

**EXECUTIVE  
1 MAY 2018**

**PRESENT: COUNCILLOR M J HILL OBE (LEADER OF THE COUNCIL)**

Councillors Mrs P A Bradwell (Executive Councillor for Adult Care, Health and Children's Services) (Deputy Leader), C J Davie (Executive Councillor for Economy and Place), R G Davies (Executive Councillor for Highways, Transport and IT), E J Poll (Executive Councillor for Commercial and Environmental Management), Mrs S Woolley (Executive Councillor for NHS Liaison and Community Engagement), C N Worth (Executive Councillor for Culture and Emergency Services) and B Young (Executive Councillor for Community Safety and People Management).

Councillors R B Parker (Chairman of Overview and Scrutiny Management Board) and M A Whittington (Executive Support Councillor for Resources and Communications) were also in attendance.

Officers in attendance:-

Debbie Barnes (Executive Director, Children's Services), Jason Davenport (Payroll Consultant), Glen Garrod (Executive Director of Adult Care and Community Wellbeing), Cheryl Hall (Democratic Services Officer), Stephen Jack (Lincolnshire Wolds Countryside Service Manager), Andrew McLean (Service Manager Commissioning), Chris Miller (Team Leader for Countryside Services), Pete Moore (Executive Director, Finance and Public Protection), Sophie Reeve (Chief Commercial Officer), Nigel West (Head of Democratic Services and Statutory Scrutiny Officer) and Richard Wills (Head of Paid Service and Executive Director, Environment and Economy).

**71     APOLOGIES FOR ABSENCE**

There were no apologies for absence.

**72     DECLARATIONS OF COUNCILLORS' INTERESTS**

There were no declarations of interest.

**73     ANNOUNCEMENTS BY THE LEADER, EXECUTIVE COUNCILLORS AND EXECUTIVE DIRECTORS**

There were no announcements.

74 MINUTES OF THE MEETING OF THE EXECUTIVE HELD ON 4 APRIL 2018

RESOLVED

That the minutes of the meeting of the Executive held on 4 April 2018 be signed by the Chairman as a correct record.

75 CORPORATE SUPPORT SERVICES RE-PROVISION

Consideration was given to a report from the Executive Director of Children's Services, which summarised the work undertaken in reviewing the future provision of those services delivered by Serco under the Corporate Support Services contract when the initial term expires at the end of March 2020.

Sophie Reeve (Chief Commercial Officer), Andrew McLean (Chief Commissioning Officer), John Wickens (Head of IMT) and Jason Davenport (Payroll Consultant) were in attendance for this item.

The Chief Commercial Officer introduced the report which provided the Executive with the following information:-

- Background;
- Performance;
  - Overview;
  - Key Performance Indicators (KPIs);
  - Market alternatives to an extension of the Contract;
  - Business Process Outsourcing Contracts;
  - Insourcing;
  - Business World On (formerly known as Agresso);
  - Payroll and People Management (PM) Administration Services;
  - Hoople Limited
  - IT; and
  - Customer Services Centre, Finance and People Management (PM) Services.

The Chairman of the Overview and Scrutiny Management Board advised that the Board had considered a report concerning the Corporate Support Services Re-provision at its meeting on 26 April 2018. The Board unanimously:

- Provided full support for recommendations (i), (iv) and (v) as detailed in the Executive report;
- Provided qualified support for recommendations (ii) and (iii), as detailed in the Executive report;
- Recommended that a further report be brought to the Board's meeting on 28 June 2018 and the Executive on 3 July 2018 regarding the outcomes of the due diligence process with Hoople Limited in relation to the payroll system and

- the governance arrangements of the shared service arrangement, before entering into a shared service arrangement with Herefordshire County Council;
- It was suggested that the newly appointed Chief Executive's views should be taken into account when looking at options.

It was reported that Lincolnshire Unison had submitted comments on the Corporate Support Services re-provision, which were read to the Executive. In particular, it was highlighted that Lincolnshire Unison had expressed a wish for Lincolnshire services to be provided by Lincolnshire-based employers.

The Leader suggested that the report was considered in three separate sections: Payroll; IT; and Customer Service Centre/Finance/People Management to give Members the opportunity to ask questions under each of those sections.

### Payroll

A review of the market had identified that there were no private sector providers of local government payroll or people management administration outside the larger outsourcing contracts similar to the Council's contract with Serco. Two viable shared service partners had been identified, one of which was Herefordshire County Council via Hoople Limited.

The due diligence activities had comprised site visits in addition to scenario-based questions, audit inspections and a review of Information Governance and IT management arrangements. Based on these activities, the Payroll Consultant had strongly recommended Hoople Limited as the preferred partner for the Council.

Serco had stated that it would work collaboratively with Herefordshire County Council, Hoople, Unit 4, and Lincolnshire County Council to ensure a successful handover. Herefordshire also recognised that the payroll and people management partnering solution would need to include maintained schools. It was confirmed that Herefordshire County Council and Hoople Limited delivered payroll and people management administration to schools.

The Chairman of the Overview and Scrutiny Management Board presented the Board's comments in relation to the payroll aspect of the report, which had been tabled at the meeting.

Officers responded to the points highlighted by the Board and the questions raised by the Executive, as detailed below: -

- Assurances were provided that Herefordshire County Council had the ability to recruit sufficient numbers of trained payroll staff to cope with the size of Lincolnshire County Council's payrolls, increasing its staffing levels by 30%;
- It was noted that the overall level of assurance for payroll delivered by Hoople Limited was rated as 'reasonable' in an audit in 2017/18. The Executive was advised that 'reasonable' compared to 'substantial' in Lincolnshire County Council's assurance framework;

- It was confirmed that comprehensive work would be undertaken to ensure that the new payroll system was working effectively pre-transfer. Further to this, it was acknowledged that the data cleansing exercise, currently being undertaken by Serco, was essential in ensuring the successful transfer. It was confirmed that Hoople Limited would form part of the transition planning discussions;
- It was highlighted that due diligence was key to the success of the proposal. Further to this, it was confirmed that Hoople Limited was scheduled to visit Lincolnshire County Council in May 2018 to prepare the due diligence activity, with a plan for the due diligence work being available by the end of June 2018;
- Performance measures would form part of the partnership agreement between Lincolnshire County Council and Hoople Limited, to ensure the County Council could hold Hoople Limited to account;
- In respect of the complexity of Lincolnshire Fire and Rescue's payroll system, it was confirmed that tests on the firefighter payroll had been conducted and Herefordshire County Council had performed well. Herefordshire County Council had assured officers that they had the capability to build the Lincolnshire Fire and Rescue payroll into their current system; and
- The options for the location of the services provided by Hoople Limited were yet to be considered. It was reiterated that the Scrutiny Management Board's preference would be for the services to be provided from an office based in Lincolnshire.

#### Information Technology

The Executive was advised that a single supplier model was believed to be the only procurement model which would enable successful service transition by the current contract end in April 2020. Further work was required on market engagement to better understand the acceptable contract terms, model, service towers and general level of interest.

The Chairman of the Overview and Scrutiny Management Board presented the Board's comments in relation to the IT aspect of the report, which were tabled at the meeting.

Officers responded to the points highlighted by the Board and the questions raised by the Executive, as detailed below: -

- It was suggested that an Information Management Technology Strategy was produced, which set out the Council's strategic objectives in relation to IT. It was also suggested that this could be actioned by the newly-appointed Chief Executive;
- A systematic review had been undertaken by Unit 4 of the Council's current deployment of Business World On. Additionally, an independent business consultant had reviewed the payroll issues. Unit 4 advised that they had improved the system with each milestone release.

Customer Services Centre, Finance and People Management Services

People Management, Exchequer Services and much of Adult Care Finance and Assessments had been outsourced for 18 years and the Customer Services Centre had been outsourced since 2015.

The Executive was advised that the time required for insourcing was shorter and therefore no decision would be required for these services for some time. It was suggested that a better approach was to continue to monitor Serco's performance and consider an extension of this element of the current contract before making a final decision.

The Chairman of the Overview and Scrutiny Management Board presented the Board's comments in relation to the IT aspect of the report, which were tabled at the meeting.

It was noted that a report on further options in these areas would be presented to the Overview and Scrutiny Management Board at its meeting on 27 September 2018 and to the Executive on 2 October 2018.

**RESOLVED**

- (1) That the report be noted.
- (2) That approval be given to the entering into of a shared service arrangement under section 9EA of the Local Government Act 2000 and Regulation 5 of the Local Authorities (Arrangement for the Discharge of Functions) (England) Regulations 2012 for the exercise by Herefordshire County Council or, as the case may be, the executive of Herefordshire County Council of the Council's payroll and People Management Administration function from 1 April 2020, subject to satisfactory assurances being received; and
- (3) That approval be given to the entering into of a public-public co-operation with Herefordshire County Council to provide access to Hoople Limited's Business World ERP for Lincolnshire County Council's Finance function, accountancy, financial administration and Adult Care Finance services from the 1 April 2020, subject to satisfactory assurances being received.
- (4) That the Executive Director of Children's Services, in consultation with the Leader of the Council and the Executive Councillor for Community Safety and People Management, be delegated authority to take all decisions necessary to ensure the entering into of the above shared service arrangements described in (2) and (3) above to include the entering into of the shared service agreement itself and delivery of services from the 1 April 2020 but only once the requirements of paragraph 40 of the Report have been met.
- (5) That approval be given to the carrying out of market engagement and all ancillary activity with IT providers.

76 FORMAL ADOPTION OF THE LINCOLNSHIRE WOLDS AREA OF  
OUTSTANDING NATURAL BEAUTY MANAGEMENT PLAN 2018-2023

Consideration was given to a report from the Executive Director of Environment and Economy, which informed the Executive of the outcome of a review of the Lincolnshire Wolds Area of Outstanding Natural Beauty Management Plan and set out the recommended changes to the Plan.

The Lincolnshire Wolds Countryside Service Manager advised that under the Countryside and Rights of Way Legislation (CROW Act 2000), the County Council had a statutory duty to produce and review a five yearly management plan for the Lincolnshire Wolds AONB.

The Management Plan had four sections, which included: Protecting the Wolds; Discovering the Wolds; Sustaining the Wolds; and Making it Happen. There were 19 objectives; 78 policies and 180+ actions to help protect, enhance and promote the Lincolnshire Wolds Area of Outstanding Natural Beauty (AONB).

It was noted that the AONB Partnership was working hard to ensure that the new Plan provided a stimulus for the further protection and enhancement of the Lincolnshire Wolds, including a wide range of collaborative initiatives embracing public, private and third sector engagement.

It was advised that the Environment and Economy Scrutiny Committee had considered the draft AONB Management Plan at its meeting on 16 January 2018 and had endorsed the draft Management Plan with an acknowledgement that further changes may be required, following the conclusion of the public consultation.

Further to this it was noted that the Management Plan had been endorsed by the Lincolnshire Wolds Joint Advisory Committee at its meeting on 12 April 2018. Natural England had confirmed its approval and validation of the document, thus releasing the Plan for its formal adoption from all relevant local planning authorities.

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

- It was also confirmed that the Lincolnshire Wolds Area of Outstanding Natural Beauty Management Plan 2018-2023 would be published on the County Council's website, with a very small number of hard copies being made available owing to its size;
- A summary of the public consultation was detailed at Appendix 7b to the report;
- The Management Plan aimed to successfully balance land management interests to help support economic, social and environmental objectives for all;
- It was confirmed that the local community; residents and landowners had been engaged through the public consultation; and

- There was clarification that the final adopted Management Plan would be a material consideration in formal planning matters, in that the document would seek to complement the relevant Local Development Framework, Minerals and Waste Plans and other significant plans.

## RESOLVED

- (1) That the outcome of the review of the Lincolnshire Wolds Area of Outstanding Natural Beauty Management Plan 2013-2018 and the changes proposed to the Plan as set out in the Report be noted.
- (2) That the document, as detailed at Appendix A to the report, which incorporates the said changes as the Lincolnshire Wolds Area of Outstanding Natural Beauty Management Plan 2018-2023 be formally adopted.

## 77 NHS SUSTAINABILITY AND TRANSFORMATION PLAN

A report from the Executive Director of Adult Care and Community Wellbeing and the Head of Paid Service was considered, which clarified the County Council's relationship with the NHS in Lincolnshire, both in terms of the services that were already delivered in partnership and the ongoing transformation and integration of health and care. In particular, the report set out the current position with respect to the County Council's role in the Sustainability and Transformation Plan.

It was highlighted that Sustainability and Transformation Plans (STPs) had been first introduced by NHS England in 2016 as a means of accelerating the implementation of its Five Year Forward View. The country had been divided by NHS England into 44 local STP areas in order to do this, with the four Lincolnshire Clinical Commissioning Groups forming the Lincolnshire STP footprint.

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

- Concern was expressed that despite considerable effort being expended into producing a Lincolnshire plan for the Health and Care in the county, nothing substantive had yet emerged in the public domain since December 2016;
- It was commented that by having a published plan in place, it would provide certainty for the county, which could aid recruitment and retention within the local NHS;
- It was acknowledged that a draft STP had been published in December 2016, as part of a process overseen by NHS England who appeared to remain influential in the STP's development and implementation and it was suggested that clarity should be sought from NHS England on when an updated STP would be published; and
- There was a need to ensure that the views of all Lincolnshire residents were represented to support the provision of equitable services across the county, rather than focusing on Lincoln.

**RESOLVED**

- (1) That the Executive expresses its concern that despite considerable effort being expended into producing a Lincolnshire plan for the Health and Care in the county over several years, nothing substantive has yet emerged in the public domain.

The Executive would urge NHS colleagues to publish a comprehensive draft plan for public consultation without delay. The County Council along with other individuals and organisations could then respond effectively in the interests of the residents of Lincolnshire.

- (2) That the local NHS be advised that it remains the County Council's strong view that an external review of the governance arrangements for the Lincolnshire STP be undertaken to provide:

- i. clarity of decision making and accountability
- ii. a clear definition of the roles of the partners
- iii. effective engagement with democratic processes
- iv. robust oversight of the delivery of the STP plan and associated financial savings and changes in NHS expenditure

The meeting closed at 12.15 pm.