

COUNTY COUNCIL MEETING – 16 SEPTEMBER 2016

Statement from: Councillor M J Hill OBE– Leader and Executive Councillor for Governance, Communications, Commissioning, Finance and Property

FINANCE

Outturn and Final Accounts Preparation

The outturn of accounts position is considered elsewhere on the agenda for today's meeting. The draft financial statements of the Council were the subject of scrutiny by the Audit Committee on 18th July and were presented to external audit for their review on the 1st August. The outcome of the review by external audit will be considered by the Audit Committee on 26th September. As members are well aware this has been the first year in which the Agresso system has been in use and it has presented a number of significant challenges to the Finance Team both during the year and now as the accounts are closed down. A particular challenge has related to the complete and accurate reflection of payroll transactions in the financial statements. The consequences for the financial statements of the difficulties experienced in the implementation of Agresso during last year will no doubt be the subject of comment from our auditors in their opinion work when it is presented to the Audit Committee on 26th September.

The Four Year Funding Deal from Government / Next Year's Budget

Consideration of acceptance of the four year funding deal from Government covering the current and next three financial years is dealt with elsewhere on the agenda for this meeting. A submission on that has to be made by mid October. Work is well underway to consider budget options for next year. The new Chancellor and the new Government have already abandoned the target to achieve a budget surplus by 2020 and have indicated that there may be other changes to fiscal strategy. Any changes are not likely to be announced until the Autumn Statement in late November. Because the fiscal strategy may be changed the Council will once again look to set a one year budget in February 2017 for 2017/18 only. This will also allow a new County Council to review future years' priorities and budgets after the elections in May 2017. During the period from early November to mid-December it is intended to repeat the private workshop sessions for each scrutiny committee to give members early insight into potential budget options for next year. Each session will, as last year, be open to any member to attend.

DCLG Consultations – 100% Localisation of Business Rates & the Fair Funding Review

In Autumn 2015 the Chancellor announced that all local authorities would see a change in their funding over the life of this Parliament away from direct Government grant and towards a funding mechanism based on full local retention of business rates income. This is a major change and has potentially significant implications for all local authorities in all regions of the county. Whilst the exercise is planned be fiscally neutral

from the HM Treasury perspective, it will result in more activity being decentralised to local from central government. A range of working groups at a national level has now been formed to take this work forward. These Groups operate at both member and officer level and deal with both the principles of the changes and their technical detail. In addition to this the DCLG launched two key consultation exercises in July with a response deadline of 26th September 2016. One deals with the issues relating to the 100% local retention of business rates and the other with the exercise to reconsider spending needs of each local authority going forward (this is called the 'Fair Funding Review'). These are very much initial consultations and more specific proposals are likely to be the subject of further future consultations. At the time of writing it is intended to circulate our draft responses to both these consultations to all members and the Value for Money Scrutiny Committee will receive an update on the topic at its meeting on 27th September.

Association of Local Authority Risk Managers (ALARM) – Professional of the Year

ALARM is the national organisation which has been supporting professionals who manage risk and insurance serving public services and community organisations for over 25 years. On an annual basis as part of the annual conference it runs an awards event recognising the excellent work of the risk and insurance professionals. One of the awards is Professional of the Year which is to celebrate exceptional individual achievement. The award is presented to an outstanding professional who has demonstrated the aspiration, inspiration and the enthusiasm to promote and support the management of risk, as well as developing the role and credibility of the risk function within their organisation and the wider sector. This year Mandy Knowlton-Rayner, who joined Lincolnshire County Council in the summer of 2015 as the Insurance and Risk Lead, was announced as the winner of the award. As part of the award Mandy will travel to Phoenix Arizona to share and exchange experiences and approaches with colleagues of the equivalent national organisation in America, PRIMA. I am sure you would all wish to join me in congratulating Mandy on her award.

Society of County Treasurers' Presidency

As from 22 September 2016, the Executive Director for Finance & Public Protection, Pete Moore, will become the SCT President for the year. As lead financial advisor Pete will be actively involved in national funding issues affecting counties, including some of those mentioned above.

PROPERTY

Capital receipts continue to be generated through the sale of surplus assets; the Council exceeded the annual 2015/16 target for receipts. A key part of the Council's strategy is to maximise Capital Receipts over the next two years. Capital receipt flexibility now allows local authorities to spend their asset receipts on the revenue costs of reform projects. This financial year over £1m has already been generated in receipt, these include the sale of land at Teal Park (£437,500) and in surplus farms estate in Toynton (£420,000)

Thirteen primary schools with a total investment of £17 million have had significant extensions in 2016 to add additional capacity to meet the increasing need for pupil places. This includes schools in Spalding, Gainsborough, Lincoln, Grantham and Sleaford. A new primary school in North Hykeham will open in the Autumn, initially to reception aged pupils.

COMMERCIAL TEAM – PEOPLE SERVICES

Procurement Activity

Following on from the large number of new procurements in 2015 the Team has worked hard to support a number of challenging transitions most notably Home Care providing intensive support over a prolonged period to minimise disruption with the introduction of the new commercial model. The outcome has been a significant decrease in the number of people waiting for a service and improved measures of quality across the county.

Block Transitional Care and Reablement Beds

Increasing market pressures within the residential care sector has resulted in the need for a level of guaranteed capacity and a procurement for the block purchase of a number of beds was successfully completed in August to meet this need.

Community Supported Living

The new Community Supported Living Open Select List was established in 2015 and following a successful transition period the Team has now moved onto managing the new arrangements as well as working hard to develop new schemes across the county. This has involved re-opening the Open Select List with the addition of two new providers one being a new entrant to the Lincolnshire market.

Carers

In May 2016 we awarded the Carers Support Service contract to Carers FIRST a registered charity new to Lincolnshire. This represents a brand new model where the six separate provisions operating previously have been brought together under the one contract providing increased consistency and less onerous contract management. Early indications show that the service is working well and providing support to Carers countywide.

Sensory Impairment

The Sensory Impairment service was re-procured and awarded in January 2016. The service is a preventative and re-ablement provision for both adults and children with a sensory impairment.

The new Contract offers an improved person centred service delivery, providing flexible and innovative solutions within a fixed budget that offers value for money year on year.

Provider Forums

In June and July the team held three Residential Care Provider Forums across the County which were attended by over half of the County's residential providers. This was an opportunity for the Commercial Team along with Adults Commissioners to share important messages with the market and to allow for the sector to feedback on key issues. Feedback from all events was very positive and the team intends to carry this work forward with future events.

Contract Management

Contract management activity is critical to the effective delivery of Adult Care services. Contract officers are now regularly managing a variety of high risk and high profile situations. During 2015 the Contract Officers undertook over 800 contract management meetings and site visits.

Adult Social Care Peer Review

It is pleasing to report that the regions reviewing team found that both procurement and contract management within Adult Care is a key strength and commented as follows:

"The staff we met in commissioning, procurement and quality were very good technically and very enthusiastic. Clearly you have done a huge amount of procurement in a very short time, and it appears to us that this was done well, which was very impressive given the volume".

The Peer Review also found that the relationships with Providers were very positive.

COMMERCIAL TEAM – INFRASTRUCTURE

The Team is currently supporting 49 procurement projects, including projects for the shared procurement service, ranging in scope from the provision of agency staff, occupational Health, translation and interpretation services, document storage, vehicle rental, cash collection and driving instruction.

A recent procurement working with colleagues in IMT and Business Support for the provision of Multi-Functional Devices (MFDs) is expected to provide a new fleet of devices, optimised for a leaner organisation while providing new productivity tools and producing notable savings to the Council.

The Team has also been supporting Children's Services as they review their approach to catering in schools.

Continuing development

The team continues to respond to the continued financial challenges and the new procurement strategy focuses on securing further efficiencies through more innovative

approaches to procurement, enabling strategic transformation and ensuring contracts deliver additional social value where possible.

We are improving productivity internally through the introduction of a new e-Procurement platform. The new system will make it easier to run efficient procurement practices while capturing data which is essential for transparency and planning.

In order to effectively support suppliers a new suite of online training tools is being developed to improve knowledge of the procurement process so that SMEs and Local Businesses are able to submit high quality bids.

Serco contract management

2016/17 continues to be a busy year with the Team working closely with Service Leads to hold Serco to account and to develop the contract in ways that are beneficial to the Council. Robust contract management procedures are in place and the Team plans to focus additional time on managing the delivery of transformation activities.

The Council and Serco have been undertaking a review of the contracts Key Performance Indicators as part of the routine contract management with a view to keeping them current, challenging and to motivate improved service delivery.

COMMERCIAL TEAM –CORPORATE PROJECTS AND PERFORMANCE TEAM

The team is fully deployed on Council priority projects including those set out below:

LCC Commercial Offer to Schools

Project support is being provided to translate the current LCC 'traded services' offer to schools into a commercial E-commerce solution together with a cost recovery pricing model for schools to procure from. Training on the new system is scheduled in early October 2016 after which roll-out will happen.

Blue Light Programme

This is a collaborative programme, which involves a number of projects, to provide a modern and fit for purpose estate which meets the needs of each “blue light” service (Fire, Police & Ambulance) whilst saving money. The Team is supporting Lincolnshire Fire and Rescue Service through the Programme Management Office by providing project management and support to key areas.

Children Services Transport Review - Completed

In the first quarter of 2016/17 the project supporting the review of home to school transport for Lincolnshire special schools and other non-mainstream settings was completed. The Team worked with Children's Services and the Passenger Transport Unit on the review of the existing procurement model for home to school transport.

The new model aggregates hundreds of route based contracts into fewer, longer term arrangements providing financially more attractive contracts to providers, continuity of service for pupils and their families/carers, reduces waste mileage whilst providing structure to the market place and savings to the Council.