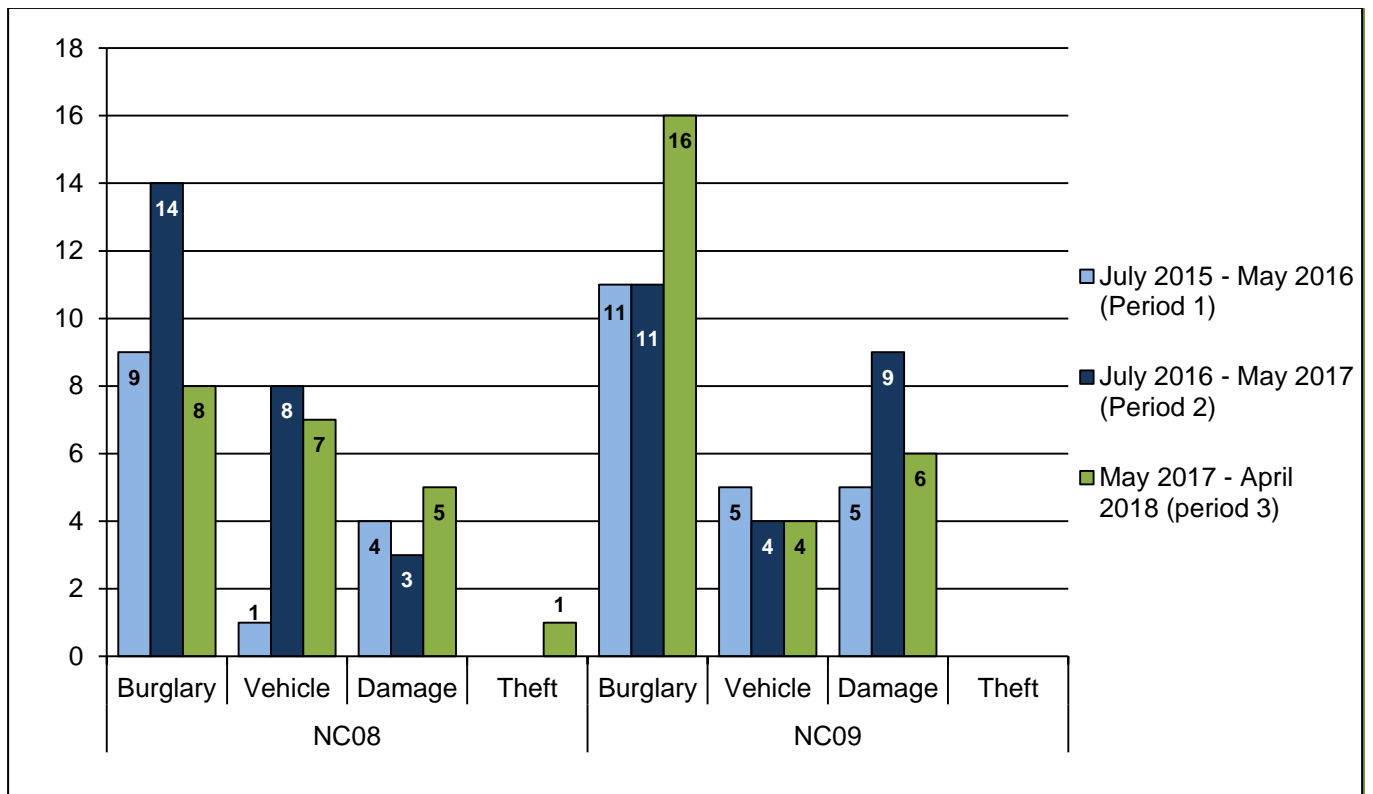
	Offence Type	Jan 16 - May 16 (Period 1)	Jan 17 - May 17 (Period 2)	Jan 18 - May 18 (Period 3)	Difference
West	Burglary	87	86	72	-14
	Vehicle Crime	55	51	56	+5
	Criminal Damage	47	92	40	-52
	Theft from the person/ Robbery	4	2	4	+2

West Lindsey

Graph 1: Number of each offence type within beat code areas for WL

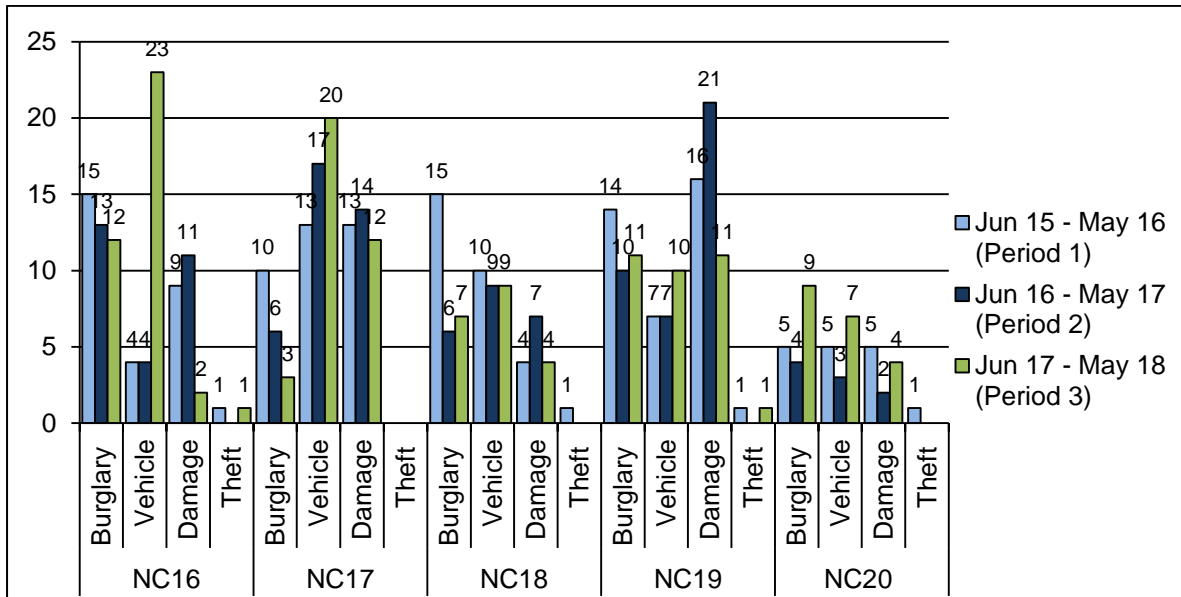


Graph 2: Number of each offence type within beat code areas NC08 and NC09



Lincoln South

Graph 3: Number of each offence type within beat code areas NC16 – NC20

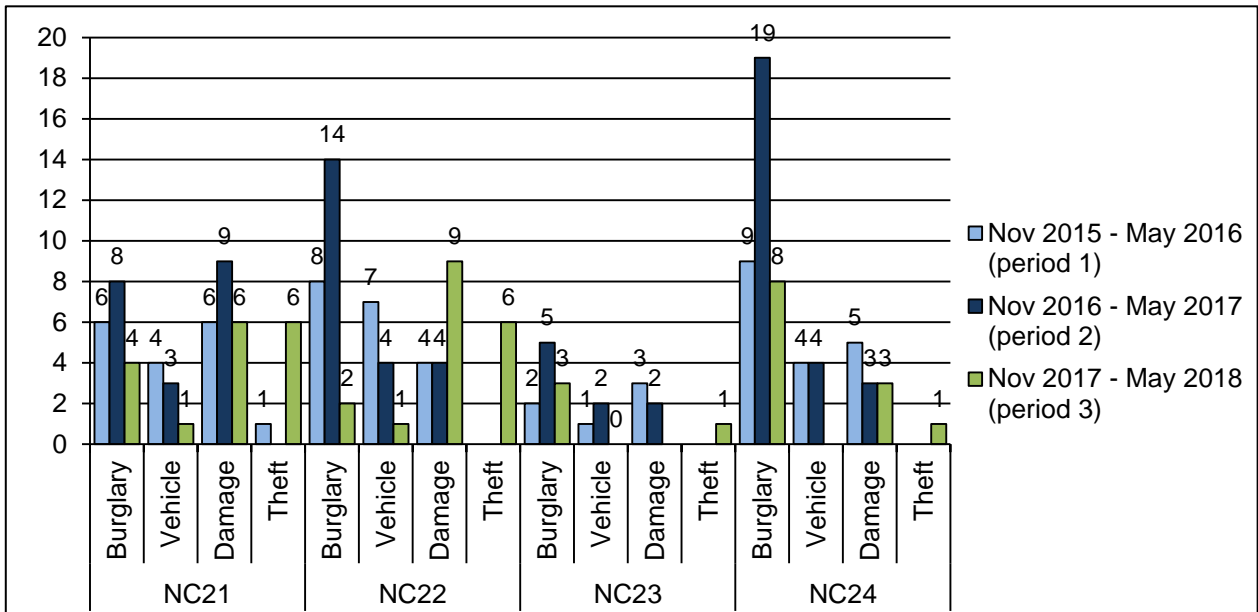


South Holland

Table 4: Number of each offence type recorded for the NC25 beat code area

Offence Type	Oct 15 - May 16 (Period 1)	Oct 16 - May 17 (Period 2)	Oct 17 - May 18 (Period 3)	Difference
Burglary	1	1	1	0
Vehicle Crime	2	2	8	+6
Criminal Damage	2	3	1	-2
Theft from Person/Robbery	0	0	0	0

Graph 4: Number of each offence type within beat code areas NC21 – NC24



OFFICIAL

Boston

Table 5: Number of each offence type recorded for the NC28 beat code area

Offence Type	Nov 15 - May 16 (period 1)	Nov 16 - May 17 (period 2)	Nov 17 - May 18 (period 3)	Difference
Burglary	13	10	10	0
Vehicle Crime	6	5	23	+18
Criminal Damage	7	11	1	-10
Theft from Person/Robbery	0	0	0	0

Table 6: Number of each offence type recorded for the NC29 beat code area

Offence Type	Dec 15 - May 16 (period 1)	Dec 16 - May 17 (period 2)	Dec 17 - May 18 (period 3)	Difference
Burglary	4	0	4	+4
Vehicle Crime	2	7	5	-2
Criminal Damage	2	6	4	-2
Theft from Person/Robbery	0	0	0	0

North Kesteven

Graph 5: Number of each offence type within beat code areas within NK

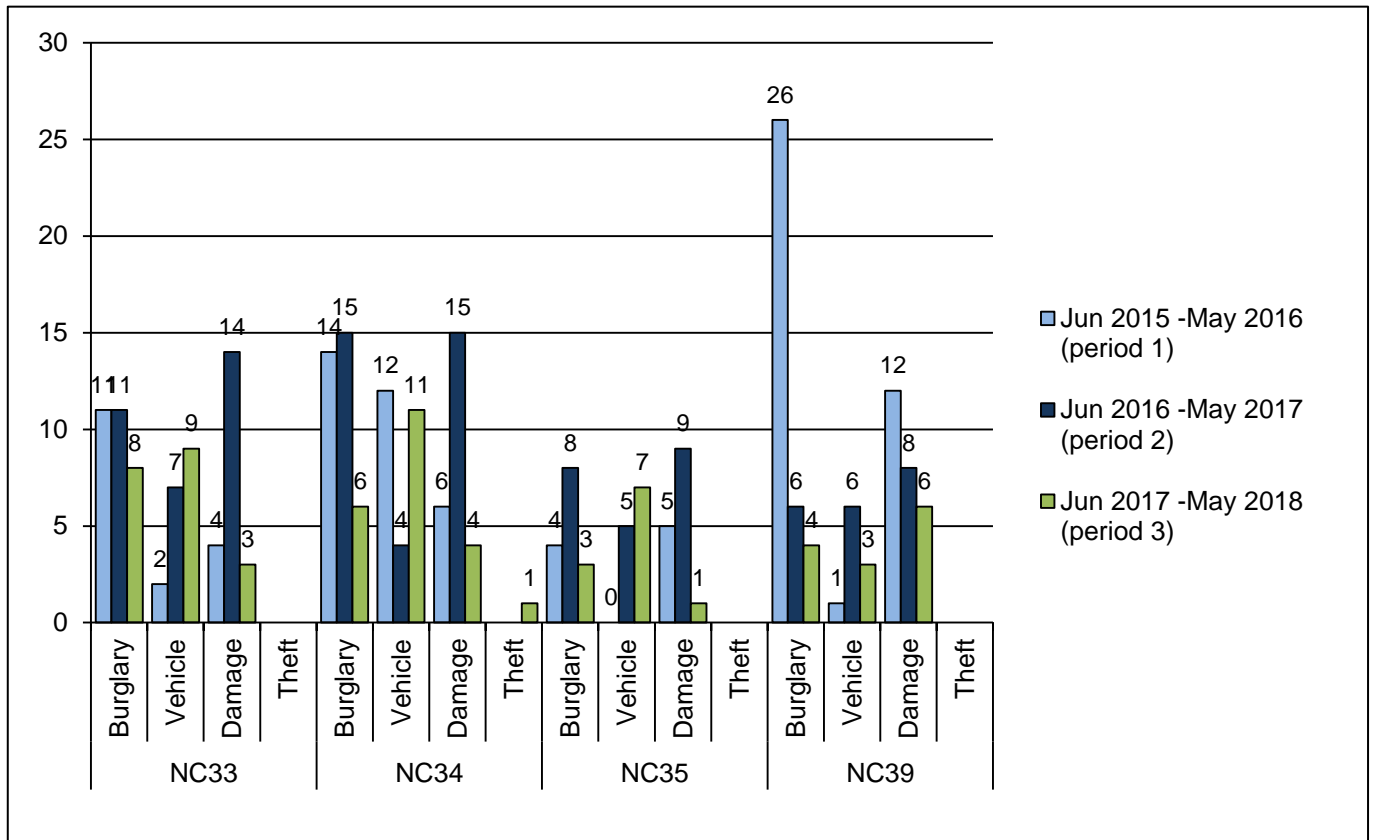


Table 7: Number of each offence type recorded for the NC38 beat code area

Offence Type	Aug 15 - May 16 (Period 1)	Aug 16 - May 17 (Period 2)	Aug 17 - May 18 (Period 3)	Difference
Burglary	5	2	8	+6
Vehicle Crime	2	2	4	+2
Criminal Damage	6	3	1	-2
Theft from Person/Robbery	0	0	0	0

Table 8: Number of each offence type recorded for the NC36 beat code area

Offence Type	Sept 15 - May 16 (Period 1)	Sept 16 - May 17 (Period 2)	Aug 17 - May 18 (Period 3)	Difference
Burglary	11	9	3	-6
Vehicle Crime	3	5	4	-1
Criminal Damage	23	18	5	-13
Theft from Person/Robbery	1	1	0	-1

Grantham

Table 9: Number of each offence type recorded for the NC40 & NC41 beat code areas

Beat Code Area	Offence Type	Aug 15 - May 16 (Period 1)	Aug 16 - May 17 (Period 2)	Aug 17 - May 18 (Period 3)	Difference
NC40	Burglary	6	10	4	-6
	Vehicle Crime	17	13	9	-4
	Criminal Damage	11	4	2	-2
	Theft from Person/Robbery	0	0	0	0
NC41	Burglary	3	8	2	-6
	Vehicle Crime	12	4	8	+4
	Criminal Damage	3	2	3	+1
	Theft from Person/Robbery	0	0	0	0

Stamford

Graph 6: Number of each offence type within beat code areas in the Stamford area

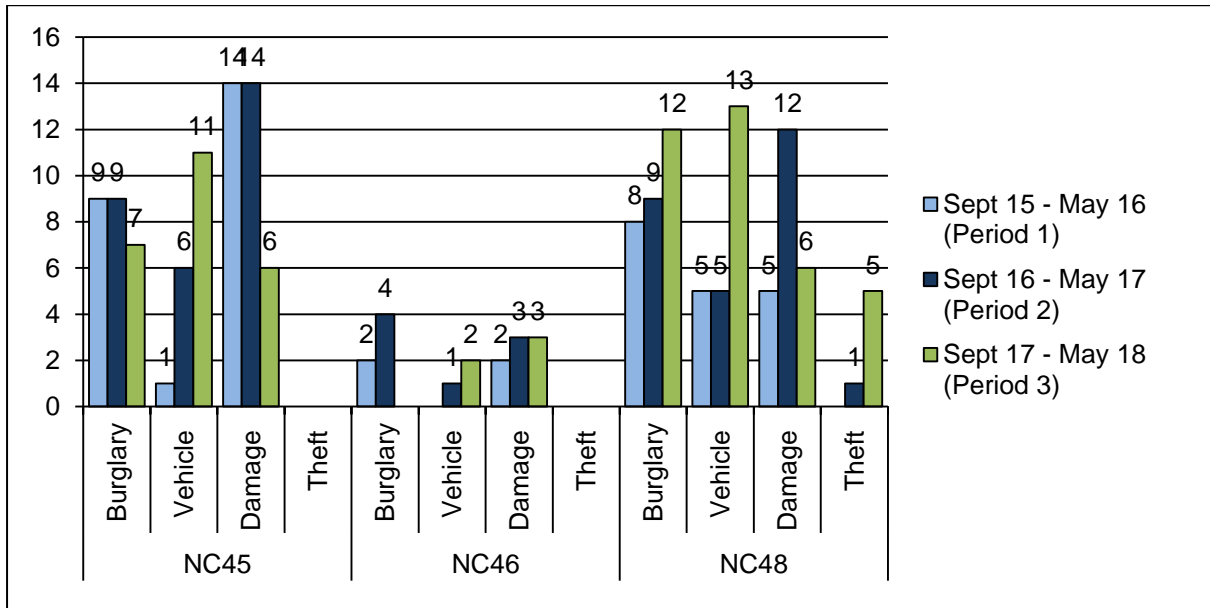


Table 10: Number of each offence type recorded for the NC47 beat code area

Offence Type	Oct 15 - May 16 (Period 1)	Oct 16 - May 17 (Period 2)	Oct 17 - May 18 (Period 3)	Difference
Burglary	5	5	5	0
Vehicle Crime	2	2	5	+3
Criminal damage	5	17	3	-14
Theft from Person/ Robbery	0	0	1	+1

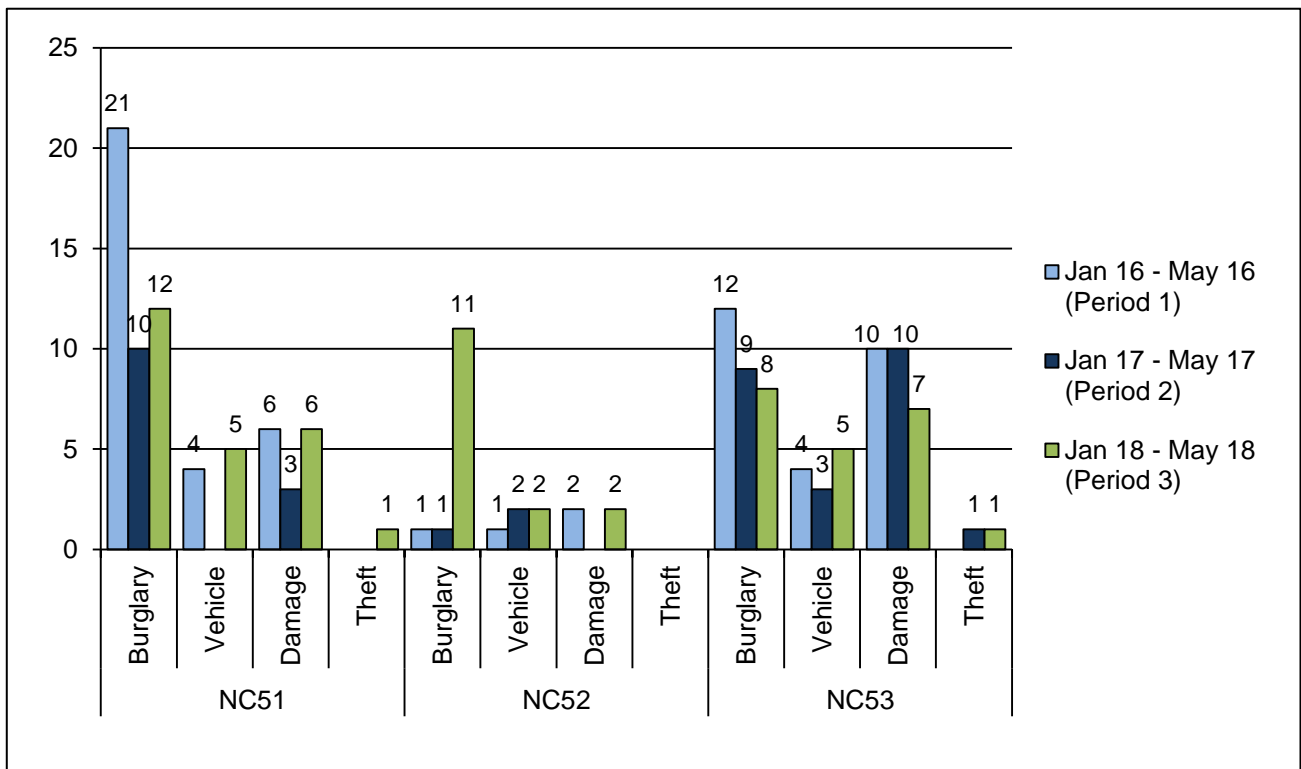
OFFICIAL

Coast

Table 11: Number of each offence type recorded for the NC49 beat code area

Offence Type	Dec 15 - May 16 (Period 1)	Dec 16 - May 17 (Period 2)	Dec 17 - May 18 (Period 3)	Difference
Burglary	3	7	2	-5
Vehicle Crime	2	3	4	+1
Criminal Damage	2	5	6	+1
Theft from Person/Robbery	0	0	0	0

Graph 7: Number of each offence type within beat code areas in the Coast area

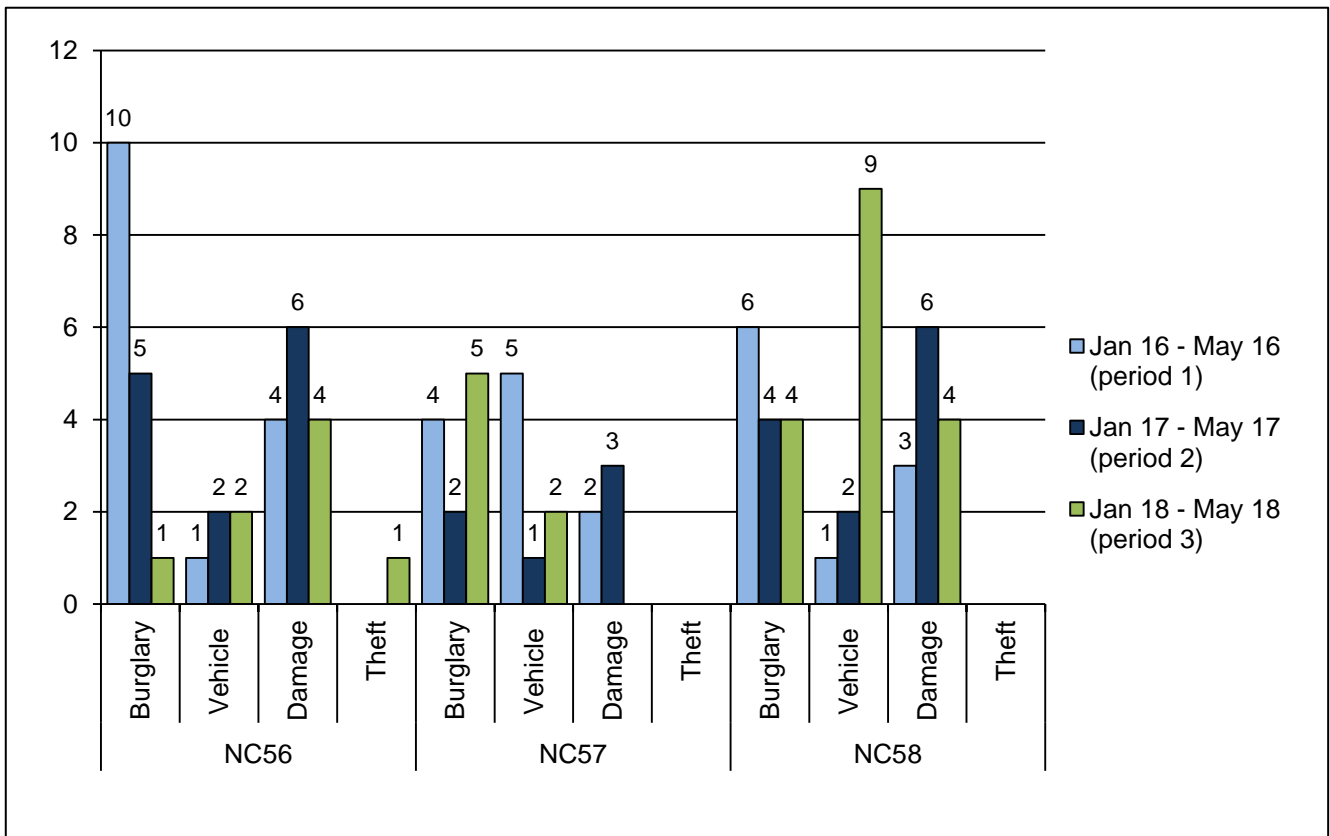


Wolds

Table 12: Number of each offence type recorded for the NC54 beat code area

Offence Type	Jul 15 - May 16 (Period 1)	Jul 16 - May 17 (Period 2)	Jul 16 - May 17 (Period 3)	Difference
Burglary	17	22	22	0
Vehicle Crime	12	10	15	+5
Criminal damage	10	6	10	+4
Theft from Person/ Robbery	0	0	0	0

Graph 8: Number of each offence type within beat code areas in the Wolds



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

Report to:	Overview Scrutiny Management Board
Date:	27th September 2018
Subject:	Property Services Contract year 3 report

Summary:

This report updates the Board on the performance of the Property Services Contract with VINCI Facilities Partnership Limited (VFPL, formerly VINCImouchel) at the end of the third year of the contract.

Actions Required:

The Board is asked to note this report.

1. Background

In Nov 2017, the Overview Scrutiny Management Board noted the performance of the VFPL contract for year two. This report informs the Board about the performance of the contract in year three.

2. Contract Performance

2.1 Service Manager's Assessment

The Property Services contract undertook an extensive audit and peer review in year three that gave a comprehensive list of recommendations for continuous improvements. Year three priority has been to turn the recommendations into actions, delivered primarily through the VMOST business plan.

The One Team response to the Grenfell Tower disaster and the subsequent cladding audit was very impressive. The details are later in this report.

Corporate Property and VFPL have been at the centre of strategic decisions, are project managing all of the construction and are delivering or planning for operational building management of all sites that form part of the blue light collaboration programme involving Lincolnshire Police, East Midlands Ambulance Service and Lincolnshire Fire and Rescue Service. The scale and complexity of the programme has tested all teams within the

property services contract, many lessons have been learned that will benefit Corporate Property in future endeavours.

2.2 Health and Safety

In year three there has been a continued focus on the reporting of positive interventions, where employees are encouraged to address unsafe acts or situations, thereby preventing potential incidents. Last year there were 65 recorded positive interventions compared to 41 in year two. A bi-annual Health and Safety Committee, incorporating LCC, VINCI and Kier, has been initiated to review H&S incidents and trends across the contract and focusses on the implementation of changes in legislation and other key areas, such as management of sub-contractors. VINCI are planning a Supplier Health and Safety Day before the end of the calendar year.

2.3 Finance

- **Pain/ Gain Result.** A significant proportion of the contract operates on a target costs basis, the costs of which were competitively tendered. The collaborative principle of shared risk against target costs has incentivised the identification of inefficiencies. The target for year-three was to marginally improve on year-two gain by utilising the lessons learned in that year to improve efficiency and effectiveness.

As there are other more effective KPIs that incentivise time, cost and quality management for Capital projects and due to the low levels of gain and the time required to manage it, the pain/ gain incentive was removed from the Capital projects element of the contract. The gain-share for year-two and year-three is broken down for comparison in the table below:

Item	Year Two	Year Three
Projects Target Costs Gain	£ 5,645.07	Taken out of contract in Yr 3
Contract Target Costs Gain	£ 170,982.51	£208,573.25
Total gain	£ 176,627.58	£208,573.25
LCC/VFPL split	£ 88,313.79	£104,286.62
KPI % deduction applied	£82,838.33 to VM	£92,293.66 to VINCI

The marginal improvement in gain-share can be attributed to further savings on the cleaning element of the contract and the amalgamation of roles in the VINCI delivery team.

- **Low Service Damages (LSDs).** One of the performance levers within the contract is the award of Low Service Damages for reactive maintenance tasks. Each task is prioritised and this will dictate the response (reaction to the task) and completion (the timeframe by which a task must be rectified) requirements. Sanctions for delayed response and completion range from £150 to £250 per occurrence depending on the priority of the work. The total value of year-two low service damages was £12,900 and the value in year-three was £17,700. To put this into perspective, the damages are set against a turnover of circa £5.1 million. This rise can be attributed to VFPL's fair but

robust management of their supply chain, with three providers in particular standing out. These areas have since been re-tendered to ensure better performance.

2.4 Key Performance Indicators (KPIs)

Year-three outturn was 88.5% which is lower than the 93.8% outturn for year-two. The annual 'stretch' target is 90%, the baseline (contract) target is 75%. The table below shows the annual results by quarter:

Q1	Q2	Q3	Q4	Yr 3 Total
92.3%	90.7%	91.4%	79.7%	88.5%

The reduction in Q4 is attributed to an issue with the water management component of the contract. Whilst this lapse in performance was of concern, VFPL have been extremely diligent and thorough in their response and have managed the corrective actions effectively, drawing on wider national VINCI resources and an independent external consultant to conduct a meticulous review. Lessons have been learned, some of which are now adopted across other elements of the contract. The water management package has been re-shaped as a result of the review and is being re-tendered in Q2 of year-four.

2.5 Cladding Audit Review

Following the Grenfell Fire tragedy, LCC received a number of requests from Government to supply information about its estate, (height of building and ACM cladding) to be completed within demanding timescales. LCC took the decision to assess all of its properties to establish the presence of ACM cladding. VFPL mobilised a team to undertake this work resulting in:

- Assessment of 923 buildings
- Initial desktop assessment of buildings - using teams experience and knowledge to prioritise visits
- Priority 1 visits to schools, academies and school buildings with residential accommodation were completed in 3 working days (214 visits)
- Priority 2 visits (and secondary checks on Priority 1 visits) completed over the next 5 working days
- The resources mobilised for visits consisted of:
 - 2 Regional Building Surveyors
 - 3 Building Surveyors
 - 3 Regional Facilities Managers
 - 10 Mobile Repair Technicians
- The team covered 2541 miles across the County

No ACM cladding was identified. This was an excellent piece of planning which was executed with a high standard of professionalism and sense of urgency. The work was

recognised by Members and Executive Officers alike and provided a great deal of reassurance to the Council and staff and customers using LCC buildings. LCC was the only Council to assess all of its properties.

2.6 Blue Light Collaboration Programme

Corporate Property and VFPL are delivering the property element of the blue light collaboration programme. Corporate Property have completed or are in the process of delivering a number of individual service moves across the county as well as larger projects including the transformation of the former fire headquarters at South Park in Lincoln to become a new £20 million ambulance, police and fire station, set to open in 2019. The programme has the potential to: release 27 surplus property assets; generate capital receipts estimated at £3.9 million and release approximately £700,000 of running costs per annum.

2.7 Contract Extension

The contract service period is 5 years extendable up to 10 years by one year periods after year 3 depending on the performance results. The assessment and decision to extend to for first year is wasmade in year-three. Whilst re-tendering subcontracts, VFPL recognised that there was an opportunity to reduce costs by extending the contracts with its supply chain, fixing lower costs for a longer contract. The estimated savings, based on current work volumes, are: £108,000 for a 2 year extension and £163,000 for a 3 year extension. Corporate Property have recommended this proposal to extend the contract by 3 years to 2023.

2.8 VMOST

VMOST, (**V**ision, **M**ission, **O**bjectives, **S**trategies and **T**actics) is a business planning model that VINCI introduced to the contract from the outset and is used to shape the 12-18 month business plan. A key development this year is that, to improve staff engagement, each step of the process has been delegated to the staff level where the work takes place. The VMOST also includes outcomes of the peer review directly translated into improvement tactics that will be resourced and managed throughout the year. The process started in early Nov 2017 and the plan was initiated in June 2018.

2.9 Continuous Improvement

Corporate Property and VINCI have continued to drive improvements and efficiencies through the use of LEAN Methodology and improved reporting.

- **Sharing LEAN Principles.** Corporate Property and VINCI have broadened the work on LEAN principles working with other LCC teams including that undertake functions or services that have cross-overs with Corporate Property. This is to reduce duplications and clarify roles and responsibilities across LCC teams and engender a 'ONE Team' approach across the directorates. Two Greenbelt review processes have been initiated with Environment and Economy and the Sustainability teams.
- **PowerBI Reporting.** VINCI has developed the reporting capability from the data held in Concerto. This has initially been focussed on 2 main areas:

- **Statutory Compliance.** In order to demonstrate a compliant estate Corporate Property must be able to access timely and accurate data presented in a simple format. This has been achieved by creating a summary dashboard in Power BI backed up by a more detailed and live dashboard available in Concerto if more detail is required. This enables a user to drill down to identify any trends and areas that require additional focus.
- **Reactive Revenue Spend.** VINCI have developed Power BI dashboard reports that are used during Area Reviews to identify buildings that are costly to maintain. By reviewing trends on categories of high spend, Corporate Property can identify potential invest to save projects that may benefit from a capital investment to reduce future revenue maintenance spend.

3. Conclusion

The Board is asked to note performance of year-three. Corporate Property are continuing to deliver and identify further opportunities for efficiencies and savings.

4. Consultation

a) Policy Proofing Actions Required

N/A

5. Background Papers

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

Please direct any questions raised by this report to Brian Goodwin, Contract Manager, who can be contacted on 01522 553 503 or by email at brian.goodwin@lincolnshire.gov.uk.

This page is intentionally left blank

Open Report on behalf of Executive Director of Finance & Public Protection

Report to:	Overview and Scrutiny Management Board
Date:	27 September 2018
Subject:	Treasury Management -Quarter 1 Update Report 2018/19 to 30 June 2018

Summary:

This report has been prepared in accordance with the reporting recommendations of the CIPFA Code of Practice 2017 and details the results of the Council's treasury management activities for the first quarter of 2018/19 to 30 June 2018, comparing this activity to the Treasury Management Strategy for 2018/19, approved by the Executive Councillor for Finance on 23rd March 2018. It will also detail any issues arising in treasury management during this period. Non treasury investments, as defined by recent Government Investment Guidance, are not included in this report and will be picked up within the Capital Strategy Reporting due later in the year along with the Council Budget Report for 2019/20.

Actions Required:

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

1. Background

1. Introduction and Background

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

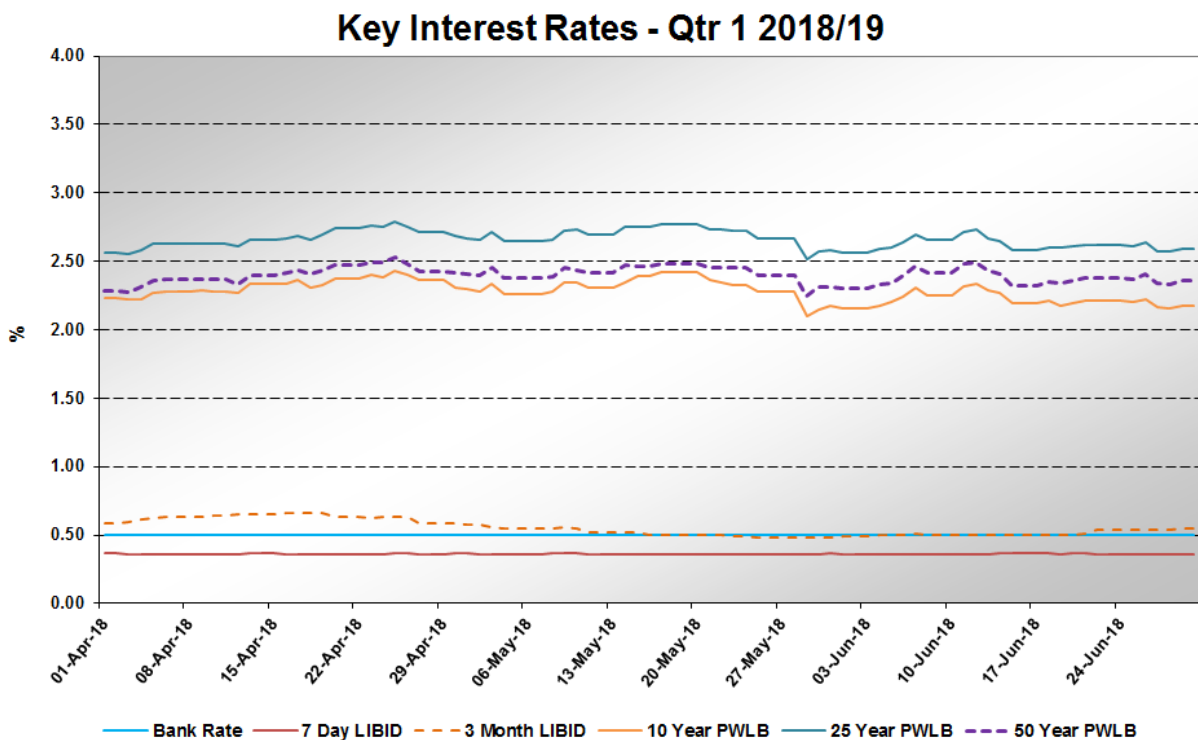
1.2. This Treasury Report will cover the following positions to 30th June 2018:

- 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 30th June 2018

2.1. At the time of setting the Strategy in March 2018, short term bank rate was forecast to rise moderately to 0.75%, from 0.50%, by the end of the financial year, this increase expected around November 2018. Forward guidance from the MPC at this time indicated Base rate to rise to no more than 1.00% by 2020. Long term rates were predicted to rise gradually over 2018/19 by around 0.30%.

2.2. Actual rates, both short term and long term, for quarter 1 to 30th June 2018 have remained relatively flat since the start of the year as shown in the graph below:



2.3. The Monetary Policy Committee (MPC) did however increase Base Rate by 0.25% to 0.75% on 2nd August 2018, in conjunction with its August inflation report, earlier than market expectations for the increase. The MPC sighted worries over wage inflation and shortage in the labour market as the main reason for the earlier increase.

2.4. Economic Background -The quarter ended 30th June 2018 saw the following:

- The economy showed signs of picking up in the first quarter, with estimated growth for the next three years forecast at 1.8%.
- Little change to inflation forecasts, with inflation forecast to hit the 2% target rate or just above, in two years' time.
- Low unemployment, rising employment, but low productivity leading to concerns for wage inflation.
- Continued uncertainty around Brexit negotiations, consumer spending and business investment.

2.5. The latest interest rate forecast from Link Asset Services, the Council's Treasury Advisor, is shown below which was revised on 7th August 2018 after the MPC August Inflation Report. The only change from the previous forecast being the increase in Bank Rate being brought forward to August instead of November 2018. Link believes the next increase in Base Rate will now not be until August 2019.

Link Asset Services Interest Rate View 7 th August 2018												
	NOW	Sep-18	Dec-18	Mar-19	Jun-19	Sep-19	Dec-19	Mar-20	Jun-20	Sep-20	Dec-20	Mar-21
Bank Rate View	0.75%	0.75%	0.75%	0.75%	0.75%	1.00%	1.00%	1.00%	1.25%	1.25%	1.50%	1.50%
3 Month LIBID	0.70%	0.75%	0.80%	0.80%	0.90%	1.10%	1.10%	1.20%	1.40%	1.50%	1.60%	1.60%
6 Month LIBID	0.80%	0.85%	0.90%	0.90%	1.00%	1.20%	1.20%	1.30%	1.50%	1.60%	1.70%	1.70%
12 Month LIBID	0.90%	1.00%	1.00%	1.00%	1.10%	1.30%	1.30%	1.40%	1.60%	1.70%	1.80%	1.80%
5yr PWLB Rate	1.84%	2.00%	2.00%	2.10%	2.20%	2.20%	2.30%	2.30%	2.40%	2.50%	2.50%	2.60%
10yr PWLB Rate	2.23%	2.40%	2.50%	2.50%	2.60%	2.70%	2.70%	2.80%	2.90%	2.90%	3.00%	3.10%
25yr PWLB Rate	2.64%	2.80%	2.90%	3.00%	3.10%	3.10%	3.20%	3.30%	3.30%	3.40%	3.50%	3.50%
50yr PWLB Rate	2.44%	2.60%	2.70%	2.80%	2.90%	2.90%	3.00%	3.10%	3.10%	3.20%	3.30%	3.30%

2.6. Link stress that forecasting rates remains difficult, the forecasts above are predicated on the assumption that sufficient progress is made in respect of negotiations to produce a reasonable agreement for Brexit that benefits both the EU and the UK in a sensible manner. If no agreement is reached at all, then the forecasts for increases in Bank Rate and PWLB rates will be subject to greater change, most likely downwards. The forecasts for average investment earnings beyond the three year time horizon will be heavily dependent on economic and political developments.

3. Annual Investment Strategy/ Authorised Lending List Changes to 30th June 2018

3.1. The Council's Annual Investment Strategy for 2018/19 was approved, along with the Treasury Strategy, by the Executive Councillor for Finance on 23rd March 2018, after being scrutinised by the Overview and Scrutiny Management Board on 1st March 2018. This Strategy relates to the Council's treasury investments only, as defined by latest Ministry of Housing, Communities & Local Government (MHCLG) Guidance, and for these treasury investments, 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 treasury investments are only placed with highly credit rated financial institutions, using Link's suggested creditworthiness approach, including Short and Long Term Ratings, Sovereign Credit Ratings and Credit Default Swap overlay information provided by Link.

3.3. In addition to Link'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 2018, 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 2018/19:

Counterparty	Action	Reason
RBS Group –RBS and NatWest (Part-Nationalised).	Ring-fenced bank name change: -National Westminster Bank PLC -Royal Bank of Scotland PLC Non-Ring fenced banks removed from List.	Bank Ring fencing Legislation. Only Ring Fenced bank deemed as Government risk.

3.5. At the time of writing the report, a £2m investment remains outstanding with the Non Ring Fenced bank of Natwest, which is no longer on the Authorised Lending List. This amount is due back on 27th November 2018 and there is no concern over this maturity.

3.6. A full list of the investments held at 30th June 2018, compared to Link's creditworthiness list, and changes to credit rating of counterparties during June 2018 are shown in Appendix B.

4. Investment Position to 30th June 2018- Comparison with Strategy

4.1. The Council's investment position and cumulative annualised return at 30th June 2018 are detailed in the table below:

Investment Position At 30.06.18	Return (Annualised %)	Weighted Benchmark (Annualised %)	Outperformance
£280.571m	0.69%	0.52%	0.17%

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. Some one year investments have been taken during the first quarter, when value offered, but these have been limited during the rising interest rate environment. The investment portfolio weighted average maturity (WAM) fell slightly from 167 days at 31st March 2018 to 156 days at 30th June 2018.

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. The investment return of 0.69% and benchmark target of 0.52% for the 1st quarter of the year have both increased in line with rising market interest rates, from 0.53% and 0.28% respectively, at the end of 2017/18.

4.5. The investment performance was also benchmarked against the Link quarterly benchmark analysis, comprising a mixture of 9 other authorities in the East Midlands area and 13 English Counties. The results of this benchmarking for the 1st quarter are detailed below, which shows that the Council's return was still above that of the comparators, achieved by having a longer WAM. The Council's return is also in line with Link's suggested risk banding achievable for the level of risk being taken on its investments.

Link Benchmarking –Position at 30/6/2018			
	LCC	Benchmark Group (9)	English Counties (13)
30 June Return %	0.74%	0.64%	0.67%
Risk Banding	0.66% to 0.77%	0.55% to 0.66%	0.59% to 0.71%
WAM (days)	156	87	96

4.6. Temporary borrowing of £12m was outstanding at 30th June 2018, taken to support identified cash flow requirements forecast in 2018/19. This was at an interest rate of 0.35% and is cash neutral, being offset with Investment returns in excess of this amount.

5. Borrowing & Debt Rescheduling Position to 30th June 2018 - Comparison with Strategy

5.1. The Strategy for 2018/19 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. The Council's Capital Expenditure plans and Borrowing Requirement at 30th June 2018, from that originally agreed by full Council at its meeting on 23rd February 2018 is shown below:

	Original Budget at 1/4/2018 £m	Position at 30/6/2018 after Carry Forwards
Net Capital Expenditure Programme 2018/19	84.676	111.426
Borrowing Requirement 2018/19	84.076	106.022

5.3. To date, no external debt has been taken or debt rescheduling undertaken and the Council's borrowing position at 30th June 2018 is as follows:

Borrowing Activity 2018/19	Maturing Debt £m	Debt To Fund Capital Expenditure £m	Total £m	% Cost
Opening Balance at 1.4.2018	0.000	461.391	461.391	4.088%
New Borrowing to 30.6.2018	0.000	0.000	0.000	
Borrowing Repaid to 30.6.2018	(10.677)	(0.000)	(10.677)	
Debt Rescheduling to 30.6.2018	0.000	0.000	0.000	
-Borrowing Repaid	0.000	0.000	0.000	
-Borrowing Replaced				
Balance at 30.6.2018	(10.677)	461.391	450.714	4.094%
Projected Further Borrowing Required in 2018/19 (net of internal borrowing CF)	15.673	84.076	99.749	
Projected Further Borrowing Repayments –Actual	(24.820)	(0.000)	(24.820)	
-Voluntary	(0.000)	(0.000)	(0.000)	
Projected Borrowing Position at 31.03.2019	(19.824)	545.467	525.643	
Authorised Limit For External Debt			651.751	

- 5.4. Internal borrowing is using internal balances instead of taking external borrowing to finance the capital programme. This strategy reduces interest rate risk (the risk of unexpected adverse changes in interest rate) and credit risk (the risk of default by counterparties to whom investments are held as investment exposure falls) and also provides a net saving in interest costs in the short term, provided that Council balances are sufficiently available to maintain this strategy. The balance of internal borrowing stood at £82.152m at 31st March 2018. A further £21.946m of internal borrowing will be made in 2018/19 to cover the 2017/18 carry forward of capital expenditure, making the total predicted internal borrowing balance for 2018/19 of £104.097m.
- 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 30th June 2018, 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 23rd February 2018, approved the Council's Prudential Indicators for 2018/19, 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 30th June 2018.

6. Other Treasury Management Issues

6.1. Capital Strategy

Work is underway to produce a new Capital Strategy for the Council, as per the requirements of the revised Prudential Code 2017, which will pick up the affordability and risk profile of the non-treasury investment activity of the Council as well as look at the process of the formulation of the Capital Programme in line with the Council's Strategic Plans. It is intended to align this Strategy with the Budget Reporting cycle for 2019/20. Further Prudential Indicators will also be introduced for 2019/20 to cover the different risk profile of the non-treasury investment and borrowing activity.

6.2. International Financial Reporting Standard (IFRS) 9 – Financial Instruments

This standard is effective from 2018/19 and reclassifies financial assets held by the Council on its Balance Sheet. Certain categories of investments will have to be held at their 'Fair Value' instead of historic cost, for example Pooled Funds. The difference in the fair value from the purchase price will represent the profit or loss of holding these investments at the balance sheet date. The impact for Lincolnshire of this fair value movement is being calculated but not thought to be significant as it currently holds minimal amounts of the type of investments that are effected. This accounting standard also requires an expected credit loss amount to be calculated and accounted for upfront of any financial assets held, instead of an impairment figure calculated retrospectively if necessary. This is to promote the consideration of risk of taking investments at the onset of making such investments. This figure is also currently being calculated for Lincolnshire.

6.3. MHCLG Consultation on mitigating the impact of fair value

The Government have recently issued a proposal to mitigate the impact of any Fair Value changes that will affect Councils regarding the investments they hold as detailed above, for a 3 year period, and are seeking a consultation on these proposals. This will give Council's time to adjust their investment portfolios accordingly without the impact of holding them hitting Council Tax payer in the short term. We support this proposal and have responded to the consultation accordingly.

2. Conclusion

Interest Rates have remained flat over the quarter in line with forecasts. The Council continues to outperform the investment benchmark 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 30th June 2018 was 4.094%. The Council's internal borrowing level stood at £82.152m at 31st March 2018 with £21.946m of internal borrowing being carried forward in 2018/19 along with capital expenditure and borrowing requirement underspends. Temporary borrowing of £12m was outstanding at 30th June 2018 taken to cover predicted liquidity shortfalls at a cost neutral level. A Capital Strategy is being formulated to meet the requirements of the new Prudential Code 2017 and will align with the 2019/20 Budget Report. Accounting requirements under IFRS9 – Financial Instruments will be followed.

3. 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 2017. 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.

4. Appendices

These are listed below and attached at the back of the report	
Appendix A	Authorised Lending List and Credit Rating Key.
Appendix B	Investment Analysis Review at June 2018 -Capita Asset Services Ltd.

5. Background Papers

Document title	Where the document can be viewed
Treasury Management Strategy Statement and Annual Investment Strategy 2018/19 -23/3/2018	Lincolnshire County Council, Finance and Public Protection
Council Budget 2018/19 - 23/2/2018	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.

This page is intentionally left blank

LINCOLNSHIRE COUNTY COUNCIL LENDING OF TEMPORARY SURPLUSES

Country		Lending Limit £m	Maturity Limit	# Watch/ Outlook Adjusted	FITCH IBCA Credit Rating		For Tre: CDS Overlay	
					Long Term	Sovereign		
	1 Other Local Authorities	20 each	24 Months					
	2 Debt Management Account Deposit Facility	50	6 Month					
	3 UK Banks							
	# HSBC Group	20	365 Day					
UK	HSBC Bank Plc	20	365 Day	365 Day	SB	AA-	AA	365 Day
	HSBC Evergreen Notice Account	20	365 Day					
	# RBS Group - Part Nationalised	40	365 Day					
UK	National Westminster Bank Plc (RFB)	40	365 Day	365 Day	SB	BBB+	AA	
UK	Royal Bank of Scotland Plc (RFB)	40	365 Day	365 Day	SB	BBB+	AA	
	# LloydsHBOS Group	20	365 Day					
	Lloyds TSB Bank Plc	20	365 Day	365 Day	SB	A+	AA	365 Day
	Bank of Scotland - Guaranteed Fixed Deposits	20	365 Day	365 Day				365 Day
UK	Standard Chartered Bank	15	6 Months	6 Months	SB	A+	AA+	6 Months
	4 Other Banks							
AUS	Australia & New Zealand Banking Group	20	365 Day	365 Day	SB	AA-	AAA	365 Day
AUS	Commonwealth Bank of Australia	20	365 Day	365 Day	SB	AA-	AAA	365 Day
AUS	National Australia Bank	20	365 Day	365 Day	SB	AA-	AAA	365 Day
AUS	Westpac Banking Corporation	20	365 Day	365 Day	SB	AA-	AAA	365 Day
	# BNP Paribas Group	15	6 Months					
BEL	BNP Paribas Fortis	15	6 Months	6 Months	SB	A+	AA-	6 Months
FRA	BNP Paribas	15	6 Months	6 Months	SB	A+	AA	6 Months
CAN	Bank of Montreal	20	365 Day	365 Day	SB	AA-	AAA	365 Day
CAN	Bank of Nova Scotia	20	365 Day	365 Day	SB	AA-	AAA	365 Day
CAN	Canadian Imperial Bank Commerce	20	365 Day	365 Day	SB	AA-	AAA	365 Day
CAN	National Bank of Canada	15	6 Months	6 Months	SB	A+	AAA	6 Months
CAN	Royal Bank of Canada	20	365 Day	365 Day	NO	AA	AAA	365 Day
CAN	Toronto Dominion Bank	20	365 Day	365 Day	SB	AA-	AAA	365 Day
	# Nordea Group	20	365 Day					
SWE	Nordea Bank AB	20	365 Day	365 Day	SB	AA-	AAA	365 Day
FRA	Credit Industriel et Commercial	15	6 Months	6 Months	SB	A+	AA	6 Months
FIN	OP Corporate Bank	20	365 Day	365 Day	SB	AA-	AA+	365 Day
GER	DZ Bank AG	20	365 Day	365 Day	SB	AA-	AAA	365 Day
GER	Landesbank Hessen-Thuringen Girozentrale (Heleba)	20	365 Day	365 Day	SB	A+	AAA	365 Day
NETH	Bank Nederlandse Gemeenten	25	24 Months	24 Months	SB	AA+	AAA	24 Months
NETH	Cooperative Centrale Raiffeisen Boerenleenbank BA (Rabobank)	20	365 Day	365 Day	SB	AA-	AAA	365 Day
NETH	ING Bank NV	20	365 Day	365 Day	SB	A+	AAA	365 Day
SING	DBS Bank Ltd	20	365 Day	365 Day	SB	AA-	AAA	365 Day
SING	Oversea Chinese Banking Corporation Ltd	20	365 Day	365 Day	SB	AA-	AAA	365 Day
SING	United Overseas Bank	20	365 Day	365 Day	SB	AA-	AAA	365 Day
	# UBS Group	20	365 Day					
SWITZ	UBS AG	20	365 Day	365 Day	SB	AA-	AAA	365 Day
UK	UBS Ltd	20	365 Day	365 Day	SB	AA-	AA+	365 Day
SWE	Skandinaviska Enskilda Banken AB	20	365 Day	365 Day	SB	AA-	AAA	365 Day
SWE	Swedbank AB	20	365 Day	365 Day	SB	AA-	AAA	365 Day
	# Svenska Group	20	365 Day					
SWE	Svenska Handelsbanken	20	365 Day	365 Day	SB	AA-	AAA	365 Day
	Svenska Handelsbanken - 35 Day Notice Account	20	365 Day	365 Day				365 Day
	Svenska Handelsbanken- 10 Day Notice Account	20	365 Day	365 Day				365 Day
	Svenska Handelsbanken- Call Account	20	365 Day	365 Day				365 Day
USA	Bank of New York Mellon	25	24 Months	24 Months	SB	AA	AAA	24 Months
USA	Bank of America	20	365 Day	365 Day	SB	A+	AAA	365 Day
USA	JP Morgan Chase Bank	20	365 Day	365 Day	SB	AA-	AAA	365 Day
	5 AAA Money Market Funds							
	# MMF Group	100	24 Months					
	HSBC 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		
	# Aberdeen Standard Group	20	24 Months					
	Aberdeen Global Liquidity Fund	20	24 Months			AAA		
	Standard Life Liquidity Fund	20	24 Months			AAA		
	# Group Limit of applies where indicated.							
	** 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: 15th May 2018							

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.

Link 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.

This page is intentionally left blank



Lincolnshire County Council

Monthly Investment Analysis Review

June 2018

General Economy

The data releases for the month began with May's Markit/CIPS Manufacturing PMI, which picked up speed for the first time in six months - rising to 54.4, from 53.9 in April. The survey suggests that the sector is putting in a strong performance in Q2, after the poor start to the year. However, forward looking indicators convey that the sector probably will not be able to sustain such strong rates of growth in the months ahead. Construction PMI, however, maintained its modest recovery from the dent caused by the Beast from the East - but worries about Brexit have caused some projects to be put on hold. Another contributing factor to the worry for firms is the higher fuel and steel prices pushing up input costs. Despite these concerns, the headline reading remained steady on the month at 52.5, exceeding expectations of a slight downward movement to 52.0. Services PMI also showed the economy picking up speed, giving the Bank of England (BoE) some reassurance it can get back to its plan to raise interest rates. The index rose to a three-month high of 54.0 in May, a full point above the forecast of 53.0 and an even greater increase from April's figure of 52.8. This provided further evidence that the economy's slow start to 2018 was only temporary and can be predominantly chalked up to the weather.

Dampening some of the growing market expectation of a near-term rate increase was news that British workers' wages grew more slowly in the three months to April. The figure, excluding bonuses, rose 2.8% year-on-year (y/y) against expectations of 2.9%, with the monthly rate of April just 2.5%, its weakest since November. Nevertheless, the overall employment situation in the UK remains robust, with the unemployment figure holding its four-decade low of 4.2% in the three months to April, while the number of people in work rose by a larger than expected 146,000 - 30,000 more than the consensus forecast.

British consumer price inflation (CPI) unexpectedly held at a one-year low last month of 2.4% y/y –below forecasts of a slight rise to 2.5%. However, rising oil prices suggest an increase could be on its way; fuel prices increased by 3.8% in May, with the BoE also commenting that they expect inflation to rise over the coming months due to both the rise in fuel prices as well as higher energy bills before resuming a steady decline back to its 2% target.

Elsewhere, retail sales saw a jump for the second month in a row in May, far outstripping expectations as the Royal Wedding and warm weather helped shoppers put a winter slump behind them. On the month, sales rose by 1.3% in May, after an upwardly-revised 1.8% in April – exceeding all forecasts which had predicted a 0.5% rise. On the year, the rate was 3.9%, which is the biggest rise in more than a year and, again, above all forecasts. After suffering a squeeze on their spending power since the Brexit vote, the BoE expects consumers to begin to feel the benefit of a fall in inflation paired with rising wages.

May's Public Finance figures saw borrowing fall more than expected, with Britain's government recording a smaller budget deficit than consensus expectations. The deficit stood at £5bn in May, compared with £7bn the year previously. In the financial year to date, the deficit totals £11.8bn - 26% lower than this time last year – however it should be noted it is rarely possible to get a reliable view on full-year borrowing trends at this early stage and that early months are, more often than not, subject to material revisions.

June's Monetary Policy Committee (MPC) meeting brought a surprise with the BoE's chief economist Andy Haldane unexpectedly joining the minority by voting for an immediate rate hike, resulting in a 6-3 vote to maintain the current interest rate level; polls expected a 7-2 split. The reason for the change of heart was down to concerns over recent pay deals and labour demand raising the possibility of wages rising faster than expected. For some commentators, this opened the door further to a rate rise in August's meeting, with market expectations of a hike rising from around 50%, per-meeting to around 70% by the close of the month. At the meeting, the MPC also reaffirmed their view that first-quarter weakness was temporary and due to the Beast from the East.

The final reading of first quarter GDP growth saw an upward revision to 0.2% from initial estimates of 0.1%, following underlying revisions to construction output.. The yearly figure for GDP growth, however, remained the same at 1.2% - but this quarterly revision added to market expectations of a rate hike at August's meeting. Note that the Bank of England's Inflation Report predicted that quarterly growth will pick up to 0.4% in Q2, as the economy rebounds from February and March's "snow-down".

Over in the EU, Q1 GDP reported a 0.4% q/q increase, confirming its earlier estimate. Reduced trade contributed to the slower pace of expansion; Q4 2017 saw gains of 0.7% q/q. The European Central Bank (ECB) meeting saw its Governing Council vote to keep interest rates unchanged, but added that they expect the monthly pace of net asset purchases to be reduced to €15bn from September 2018 until the end of December 2018, with purchases then ending. CPI rose by 1.9% y/y in May, pumped up by higher costs of energy, food and services, from the upwardly-revised 1.3% in April.

In the US, the unemployment rate edged down to 3.8% in May with nonfarm payrolls increasing by 223,000, with a healthy 0.3% m/m rise in average hourly earnings. The Federal Reserve's Open Market Committee (FOMC) saw the labour market continue to strengthen with economic activity rising at a solid rate, resulting in the Committee raising the Federal Funds Rate to 1.75%-2.00% from 1.50%-1.75%. The Committee expects that further gradual increases in the target range will be consistent with sustained expansion of economic activity. The economy slowed more than previously estimated in Q1 amid the weakest performance in consumer spending in nearly 5 years – however, growth appears to have since gained momentum after the weaker start to the year on the back of the robust labour market and tax cuts. The third estimate of GDP showed an increase of 2.0% y/y for the first quarter, down 0.2% from the 2.2% previously reported.

Housing

Nationwide revealed that house prices rose at their slowest annual rate in five years in June – rising 2.0% y/y (down from 2.4% in May) and 0.5% m/m – and look set to remain subdued due to modest economic growth and the squeeze on household budgets. According to Halifax, house prices rebounded more than expected in May – rising 1.5% after a 3.1% slump the previous month. Year on year, prices are 1.9% higher, matching expectations. However, Halifax also added that the broader market picture remains subdued.

Forecast

Neither Link Asset Services (LAS) nor Capital Economics made changes to their bank rate forecasts during June. LAS suggests that the next interest rate rise will be to 0.75% in the final quarter of this year, with further rises of 25 basis points in Q3 2019, Q2 2020 and Q4 2020. Capital Economics expect the next rate rise to 0.75% will be in August, with further rises of 25 basis points in Q4 2018, Q2 2019, Q4 2019 and Q4 2020.

Bank Rate												
	NOW	Sep-18	Dec-18	Mar-19	Jun-19	Sep-19	Dec-19	Mar-20	Jun-20	Sep-20	Dec-20	Mar-21
Link Asset Services	0.50%	0.50%	0.75%	0.75%	0.75%	1.00%	1.00%	1.00%	1.25%	1.25%	1.50%	1.50%
Capital Economics	0.50%	0.75%	1.00%	1.00%	1.25%	1.25%	1.50%	1.50%	1.50%	1.50%	1.75%	-

Lincolnshire County Council

Current Investment List

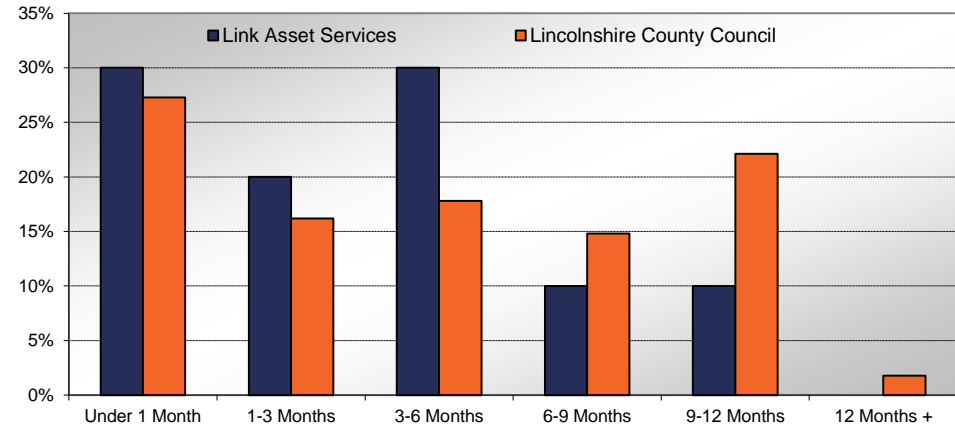
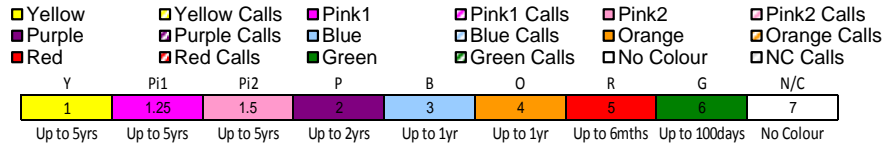
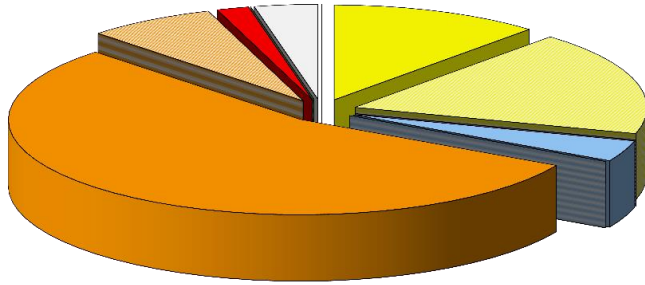
Borrower	Principal (£)	Interest Rate	Start Date	Maturity Date	Lowest Long Term Rating	Historic Risk of Default
MMF Standard Life	20,000,000	0.53%		MMF	AAA	0.000%
MMF Morgan Stanley	20,000,000	0.51%		MMF	AAA	0.000%
MMF Insight	9,915,000	0.51%		MMF	AAA	0.000%
Landesbank Hessen-Thueringen Girozentrale (Helaba)	5,000,000	0.54%	05/07/2017	04/07/2018	A	0.001%
Australia and New Zealand Banking Group Ltd	5,000,000	0.50%	14/07/2017	13/07/2018	AA-	0.001%
Australia and New Zealand Banking Group Ltd	6,650,000	0.50%	20/07/2017	19/07/2018	AA-	0.001%
HSBC Bank Plc	10,000,000	0.60%		Call30	AA-	0.002%
Australia and New Zealand Banking Group Ltd	3,350,000	0.48%	03/08/2017	02/08/2018	AA-	0.002%
Cooperatieve Rabobank U.A.	10,000,000	0.55%	15/09/2017	14/09/2018	A+	0.011%
NatWest Markets Plc (NRFB)	1,125,000	0.81%	07/02/2018	17/09/2018	BBB	0.034%
NatWest Markets Plc (NRFB)	810,000	0.80%	07/02/2018	17/09/2018	BBB	0.034%
NatWest Markets Plc (NRFB)	1,230,000	0.79%	09/02/2018	17/09/2018	BBB	0.034%
NatWest Markets Plc (NRFB)	2,268,000	0.80%	09/02/2018	17/09/2018	BBB	0.034%
NatWest Markets Plc (NRFB)	1,673,000	1.17%	23/04/2018	17/09/2018	BBB	0.034%
NatWest Markets Plc (NRFB)	700,000	1.17%	23/04/2018	17/09/2018	BBB	0.034%
UBS AG	5,000,000	0.52%	19/09/2017	18/09/2018	A+	0.012%
Canadian Imperial Bank of Commerce	6,500,000	0.55%	19/09/2017	18/09/2018	A+	0.012%
Landesbank Hessen-Thueringen Girozentrale (Helaba)	2,755,000	0.59%	19/09/2017	18/09/2018	A	0.012%
HSBC Bank Plc	10,000,000	0.85%		Call90	AA-	0.006%
Standard Chartered Bank	5,000,000	0.90%	20/04/2018	19/10/2018	A	0.016%
United Overseas Bank Ltd	5,000,000	0.81%	20/04/2018	22/10/2018	AA-	0.008%
Landesbank Hessen-Thueringen Girozentrale (Helaba)	6,325,000	0.70%	30/10/2017	29/10/2018	A	0.018%
Toronto Dominion Bank	6,900,000	0.69%	01/11/2017	31/10/2018	AA-	0.008%
UBS AG	5,200,000	0.74%	20/11/2017	19/11/2018	A+	0.021%
United Overseas Bank Ltd	6,775,000	0.68%	24/11/2017	23/11/2018	AA-	0.010%
NatWest Markets Plc (NRFB)	2,000,000	0.78%	23/01/2018	27/11/2018	BBB	0.065%
North Tyneside Metropolitan Borough Council	3,800,000	0.75%	11/12/2017	10/12/2018	AA	0.011%
Eastleigh Borough Council	3,950,000	0.90%	14/03/2018	14/12/2018	AA	0.011%
North Tyneside Metropolitan Borough Council	5,000,000	0.75%	20/12/2017	19/12/2018	AA	0.012%
Liverpool City Council	5,000,000	0.70%	13/01/2017	11/01/2019	AA	0.013%
United Overseas Bank Ltd	4,675,000	0.68%	15/01/2018	14/01/2019	AA-	0.013%
Commonwealth Bank of Australia	5,000,000	0.70%	26/01/2018	25/01/2019	AA-	0.014%
Landesbank Hessen-Thueringen Girozentrale (Helaba)	5,920,000	0.86%	02/03/2018	01/03/2019	A	0.036%
DBS Bank Ltd	5,000,000	0.99%	21/03/2018	20/03/2019	AA-	0.018%
Toronto Dominion Bank	6,000,000	1.03%	27/03/2018	26/03/2019	AA-	0.018%
DBS Bank Ltd	5,000,000	1.00%	28/03/2018	27/03/2019	AA-	0.018%
DBS Bank Ltd	5,000,000	1.00%	29/03/2018	28/03/2019	AA-	0.018%

Lincolnshire County Council

Current Investment List

Borrower	Principal (£)	Interest Rate	Start Date	Maturity Date	Lowest Long Term Rating	Historic Risk of Default
Doncaster Metropolitan Borough Council	5,000,000	0.77%	20/04/2017	05/04/2019	AA	0.019%
Cheshire East Council	5,000,000	0.85%	20/02/2018	08/04/2019	AA	0.019%
DBS Bank Ltd	5,000,000	0.85%	11/05/2018	10/05/2019	AA-	0.021%
Canadian Imperial Bank of Commerce	3,500,000	0.91%	14/05/2018	13/05/2019	A+	0.047%
Bank of Scotland Plc (RFB)	6,000,000	1.00%	15/05/2018	15/05/2019	A+	0.047%
Bank of Scotland Plc (RFB)	6,000,000	1.00%	22/05/2018	22/05/2019	A+	0.048%
Bank of Scotland Plc (RFB)	8,000,000	1.00%	25/05/2018	28/05/2019	A+	0.049%
United Overseas Bank Ltd	3,550,000	0.92%	28/06/2018	27/06/2019	AA-	0.024%
National Westminster Bank Plc (RFB)	10,000,000	0.97%	29/06/2018	28/06/2019	A-	0.054%
Australia and New Zealand Banking Group Ltd	5,000,000	0.92%	29/06/2018	28/06/2019	AA-	0.024%
Commonwealth Bank of Australia	5,000,000	0.90%	29/06/2018	28/06/2019	AA-	0.024%
Bournemouth Borough Council	5,000,000	0.71%	29/09/2017	20/09/2019	AA	0.029%
Total Investments	£280,571,000	0.74%				0.016%

Portfolio Composition by Link Asset Services' Suggested Lending Criteria



Portfolios weighted average risk number = **3.20**

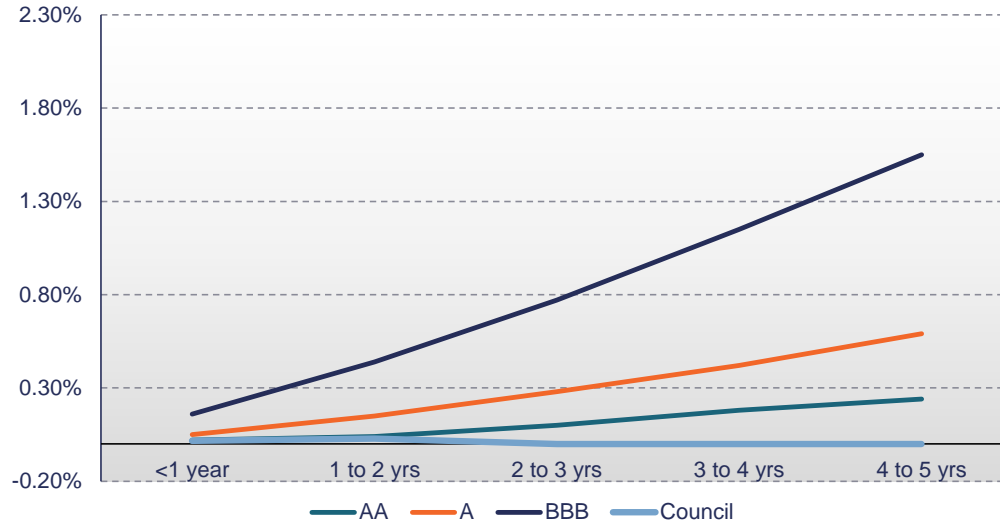
WARoR = Weighted Average Rate of Return
WAM = Weighted Average Time to Maturity

	% of Portfolio	Amount	% of Colour in Calls	Amount of Colour in Calls	% of Call in Portfolio	WARoR	WAM	WAM at Execution	Excluding Calls/MMFs/USDBFs	
									WAM	WAM at Execution
Yellow	29.46%	£82,665,000	60.38%	£49,915,000	17.79%	0.62%	99	208	249	524
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	3.56%	£10,000,000	0.00%	£0	0.00%	0.97%	363	364	363	364
Orange	61.70%	£173,100,000	11.55%	£20,000,000	7.13%	0.76%	176	324	191	358
Red	1.78%	£5,000,000	0.00%	£0	0.00%	0.90%	111	182	111	182
Green	0.00%	£0	0.00%	£0	0.00%	0.00%	0	0	0	0
No Colour	3.50%	£9,806,000	0.00%	£0	0.00%	0.89%	93	221	93	221
Total	100.00%	£280,571,000	24.92%	£69,915,000	24.92%	0.74%	156	285	207	374

Lincolnshire County Council

Investment Risk and Rating Exposure

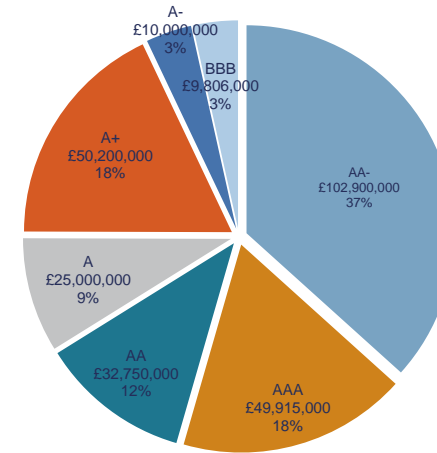
Investment Risk Vs. Rating Categories



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	0.02%	0.04%	0.10%	0.18%	0.24%
A	0.05%	0.15%	0.28%	0.42%	0.59%
BBB	0.16%	0.44%	0.77%	1.15%	1.55%
Council	0.016%	0.029%	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.

Lincolnshire County Council

Monthly Credit Rating Changes FITCH

Date	Update Number	Institution	Country	Rating Action
05/06/2018	1614	Qatar Sovereign	Qatar	Outlook on the Sovereign Rating changed to Stable from Negative
13/06/2018	1615	Qatar National Bank	Qatar	Outlook on the Long Term Rating changed to Stable from Negative
22/06/2018	1618	Goldman Sachs International Bank	UK	New Support Rating assigned at '1'
22/06/2018	1619	Bank of America N.A.	US	Long Term Rating upgraded to 'AA-' from 'A+'. Short Term Rating upgraded to 'F1+' from 'F1'. Viability Rating upgraded to 'a+' from 'a'
22/06/2018	1619	JPMorgan Chase Bank N.A.	US	Long Term Rating upgraded to 'AA' from 'AA-'. Viability Rating upgraded to 'aa-' from 'a+'
22/06/2018	1620	Deutsche Bank AG	Germany	Outlook on the Long Term Rating changed to Negative from Stable
22/06/2018	1620	Credit Suisse AG	Switzerland	Outlook on the Long Term Rating changed to Positive from Stable

Lincolnshire County Council

Monthly Credit Rating Changes MOODY'S

Date	Update Number	Institution	Country	Rating Action
18/06/2018	1616	UBS AG	Switzerland	Long Term Rating upgraded to 'Aa2' from 'Aa3', removed from Positive Watch and placed on Stable Outlook
18/06/2018	1616	UBS Limited	UK	Long Term Rating upgraded to 'Aa3' from 'A1', removed from Positive Watch and placed on Stable Outlook
21/06/2018	1617	Clydesdale Bank PLC	UK	Outlook on the Long Term Rating was removed from Positive and placed on Negative Watch
25/06/2018	1621	KBC Bank N.V.	Belgium	Long Term Rating upgraded to 'Aa3' from 'A1'

Lincolnshire County Council

Monthly Credit Rating Changes S&P

Date	Update Number	Institution	Country	Rating Action
01/06/2018	1613	Deutsche Bank AG	Germany	Long Term Rating downgraded to 'BBB+' from 'A-', removed from Negative Watch and placed on Stable Outlook. Colour based on Ratings changed to 'No Colour' from 'Green'
25/06/2018	1622	Credit Suisse AG	Switzerland	Outlook on the Long Term Rating changed to Positive from Stable
28/06/2018	1623	Royal Bank of Canada	Canada	Outlook on the Long Term Rating changed to Stable from Negative

Whilst Link Asset Services makes every effort to ensure that all the information it provides is accurate and complete, it does not guarantee the correctness or the due receipt of such information and will not be held responsible for any errors therein or omissions arising there from. All information supplied by Link Asset Services should only be used as a factor to assist in the making of a business decision and should not be used as a sole basis for any decision. The Client should not regard the advice or information as a substitute for the exercise by the Client of its own judgement.

Link Asset Services is a trading name of Link Treasury Services Limited (registered in England and Wales No. 2652033). Link Treasury Services Limited is authorised and regulated by the Financial Conduct Authority only for conducting advisory and arranging activities in the UK as part of its Treasury Management Service, FCA register number 150403. Registered office: 6th Floor, 65 Gresham Street, London, EC2V 7NQ. For further information, visit www.linkassetservices.com/legal-regulatory-status.

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

Report to:	Overview and Scrutiny Management Board
Date:	27 September 2018
Subject:	Scrutiny Committee Work Programmes: - <ul style="list-style-type: none"> • Children and Young People Scrutiny Committee • Public Protection and Communities Scrutiny Committee

Summary:

The Overview and Scrutiny Management Board reviews the work programme of each scrutiny committee on a quarterly basis, with the focus on two or three scrutiny committee work programmes at each meeting.

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).

1. Background

The Overview and Scrutiny Management Board review the work programmes of each scrutiny committee and each scrutiny committee on a quarterly basis. 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 on which their committee would be focusing.

The table below sets out the reporting timetable for 2018/19:

Scrutiny Committee	First Review	Second Review	Third Review
Adults and Community Wellbeing	26 April 2018	30 August 2018	29 November 2018
Health			
Children and Young People	24 May 2018	27 September 2018	20 December 2018
Public Protection and Communities			
Environment and Economy	28 June 2018	25 October 2018	31 January 2019
Highways and Transport			
Flood and Water Management			

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 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 Simon Evans, Health Scrutiny Officer, who can be contacted on 01522 552102, and Daniel Steel, Scrutiny Officer, who can be contacted on 01522 552102 or by e-mail at daniel.steel@lincolnshire.gov.uk

CHILDREN AND YOUNG PEOPLE SCRUTINY COMMITTEE

Since the last report of this Committee to the Board on 24 May 2018, three meetings of the Children and Young People Scrutiny Committee have taken place. The key issues that the Committee has considered are:

Looked After Children and Care Leavers Strategy 2018-21

With effect from 1 April 2018, the Council's duty has been extended to provide support to all care leavers up to the age of 25, if they want it. This change and other developments were reflected in the Looked After Children and Care Leavers Strategy 2018-21, which was unanimously supported by the Committee on 8 June 2018. To achieve the desired outcomes for all looked after children and care leavers, the Strategy was developed to contain a number of important guiding principles. The Strategy has set the Council seven key priorities over the next three years to improve how looked after children and care leavers are enabled to realise their potential, through nurturing, resilient parenting and support.

Ofsted Inspection of Children's Services – Focused Visit

The Office for Standards in Education, Children's Services and Skills (Ofsted) implemented a new inspection regime for Local Authority Children's Services in January 2018 which replaced the Single Inspection Framework (SIF). Under the new framework an authority will continue to be inspected every three years but will also receive up to two focussed visits between inspections. A judgement is not awarded for a focused visit, but areas for improvement are identified.

On 8 June, the Committee considered the outcome of a recent focused visit and was advised an action plan was in place to address in the next twelve months the issues raised by Ofsted in relation to permanence plans; care orders; and the electronic recording system.

Accommodation Pathway for Young People

On 20 July, the Committee supported a proposal for an accommodation pathway for young people, which includes looked after children and care leavers. The pathway set out the options currently available, the options under development; and ambitions for future provision. The pathway includes 'Stay Close' whereby young people in residential care would move into local accommodation close to their previous residential home. This is being developed with North Kesteven and West Lindsey District Councils. There is also a development of local intensive supported accommodation in the south of the county, which would provide up to four semi-independent bed spaces.

The Committee highlighted to the Executive Councillor the importance of consultation and engagement with local residents on the options being developed for the south of the county; and recommended that work should continue with housing associations; and with district council partners.

Edge of Care Support Service

The Edge of Care Support Service offers support to struggling families with a view to stabilising these families in times of crisis; preventing the escalation of need; and lowering the risk of abuse and neglect. On 20 July, the Committee unanimously endorsed the recommendations for continued provision of the Edge of Care Support Service. The Committee's comments to the Executive Councillor included highlighting the need to ensure there was greater awareness of the service; and urged that any future provider had experience supporting volunteer networks, who provided excellent support to the service.

Pupil Exclusion Working Group

On 6 September, the Committee considered the recommendations from the Committee's Pupils Exclusions Working Group, which had met on three occasions between May and July. The Committee supported the five recommendations, which included the provision of data on all permanent exclusions to all councillors. The Committee will receive a further report on whether and how the recommendations are being implemented.

Future Work Planned

19 October 2018		
Item	Contributor	Purpose
Building Communities of Specialist Provision – A Collaborative Strategy for Children and Young People with Special Education Needs and Disabilities in Lincolnshire (Final Decision)	Eileen McMorrow, Senior Project Officer SEND Review	Pre-Decision Scrutiny (Executive Decision – 6 November 2018)
Sector Led School Improvement Model – Progress Report and Lincolnshire Learning Partnership (LLP) Strategic Plan and Impact Evaluation	Martin Smith, Children's Service Manager - School Standards Sue Williams, Children's Service Manager – Education Strategy	Policy Review
Corporate Parenting Sub-Group Update (<i>20 September 2018 minutes</i>)	Cllr David Brailsford, Chairman of the Sub Group	Member Report
Direct Working with Children and Young People	Danielle Marshall, Partners in Practice Manager	Briefing Item

30 November 2018		
Item	Contributor	Purpose
Prevent and the Implications for Children and Young People	Nicole Hilton, Community Assets and Resilience Commissioning Manager	Policy Development
Significant Place Planning and the Process for School Reorganisation	Matthew Clayton, Admissions and Education Provision Manager	Policy Review
Lincolnshire Safeguarding Boards Scrutiny Sub-Group Update (18 October 2018 minutes)	Cllr Sarah Parkin, Chairman of the Sub-Group	Member Report
Theme Performance: Quarter 2	Sally Savage, Chief Commissioning Officer – Children's	Performance Scrutiny
Armed Forces Pupil Premium	Sue Williams, Children's Service Manager – Education Strategy	Briefing Paper
30 Hours 'Free' Childcare Provision Update	Michelle Andrews	Information Item

18 January 2019		
Item	Contributor	Purpose
Revenue Budget Proposals 2019/20 and 2020/21	Debbie Barnes OBE, Executive Director of Children's Services	Budget Scrutiny
Special Educational Needs and Disabilities and the process behind Education, Health and Care Plans	Sheridan Dodsworth Children's Services Manager - SEND	Policy Review
Fostering Allowance Review	John Harris, Children's Service Manager – Regulated (North and Fostering)	Policy Review
Corporate Parenting Sub-Group Update (6 December 2018 Minutes)	Cllr David Brailsford Chairman of the Sub Group	Member Report
0-19 Health Services Progress Report	Sally Savage, Chief Commissioning Officer – Children's	Policy Review

8 March 2019		
Item	Contributor	Purpose
Lincolnshire Local Authority School Performance 2017-18	Martin Smith, Children's Service Manager - School Standards	Performance Scrutiny
Lincolnshire Safeguarding Boards Scrutiny Sub-Group Update (<i>January 2019 minutes</i>)	Cllr Sarah Parkin, Chairman of the Sub Group	Member Report
Theme Performance: Quarter 3	Sally Savage, Chief Commissioning Officer – Children's	Performance Scrutiny
Elective Home Education Peer Review Outcome	Heather Sandy, Chief Officer for Education	Peer Review Outcome

26 April 2019		
Item	Contributor	Purpose
Corporate Parenting Sub-Group Update (<i>14 March 2019 minutes</i>)	Cllr David Brailsford, Chairman of the Sub Group	Member Report

7 June 2019		
Item	Contributor	Purpose
Lincolnshire Safeguarding Boards Scrutiny Sub-Group Update (<i>April 2019 minutes</i>)	Cllr Sarah Parkin, Chairman of the Sub-Group	Member Report
Theme Performance: Quarter 4	Sally Savage, Chief Commissioning Officer – Children's	Performance Scrutiny

Items to be programmed

- Home to School Transport Policy – 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.*) – due by January 2019
- Elements of Safeguarding Children and Social Care Work
- Restorative Practice - Lincolnshire Joint Diversionary Panels (JDP) – due Q3 2019

For more information about the work of this Committee please contact Tracy Johnson, Senior Scrutiny Officer, on 01522 552164 or by e-mail at tracy.johnson@lincolnshire.gov.uk

PUBLIC PROTECTION AND COMMUNITIES SCRUTINY COMMITTEE

Since the last report of this Committee to the Board on 24 May 2018, three meetings of the Public Protection and Communities Scrutiny Committee have taken place. The key issues that the Committee has considered are:

Integrated Communities Strategy

On 12 June 2018 the Committee consider the draft response to the Government Consultation on the Integrated Communities Strategy Green Paper which the Committee asked the Community Engagement Team to coordinate on behalf of Lincolnshire County Council.

The Committee supported the co-ordinated council-wide response to the green paper from a Lincolnshire perspective. The Committee endorsed a draft Integrated Communities Strategy Green Paper consultation response which is a community-focussed, shared vision of what success looks like, even if the scale and route to achieve it might vary from place to place.

The Committee were advised that the response had been submitted on 8 June 2018.

Fire Peer Challenge Action Plan

Lincolnshire Fire and Rescue (LFR) undertook a Local Government Association and National Fire Chiefs Council Fire Peer Challenge over the period 26 – 29 September 2017. On 12 June 2018 the Committee considered the key outcomes and findings from the Peer Challenge process and reviewed progress made against the action plan.

The Committee commended Fire and Rescue on the findings of the Fire Peer Challenge Report, as it recognised that issues were being addressed in a robust and professional manner.

Performance of the Library Services Contract

On 24 July 2018 the Committee welcomed Greenwich Leisure Limited to review the performance of the Library Services contract. As part of this item the Committee were informed that overall performance was good, with KPI's being met. However, it was noted that there had been a couple of KPI's which were not met, but this had been due to the adverse weather experienced in the County in February and March 2018, as the larger library vehicles could not get out in the snow.

The Committee endorsed the development of an improved IT model and acknowledged that customer expectations in terms of IT were growing rapidly, and there was a need to balance this with what it was possible and cost effective to deliver. The Committee also supported that GLL continue to support and review the mobile service to make it as efficient as possible.

Lincolnshire Registration, Celebratory and Coroners Services

On 11 September 2018 the Committee received an update on the Registration, Celebratory and Coroners Service. The Committee were assured that the RCCS continues to meet the needs of families at sensitive and key times in their lives as well as supporting individuals and families on their route to British Citizenship.

The Registration Service is also subject to annual inspection in relation to its commitment to the Government's standards for Customer Service Excellence. The Service held a 100% compliance rating for 8 years, although one non-compliance was advised in 2017 due to the lack of credit/debit card payments for financial transactions. The Committee highlighted concern about the lack of credit/debit card payment facilities but were reassured this was in development for early 2019.

In addition, the Committee considered the national discussion and debate on the removal of the costs of copy certificates at the point of registration for stillbirths, and the possible extension to all deaths of those under the age of 18. As a result, the Committee resolved to support a formal recommendation to the Executive Councillor for Culture and Emergency Services to consider the waiver of the £4 statutory fee for copy certificates in Lincolnshire for both the registration of stillbirths and for all deaths under the age of 18.

Future Work Planned

23 OCTOBER 2018 – 10:00am		
Item	Contributor	Purpose
Future Model of the Heritage Service	Nicole Hilton, Chief Community Engagement Officer	PRE-DECISION SCRUTINY To seek approval to go out to Consultation on the approved options for the Future Model for the Heritage Service and Archives
Annual Prevent Review Report	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.
Road Safety Partnership Annual Report	Steven Batchelor, Lincolnshire Road Safety Partnership	Annual update on the Road Safety Partnership including information on fatal, killed and serious injury figures for Lincolnshire.
Commissioning Strategies - Public Protection	Chris Davison, County Officer - Public Protection	Consideration on the work to review the Public Protection Commissioning Strategy

23 OCTOBER 2018 – 10:00am		
Item	Contributor	Purpose
Trading Standards Priorities	Sara Barry, Safer Communities Manager	Review of the identified service priorities for the Trading Standards service in Lincolnshire.
Fire and Rescue Statement of Assurance 2017-18	Nick Borrill, Chief Fire Officer	

11 DECEMBER 2018 – 10:00am		
Item	Contributor	Purpose
Quarter 2 Performance Report (1 July to 30 September 2018)	Nick Borrill, Chief Fire Officer, Chris Davison, County Officer - Public Protection, Nicole Hilton, Chief Community Engagement Officer	Review of the Key Performance and Customer Satisfaction Information.
Her Majesty's Inspectorate of Constabulary and Fire & Rescue Services Report	Nick Borrill, Chief Fire Officer	
Emergency Medical Response co-responding	TBC, Brigade Manager Response and Corporate Support	To provide an update on the medical response activities delivered by Lincolnshire Fire and Rescue.
Sitting as the Crime and Disorder Scrutiny Committee		
Serious and Organised Crime	Sara Barry, Safer Communities Manager	Review of work being undertaken as part of the Safer Lincolnshire Partnership to tackle Serious and Organised Crime.

22 JANUARY 2019 – 10:00am		
Item	Contributor	Purpose
Revenue and Capital Budget Proposals 2019/20	Nick Borrill, Chief Fire Officer, Chris Davison, County Officer - Public Protection, Nicole Hilton, Chief Community Engagement Officer	PRE-DECISION SCRUTINY Budget proposals for 2018/19.
Future Model of the Heritage Service	Nicole Hilton, Chief Community Engagement Officer	Interim report and update on consultation activity.

22 JANUARY 2019 – 10:00am		
Item	Contributor	Purpose
Sitting as the Crime and Disorder Scrutiny Committee		
Safer Lincolnshire Partnership Priorities – Anti-social Behaviour	Sara Barry, Safer Communities Manager	Review of work being undertaken as part of the Safer Lincolnshire Partnership to tackle Anti-social Behaviour.

12 MARCH 2019 – 10:00am		
Item	Contributor	Purpose
Quarter 3 Performance Report (1 October to 31 December 2018)	Nick Borrill, Chief Fire Officer, Chris Davison, County Officer - Public Protection, Nicole Hilton, Chief Community Engagement Officer	Review of the Key Performance and Customer Satisfaction Information.
Future Model of the Heritage Service	Nicole Hilton, Chief Community Engagement Officer Sara Jackson	PRE-DECISION SCRUTINY Final Recommendation / Implementation Plan
Sitting as the Crime and Disorder Scrutiny Committee		
Safer Lincolnshire Partnership Priorities – Domestic Abuse	Sara Barry, Safer Communities Manager	Review of work being undertaken as part of the Safer Lincolnshire Partnership to tackle Domestic Abuse

For more information about the work of the Public Protection and Communities Scrutiny Committee please contact Daniel Steel, Scrutiny Officer on 01522 552102 or by e-mail at daniel.steel@lincolnshire.gov.uk

This page is intentionally left blank

Policy and Scrutiny

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

Report to:	Overview and Scrutiny Management Board
Date:	27 September 2018
Subject:	Overview and Scrutiny Management Board Work Programme

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 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 B.

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 C.

Executive Forward Plan

The Executive Forward Plan of key decisions is set out at Appendix D. 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 Panel Activity
Appendix C	Working Group Activity
Appendix D	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

OVERVIEW AND SCRUTINY MANAGEMENT BOARD

Chairman: Councillor Robert Parker

Vice Chairman: Councillor Ray Wootten

Each agenda includes the following standard items:

- **Call-in (if required)**
- **Councillor Call for Action (if required)**
- **Future Scrutiny Reviews**

27 September 2018		
Item	Contributor	Purpose
Corporate Support Services – Re-provision: IT, Customer Service Centre, Exchequer Services, Adult Care Finance, People Management	Sophie Reeve, Chief Commercial Officer Andrew McLean, Chief Commissioning Officer	Pre-Decision Scrutiny (Executive decision on 2 October 2018) <i>(Exempt Appendices)</i>
Revenue and Capital Budget Monitoring Report 2018/19	David Forbes, County Finance Officer	Budget Scrutiny / Pre-Decision Scrutiny (Executive decision on 2 October 2018)
Impact of the Part Night Street Lighting Policy Scrutiny Review – Executive Response	Cllr Barry Young, Executive Councillor for Community Safety and People Management	Scrutiny Review Activity
Property Service Contract Update	Kevin Kendall, County Property Officer	Performance Scrutiny
Overview and Scrutiny Work Programmes <ul style="list-style-type: none"> • Children and Young People Scrutiny Committee • Public Protection and Communities Scrutiny Committee 	Cllr Robert Foulkes Chairman of Children and Young People Scrutiny Committee Cllr Nigel Pepper Chairman of Public Protection and Communities Scrutiny Committee	Performance Scrutiny
Treasury Management Performance Quarter 1 (1 April to 30 June 2018)	Karen Tonge, Treasury Manager	Performance Scrutiny (For Information)

25 October 2018		
Item	Contributor	Purpose
Performance of the Corporate Support Services Contract	Sophie Reeve, Chief Commercial Officer Arnd Hobohm, Corporate Support Services Contract Manager	Performance Scrutiny
Review of Financial Risk Assessment	David Forbes, County Finance Officer	Budget Scrutiny
Council Workforce Plan 2018/19 – Progress Report	Fiona Thompson, Service Manager – People Management	Performance Scrutiny
Staff Sickness and Appraisal Performance	Fiona Thompson, Service Manager – People Management	Performance Scrutiny
Overview and Scrutiny Work Programmes <ul style="list-style-type: none"> Environment and Economy Scrutiny Committee Highways and Transport Scrutiny Committee 	Cllr Barry Dobson Chairman of Environment and Economy Scrutiny Committee Cllr Mike Brookes Chairman of Highways and Transport Scrutiny Committee	Performance Scrutiny

29 November 2018		
Item	Contributor	Purpose
2018/19 Council Business Plan Quarter 2	Jasmine Sodhi, Performance and Equalities Manager	Performance Scrutiny / Pre-Decision Scrutiny (Executive decision on 4 December 2018)
Overview and Scrutiny Work Programmes <ul style="list-style-type: none"> Adults and Community Wellbeing Scrutiny Committee Health Scrutiny Committee 	Cllr Hugo Marfleet, Chairman of Adults and Community Wellbeing Scrutiny Committee Cllr Carl Macey, Chairman of Health Scrutiny Committee	Performance Scrutiny

29 November 2018		
Item	Contributor	Purpose
Treasury Management Performance Quarter 2 (1 July to 30 September 2018)	Karen Tonge, Treasury Manager	Performance Scrutiny (For Information)

20 December 2018		
Item	Contributor	Purpose
Performance of the Corporate Support Services Contract	Sophie Reeve, Chief Commercial Officer Arnd Hobohm, Corporate Support Services Contract Manager	Performance Scrutiny
Overview and Scrutiny Work Programmes <ul style="list-style-type: none"> Children and Young People Scrutiny Committee Public Protection and Communities Scrutiny Committee 	Cllr Robert Foulkes Chairman of Children and Young People Scrutiny Committee Cllr Nigel Pepper Chairman of Public Protection and Communities Scrutiny Committee	Performance Scrutiny

31 January 2019		
Item	Contributor	Purpose
Revenue and Capital Budget Monitoring Report 2018/19	David Forbes, County Finance Officer	Pre-Decision Scrutiny (Executive Decision on 5 February 2019)
Council Budget 2019/20	David Forbes, County Finance Officer	Budget Scrutiny (Council Decision on 22 February 2019)
Service Budget Proposals 2019/20	David Forbes, County Finance Officer	Budget Scrutiny (Council Decision on 22 February 2019)
Final Draft Council Business Plan 2019/20	Jasmine Sodhi, Performance and Equalities Manager	Pre-Decision Scrutiny (Executive Decision on 5 February 2019)

31 January 2019		
Item	Contributor	Purpose
Capital Strategy 2018/19	David Forbes, County Finance Officer	Pre-Decision Scrutiny (Executive Councillor decision TBC)
Overview and Scrutiny Work Programmes <ul style="list-style-type: none"> • Environment and Economy Scrutiny Committee • Highways and Transport Scrutiny Committee • Flood and Water Management Scrutiny Committee 	Cllr Barry Dobson Chairman of Environment and Economy Scrutiny Committee Cllr Mike Brookes Chairman of Highways and Transport Scrutiny Committee Cllr Bob Adams Chairman of the Flood and Water Management Scrutiny Committee	Performance Scrutiny

28 February 2019		
Item	Contributor	Purpose
Performance of the Corporate Support Services Contract	Sophie Reeve, Chief Commercial Officer Arnd Hobohm, Corporate Support Services Contract Manager	Performance Scrutiny
2018/19 Council Business Plan Quarter 3	Jasmine Sodhi Performance and Equalities Manager	Performance Scrutiny / Pre-Decision Scrutiny (Executive decision on 5 March 2019)
Treasury Management Strategy Statement and Annual Investment Strategy 2019/20	Karen Tonge Treasury Manager	Pre-Decision Scrutiny

28 February 2019		
Item	Contributor	Purpose
Overview and Scrutiny Work Programmes <ul style="list-style-type: none"> • Adults and Community Wellbeing Scrutiny Committee • Health Scrutiny Committee 	Cllr Hugo Marfleet, Chairman of Adults and Community Wellbeing Scrutiny Committee Cllr Carl Macey, Chairman of Health Scrutiny Committee	Performance Scrutiny
Treasury Management Performance Quarter 3 (1 October 2018 to 31 December 2018)	Karen Tonge Treasury Manager	Performance Scrutiny (For Information)

28 March 2019		
Item	Contributor	Purpose
Overview and Scrutiny Work Programmes <ul style="list-style-type: none"> • Children and Young People Scrutiny Committee • Public Protection and Communities Scrutiny Committee 	Cllr Robert Foulkes Chairman of Children and Young People Scrutiny Committee Cllr Nigel Pepper Chairman of Public Protection and Communities Scrutiny Committee	Performance Scrutiny

26 April 2019		
Item	Contributor	Purpose
Performance of the Corporate Support Services Contract	Sophie Reeve, Chief Commercial Officer Arnd Hobohm, Corporate Support Services Contract Manager	Performance Scrutiny
Overview and Scrutiny Annual Report	Nigel West, Head of Democratic Services and Statutory Scrutiny Officer	Performance Scrutiny

26 April 2019		
Item	Contributor	Purpose
Performance of the Corporate Support Services Contract	Sophie Reeve, Chief Commercial Officer Arnd Hobohm, Corporate Support Services Contract Manager	Performance Scrutiny
Overview and Scrutiny Work Programmes <ul style="list-style-type: none"> • Environment and Economy Scrutiny Committee • Highways and Transport Scrutiny Committee 	Cllr Barry Dobson Chairman of Environment and Economy Scrutiny Committee Cllr Mike Brookes Chairman of Highways and Transport Scrutiny Committee	Performance Scrutiny

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

Scrutiny Panel Activity

(as at 21 August 2018)

Current Reviews

Scrutiny Panel A	Membership	Completion Date
Roundabout Sponsorship and Advertising	Councillors L Wootten (Chairman), S R Parkin (Vice Chairman), W J Aron, Mrs A M Austin, Mrs P Cooper, P Coupland, A G Hagues and N Pepper	11 March 2019

Scrutiny Panel B	Membership	Completion Date
Transitions	Councillors Mrs A Newton (Chairman), A H Turner (Vice Chairman), R L Foulkes, A G Hagues, C Matthews, S R Parkin, R H Trollope-Bellew and M A Whittington	28 March 2019

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 21 August 2018)

Committee	Working Group	Membership
Environment and Economy Scrutiny Committee	High Street Vitality	Councillors B Dobson , W Bowkett, B Adams, Mrs J Brockway, K Clarke, G Cullen, K Cook, Mrs C Lawton, A Spencer
Overview and Scrutiny Management Board	UK's Exit from the European Union	Councillors Mrs A Austin, T Bridges, M Brookes, M T Fido, R L Foulkes, C E H Marfleet, Mrs M J Overton MBE, R B Parker, A M Stokes and Mrs C A Talbot; and added member: Mr S Rudman
Overview and Scrutiny Management Board	IT Provision	Councillors B Adams, M D Boles, C J T H Brewis, A Bridges, Mrs J Brockway, S R Dodds, S P Roe and M A Whittington
Health Scrutiny Committee for Lincolnshire	NHS Finance	Councillors C S Macey, C J T H Brewis, M A Whittington and District Councillors P Gleeson and Mrs R Kaberry-Brown

FORWARD PLAN OF KEY DECISIONS FROM 03 SEPTEMBER 2018

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

This page is intentionally left blank