

# Agenda Item 5

## COUNTY COUNCIL MEETING – 15 SEPTEMBER 2017

**Statement from: Councillor M J Hill OBE – Leader of the Council**

### **FINANCE**

#### **Revenue Budget and Capital Programme for 2017/18 – Monitoring Report**

The first budget monitoring report for the current financial year will be based on the position as at 31 August 2017. The report will be presented to the Overview and Scrutiny Board at its meeting on 28 September with the report and the comments of the Board being considered at the Executive meeting on 3 October 2017.

#### **Finance Training/Awareness Sessions for Members**

Given the relatively large numbers of new members elected to the Council in May this year it seems appropriate to run some training/awareness sessions on local government finance. There will be two distinct sessions – one in October and one in late November or early December. Both sessions will themselves be run in both the morning and afternoon of the days in question to allow members to choose the most convenient session. The first session will be on 17 October and will be a general briefing on the local government finance regime delivered by Ian Fifield from LG Futures who is very experienced in delivering such sessions and has been well received in the past when delivering such training. The date for the November/December session is still being finalised but this will focus on the local financial situation. It will look at the overall position and then cover a range of specific service related sessions. Members will find these latter sessions of particular value as a prelude to the budget setting process for next year. It is hoped that by the time of the November/December sessions more information will be available from Government on the longer term picture for local government finance.

#### **Fairer Funding Campaign**

Members will have seen the cover and associated article in the most recent County News, following approval from the July Council meeting to launch a campaign for a better funding deal for the County. Work has now commenced in earnest. Support has already been secured from District and Unitary Council authorities within the Greater Lincolnshire area, and the Police and Crime Commissioner is also supportive of the initiative. Work is ongoing to develop lobbying material and to engage with other public, private and voluntary sector colleagues to bring them on board with the campaign. A key aspect currently being given consideration is engagement with all local Members of Parliament. In that regard a specific set of lobbying material is being developed. Members will be kept informed of progress.

The Greater Lincolnshire Leaders Board (Joint Committee) which continues to meet as a vehicle for future collaborative working across the Greater Lincolnshire geography supported the campaign with all ten Leaders agreeing that a "common" paper should be presented to each council proposing a Greater Lincolnshire lobbying campaign. That paper is being presented to this Council today.

## **Potential Business Rate Pilot Bid**

Prior to the recent General Election the Government had set in train a number of unitary council based pilot projects to test out the operation of the planned 100% localisation of business rates as a basis of funding local government in future. It was expected that after the General Election an invitation would be extended to non-unitary areas to submit bids to pilot the regime in two-tier areas. Whilst it is now clear there will be a delay in implementing 100% localisation, as there is no legislation planned for at least two years, there are still signs that the Government will shortly ask for expressions of interest for pilot status in two-tier areas. The advantage of a pilot is that it can result in more business rate income being retained locally where the current yield on business rates is above the baseline set by Government. That is the case in Lincolnshire and so it has been agreed with District and Unitary Councils within Greater Lincolnshire that we should develop a potential bid for pilot status should the Government invite such bids later in the autumn. Any bid will require approval by the most appropriate member forum prior to its submission. Bids approved to date have contained a 'no detriment' clause, meaning that no authority participating in a pilot can be worse off in a pilot when compared to not being in a pilot. Again, members will be kept informed of progress.

## **External Audit Appointment**

Council previously approved the participation of Lincolnshire in a national procurement exercise for appointment of new external auditors from 1 April 2018. That exercise has now been concluded and the contract for East Midlands local authorities has been awarded to Mazars who will replace KPMG. KPMG will, however, still be responsible for auditing the 2017/18 financial statements of the Council next summer.

Mazars is a large global audit and accounting firm with over 18,000 professionals in 79 countries worldwide. In the UK the firm ranks in the top ten with 1,700 employees and 140 partners working out of 19 offices, and UK fee income in 2016 of £160m. The firm's dedicated public audit team has significant experience in providing external audit to public sector bodies. It comprises individuals with experience of auditing councils, combined authorities, police bodies, fire and rescue authorities, local government pension funds and other public bodies. In addition to a current external audit contract originally awarded by the Audit Commission, the firm also has a substantial portfolio of NHS audits and is one of the National Audit Office's framework suppliers for central government audit.

## **PROPERTY**

### **One Public Estate**

Asset Challenge commences shortly to review every Public Sector asset within Greater Lincolnshire to challenge the use and identify opportunities for co-location of services and the release of surplus assets for other uses including housing. The partnership is working closely with NHS to align with the STP. Other projects include a Scunthorpe Public Sector Hub and Greater Lincolnshire Depots review.

In Phase 5 of the national programme, Greater Lincolnshire was awarded a further £58,000 funding to support the Blue Light project, and a Cultural Town Centre study in Grimsby. Phase 6 was launched on 1 August, and the partnership can bid for up to a further £500,000 revenue and a DCLG capital land release fund

### **ACM cladding**

Following the Grenfell tower disaster, the County Council undertook a review of all 900 of its properties, including schools and academies, to identify whether any ACM cladding was present. It was a significant task with twenty technical staff deployed to survey buildings over a two-week period involving a significant number of site visits travelling over 2500 miles. No AM cladding was identified.

### **Blue Light**

The Council is an integral part of the Blue Light Programme where Fire & Rescue, Lincolnshire Police and the East Midlands Ambulance Service are working together to exploit the opportunities from co-locating services across the County. In Lincoln, the flagship project is to bring all three services together under one roof at South Park and building a new £19m operational hub for all three services. Significant progress has been made with a planning application submitted in July. The new building will become operational in the summer of 2019.

Co-location is being considered across the county and in Louth the county's first joint Fire and Ambulance Station will be operational by the end of the year. In Sleaford a new combined Fire and Ambulance station and Public Services hub will be completed in Spring 2018.

## **THE COMMERCIAL TEAM**

### **Commissioning and Commercial Board**

A member-led board has been established to monitor the progress of the Council's Commissioning Strategies and Plans, challenge Commissioners and, where appropriate, make recommendations and provide updates to the Executive and Scrutiny Committees. The Board will also consider commercial opportunities as part of the Commissioning process.

Members of the Board are Cllr M Hill (Chair), Cllr M Whittington and Cllr E Poll. The Board will have an input on outcomes, discussing these with officers and the options around them.

### **Draft Commercialisation Strategy**

A draft commercialisation strategy has been developed under the leadership of Cllr Poll and Pete Moore. It suggests a broad range of activity and sets out some key principles to guide commercial activity: firstly that the public service ethos must be at the heart of everything we do, and secondly that risk must be managed so that we do not put the public service offer at risk.

## **COMMERCIAL TEAM – PEOPLE SERVICES**

### **Transitional Care and Re-ablement Beds**

Further work has been carried out with a second phase of procurement, with more planned. Underpinned by a revised section 75 agreement, the competition was carried out by the Commercial Team for the Council and LCHS on behalf of CGGs, and represents a strengthening of the collaborative and integrated working with Health.

### **Well-Being Service (WBS)**

The Well-Being Service is being re-procured utilising a process which includes dialogue with prospective bidders so we can test a range of proposals for future service delivery, providing the opportunity for improved service, providing good value for money and effective preventative services. Progress is continuing on target for the new service to be awarded in December 2017, with dialogue sessions taking place during September.

## **COMMERCIAL TEAM – INFRASTRUCTURE**

The Team is currently supporting in excess of 55 projects ranging in scope from the provision of training providers to deliver Apprenticeships across the Council and Schools, new Highway Gritters to add to the fleet supporting the winter maintenance programme, a North Sea Observatory interpretation space, and a new temporary agency staff solution for the shared service Councils.

The focus on managing procurement risk remains, with the Team recently having completed an intensive training programme to ensure that the Council receives expert advice when recommissioning services. This programme will be rolled out across those other service areas who undertake procurement.

### **Apprenticeships**

The Team has been providing project management support to the Apprenticeship project and has supported the procurement of providers to deliver the various

apprenticeship schemes. The demand across the Council for apprenticeships has been high and so awarding contracts to high quality providers is a priority.

### **Agency Staff**

Following the award of the Council's temporary agency staff contract, the team have continued to work with the People Management service to ensure that the contract gets off to a good start. In response to changes in the market, the procurement was structured differently which has resulted in the award of two contracts – one for specialist social care staff and another for back office workers. With the changes made to tax legislation that applies to temporary agency staff, special care has been taken to ensure that these contracts help the Council fulfil its new obligations.

Following on from the successful award of contracts for Lincolnshire County Council, the team are now reviewing the opportunities to improve agency staff contracts across the shared service partnership.

### **Serco Contract Management**

A complete review of the Key Performance Indicators (KPIs) by the Serco Contract Manager led to a reduction in the number of indicators from 43 to 41 and each one was re-examined to ensure optimum effectiveness. This activity was accompanied by a full review and update of the Book of Measures, where each KPI is outlined in detail, and agreed by both parties. The new suite of KPIs became effective in December 2016, with some agreed mitigations. These were subsequently removed and a full performance picture has been available since April 2017. This has shown an improving trend overall, and continues to be managed closely by the Contract Team.

## **COMMERCIAL TEAM – CORPORATE PROJECTS AND PERFORMANCE TEAM**

The team continues to be fully deployed supporting Council priority projects including:

### **Children's Health Services**

This is a large-scale project to deliver the new model for Children's Health Services, including the 'in-sourcing' of the Lincolnshire Health Visiting services and the School Nursing Service. Further details are given in Councillor Bradwell's statement.

### **Geographic Information System (GIS) Replacement Platform**

A new solution procured through the Government's G Cloud is being rolled out to teams across the Council to underpin the delivery of a number of services including some that are statutory, i.e. Highways, Lincolnshire Fire & Rescue, Emergency Planning, Flood Management, Passenger Transport, and some Children's Services. The new solution will reduce the current annual licensing and maintenance costs.

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