

**OVERVIEW AND SCRUTINY  
 MANAGEMENT BOARD  
 28 FEBRUARY 2019**

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

Councillors R Wootten (Vice-Chairman), Mrs J Brockway, Mrs K Cook, B M Dobson, C S Macey, C E H Marfleet, N H Pepper, E W Strengeiel, R J Kendrick and S P Roe

**Added Members**

Parent Governor Representatives: Miss A E I Sayer

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

David Forbes (County Finance Officer), Tracy Johnson (Senior Scrutiny Officer), Sue Maycock (Head of Finance (Corporate)), Lucy Pledge (Audit and Risk Manager), Jasmine Sodhi (Performance and Equalities Manager), Karen Tonge (Treasury Manager), Nigel West (Head of Democratic Services and Statutory Scrutiny Officer) and Emily Wilcox (Democratic Services Officer)

**14 APOLOGIES FOR ABSENCE/REPLACEMENT MEMBERS**

Apologies for absence were received from P Barnett (Parent Governor Representative), S Rudman (Church Representative), Councillor M Brookes, Councillor R L Foulkes.

It was reported that, under the Local Government (Committee and Political Groups) Regulations 1990, Councillor R J Kendrick had been appointed as replacement member for Councillor R L Foulkes; and Councillor S P Roe had been appointed as a replacement for Councillor M Brookes, for this meeting only.

**15 DECLARATIONS OF INTEREST**

There were no declarations of interest.

**16 MINUTES OF THE MEETING HELD ON 31 JANUARY 2019**

**RESOLVED:**

That minutes of the meeting held on 31 January 2019 be approved as a correct record and signed by the Chairman.

**OVERVIEW AND SCRUTINY MANAGEMENT BOARD  
28 FEBRUARY 2019****17 ANNOUNCEMENTS BY THE CHAIRMAN, EXECUTIVE COUNCILLOR  
FOR RESOURCES AND COMMUNICATIONS AND CHIEF OFFICERS**

The Chairman informed the Board that he had attended the meeting of the Executive on Tuesday 5 February 2019 and passed on the agreed comments from the Board in relation to the Revenue and Capital Budget Monitoring Report 2018/19; Capital Strategy; Establishment of a Property Company; and The Final Draft Council Business Plan 2019-20.

**18 CONSIDERATION OF CALL-INS**

None were received.

**19 CONSIDERATION OF COUNCILLOR CALLS FOR ACTION**

None were received.

**20 MEMBERSHIP OF THE LOCAL GOVERNMENT ASSOCIATION**

*10:05 – Councillor Mrs K Cook entered the meeting.*

Consideration was given to a report by the Head of Democratic Services and Statutory Scrutiny Officer, which sought the Board's views on the Council's membership of the Local Government Association (LGA). The views of the Board would be presented to the Leader of the Council for consideration.

The Board was reminded that in March 2018 the Leader had issued a notice to leave the LGA and if nothing intervened to alter this course of action, it would take effect from 1 April 2019.

At the centre of the issue was the LGA's level of commitment to the fairer funding campaign. Members felt that more could be done by the LGA to lobby for a fairer funding deal for Lincolnshire. The Leader of the Council was present when the report was debated and offered his views.

The report included three options to be considered by the Leader of the Council:

- A) The Leader could take no further action, which will mean the Council will leave the LGA with effect from 1 April 2019
- B) The Leader could withdraw the notice, which will mean the Council will continue its membership of the LGA.
- C) The Leader could withdraw the notice and replace it with a further 12 months' notice to terminate membership of the LGA, which would mean the Council could leave the LGA on 1 April 2020

Options B and C would require the payment of the annual subscription to the LGA.

The Board overwhelmingly supported Option C as the preferred way forward.

RESOLVED:

That the Board support Option C as the preferred way forward.

**21**     NORTHAMPTONSHIRE COUNTY COUNCIL BEST VALUE INSPECTION -  
LESSONS LEARNED

Consideration was given to a report from the Audit and Risk Manager, which provided the Board with a summary of the Lessons Learned exercise which had been completed by Lincolnshire County Council (LCC), following the publication of the Northamptonshire County Council (NCC) Best Value inspection report.

It was suggested that there be a further workshop with the OSMB and Audit Committee to complete any further work required.

The Chairman recognised that there had been detailed assessments of the Council's financial resilience, but suggested there was still more work to be done to assess the Council's culture and accountability.

The Board was invited to ask questions, in which the following points were raised:

- Members felt that it was important not to be complacent and recognised the need to assess LCC's culture and accountability.
- Members emphasised the complexity of some financial reports, and highlighted the importance of attending finance training where offered and question anything they were uncertain of on financial reports.
- Members were encouraging of holding a further workshop session to assess the Council's state of culture and accountability.

RESOLVED:

1. That the report be noted.
2. That a follow up workshop with the Audit Committee be arranged to assess the Council's culture and accountability.

**22**     2018/19 COUNCIL BUSINESS PLAN QUARTER 3

Consideration was given to a report by the Performance and Equalities Manager, which invited the Overview and Scrutiny Management Board (OSMB) to consider a report on the 2018/19 Council Business Plan Quarter 3, which would be presented to the Executive on 5 March 2019. The views of the Board would be reported to the Executive as part of its consideration of the report.

The Board considered the report and reviewed the performance indicators that fell within the remit of the Board.

## **OVERVIEW AND SCRUTINY MANAGEMENT BOARD 28 FEBRUARY 2019**

The Board agreed to support the two recommendations set out in the Executive report, and agreed that the following points be raised with the Executive:

- Concern was raised by the Board regarding the order of reporting of the Council Business Plan. For Quarter 3, two scrutiny committees (Children and Young People, and Public Protection and Communities) had not met to consider the performance measures relating to their remits before the Board's meeting on 28 February and Executive on 5 March.
- All the measures that had underperformed this quarter related to issues outside of the Board's remit.
- It was noted however that if the Quarter 3 report had been put back to the 28 March meeting for the Board and the 2 April meeting for the Executive, then the data would have been out of date. It was suggested that a potential way forward was to ask officers for commentary only on the performance measures that were underperforming which may allow reports to be produced quicker and therefore potentially be provided to earlier meetings, but this would depend on the calendar of meetings as scrutiny committees meet every six weeks, and the Board and the Executive meet monthly. Officers agreed to look into options for how the order of reporting and the timing of scrutiny committees could be resolved going forward.

The Board received clarification and explanations on several points:

- Measure 114 (Percentage of completed safeguarding referrals where source of risk was a service provider) – Concerns were raised that 55.1% of referrals related to service providers who were the source of risk. The Chairman of Adults and Community Wellbeing Scrutiny Committee highlighted that this measure had been discontinued and revised for Quarter 4 and the 2019/20 Council Business Plan.
- Measure 78 (Household waste recycled) – Concerns were raised about the target not being met, resulting in more household waste ending up in landfill or possibly shipped abroad. It was highlighted that each District Council operated its household waste recycling differently and this would be looked at by the Lincolnshire Waste Partnership. Further information was requested on how much household waste Lincolnshire exports abroad.

RESOLVED:

1. That the Board support the recommendations to the Executive, as set out in the Executive report.
2. That the comments on the performance indicators be noted and passed on to the Executive in relation to this item.

### **23 TREASURY MANAGEMENT - QUARTER 3 UPDATE REPORT 2018/19 TO 31 DECEMBER 2018**

Consideration was given to a report by the Treasury Manager, which provided the Board with details of the Council's Treasury Management performance for Quarter 3 of 2018/19.

**OVERVIEW AND SCRUTINY MANAGEMENT BOARD**  
**28 FEBRUARY 2019**

The views of the Board would be passed on to the Executive Councillor for Resources and Communications for his consideration.

The Board discussed the report and agreed to pass on the following comments to the Executive Councillor for Resources and Communications:

- General confirmation that a Key Points summary pulling out major items of significance during the quarter should be maintained for future update reports.
- From a question of how long we thought it would take to recover from a 'No Deal Brexit', it was suggested that there would be an initial shock to markets, interest rates would probably be cut to support the economy, Sterling would fall and inflation may rise. Comparing it to after the Brexit Vote, it would probably take around 6 months for markets to settle down. It was pointed out that the Council would be able to take opportunity to borrow at low rates if they fell, so may be a long term benefit.
- It was agreed that it would not be financially beneficial to stop lending to European banks following a 'No Deal' Brexit outcome. Exposure to European banks was not significant anyway.
- It was confirmed that an index explaining meaning of colours on Lending List would be included in future reports.
- It was confirmed that lending to other Local Authorities did not pose a credit risk as they were all deemed as Government Risk, however 'Risk of Association/Reputation' was a factor when lending to some Councils, so the Council was selective when making lending decisions to Councils on a case by case basis.
- It was confirmed that the 'Borrowing in Advance of Need' policy related to long term borrowing for financing the capital programme rather than temporary borrowing to manage liquidity positions.

RESOLVED:

1. That the report be noted.
2. That the above comments be passed on by the Executive Support Councillor for Resources and Communication for his consideration.

**24     TREASURY MANAGEMENT STRATEGY STATEMENT AND ANNUAL INVESTMENT STRATEGY 2019/20**

Consideration was given to a report by the Treasury Manager, which invited the Board to consider a report on the Treasury Management Strategy Statement Annual Investment Strategy 2019/20, which would be considered by the Executive Councillor for Resources and Communications on 22 March 2019. The views of the Board would be reported to the Executive Councillor as part of his consideration of this item.

The Board agreed to support the two recommendations in the report to the Executive Councillor for Resources and Communication.

The Board received clarification and explanations on the following points:

## OVERVIEW AND SCRUTINY MANAGEMENT BOARD 28 FEBRUARY 2019

- It was confirmed by Chris Scott from Link Asset Services that their rationale for the predicted increase in interest rates from 0.75% in March 2019 to 1% in June 2019 and 2% in March 2022 was predicated on a Brexit deal happening. It was noted that if there was a no deal for Brexit, these would need to be reviewed very quickly. Link Asset Services would be reviewing growth and inflation rates and a formal review is undertaken every three months, with the next one planned for May 2019 following publication of the Monetary Policy Committee's quarterly inflation report.
- It was clarified that if a loan was paid off early; there would typically be a penalty where current rates were less than the rate of the loan in question. To benefit from an early repayment, the Council would then need to wait for interest rates to become lower before it would re-borrow. It was highlighted that one bank, RBS, was looking to shed its portfolio of LOBO loans which is why the Council's LOBO with RBS was settled in the last reporting period.
- Confirmation was provided that if the minimum Long Term Rating needed to be reverted from A to A+, a formal decision by the Executive Councillor for Resources and Communication would be required. It was highlighted that the recent change was planned to coincide with the new Strategy.
- Clarification was provided that one of the voluntary prudential indicators was effectively a self-imposed cap on the amount the Council could borrow by limiting the amount of the revenue budget that can be spent on debt repayment.

### RESOLVED:

1. That the Board support the recommendations to the Executive Councillor as set out in the report.
2. That the comments set out above be passed to the Executive Councillor in relation to this item.

*12:15 Cllr H Marfleet left the meeting and did not return.*

## 25 SCRUTINY COMMITTEE WORK PROGRAMMES

The Vice Chairman of the Children and Young People Scrutiny Committee and the Chairman of the Public Protection and Communities Scrutiny Committee outlined the recent work undertaken by their committees, and the prospective work programmes.

Members were invited to ask questions on both of the work programmes, in which the following points were raised:

- It was noted that the KS2 and KS4 exam results across the county had been below average in recent statistics. The Vice Chairman of the Children and Young People Scrutiny Committee confirmed that the Committee had not received any reports on this but that he would highlight it with the Chairman of the Children and Young People Scrutiny Committee.

**OVERVIEW AND SCRUTINY MANAGEMENT BOARD**  
**28 FEBRUARY 2019**

- It was queried whether foster carers who look after young people outside of Lincolnshire could be poached by the Council. The Vice Chairman of the Children and Young People Scrutiny Committee agreed to raise this issue with the Chairman of the Corporate Parenting Sub Group.
- It was highlighted that there had been a rise in gang crime across the country, and it was questioned whether anything was being done to tackle gang crime within Lincolnshire. The Vice Chairman of the Children and Young People Scrutiny Committee agreed to raise the issue with the Chairman.
- The Chairman of the Public Protection and Communities Scrutiny Committee agreed to look into whether Lincolnshire Fire and Rescue had any plans to install breathing apparatus for animals onto their Fire Engines.
- Concerns were raised over the reduction in the number of Police Community Support Officers. The Chairman of the Public Protection and Communities Scrutiny Committee acknowledged this and agreed to take this back to the Committee.

RESOLVED:

1. That the Board was satisfied with the Public Protection and Communities Scrutiny Committee Work Programme.
2. That the Board was satisfied with the Children and Young People Scrutiny Committee Work Programme.

26 OVERVIEW AND SCRUTINY MANAGEMENT BOARD WORK PROGRAMME

The Board was provided with the opportunity to review its own work programme.

The Head of Democratic Services and Statutory Scrutiny Officer highlighted the following:

- The Transitions Review Panel was yet to hold its final meeting and therefore it was requested that the Transitions Review Final Report be deferred from the 28 March OSMB meeting to the 25 April meeting.
- Due to further work being required, the Roundabout Sponsorship and Advertising Policy Final Report proposed to present their Final Report to the Highways and Transport Scrutiny Committee on 29 April, rather than 11 March as originally scheduled.

The Board was asked to support the extension of both scrutiny reviews to enable them to undertake the additional work that was required.

Councillor Mrs J Brockway, the Chairman of the IT Working Group, presented an update on the IT Working Group, explaining that a decision needed to be made as to whether it was necessary for the Working Group to continue. The Chairman of the Working Group felt that the meetings were beneficial, supported development, and allowed members to challenge strategies in a supportive informal environment.

**OVERVIEW AND SCRUTINY MANAGEMENT BOARD  
28 FEBRUARY 2019**

The Chairman of the Board emphasised the importance of IT to the Council and recognised that more work needed to be done to make sure it was working as effectively as it should.

It was agreed that a meeting would be arranged between the Chairman of the Board, the Executive Councillor for Highways, Transport and IT; the Chairman of the IT Working Group; and the Chief Digital Officer, to discuss the best way forward for the IT Working Group and the Board's scrutiny of the IMT Strategy.

**RESOLVED:**

1. That the Board was satisfied with the Work Programme.
2. That the Board approve the deferral of the Transitions Scrutiny Panel Review Report.
3. That the Board approve the deferral of the Roundabout Sponsorship and Advertising Scrutiny Panel Review Report.
4. That a meeting would be scheduled to discuss the future of the IT Working Group and the Board's scrutiny of the IMT Strategy.

The meeting closed at 1.10 pm