

**EXECUTIVE
2 OCTOBER 2018**

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

Councillors C J Davie (Executive Councillor for Economy and Place), R G Davies (Executive Councillor for Highways, Transport and IT), Mrs S Woolley (Executive Councillor for NHS Liaison and Community Engagement) and B Young (Executive Councillor for Community Safety and People Management).

Councillors Mrs M J Overton MBE and R B Parker (Chairman of the Overview and Scrutiny Management Board) were also in attendance.

Officers in attendance:-

Keith Ireland (Chief Executive), Debbie Barnes OBE (Executive Director, Children's Services), Sam Edwards (Major Schemes and Design Commissioner), David Forbes (County Finance Officer), Justin Hackney (Assistant Director, Specialist Adult Services), Cheryl Hall (Democratic Services Officer), Mark Heaton (Programme Leader), Andrew McLean (Service Manager Commissioning), Pete Moore (Executive Director, Finance and Public Protection), Sophie Reeve (Chief Commercial Officer) and Nigel West (Head of Democratic Services and Statutory Scrutiny Officer).

22 APOLOGIES FOR ABSENCE

Apologies for absence were received from Councillors Mrs P A Bradwell OBE, E J Poll and C N Worth.

It was also noted that Justin Hackney (Assistant Director, Specialist Adult Services) was attending the meeting on behalf of Glen Garrod (Executive Director of Adult Care and Community Wellbeing).

23 DECLARATIONS OF COUNCILLORS' INTERESTS

There were no declarations of interest.

24 ANNOUNCEMENTS BY THE LEADER, EXECUTIVE COUNCILLORS AND EXECUTIVE DIRECTORS

The Executive Councillor for Economy and Place was pleased to announce that Lincolnshire would further strengthen its economic ties with China's Hunan province in October 2018, as Lincolnshire and Hunan become sister regions.

It was advised that on Thursday 11 October 2018, representatives from the province, led by Mr Kemin Wang, Deputy Director of Standing Committee of Hunan Provincial

People's Congress, would visit the county to sign a formal Lincolnshire-Hunan Sister Region agreement.

The Executive Councillor for NHS Liaison and Community Engagement wished to congratulate Lincolnshire Community Health Services NHS Trust for being rated 'Outstanding' by the Care Quality Commission.

25 MINUTES OF THE MEETING OF THE EXECUTIVE HELD ON
4 SEPTEMBER 2018

RESOLVED

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

26 REVENUE AND CAPITAL BUDGET MONITORING REPORT 2018/19

A report from the Executive Director of Finance and Public Protection was considered, which provided an update on spending compared with budgets for the financial year which started on 1 April 2018.

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

The County Finance Officer advised that the total revenue spending was predicted to be £3.738m less than the total budget (excluded projected underspending on Schools budgets); general reserves at the year-end were forecast to be within the 2.5% to 3.5% range; and net capital spending was projected to be £0.656m more than the budget at the end of the financial year.

The Executive was directed to Table A (Position as at 31 July 2018) on page 13 of the report, which detailed Revenue expenditure. The following points were noted: -

- Over its four commissioning strategies, Children's Services was currently forecasting an underspend of £1.177m;
- Readiness for Adult Life commissioning strategy was forecasting an underspend of £0.361m. The majority of the underspend had related to the Local Authority's legal duty for Supported Accommodation;
- The Children are Safe and Healthy commissioning strategy was forecasting an underspend of £0.900m. The underspend had related to the funding of central staffing costs temporarily in 2018/19 from grants, and the lower occupancy rates at the Beacon development which was currently being reviewed;
- Enablers and Support to Council's Outcomes was currently forecasting an underspend of £1.950m. It was highlighted that a number of ICT projects were underway and the completion of those projects would reduce the underspend;
- 'Other Budgets' was currently projecting an underspend of £0.610m. The vast majority of the underspend was attributed to the National Living Wage.

Following initial work during the financial year, it was anticipated that this element of the budget would not be required during the financial year 2018/19, as it was now clear sufficient funding had already been provided in service budgets.

Table B (Position as at 31 July 2018) on page 21 of the report detailed the capital programme. It was highlighted that the Historic Lincoln project was currently showing an overspend of £1.338m. The final claim for Heritage Lottery Funding for Lincoln Castle Revealed would be submitted shortly, and all final accounts would need to be settled by this time. Officers were working to ensure that all grant income was received, and a final budget position would be known at that stage.

The Chairman of the Overview and Scrutiny Management Board advised that the Board had considered the Executive report on Revenue and Capital Budget Monitoring 2018/19 at its meeting on 27 September 2018. The Board had agreed to support the recommendation in the Executive report. The comments of the Board were tabled at the meeting.

It was highlighted that the Board had noted that the main reason for a forecast underspend in the Readiness for Adult Life Commissioning Strategy was a more suitable and cost effective supported accommodation solution for care leavers and young homeless people. It was highlighted that the use of former fire houses in Grantham for this purpose was an example of how future savings could be generated.

The Chairman also highlighted that the Board had discussed in detail the ICT revenue underspend. Furthermore, the Chief Executive advised that the ICT strategy would be issued in draft form by the end of the calendar year 2018.

It was highlighted that work was being undertaken on the County Council's website, which would improve the customer experience.

The Leader commended the hard work of Adult Care and Children's Services in keeping within their budget allocation during financially challenging times.

RESOLVED

That the current position on the revenue and capital budgets be noted.

27 NORTH HYKEHAM RELIEF ROAD

Consideration was given to a report by Mark Heaton (Programme Leader) and Sam Edwards (Senior Project Leader (Major Schemes)), which invited the Executive to consider recommendations relation to the proposed North Hykeham Relief Road.

The Executive Councillor for Highways, Transport and IT introduced the report to the Executive, and advised that the proposed project would improve connections around and into Lincoln and form part of the Lincolnshire Coastal Highway. The feedback from public engagement events had been positive.

The Programme Leader presented the report to the Executive and in doing so advised that the North Hykeham Relief Road would be a major infrastructure project aimed to complete the final phase of the circulatory around Greater Lincoln and North Hykeham by linking the Lincoln Eastern Bypass (at the A15 Sleaford Road) with the existing Western Bypass (at its junction with Newark Road).

The report sought approval for the length and type of carriageway, prior to the completion of the Outline Business Case. The report also sought approval for the proposed project funding sources and associated percentages/values. The Outline Business Case (OBC) would be key in justifying funding opportunities from governmental bodies, such as the Department for Transport.

It was highlighted that project funding was the next stage of the development of the North Hykeham Relief Road, therefore creating the need for the completion of the OBC for submitting to the Department for Transport (DfT). The DfT had advised that the next opportunity for submitting a funding bid would be in late 2018/early 2019.

Page 35 of the agenda pack included a table which depicted what the Executive Project Board had decided would be the most efficient bid when balancing affordability and likelihood of success. The requested project contribution from the DfT was proposed as 70% of the overall cost of the project, with the remainder being funded by Lincolnshire County Council and developer funding contributions.

It was highlighted that the Highways and Transport Scrutiny Committee had met on 10 September 2018 and had considered a report on the North Hykeham Relief Road. The Committee had considered the length and type of carriageway, prior to the completion of the OBC and had unanimously supported the recommendations included in the report to the Executive. Comments of the Committee were detailed on page 39 of the report.

RESOLVED

- (1) That approval be given to a dual carriageway from the A46 (Pennells' roundabout) to connect with the roundabout at the A15 (currently being constructed as part of the Lincoln Eastern Bypass) as opposed to either a single or single + future-proofed carriageway as the Council's preferred carriageway option in all future development of the NHRR including the making of funding bids.
- (2) That approval be given to seeking funding from governmental bodies such as the DfT in line with the percentages/values contained in the body of this paper.
- (3) That delegated authority be given to the County Commissioner for Economy and Place for approving the final form of the Outline Business Case (at the point when the bidding opportunity is announced) and submission of the same.

28 CORPORATE SUPPORT SERVICES RE-COMMISSIONING

Consideration was given to a report by Sophie Reeve (Chief Commercial Officer) and Andrew McLean (Chief Commissioning Officer), which sought approval of four recommendations concerning the Corporate Support Services Re-commissioning.

The Chief Commercial Officer presented the report to the Executive and in doing so advised that a review had been undertaken to consider possible alternative commissioning approaches to the existing Serco contract, as detailed in the report and in the background reports.

The review work had included an assessment of the Serco contract extension proposal along with a consideration of how the Council's corporate centre could be more effective in supporting staff and front-line services. In addition, further activity had been undertaken following the decision made by the Executive on 1 May 2018 on: carrying out the necessary due diligence and assurance of the potential Payroll/HR Admin service and ERP system solution with Hoople, along with market engagement with potential ICT suppliers.

It was highlighted that Serco's performance had improved and was currently performing well against contract measures. An extension of the existing contract with Serco would provide continuity of services at a time when the Council needed to focus on stabilising and developing its ICT. To pursue a procurement at the same time as carrying out this work would present unacceptable risks of failure while going to the market when existing issues had not yet been resolved.

It was therefore recommended that the Council entered into a contract extension with Serco for a period of two years, with effect from 1 April 2020 to 31 March 2022 to include the following: Information Management Technology; Payroll; HR Administration; Customer Service Centre; and Exchequer Services and Adult Care Finance.

The report also sought approval for the insourcing of the following services in the Council, with effect from 1 April 2019: Mosaic technical development support; Freedom of information, Complaints and Information; Governance (including Subject Access Requests) administration; Agresso (Business World On) System Administration (People Management). These services would be integrated with the corresponding services within the County Council providing an integrated, agile function.

The Chairman of the Overview and Scrutiny Management Board advised that the Board had considered the Executive report on Corporate Support Services Re-commissioning at its meeting on 27 September 2018 and agreed to support the four recommendations to the Executive. The comments of the Board were tabled at the meeting.

The Board agreed to pass on two specific comments to the Executive:

- Fire and Rescue Payroll – There had been some reservations expressed about the performance of the existing contractor on Fire and Rescue payroll, as the previous contractor had not created a high error rate. Fire and Rescue services operated under national conditions of service, and retained firefighters were not unique to Lincolnshire; and
- Effective Partnership Working – The Board was advised that Serco's payroll error rate estimated from June data was 0.3%, which equated to about 14 individuals in that month. The Board agreed that the Council needed to become an effective partner with the contractor.

The Chairman of the Board also highlighted that many of the problems with Agresso had related to the way it had been set up, with some responsibility resting with the client side. It was advised that a member of staff within the Council had now been allocated responsibility and ownership of Agresso.

The Chairman also highlighted the importance of prompt and accurate information being provided by the County Council to Serco.

Further to the Board's comments in relation to Fire and Rescue Payroll, it was advised that the Executive Councillor for Community Safety and People Management would liaise with the Chairman of the Public Protection and Communities Scrutiny Committee to obtain further information.

The Executive reiterated the importance of the Council needing to focus on stabilising and developing its ICT and rebuilding Agresso. To pursue a procurement at the same time would present unacceptable risks of failure when existing issues had not yet been resolved.

RESOLVED

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.

The meeting closed at 11.00 am.