



OVERVIEW AND SCRUTINY MANAGEMENT BOARD 27 SEPTEMBER 2018

PRESENT: COUNCILLOR R B PARKER (CHAIRMAN)

Councillors R Wootten (Vice-Chairman), M Brookes, Mrs K Cook, B M Dobson, R L Foulkes, C S Macey, C E H Marfleet, N H Pepper and E W Strengiel

Added Members

Church Representatives: Mr S C Rudman

Councillor B Young attended the meeting as an observer

Officers in attendance:-

Simon Evans (Health Scrutiny Officer) David Forbes (County Finance Officer), Brian Goodwin (Contract Manager), Michelle Grady (Head of Finance (Communities)), Steve Houchin (Head of Finance, Adult Care and Community Wellbeing), Keith Ireland (Chief Executive), Kevin Kendall (County Property Officer), Sue Maycock (Head of Finance (Corporate)), Andrew McLean (Service Manager Commissioning), Mark Popplewell (Head of Finance (Children's Services)), Sophie Reeve (Chief Commercial Officer), Emma Scarth (Strategic Programme Lead for Mosaic), Fiona Thompson (Service Manager - People), Nigel West (Head of Democratic Services and Statutory Scrutiny Officer) and Emily Wilcox (Democratic Services Officer)

38 APOLOGIES FOR ABSENCE/REPLACEMENT MEMBERS

Apologies for absence were received from Councillor Mrs Jackie Brockway, Reverend Phillip Johnson and Patricia Barnett.

39 DECLARATIONS OF MEMBERS' INTERESTS

There were no declarations of interest.

40 MINUTES OF THE MEETING HELD ON THURSDAY 30TH AUGUST 2018

The minutes of the meeting held on the 30th August 2018 were approved as a correct record and agreed to be signed by the Chairman, subject to the below amendment:

- The addition of Steven Rudman and Patricia Barnett to the attendance details

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41 ANNOUNCEMENTS BY THE CHAIRMAN, EXECUTIVE COUNCILLOR FOR RESOURCES AND COMMUNICATIONS AND CHIEF OFFICERS

The Chairman welcomed those in attendance and announced that he had attended the meeting of the Executive on the 4th September in which he presented the Board's comments on the Quarter One Business Plan Performance Report. It was noted that some scrutiny committees were yet to cover the performance in question, and therefore were unable to put forward any comments. The timeline for business plan performance reports would be reviewed as part of the wider scrutiny review.

42 CONSIDERATIONS OF CALL-INS

None were received.

43 CONSIDERATION OF COUNCILLOR CALLS FOR ACTION

None were received.

44 CORPORATE SUPPORT SERVICES – RE-COMMISSIONING

The Chief Commercial Officer invited the Overview and Scrutiny Management Board (OSMB) to consider a report on the Corporate Support Services Re-commissioning ahead of the recommendations being presented to the Executive on the 2nd October 2018.

It was noted that a review had been undertaken to consider possible alternative commissioning approaches to the existing Serco contract, which had included an assessment of the Serco contract extension proposal, along with a consideration of how the Council's corporate centre could be more effective in supporting staff and front-line services. The report also detailed the due diligence and assurance work that had been carried out on the potential Payroll/HR Admin Service and ERP system solution with Hoople, along with undertaking market engagement with potential ICT suppliers.

The Board were referred to Appendix A of the report, which included the report and recommendations that would be put forward to the Executive, as follows:

That the Executive;

- i. 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)

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- Exchequer Services and Adult Care Finance.
- ii. 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).
- iii. 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
- iv. Delegates to the Chief Executive authority to determine the final terms of the extension and insourcing referred to in paragraphs 1 and 2 above and approve the form and the entering into of all contractual and other documentation necessary to give effect to the said extension and insourcing in consultation with the Leader of the Council.

The Board were given information on the reviews and options available, which included:

- Separate arrangements for ICT
- Separate arrangements for Payroll/ HR/ Administration and ERP (Agresso)
- Customer Service Centre
- Professional People Management Services
- Exchequer and Adult Care Finance

Questions and comments from members and officers included the following:

- In response to a question, officers clarified that competencies were measured through contract management, and that a strengthened client relationship was needed when moving forward.
- It was highlighted that Serco's payroll performance against KPI's was strong.
- The Chief Commercial Officer reassured the Board that Serco now had a payroll KPI failure rate of 0.3%, compared with 1.1% previously.
- The Chief Commercial Officer agreed to share the previous KPI performance figures with the Board so that the progress could be monitored.
- There was a need for the Council to invest in ICT infrastructure. An officer ICT Board would be established in October, chaired by the Chief Executive. A draft ICT strategy would be developed before the end of 2018.
- In response to a question, it was clarified that a large majority of late or incorrect payroll payments had been rectified within the same month.
- The Chief Executive felt that the Fire Brigade payroll systems were not sustainable and work would be carried out to change these.

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- Officers explained that many of the problems with Agresso related to the way it had been set up, with some responsibility resting with the client side.
- It was noted that a member of staff within the Council had now been allocated responsibility and ownership of Agresso.
- The Council's 1,000 payroll codes had been reduced by 200, and work was in hand to possibly reduce them by a further 170. Most county councils operated with around 500 payroll codes. Some of these issues could be addressed by reviewing the Council's pay strategy and rationalising some of the terms and conditions.
- It was hoped that bringing the people management function in-house would result in a core strategic capability being returned to the Council; clarify responsibilities and roles and be cost effective.
- Members were concerned about Serco's ability to manage Fire and Rescue Payroll due to errors made in the existing contract.
- Members were informed that the Fire Brigade's Union had been invited to be consulted about the contract extension and assured that the necessary work was being undertaken to ensure previous issues were resolved.

Overall, the Board felt reassured that the review had involved thorough investigation, and that Serco were dedicated to resolving issues.

The Board agreed two specific comments to the Executive:

- Fire and Rescue Payroll – There were some reservations expressed about the performance of the existing contractor on Fire and Rescue payroll, as the previous contractor had not created a high error rate. Fire and Rescue services operated under national conditions of service, and retained firefighters were not unique to Lincolnshire.
- Effective Partnership Working – The Board was advised that Serco's payroll error rate estimated from June data was 0.3%, which equated to about 14 individuals in that month. An equal number of errors were attributable to the information provided by managers at the County Council, which might be incomplete or late. Together this compared well against the national average of just over 1%. The Board agreed that the Council needed to become an effective partner with the contractor.

Members unanimously agreed to support the recommendations to the Executive as set out in the report.

RESOLVED:

1. That the recommendations to the Executive, as set out above, be supported
2. That the specific comments, as set out above, be put forward to the Executive for consideration

45 REVENUE AND CAPITAL BUDGET MONITORING REPORT 2018/19

The County Finance Officer presented a report which informed members of the overall position of the revenue budget for the first four months of the financial year 2018, including the revenue and capital programme positions as at 31 July 2018.

Attention was drawn to the revenue position, in particular the predicted under spend of £1.8m for 'Enablers and Support to Council Outcomes'. It was explained that this was largely the result of a level of uncertainty within ICT and that there were a number of projects underway to allocate the remaining elements of the budget.

The County Finance Manager highlighted that the £0.610m underspend for 'Other Budgets' was mainly due a central provision of £0.500m which was allocated to allow for any rise in the National Living Wage over and above the money already provided in service budgets. It was anticipated that this would now not be required as the National Living Wage increase for 2018-2019 could be funded by the existing service budget provision.

It was highlighted that other than an overspend in the Capital Programme for the Historic Lincolnshire Project, the Capital Programme was otherwise on Target. The Board noted that the Council were hoping to receive some additional grant funding for parts of the Historic Lincolnshire Project for Lincoln Castle.

Questions and comments from members and officers included the following:

- It was questioned whether the underspend of £1.177m for Children's Services could only be utilised within Children's Services, or whether it could be spent elsewhere. In response, officers clarified that the Director of Children's Services was able to re-allocate the funds within the department. It was noted that it was a possibility for funds to be used in a different department; however a virement process would be required.
- The Board noted that the main reason for a forecasted underspend for the 'Readiness for Adult Life Commissioning Strategy' was due to the establishment of a more suitable and cost effective supported accommodation solution for care leavers and young homeless people. It was highlighted that the use of former fire houses in Grantham for this purpose was an example of how future savings could be generated.
- The County Finance Officer explained that councillors would be invited to attend a financial seminar in early December 2018, where they would be updated on the latest financial position both nationally and locally and any potential impact on service area budgets.

RESOLVED:

1. That the report and associated comments be put forward to the Executive
2. That the recommendation to the Executive, as set out in the report, be supported

**46 IMPACT OF THE PART NIGHT STREET LIGHTING POLICY SCRUTINY
REVIEW - EXECUTIVE RESPONSE**

Councillor Barry Young, the Executive Councillor for Community and Safety Management, presented a report which set out the Executive response to the Part Night Street Lighting Policy Scrutiny Review.

The report outlined the Executive Response to each of the 5 recommendations proposed by the Scrutiny Review Panel to the Executive at its meeting on 5th June 2018. Attention was drawn to an action plan for each of the recommendations, along with an updated crime data report.

Questions and comments from members and officers included the following:

- Members requested more in depth analysis of figures for vehicle crimes, including the times that the crimes had been committed so that they could analyse how many crimes were occurring when the street lights were switched off.
- It was agreed that the original Street Lighting Report be shared with members so that both reports could be read in conjunction with one another.
- Concerns were raised over the increase in vehicle crime for every area detailed in the report.
- The Executive Councillor for Community Safety and People Management indicated that there was no evidence to suggest that there had been an increase in crime as a result of the part night street lighting.
- Members were in support of Parish and Town Council's having the choice to purchase LED lighting to switch streetlights back on if they felt it was necessary.
- It was questioned whether there were any procedures in place to allow for Parish and Town Councils to have street lights erected in areas they felt it was necessary, should they wish to pay the associated costs. It was agreed that the Chairman of the Highways and Transport Scrutiny Committee would investigate whether there were any procedures already in place and the issue would be raised separate to the part night street lighting review

RESOLVED:

1. That the report and comments made be passed on to the Executive
2. That the Head of Democratic Services and Statutory Scrutiny Officer circulate the original Part Street Lighting Review report to the Board.
3. That the Chairman of the Highways and Transport Scrutiny Committee investigate whether there were any current procedures to allow Parish/Town Councils to have extra street lights erected.

47 PROPERTY SERVICE CONTRACT YEAR 3 REPORT

12:05pm – Councillor H Marfleet left the meeting and did not return

The County Property Officer provided an update on the performance of the Property Services Contract with VINCI Facilities Partnership Limited at the end of the third year of the contract, highlighting the following contract performance:

- Service Manager's Assessment
- Health and Safety
- Finance
- Key Performance Indicators (KPIs)
- Cladding August Review
- Blue Light Collaboration Programme
- Contract Extension
- VMOST
- Continuous Improvement

The County Property Officer was pleased with how the VMOST business plan was progressing, and also highlighted the success of the Cladding Audit Review, which had been executed with a high standard of professionalism and sense of urgency.

It was noted that the Council were continually reviewing the 5 year estate, with an overall vision to reduce cost and make it as efficient as possible.

Questions and comments from members and officers included the following:

- In relation to the KPI's, one member asked what the issue was with the water management component of the contract. In response, officers clarified that the sub-contractors had not always acted on the recommendations given, which had resulted in targets not being met.
- It was highlighted that the issue with the water management component had had no impact on the supply or service offered.
- In response to a question, the Chief Executive explained that as ICT services became more agile, there was potential for the estate to become smaller as the costs and uses of each building were reviewed.

RESOLVED:

That the report and comments be noted.

48 TREASURY MANAGEMENT - QUARTER 1 UPDATE REPORT

Some members had struggled to fully understand the data presented within the report, and questioned whether there was any finance training that could be undertaken to help with understanding the data presented. Officers agreed that they would work to simplify the reports for ease of understanding.

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One member questioned whether officers had any plans in place should there be another financial crisis. It was agreed that the question would be put to the Treasury Manager and fed back to the Board.

It was also agreed that in future, the Treasury Management reports would be presented to the committee, and would not just be for noting.

RESOLVED:

1. That the report be noted
2. That members be updated as to whether there were any plans in place should there be another financial crises
3. That further Treasury Management update reports would be presented to the committee for full questioning

49 SCRUTINY COMMITTEE WORK PROGRAMMES

The Board Reviewed the Work Programmes of two of the Scrutiny Committees:

Children and Young People Scrutiny Committee:

The Chairman of the Children and Young People Scrutiny Committee drew attention to some of the key issues that had been considered or were due to be considered by the Board which included:

- Haven Cottage Respite Centre in Boston had been rated outstanding by Ofsted following an unannounced visit.
- The Committee had supported five recommendations put forward by the Committee's Pupil's Exclusions Working Group and would receive a further report on how the recommendations were being implemented.
- In November, the Committee would be reviewing the 30 hours free childcare provision and how it impacted childcare suppliers in Lincolnshire.

12:30 Councillor Dobson left the meeting.

Public Protection and Communities Scrutiny Committee:

The Chairman of the Public Protection and Communities Scrutiny Committee highlighted some of the key issues that the Public Protection and Communities Scrutiny Committee had considered over recent months. The following points were highlighted:

- The Committee had reviewed the Fire Peer Challenge Action Plan and had commended Fire and Rescue on the findings of the Fire Peer challenge report.
- The Committee had reviewed the first year performance of the Library Services Contract and noted that a large percentage of KPI's were being met.

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- The Committee had highlighted concern about the lack of credit/debit card facilities available for the Registration Services, and had been reassured that the facilities would be available in 2019.

In addition, the Committee had considered the national discussion and debate on the removal of the costs of copy certificates at the point of registration for stillbirths, and the possible extension to all deaths of those under 18. The Committee had unanimously resolved to support a formal recommendation to the Executive Councillor for Culture and Emergency Services to consider the waiver of the £4 statutory fee for copy certificates in Lincolnshire for both the registration of stillbirths and for all deaths under the age of 18.

The Chairman informed the Board that a response had been received from the Executive Councillor, and that the recommendation to waive the £4 fee for the copy certificates for stillbirths had been supported, and that the waiver of the fee for the deaths of those under the age of 18 would be investigated further.

The Board unanimously voted to support the recommendation of the Public Protection and Communities Scrutiny Committee to waive the £4 statutory fee for copy certificated in Lincolnshire for both the registration of stillbirths and for all deaths under the age of 18.

RESOLVED:

1. That the Board was satisfied with the content of the Work Programmes for the Children and Young People; and the Public Protection and Communities Scrutiny Committee's.
2. That the Board supported the recommendation of the Public Protection and Communities Scrutiny Committee to waive the £4 statutory fee for copy certificated in Lincolnshire for both the registration of stillbirths and for all deaths under the age of 18.

50 OVERVIEW AND SCRUTINY MANAGEMENT BOARD WORK
PROGRAMME

The Board was provided with an opportunity to review its own Work Programme.

It was noted that Treasury Management Updates would no longer be for noting and would be presented to the Board for full questioning.

RESOLVED:

1. That the Board was satisfied with the content of the Work Programme

The meeting closed at 12.40 pm

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