



County Offices
Newland
Lincoln
LN1 1YL

24 September 2018

Executive

A meeting of the Executive will be held on **Tuesday, 2 October 2018** in **Committee Room One, County Offices, Newland, Lincoln LN1 1YL** at **10.30 am** for the transaction of business set out on the attached Agenda.

Yours sincerely

A handwritten signature in black ink that reads 'Keith Ireland'.

Keith Ireland
Chief Executive

Membership of the Executive
(8 Members of the Council)

Councillor M J Hill OBE, Executive Councillor for Resources and Communications (Leader of the Council)

Councillor Mrs P A Bradwell OBE, Executive Councillor for Adult Care, Health and Children's Services (Deputy Leader)

Councillor C J Davie, Executive Councillor for Economy and Place

Councillor R G Davies, Executive Councillor for Highways, Transport and IT

Councillor E J Poll, Executive Councillor for Commercial and Environmental Management

Councillor Mrs S Woolley, Executive Councillor for NHS Liaison and Community Engagement

Councillor C N Worth, Executive Councillor for Culture and Emergency Services

Councillor B Young, Executive Councillor for Community Safety and People Management

**EXECUTIVE AGENDA
TUESDAY, 2 OCTOBER 2018**

Item	Title	Forward Plan Decision Reference	Pages
1	Apologies for Absence		
2	Declarations of Councillors' Interests		
3	Announcements by the Leader, Executive Councillors and Executive Directors		
4	Minutes of the Meeting of the Executive held on 4 September 2018		5 - 10
NON KEY DECISIONS - ITEMS TO BE RESOLVED BY THE EXECUTIVE			
5	Revenue and Capital Budget Monitoring Report 2018/19 <i>(To receive a report from the Executive Director of Finance and Public Protection, which provides an update on spending compared with budgets for the financial year which started on 1 April 2018)</i>	I015179	11 - 26
KEY DECISIONS - ITEMS TO BE RESOLVED BY THE EXECUTIVE			
6	North Hykeham Relief Road <i>(To receive a report from the Executive Director for Environment and Economy, which seeks to gain approval for the length and type of carriageway, prior to the completion of the Outline Business Case. The report also seeks approval of the proposed project funding sources and associated percentages/values)</i>	I016499	27 - 40
7	Corporate Support Services Re-commissioning <i>(To receive a report by the Executive Director for Children's Services which seeks approval of four recommendations concerning the Corporate Support Services Re-commissioning.</i> Note: Appendix 1 of this report contains exempt information and is not for publication by virtue of paragraphs 3 and 5 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. Discussion of this Appendix may result in the exclusion of the press and public) 	I016334	41 - 76

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Please Note: for more information about any of the following please contact the Democratic Services Officer responsible for servicing this meeting

- Business of the meeting
- Any special arrangements
- Copies of reports

Contact details set out above.

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**EXECUTIVE
4 SEPTEMBER 2018**

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

Councillors Mrs P A Bradwell OBE (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 D Butroid (Executive Support Councillor for Community Safety and People Management) 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), Glen Garrod (Executive Director of Adult Care and Community Wellbeing), Cheryl Hall (Democratic Services Officer), Kevin Kendall (County Property Officer), Jasmine Sodhi (Performance and Equalities Manager), Nigel West (Head of Democratic Services and Statutory Scrutiny Officer) and Richard Wills (Executive Director, Environment and Economy).

17 APOLOGIES FOR ABSENCE

It was noted that Kevin Kendall (County Property Officer) was attending the meeting on behalf of Pete Moore (Executive Director of Finance and Public Protection).

18 DECLARATIONS OF COUNCILLORS' INTERESTS

There were no declarations of interest.

19 ANNOUNCEMENTS BY THE LEADER, EXECUTIVE COUNCILLORS AND EXECUTIVE DIRECTORS

19a Local Enterprise Partnership Consultation Document - Options for the future

The Chief Executive advised that on 24 July 2018 the Government had issued a consultation document on *Strengthened Local Enterprise Partnerships*, which set out the role and responsibilities of local enterprise partnerships, in driving local growth. The deadline for responding to the consultation was the end of September 2018.

The consultation document also set out how the Government and local enterprise partnerships would work together to strengthen leadership and capability, improve accountability and manage risk, and provide clarity on geography.

It was advised that local enterprise partnerships with overlapping geographies had emerged when they were first formed on a voluntary basis. The Government was proposing to remove the overlaps as it considered that by retaining overlaps, accountability and responsibility for setting strategies for places were diluted.

It was highlighted that a meeting of the Greater Lincolnshire Local Enterprise Partnership (GLLEP) was taking place on 4 September 2018 to consider the consultation document, and in particular potential options for the future of the GLLEP which included: a local enterprise partnership for Lincolnshire; remaining with the GLLEP; or a combined local enterprise partnership.

Members of the Executive advised that the current arrangement within Lincolnshire of the Greater Lincolnshire Local Enterprise Partnership worked effectively and it was therefore the Executive's preferred option to remain with the status-quo.

19b Local Government Association Peer Review - March 2019

The Chief Executive advised that the County Council had agreed in principle with the Local Government Association (LGA) to have a Peer Review in March 2019.

The focus of the Peer Review was yet to be determined. A meeting between the LGA; the County Council's Chief Executive; and the Leader of the Council was scheduled to be held in October 2018 to discuss the focus of the review.

19c Adult Social Care Green Paper and NHS Plan

The Executive Director of Adult Care and Community Wellbeing provided an update on the forthcoming Adult Social Care Green Paper and NHS Plan.

The Executive was advised that the publication of the Adult Social Care Green Paper had been delayed until at least November 2018. Once published, the document would be subject to a minimum twelve-week consultation period.

It was highlighted that Adult Social Care and Children Services had been underfunded for a number of years and it was therefore hoped the green paper would address the funding issues. The issues faced by adult social care authorities were discussed, particularly the uncertainty over the future of the Better Care Fund beyond 2020.

The Local Government Association and the County Council Network had each published their own policy documents on the green paper. The LGA's *The Lives We Want to Lead*, published on 31 July 2018, was seeking the views of people and organisations on how best to pay for care and support for adults of all ages and their unpaid carers.

Independent Age had published a report in September, which was probably considered the best analysis of the options which were available to the Government to secure future funding for Adult Social Care, though it was unclear which options were being actively considered.

The Government had announced that the NHS in England would receive an additional £20.5bn of funding over the next five years to 2023. It was also highlighted that the NHS had been requested to set out a long-term plan for the future of the NHS by the autumn of 2018, setting out ambitions for improvement and plans to meet them over the five years of the funding settlement.

19d Scampton Closure - Partnership Working

The Chief Executive advised that the Ministry of Defence had confirmed that RAF Scampton would close by 2022.

Meetings were scheduled to take place regarding potential options for the site for the future, which would include Lincolnshire County Council and West Lindsey District Council. It was highlighted that West Lindsey District Council was the lead local authority on this piece of work.

It was suggested that the local county councillor for Scampton be kept informed of any progress.

In response to a question from the Chairman of the Overview and Scrutiny Management Board, it was advised that the future base of the Red Arrows had not yet been decided. However, the County Council would wish to retain the Red Arrows within Lincolnshire.

20 MINUTES OF THE MEETING OF THE EXECUTIVE HELD ON 3 JULY 2018

RESOLVED

That the minutes of the meeting of the Executive held on 3 July 2018 be signed by the Chairman as a correct record.

21 COUNCIL BUSINESS PLAN 2018 - 2019 PERFORMANCE REPORT, QUARTER ONE

Consideration was given to a report by Jasmine Sodhi (Performance and Equalities Manager), which presented an overview of performance for Quarter One against the Council Business Plan. Appendix A to the report provided a summary of measures that did not achieve the target in Q1.

The Executive was advised that of the fourteen commissioning strategies reported in Q1: six had performed well (all but 1 measure reported in Q1 had achieved the target); two had mixed performance (some measures had achieved and some

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measures had not achieved the target in Q1) and one had underperformed (both measures reported in Q1 had not achieved the target).

It was highlighted that the following three commissioning strategies had mixed performance (some measures had achieved and some measures had not achieved the target): -

- Carers;
- Community resilience and assets;
- Protecting the public.

The report also presented information on the proposed changes to reporting performance against the Council Business Plan 2018/19, which had been recommended to the Executive by the relevant executive councillors.

The Chairman of the Overview and Scrutiny Management Board advised that the Board had considered the Executive's report at its meeting on 30 August 2018 and had agreed to support the proposed changes to reporting performance against the Council Business Plan 2018/19, as set out on page 15 of the Executive report.

The Board had also asked three overview and scrutiny chairmen to provide a statement on indicators under the remit of their committee, which had not met their Q1 target. As the relevant scrutiny committees had not yet considered Q1 performance, the statements would be provided at the next scheduled meeting of the Board on 27 September 2018.

It was confirmed that the Head of Democratic Services and Statutory Scrutiny Officer would consider, as part of the review of scrutiny, when Q1 performance would be presented at scrutiny committee meetings, as the Overview and Scrutiny Management Board had considered the report prior to the scrutiny committees.

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

- *Alcohol related violent crimes* –this measure had been removed from the business plan but work was underway on an appropriate replacement measure;
- *Illicit alcohol and tobacco seized* – a number of operations were planned for Q2 and the service was expecting to see seizure figures increase significantly. It was highlighted that there was a particular issue of illicit alcohol and tobacco in Spalding and work was being undertaken to address it;
- *Visits to core libraries and mobile library services* – the low number of visits had been attributed to not being able to keep a pace with the changing IT requirements and expectations of customers. It was advised that work would be undertaken to improve the IT offer in libraries to address the decline in visits. Furthermore, It was advised that improvements would be made to the County Council's website over the coming months;

- *Household waste recycled* – It was advised that the challenging weather conditions experienced in recent months may have had an effect on green waste composted. The aspirational target of 55% had been set in the joint Municipal Waste Management Strategy, which was currently being refreshed in cooperation with the districts. It was also advised that the food waste trial in South Kesteven District Council (SKDC) was progressing well and it was hoped that it would be introduced across the whole of the SKDC area at the end of the trial; and
- *Satisfaction with crime and antisocial behaviour* – The Safer Lincolnshire Partnership was currently developing a communications strategy, which would inform how the provision of information to the public about the work of the partnership could be increased. It was advised that Positive Futures Lincolnshire, which was a leading community sports programme, had assisted with reducing antisocial behaviour and crime from children and young people within local communities by steering them away from this type of activity. It was acknowledged that the County Council had little influence over the performance of the measure. However, continued partnership working would reduce levels of antisocial behaviour and crime.

RESOLVED

- (1) That the Quarter 1 performance 2018/2019 be noted.
- (2) That the proposed changes to reporting, as set out in the report, be approved.

The meeting closed at 11.45 am.

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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	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
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 of Richard Wills,
Executive Director for Environment and Economy**

Report to:	Executive
Date:	02 October 2018
Subject:	North Hykeham Relief Road
Decision Reference:	I016499
Key decision?	Yes

Summary:

The North Hykeham Relief Road (NHRR) is a major infrastructure project aimed to complete the final phase of the circulatory around Greater Lincoln and North Hykeham.

This report seeks to gain approval for the length and type of carriageway, prior to the completion of the Outline Business Case. The report also seeks approval of the proposed project funding sources and associated percentages/values. The Outline Business Case is the key tool for justifying funding opportunities from governmental bodies such as the Department for Transport (DfT).

Recommendation(s):

It is recommended that the Executive:

- (1) Approve 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) Approve seeking funding from governmental bodies such as the DfT in line with the percentages/values contained in the body of this paper.
- (3) Delegate authority for approving the final form of the Outline Business Case (at the point when the bidding opportunity is announced) and submission of the same to the County Commissioner Economy and Place.

Alternatives Considered:

1. There are alternative carriageway length options which are detailed in the body of this report. The reasons for rejection are also contained in the

	body of the report.
2.	There are alternative carriageway types (single and single+future proof) which are detailed in the body of this report. The reasons for rejection are also contained in the body of the report.
3.	Alternative funding sources and percentages/values were considered, however the NHRR Project Executive Board agreed this paper represents the best balance with regards LCC affordability, previous DfT bids and likelihood of success
4.	No further progress be made to this project

Reasons for Recommendation:

The full reasons are outlined in the body of this report, however to summarise. The proposed dual carriageway project delivers the greatest benefits to the public in terms of reducing traffic congestion, improving journey time, providing journey time reliability and unlocking development opportunities.

1.1 Introduction

The NHRR is the last major highway scheme contained within the Lincoln Integrated Transport Strategy (LITS). The NHRR is also the last element of a complete ring road around the greater Lincoln urban area comprising both Lincoln and North Hykeham. The ring road will be comprised of four sections of carriageway: the Lincoln Western Relief Road (LWRR), Lincoln Northern Relief Road (LNRR), the currently under construction Lincoln Eastern Bypass (LEB), and the NHRR.

1.2 The NHRR proposal is for an 8km bypass road providing a connection between the A46 (A46/A1434 Pennells' roundabout) to the A15 (A15 Lincoln Eastern Bypass/Sleaford Road roundabout) immediately to the south of the Greater Lincoln urban area and North Hykeham. The NHRR scheme has been an aspiration for key stakeholders in the Lincoln area for a number of years and recent changes to growth aspirations have further reinforced the need for the scheme. The scheme is identified in a number of regional and local strategies and policy plans and is a key piece of infrastructure in the wider transport strategy for the Lincoln area as well as being an important element in helping deliver planned growth in the area.

1.3 The current route of the NHRR, which is the subject of this Outline Business Case (OBC) is consistent with all strategy and policy documents dating back to and including when the preferred route was identified in December 2006. This includes the technical advice which was the basis for assessing consequential extent of blight on Station Road. The assessment of blight was based on a dual carriageway project and triggered LCC's decision to purchase those properties between 2006 and 2008. The below provides a summary of key historical strategies, policies and approvals the NHRR has been subject to:

- October 2005 First 'preferred route' consultation takes place

- April 2006 Route 2c selected as basis for an emerging preferred route
- October 2006 Second 'preferred route' consultation takes place
- December 2006 Route 2c endorsed as the NHRR's preferred route
- 2008 - 2010 Purchase of properties on Station Road due to blight concerns regarding the line of the NHRR
- 2006, 2008 & 2013 Lincoln Integrated Transport Strategies adopted/updated
- April 2013 4th Lincolnshire Local Transport Plan adopted
- April 2017 Central Lincolnshire Local Plan Adopted
- July 2017 Funding secured for the preparation of an Outline Business Case
- April 2018 Creation of a new Greater Lincoln Traffic Model
- June 2018 Project engagement carried out, including survey, drop in sessions and workshops
- End of 2018 Proposed submission of Outline Business Case to the DfT for project funding
- 2019 Proposed development of a new Lincoln Transport Strategy

1.4 In the summer of 2017, Lincolnshire County Council commissioned the development of an OBC for the North Hykeham Relief Road. The first step in this process was to formulate an Option Assessment Report (OAR), which provides the foundation of technical analysis upon which the OBC will be developed and the basis for decision-making on the preferred option for carriageway standard.

1.5 **Options Summary**

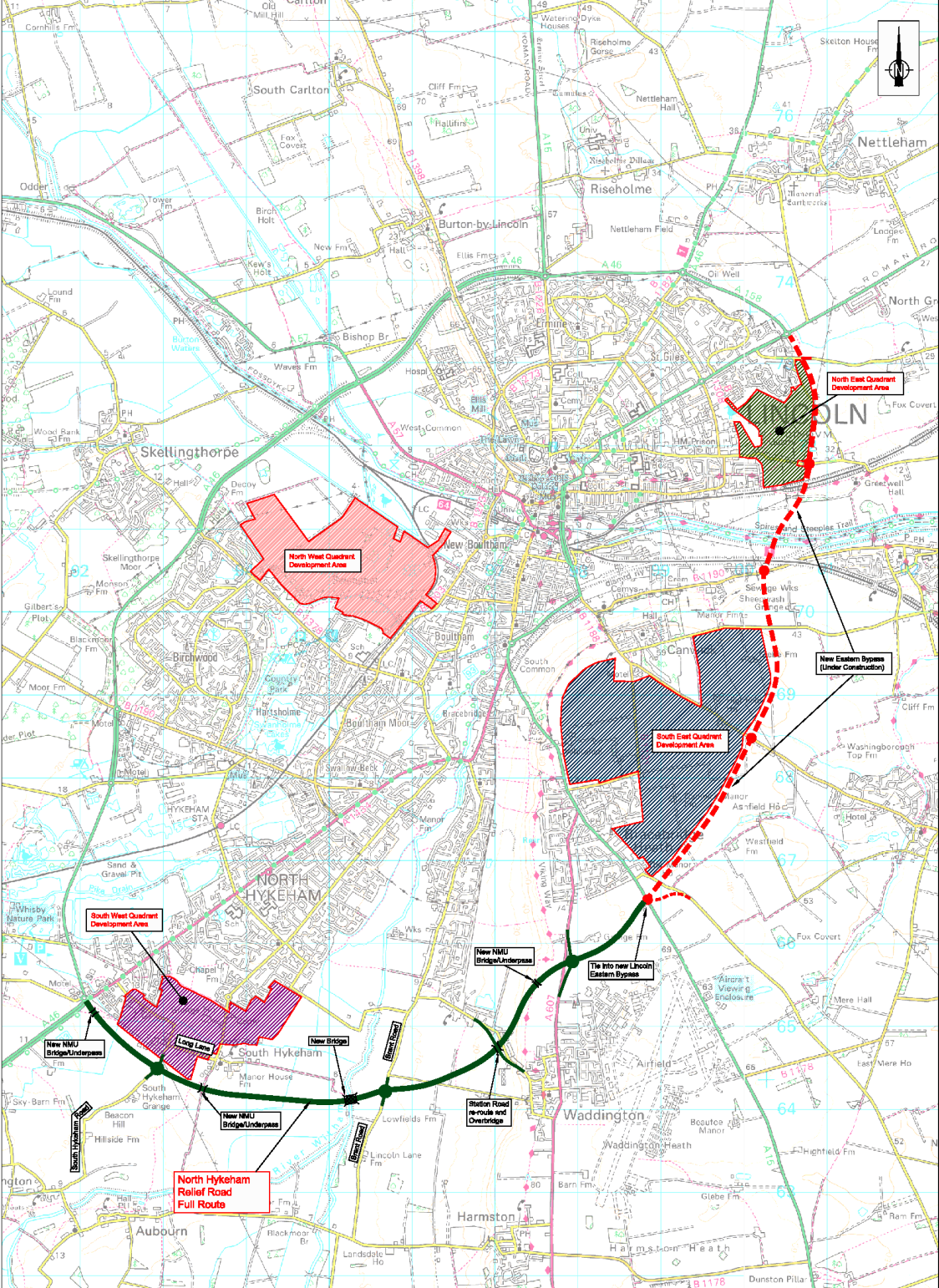
The OAR focussed on the options relating to the standard of carriageway. Three primary options have been considered, these are:

- a single carriageway
- a dual carriageway
- a single carriageway with future-proofed junctions and structures which allow for dualling of the scheme at a future date

1.6 Further options for shorter schemes have also been considered, which include:

- A46 to South Hykeham Road – single carriageway
- A46 to South Hykeham Road – dual carriageway
- A46 to Brant Road – single carriageway
- A46 to Brant Road – dual carriageway

Figure 1.0 – NHRR Location Plan



The above plan depicts the alignment of the LEB as a dashed red line, which is under construction. It also depicts the route of the NHRR in green and various coloured hatched areas which represent Sustainable Urban Extensions.

1.7 Option Assessment

The seven options were taken through a rigorous WebTAG compliant assessment process. (WebTAG is the DfT's Web-based Transport Analysis Guidance and toolkit which consists of software tools and guidance on transport modelling and appraisal methods that are applicable for highways and public transport interventions). The process included analysis of the current and future conditions, confirming the need for a scheme, objective setting, concept design, initial economic appraisal, stakeholder and public engagement. This work has been supported by the new Greater Lincoln Multi Modal Transport Model.

1.8 The relative benefits of the scheme options have included the following stages:

- **Initial Sift.** An initial sift of options was completed to identify any significant problems and issues which are likely to prevent an option from progressing;
- **Early Assessment & Sifting Tool.** The Early Assessment and Sifting Tool (EAST) was utilised. This was developed by the DfT as a decision support tool to develop, quickly summarise and present evidence on options in a clear manner which is consistent with the DfT's five case transport business structure;
- **Traffic Impacts.** The traffic impacts of each option were assessed on the strategic and major road network, as well as on the local roads and routes.

1.9 Initial Sift

The shorter options (A46 to South Hykeham Road and the A46 to Brant Road) were discounted at this stage due to:

- scoring poorly against scheme objectives;
- not being deemed deliverable on the grounds that they do not align with long-term policy aspirations of a relief road to the south of Greater Lincoln as stated within the Lincoln Integrated Transport Strategy, the Lincolnshire 4th Local Transport Plan and the Central Lincolnshire Local Plan; and
- not being deemed feasible as the options are not technically appropriate when considering future demand.

1.10 EAST Assessment

The EAST Assessment identified the dual carriageway as being the best performing option in relation to the objectives and overall impact. In the main this is due to the higher level of traffic relief expected to result from its implementation. However, each option is likely to deliver high value for money (in line with DfT's criteria).

1.11 Traffic Impacts

The following summarises the traffic impacts and issues for the three shortlisted options.

- Across all three options, the opening year traffic flows for the NHRR are consistent with those acceptable for a dual 2-lane all-purpose

carriageway as set out in guidance contained within the Design Manual for Roads and Bridges (DMRB).

- The journey times along the dual carriageway option are over a minute quicker than the single carriageway and future proofed options in the peak periods both in 2026 and 2036. The average speeds are also forecast to be significantly quicker (approximately 10mph) in the dual carriageway option.
- The traffic modelling analysis indicates that the single carriageway links, particularly at the western end of the NHRR, will be operating at full capacity by the end of the Local Plan period (2036) whilst the dual carriageway option would remain within capacity in these timescales.
- The Lincoln Eastern Bypass is being constructed as a single carriageway with future proofed junctions and features (it should be noted that the Authorities intentions had always been for a dual carriageway). There remains an aspiration to upgrade this to a dual carriageway at some point in the future. Progression of the NHRR as a standard single carriageway could be seen as being inconsistent with the overall design approach to the Eastern Bypass.
- As dependent development, the South West Quadrant has not been taken into account in the 'with NHRR' scenario. This will place further development pressures on the network.
- All three options will improve the resilience of the transport network through the expansion of the orbital network and increases in capacity. However, a dual carriageway option would further improve resilience as it would have the capacity to better deal with incidents and the impact of maintenance works.
- The dual carriageway option is forecast to provide the greatest level of traffic relief on the A46 when compared to the 'Do-Minimum' situation in both 2026 and 2036. This is more pronounced on the northern sections of the existing relief road on the sections between Skellingthorpe Road and Riseholme Road.
- All three options will provide significant traffic relief across a number of routes both within central Lincoln and in the south of the city.
- The dual carriageway option provides the greatest level of relief.

1.12 Costs

The initial outturn scheme cost estimates range from £100m for the single carriageway option to £148m for the dual carriageway.

	Single Carriageway	Single Carriageway Future Proofed	Dual Carriageway
Base Cost*	£60,620,560	£72,168,966	£91,040,330
Risk Allowance	£17,900,000	£20,324,000	£25,440,000
Inflation	£21,508,792	£25,339,031	£32,043,039
Total Outturn Cost	£100,029,352	£117,831,997	£148,523,369

**Does not include any sunk costs (costs that have already been incurred and cannot be recovered)*

1.13 Benefit to Cost Ratio (BCR)

The outcome of the indicative value for money Benefit Cost Ratio (BCR) assessment, for each of the three options is set out in the table below. The BCR presents the ratio of the forecast transport user and accident benefits to the present value of costs. The single carriageway and future proofed options are likely to produce a similar level of benefit and the dual carriageway is forecast to provide the greatest level of benefit (£321m over 60 years). However, considering the differing project costs, for the single carriageway would be expected to result in a higher BCR. It should also be noted that the BCRs for all options fall in the high value for money category (BCR between 2 and 4) as defined by DfT.

Indicative Value for Money Assessment	Options		
	Single Carriageway	Single Carriageway - Future Proofed	Dual Carriageway
Indicative BCR	3.67	3.12	2.87

1.14 Engagement Outcome

Stakeholder and public engagement was undertaken in June 2018. The engagement process included two stakeholder workshops and four public drop-in exhibitions. In parallel, a questionnaire was also released, of which 1,023 were completed. Some 73% of respondents strongly supported the scheme and 89% either supported or strongly supported the scheme. Only 8% of respondents opposed or strongly opposed the scheme with 2% either not knowing/having no opinion. In addition, 87% of respondents preferred the full length scheme between the A46 and the A15 with 75% of respondents preferring the dual carriageway option. Only 1% of respondents preferred any version of the A46 to South Hykeham Road option with 8% preferring the A46 to Brant Road option.

1.15 The OAR has assessed a number of options for the NHRR, including three different carriageway standards and three different lengths. Through initial sifting and the engagement process it has been deemed that the two shorter versions of the NHRR be discounted and more detailed assessment and appraisal be undertaken for the options of three different standards of the full length route. In summary:

1.16 Single Carriageway

- The single carriageway option will deliver the scheme objectives. It will improve the east west connectivity in the south of Lincoln, help to reduce traffic levels on local urban and rural roads, support the delivery of the Sustainable Urban Extensions and help improve the resilience of the orbital and key route network through and around Lincoln.
- It will provide significant traffic relief across a number of local routes both within central Lincoln and in the south of the city.
- The forecast flows on the single carriageway exceed the opening year flow range for a single carriageway as defined by DMRB. This identifies that a dual carriageway standard will be more economically

and operationally acceptable. Congestion Reference Flow analysis also indicates that some sections of a single carriageway scheme will be operating at full capacity by the end of the plan period in 2036.

- It will produce acceptable levels of benefits albeit these will be lower than the dual carriageway option.
- The standard single carriageway is the lowest cost option and the outturn costs are expected to be in the region of £48m lower than the dual carriageway.
- This option will produce a BCR that is within the high value for money category, as defined by DfT.
- Progressing the NHRR as a standard single carriageway could be seen as not being consistent with the overall design approach to the Eastern Bypass. This is being developed as a future proofed single carriageway and there is a clear aspiration to upgrade the route at a later date.

1.17 Single Carriageway + Future Proofed

- The future proofed option is expected to have a similar level of performance to the standard single carriageway and it will deliver the scheme objectives.
- It will provide similar levels of traffic relief to the standard single carriageway across a number of local routes both within central Lincoln and in the south of the city.
- The forecast flows on the scheme are again similar to the single carriageway and exceed the opening year flow range for a single carriageway as defined by DMRB.
- It will also produce acceptable levels of benefits albeit these will be lower than the dual carriageway option.
- This is the second lowest cost option. The outturn costs for the option with future proofing are expected to be in the region of £30m lower than the dual carriageway.
- This option will produce a BCR that is within the high value for money category, as defined by DfT.
- The design standard will be consistent with the overall design approach to the Eastern Bypass. However, there are risks in adopting this approach as it requires land not immediately required for the scheme making the case for compulsorily purchasing some elements of land more difficult to justify.

1.18 Dual Carriageway

- All three carriageway standard options of the full route deliver the scheme objectives. However, due to the greater capacity of the dual carriageway option, it is likely to do so more robustly.
- An analysis of opening year daily traffic flows compared to DMRB guidance for carriageway standards indicates that a dual carriageway standard is most likely to be economically and operationally acceptable.

- The recent stakeholder and public engagement exercise has shown that a very significant majority of people (75%) support the dual carriageway option for the full A46 to A15 NHRR.
- The dual carriageway option is forecast to provide the highest level of traffic relief on the A46 when compared to the Do-Minimum situation in both 2026 and 2036. This is more pronounced on the northern sections of the existing relief road. The dual carriageway option is also forecast to result in more traffic reassigning to use the Eastern Bypass with the southern section to the B1188 Lincoln Road expected to see the most significant increases.
- The dual carriageway option will provide the highest level of benefits, although not significantly higher than the other two options in proportion to the relative costs.
- The dual carriageway is more expensive than the other two options and has an outturn cost of approximately £148m.
- This option will produce a BCR that is within the high value for money category, as defined by DfT.
- If taken forward to the OBC stage, further work will need to be undertaken to demonstrate that the dual-carriageway option will provide sufficient value for money, wider economic benefits and strategic fit for the DfT to consider funding.

1.19 Project Funding

Project funding is the next key stage of the development of the NHRR and thus the need for the completion of the OBC for submitting to the DfT for funding. The DfT have suggested the next opportunity for submitting a funding bid will be in late 2018, possibly early 2019. Outlining the funding request to the DfT, along with all other sources of project funding is an essential element of the OBC submission.

The NHRR Executive Project Board has considered many factors when proposing the funding sources and values, which included:

- Previously percentage requests from successful bids to the DfT
- The value of previous successful bids to the DfT
- The value of the BCR for the dual carriageway scheme, which is 2.87 and categorised by the DfT as 'high'
- A review of LCC match funding expectations across all central government bodies
- An assessment of the NHRR benefits against the specific funding bid requirements

The below table depicts what the NHRR Executive Project Board decided would be the most efficient bid when balancing affordability and likelihood of success.

Dual Carriageway Project	
Funding Source	Funding Value
DfT requested contribution – 70%	£103,970,404
Developer funding contribution	£10,000,000 – which is a minimum
LCC funding contribution	£34,558,744
Whole Scheme Estimated Cost	£148,529,148

1.20 Abbreviations:

- Web Tag – DFT Web Based – Transport Analysis and Guidance and Toolkit
- EAST – Early Assessment and sifting tool
- DfT – Department for Transport
- BCR – Benefit to Cost Ratio
- OBC – Outline Business Case
- DMRB – Design Manual for Road and Bridges
- OAR – Options Assessment Report
- SUNK Cost - Funding already invested within the scheme, and not recoverable
- AADT – Annual Average Daily Traffic

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

An impact analysis has not been undertaken in relation to the OBC as at this stage of the project these are considered to be neutral in their impact on persons with protected characteristics. Should the project attract funding then the next project phase will be sourcing planning approval which will require a significant level of impact analysis.

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

Consideration has been given to the JSNA and the JHWS and the NHRR scheme has significant benefits for both the health and well-being of the people of Lincoln and North Hykeham. This has been significantly scrutinised previously through the process of devising the adopting the Central Lincolnshire Local Plan.

Crime and Disorder

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

The issues have been considered but there are not considered to be any direct implication for crime and disorder.

3. Conclusion

The NHRR scheme has been promoted through a significant number of published strategy and policy documents, which includes the County Council's Local Transport Plan, Lincoln Integrated Transport Strategy and the adopted Central Lincolnshire Local Plan. The need for the NHRR scheme and benefits it will bring are widely recognised and that has been reflected in the chosen route, which is shown and protected in the local plan.

For the reasons set out in the report the NHRR makes a compelling case of the significant benefits this infrastructure will derive in the public interest. The report concludes that carriageway shall be of a dual carriageway standard and this shall be the basis for all further project development, including funding bids.

The summarised reasoning for a dual carriageway over a single or single + future proof are:

- The dual carriageway standard would provide the greatest level of traffic relief to the North Hykeham highway network
- There is greater vehicle capacity on the dual carriageway option which will remove the need for abortive costs in improving further in future years.
- The dual carriageway option will provide the highest level of benefits.
- The daily traffic flows compared to DMRB guidance for carriageway standards indicates a dual carriageway standard is the most economically and operationally viable option.
- The dual carriageway will unlock the South East Quadrant Sustainable Urban Extension and help improve the resilience of the whole ring road and the key routes through and around Lincoln.
- The recent stakeholder and public engagement exercise has shown that a very significant majority of people (75%) support the dual carriageway option.
- This option will produce a BCR that is within the high value for money category, as defined by DfT.
- The dual carriageway option is forecast to provide the highest level of traffic relief to the existing Western Bypass.
- The dual carriageway option is in line with the LEB strategy being a single future proofed carriageway, which will be dualled in the future.
- The dual carriageway option is consistent with the existing A46 dual carriageway between Lincoln and Newark.
- There are clear aspirations from both LCC and Highways England to upgrade the full length of the existing Western Bypass to a dual carriageway standard (where it isn't already), which further reinforces the need for the NHRR to provide consistency.

Further work is necessary to gain funding, which is the next significant milestone. The requested endorsement will allow the NHRR to be progressed and provide the County Council with the ability to react quickly to upcoming funding opportunities. The endorsement will also provide potential funding bodies with the confidence that the County Council can deliver this ambitious project.

4. Legal Comments:

Lincolnshire County Council has power to make the decisions sought by the recommendations in this Report.

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

5. Resource Comments:

The Environment & Economy approved budget for advance scheme design includes sufficient resources to enable the development of the outline business case required to provide sufficient information to submit a funding bid to the Department for Transport at the appropriate time. The currently approved capital programme does not include any budget for the NHRR, so any bid to the DfT would need the approval of Council to include the scheme in the future capital programme.

6. Consultation

a) Has Local Member Been Consulted?

Yes

b) Has Executive Councillor Been Consulted?

Yes

c) Scrutiny Comments

The Highways and Transport Scrutiny Committee met on 10 September 2018 and considered a report on the North Hykeham Relief Road. The Committee considered the length and type of carriageway, prior to the completion of the Outline Business Case and supported the recommendations included in the report.

The Committee unanimously supported the three recommendations to the Executive and agreed to pass on the following comments to the Executive as part of its consideration of this item.

- Although the single carriageway and future proofed options were expected to result in a higher Benefit to Cost Ratio (BCR), it was noted that the indicative BCR for the dual carriageway option fell within the high value for money category as defined by the Department for Transport.
- It was noted that 89% of respondents to the stakeholder and public engagement either supported or strongly supported the scheme and a significant majority (75%) supported the dual carriageway option for the full A46 to A15 route.
- As the final phase of the ring road around Greater Lincoln and North Hykeham, the Committee felt this would give added resilience and increase traffic relief on the A46.

d) Have Risks and Impact Analysis been carried out?

No

e) Risks and Impact Analysis

This will be completed as part of the planning application submission.

7. Background Papers

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

This report was written by Mark Heaton, who can be contacted on 01522 553182 or mark.heaton@lincolnshire.gov.uk .

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

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:

1. 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.
2. 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 Hill - Leader of the Council and Executive Councillor for Governance, Communications and Commissioning; Councillor Davies - Executive Councillor Highways, Transport and IT and Councillor Young - Executive Councillor People Management, Crime reduction and legal.

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

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By virtue of paragraph(s) 3, 5 of Part 1 of Schedule 12A
of the Local Government Act 1972.

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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.

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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.

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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	

<p>Sex</p>	
<p>Sexual orientation</p>	
<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? 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?

Yes

If yes, please give details.

Going forward we will be handling HR data on LCC and Serco employees identifying protected characteristics.

Actions required

Include any actions identified in this analysis for on-going monitoring of impacts.

Action

Lead officer

Timescale

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

2nd October – 29th 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

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