

Combined Assurance

Status Report Resources & Community Safety



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Introduction

This is the second combined assurance report for the Council.

Working with management we have been able to show what assurances the Council currently has on the areas of the business that matter most – highlighting where there may be potential assurance ‘unknowns or gaps’.

We gathered and analysed assurance information in a control environment that:

- takes what we have been told on trust, and
- encourages accountability with those responsible for managing the service.

Our aim is to give Senior Management and the Audit Committee an insight on assurances across all critical activities and key risks, making recommendations where we believe assurance needs to be stronger.

Scope

We gathered information on our:

- **critical systems** – those areas identified by senior management as having a significant impact on the successful delivery of our priorities or whose failure could result in significant damage to our reputation, financial loss or impact on people.
- **due diligence activities** – those that support the running of the Council and ensure compliance with policies.
- **key risks** – found on our strategic risk register or associated with major new business strategy / change.
- **key projects** – supporting corporate priorities / activities.

Methodology

We have developed a combined assurance model which shows assurances across the entire Council, not just those from Internal Audit. We leverage assurance information from your ‘business as usual’ operations. Using the ‘3 lines of assurance’ concept:



Our approach includes a critical review or assessment on the level of confidence the Board can have on its service delivery arrangements, management of risks, operation of controls and performance.

We did this by:

- Speaking to senior and operational managers who have the day to day responsibility for managing and controlling their service activities.
- Working with corporate functions and using other third party inspections to provide information on performance, successful delivery and organisational learning.
- Using the outcome of Internal Audit work to provide independent insight and assurance opinions.
- We used a Red (low), Amber (medium) and Green (high) rating to help us assess the level of assurance confidence in place.
- The overall assurance opinion is based on the assessment and judgement of senior management. Internal audit has helped co-ordinate these and provided some challenge **but** as accountability rests with the Senior Manager we used their overall assurance opinion.

Key Messages



The Directorate continues to deliver a mix of front line services, corporate support / assurance services and support to major Council programmes of change and work. The Directorate and Council has faced considerable change over the last 3 years in addressing the financial and service implications of the current comprehensive spending review and the need to address significant, further reductions in Government funding over the next few years. A significant element of the solution to that will be better commissioning and procurement of services and the development of more integrated and efficient working with other partners, especially Health. We shall also be driving through changes through the Future Delivery of Support Services programme which seek to reshape and re-procure the services currently provided by Mouchel, together with implementing a replacement for SAP, our corporate finance and HR system.

Our Fire and Rescue and Emergency Planning service have once again responded effectively to significant flooding issues over the last year and continue to prepare and train for future events.

The Directorate adopts the corporate methodology for assessing our assurance status and in managing risks and I am satisfied that they are working effectively within the Directorate. I am satisfied that the assessments by my Service Managers within this report are an accurate and realistic reflection of our assurance levels and the management of risks. It is positive to note that 86% of activities are assessed as green with action in hand to improve other areas. The one area that was assessed as red was due to certain quality issues within the Insurance service and I am satisfied that the improvements plans in that area are both comprehensive and robust.

The feedback I receive from service users within the Council and from outside is generally positive and any service issues which do arise are usually addressed quickly and effectively, such as the quality issues on the insurance service. Some of our public facing services seek independent quality accreditation and our Celebratory / Registration Services has recently undergone an external inspection and been once again classified as excellent.

Figure 1 – January 2014

Overall Assurance Status Critical Activities 2014

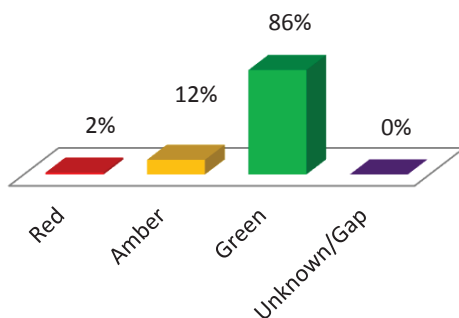
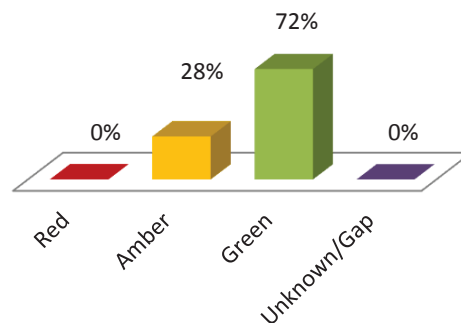


Figure 2 – January 2013

Overall Assurance Status Critical Activities 2013



Critical Systems



Figure 3

Overall, a high level of positive assurance exists around Resources and Community Safety critical activities and systems. Assurance arrangements are working effectively. Most assurance comes from managers – supported by a good level of corporate and third party assurance.

The Service works well with Internal Audit, highlighting areas for review where independent challenge and insight adds value and complements external inspection. Recommended improvements resulting from Internal Audit work are monitored and tracked through the Audit Committee.

Comments on the overall level of assurance are covered within the 'Key Messages' section of this report.

Resources & Community Safety Distribution of Assurance

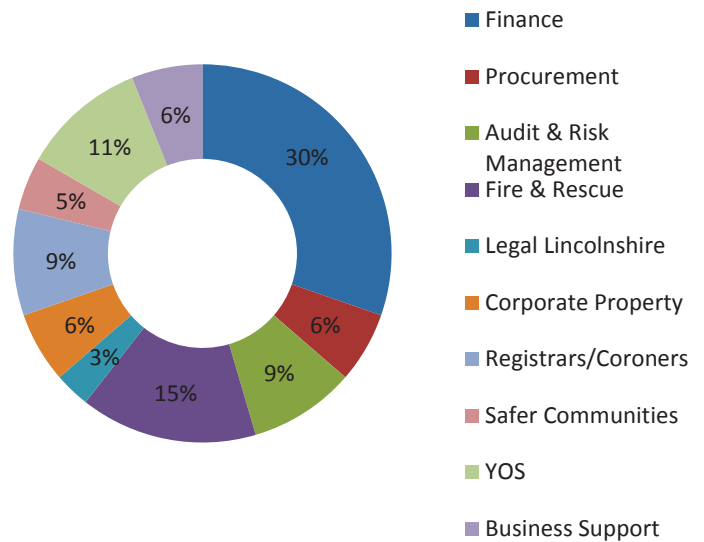
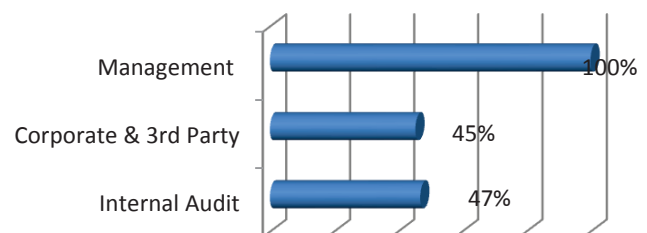


Figure 4

Who Provides Your Assurance



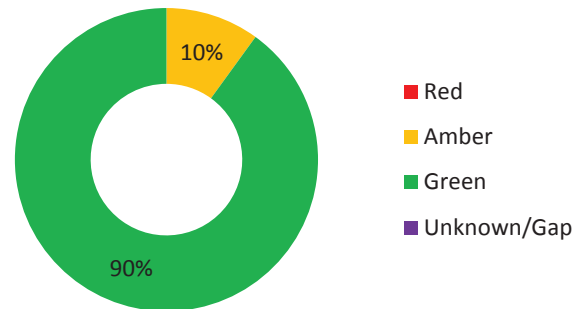
Finance

We continue to maintain a well-controlled financial regime within the Council. There continue to be presently no areas where the level of assurance is at an unacceptable level.

Trends over the past 12 months indicate a clear general strengthening of the control regime across this service area with seven assessments assigned as amber last year now assessed as green. Areas where the overall assessment has improved to green are budget management, pensions benefit administration, tax compliance and management of the capital programme

Figure 5

Finance



Improvements continue in the area of accounts closure and financial statement preparation following significant difficulties of two years ago. Mouchel have lead a lean review based re-engineering of the processes in this area which has resulted in a high quality product for financial year 2012/13 attracting very favourable external audit comment.

Three areas are designated amber and for which work is on-going to move that assessment to green.

Firstly, there remain issues regarding the control environment surrounding the creditor payment process where there still are too many instances of orders being raised retrospectively upon receipt of an invoice which is bad practice in control terms. Whilst some short term work is planned to publicise the current poor practice, the impending change of financial system from SAP to Agresso will drive best practice to be adopted.

Secondly, there is a general concern regarding the skills and competencies around the Council in terms of exercising the client role in managing a range of contractual arrangements. As the Council moves towards the commissioning council model staff training and awareness in these areas will increase significantly. Cross Council training initiatives are already underway.

Thirdly there have been some on-going concerns regarding the management, by the provider, of certain outsourced services that are the subject of the current FDSS programme. As the new solutions that emerge from this initiative are implemented it is confidently expected that these issues will be resolved.

Finally, it needs to be recognised that, looking forward, the service faces considerable challenges over the next year supporting a range a projects critical to the future wellbeing of the County Council (eg. introducing the commissioning council model, the fundamental review of priorities & budgets, the implications of the FDSS programme).

Audit & Risk Management

Internal Audit

From 1st April 2013 new Public Sector Internal Audit Standards were introduced which defined the nature of internal auditing in the UK public sector and a set of basic principles and standards for carrying out our Internal Audit practice. We have undertaken a self-assessment against the *Standards* and are pleased to report that the Council's Internal Audit function generally conforms to the new *Standards*. There were a number of minor areas where we have identified opportunities for improvement and these are being monitored through the Audit Committee.

Figure 6



Our performance continues to be monitored throughout the year by the Audit Committee, with no significant concerns being reported. The service has faced some capacity issues which has resulted in a reduction of areas reviewed to that approved in the audit plan. Areas where independent audit assurance will not be provided are:

- over public health critical systems
- IT Audit work
- Schools

The combined assurance work planned for January – March 2014 and the due diligence work in Public Health aims to address any assurance gaps.

The Council's External Auditors continue to place reliance on our work where appropriate. We continue to meet agreed performance measures with feedback from clients on the value of our work remaining – good to excellent.

Our Counter Fraud arrangements continue to be effective and monitored through the Audit Committee. So far this year we have recovered £133,182 and stopped a further £100,000 of attempted fraud. Counter fraud developments planned for 2013/14 include:

- New fraud awareness campaign
- Update of our fraud risk assessment
- Update of key policies – including whistleblowing and money laundering
- Update of our internal policies and practice notes on counter fraud and investigations

Given the above the overall assurance of the Internal Audit and Counter Fraud arrangements has been evaluated as 'green – effective'.

Risk Management Team

The service continues to provide support to the business to take well measured risk decisions in a time of uncertainty and service redesign. A new Risk Management Strategy has been approved; the Council's strategic risks are effectively monitored through Executive Directors, the Risk & Safety Group and the Audit Committee.

We have strengthened the way operational risks are managed through the Risk and Safety Group with any significant operational risks escalated to the Strategic Risk Register as appropriate.

The Council's risk appetite is 'open and aware' - the team is working on developing a tool kit to continue to provide training and support for good risk management. This is due to be launched by the end of March 2014.

The Future Delivery of Support Services included Health & Safety. The existing contract with Mouchel comes to an end on the 31st March 2015. We are currently working to evaluate delivery options and drafting the service specification – although slightly behind with the work plan we are on track to contract out the service and start the procurement process from the 1st April 2014. We continue to effectively monitor delivery of the Health and Safety contract with Mouchel.

Based on the above information assurance over our risk management and Health and safety processes have been evaluated as 'green'.

Insurance Team

During 2013 we have identified a number of service quality issues that need to be addressed to ensure that the insurance team provide an effective and efficient service and that the Council's Insurance Fund remains solvent and sustainable. An improvement plan is in place – the key actions are:

- LEAN review over systems and processes
- Review of claims handling procedures – including the IT system MIMS. Internal Audit commissioned.
- Data cleansing of MIMS
- Improvement of information / retention of documents
- Review of the insurance premium and recharging policy and procedures
- Development and writing of procedures to cover all work practices
- Review of the academy insurance scheme
- Completion of actuarial review of the Insurance Fund
- Increase capacity within the team
- Strengthen management oversight and quality assurance programme

Given the scale and some of the complexities of the issues identified in the improvement plan this area of the service has been assessed as Red. I currently cannot give assurance that the Council's insurable risks are effectively managed or that the Insurance fund is sustainable in the long term. The improvement plan is currently being prioritised with all key risk / high impact actions being addressed by the 31st March 2014.

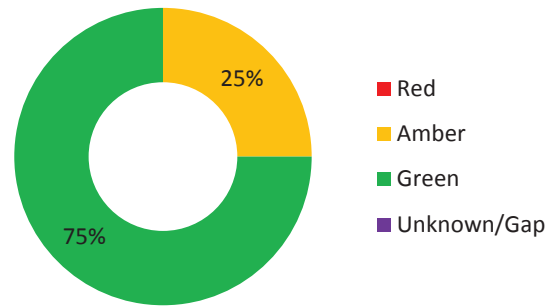
Procurement

The service continues to provide management support and additional capacity to the Adult Social Care Contracts team. There has been a particular focus on contract management and on improving engagement with suppliers at a strategic level – good progress has been made in both areas.

The team has contributed significantly to the Commissioning for Lincolnshire programme and this work is helping to strengthen contract management across the Council by introducing a best practice framework which when implemented will help to ensure that high standards are in place on a consistent basis in all areas.

Figure 7

Procurement



Good progress continues to be made in all areas of Procurement including:

- Developing strong relationships with commissioners to support effective working relationships which improve procurement planning and enable early market engagement.
- Category management is now embedded in Procurement Lincolnshire and PL is working with devolved procurement teams to consider how this approach can be implemented in all key spend areas across the Council. This work complements the Commissioning for Lincolnshire programme.
- Extending the support that we provide to local suppliers to encourage more local suppliers to bid for Council contracts. Supplier training is now an integral part of our work and includes targeted training for the voluntary and community sector.
- The Corporate Contracts Register (Firefly) now includes all Adult Social Care Contracts and the system has been further developed to support contract management which is being rolled out on a phased basis, initially into Children's Services.

Fire & Rescue

Lincolnshire Fire and Rescue’s mission is to make Lincolnshire a safer place to live, work and visit. How it does this is described in 2 core planning documents.

The first, its 3-year Integrated Risk Management Planning Baseline Document, identifies the range of fire-related risks in the County and the strategies for reducing those risks.

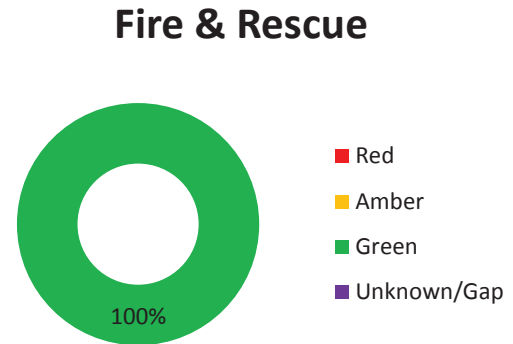
The second is its annual Service Plan, which gives more detail on how the strategies are delivered and provides the framework for measuring performance. Assurance for the Service is set against these plans.

Formal Management Assurance is conducted at monthly Service Management Board and quarterly Performance Management Board meetings. These focus on the effective functioning of critical activities and ensuring key outcomes are met. This is supported by an Operational Assurance self-assessment process which reviews the key areas identified in the combined assurance map.

Third party assurance is primarily achieved through peer challenge. Examples include a Business Continuity Management peer review conducted in January 2011, the Local Government Association and Chief Fire Officer Peer Challenge conducted in October 2012 and a National Resilience Assurance Team assessment of our Urban Search and Rescue capability in July 2013.

Key corporate risk areas include the development of ICT to meet the needs of the Service, on-going industrial action around fire-fighter pensions and future budget pressures.

Figure 8



Emergency Planning

The County Council has lead responsibilities in any emergency. These include the welfare of victims and evacuees, provision of emergency shelter, co-ordination of the voluntary sector and also a community leadership role. The council would also lead on all recovery efforts.

The council continues to have lead roles and responsibilities as 'category one' responder although the delivery of these responsibilities is evolving due to the reducing resource based capacity and services being procured through third party providers. Training and exercising has demonstrated our ability to provide co-ordinated responses. Our additional operational duties as Lead Local Flood Authority were tested on 2 occasions in 2012 when local flooding occurred.

Our command and control processes have been strengthened and progress made on comprehensive recovery planning. Our arrangements to co-ordinate the voluntary sector through a 'memorandum of understanding' with local and national bodies is held as good practice. We have also been the driving force behind the regeneration of the Local Resilience Forum (LRF) into an effective and high performing resilience partnership.

Priorities going forward include:

- Determining how promote emergency preparedness to contracted care providers
- Strengthening resilience of the most vulnerable adults/children in receipt of care services to the main and enduring community risks facing Lincolnshire
- Enhancing multi-agency co-ordination of crisis management and emergency response phases for those vulnerable adults/children in receipt of care services
- To formally agree the processes, roles and responsibilities in providing emergency evacuation shelter, welfare support and accommodation
- Creation of an LCC Resilience Group and agreement of a work programme
- Better co-ordination of emergency preparedness and business continuity management within the council, and improve performance in our duty to promote business continuity to local businesses and voluntary sector.
- Develop operational/service level training and awareness
- Complete and test recovery planning – this includes developing an emergency procurement framework.

Emergency Planning

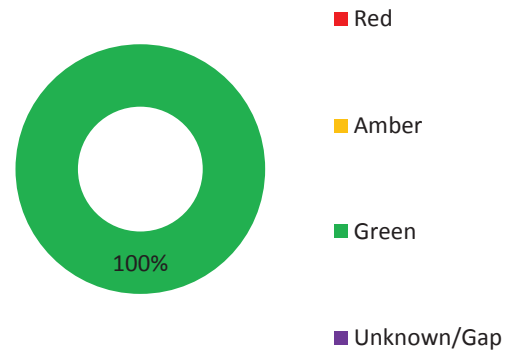


Figure 9

Legal Lincolnshire

This year again Legal Services Lincolnshire has continued, generally, to meet its targets (notwithstanding the constraints on clients' spending power) and our reviews and audits have raised no issues of assurance for the service.

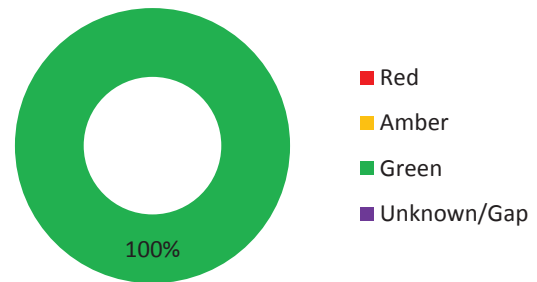
We have had a change in our governance arrangements this year, having merged our Legal Management Board with our Business Advisory Board, to mainstream business development and improvement in our work. Our Client Liaison arrangements remain robust with high customer service levels (99% responding that the service we provide is either 'good' or 'very good'.)

Particular areas to note are:

- External Legal Spend – we did not achieve our target to maintain this sum under £350,00 per annum this year – due to the increase in volume of childcare work both internally and externally the spend was £591,360. Considerable work has been done within Legal Services Lincolnshire and with Clients to keep this external spend to a minimum and that continues to be the case.
- Efficiency savings – this year we achieved a surplus of £850,00 (against £539,000 the previous year) in both cashable and non-cashable efficiency savings – by increases in-chargeable hours worked, holding a number of vacancies and freezing others and reducing the number of locum lawyers working in the Practice.
- Income generation – our target for income generated from external clients this year was £200,000 and £256,936 was generated. We continue to work for a number of public bodies outside the Shared Service partnership
- Chargeable hours – we work to an annual target of ensuring that at least 60% of our total time is spent on chargeable work and this year we achieved 84.3%.

Figure 10

Legal Lincolnshire



Corporate Property

Property Strategy (Green)

The property strategy is established and reported twice yearly to VFM scrutiny committee. The Corporate Asset Management Plan is being updated and due for completion in early 2014.

Clear property Governance is in place with a Property Board held monthly with the Executive Member for decision making. The Corporate Asset Management Group will be redesigned in 2014 to become an officer only group and operate as a stakeholder group. All property activity is managed as a programme and appropriate governance is in place.

Property Management (Amber)

Centrally managed estate: This is managed by the Corporate Property team in conjunction with Mouchel. There is good control. The service is a member of CIPFA to enable best practice to be identified.

Directorate estate (i.e. fire stations, schools etc.): Corporate Property provides support to the directorates to help improve their property management. The Total Facilities Management contract is in place and budgets have been centralised. In addition, over the next 2 years a Corporate landlord model is being introduced which will increase control of these assets further.

Health & Safety: an audit of compliance was undertaken in early 2013. From this an action plan was developed and the need for budgets for fire risk assessment identified, all actions are being delivered over an agreed period. In addition, a responsible persons programme is being rolled out starting with West Lindsey Properties.

County Farms (Green)

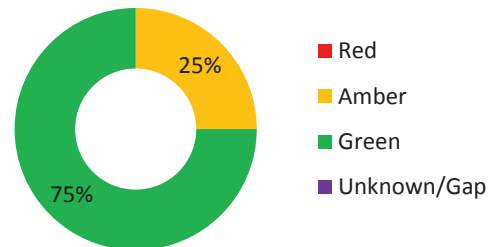
The farms estate is managed on a commercial basis working with Savills as agents. The approach is to:

- Maximise income (rents)
- Maximise Capital receipts (sales)
- Amalgamate holdings to create farms that offer a viable business
- Modernising or replacing buildings to ensure farmers can utilise modern technologies for an efficient business

Clear governance is in place with a quarterly Board attended by the Executive Member and regular liaison with Savills to provide assurance on performance. Currently rental and capital receipts income is up and there are no bad debts

Figure 11

Corporate Property



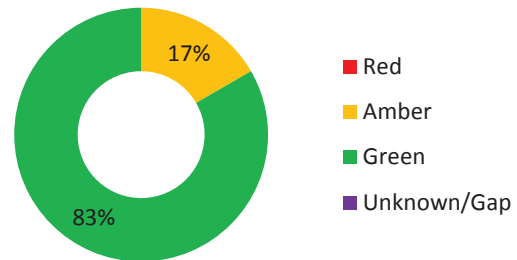
Registrars/Coroners

In 2013 customer satisfaction levels continued to remain very high with another successful review for Customer Service Excellence. Customer expectations continue to be very high and the service needs to respond to this.

Staff training over the year has supported high standards, especially in relation to Nationality Checking Service and for new members of staff.

Figure 12

Registrars/Coroners



KPI's changed slightly in April 2013, to now include referrals in relation to suspected sham marriages and suspicious certificates. These are monitored monthly. The General Register Office do not anticipate completing any Service Delivery Inspections in 2014, reflecting their assurance of the service.

The Coroners Service has responded to new legislative changes introduced in July 2013. A review of many aspects of the Coroners Service is currently underway to ensure maximum support to bereaved families, the coroner, to continue to improve efficiency and timeliness. A Coroners Body Removal Contract was introduced in April 2013, and this continues to be monitored and a full review will take place before the end of the first year in operation.

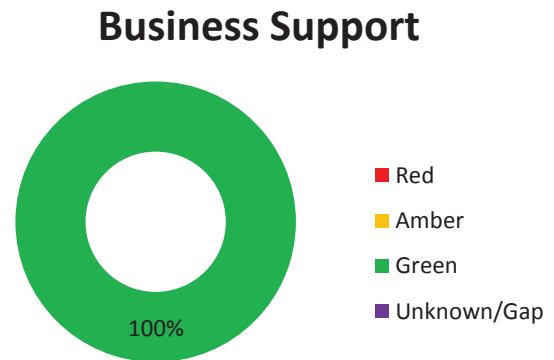
National Consultation on Medical Examiners has been delayed, however is anticipated by the end of 2013. Although the original proposals were for the introduction of this new service in October 2014, nationally it is recognised that this may be challenging for Local Authorities. Clearer guidance on the impact of implementation and timescales will be known once the Consultation document is published by the Department of Health.

Business Support

Business Support provides a multi-disciplinary support services across the majority of Council service areas. Since its implementation in late 2011 the service has focused on cross skilling staff to increase resilience and improving processes to develop a more efficient support function.

The Blue Badge service is operated through Business Support which provides disabled parking badges to the public of Lincolnshire. Processes continue to be reviewed and improved. Additional staff have been cross trained to increase resource availability to deal with workflows. Blue Badges are input into a national database (BBIS) providing management data on volumes of workload and levels of activity to ensure the service is robust. During 2013 additional work has commenced in working with partners to improve enforcement of Blue Badges and to reduce fraud and misuse.

Figure 13



Support provision to Child Protection and Adult Safeguarding is a core function of the Business Support service. Extensive work has been completed with Children’s Services through implementing a specialist team to support child protection conferences to ensure core targets are achieved. Workflow is regularly monitored across the service and improvements have been made to ensure production of quality case reports and improve reporting within ICS. A comprehensive training programme for staff has now been implemented across Business Support to ensure the appropriate skills are in place.

The e-purchasing system has been launched throughout the Council which has strengthened compliance and governance of purchasing activity. The centralised team provides better oversight of workloads and assists improvements to financial processing. Regular reporting of work and spend is available linking through to Procurement Lincolnshire’s strategies for procurement.

The Customer Finance Team (Financial Assessment and Direct Payments Team) was transferred into Business Support from Adult Care in early 2013 with a clear Service Level Agreement establishing performance targets which are regularly reported to the Adult Care Performance Board. Significant work has been undertaken in rationalising processes to improve the customer experience and reducing direct payment backlogs through implementing a core training programme to provide additional resilience. Business Support also supports a service user co-production group to obtain feedback and suggestions on how the customer experience can be improved.

An emerging risk remains in the transition of support staff from Public Health into Business Support in early 2014. Proposals have been agreed with Public Health management to transfer these staff on current terms and conditions into Business Support by 1st April 2014 to enable an improved, effective and efficient support function to be developed so meeting the needs of this developing directorate area.

Safer Communities

Trading Standards

Work continues on ensuring the work prioritised for action fits the smaller resource base of trading standards officers. An intelligence led approach similar to that used by the police is used to identify consumer areas that are causing the most detriment and areas that target those least able to protect themselves.

Risks still exist in meeting consumer expectations and work continues with the Citizens Advice Consumer Advice line in ensuring our referral protocol is correct: this service now takes all initial enquiries following the closedown of the Trading Standards team within the CSC.

During core offer much expertise and knowledge left the service, training and up-skilling has been achieved with the remaining staff, though there remains a risk with the generalist approach that has had to be adopted that the more technical issues are missed or mistakes made; this is particularly a risk in legal process, food and safety enforcement areas. The reduction in resource has meant a withdrawal from proactive business advice and therefore there is a risk that businesses in Lincolnshire may breach legislation with financial, reputational and public safety consequences.

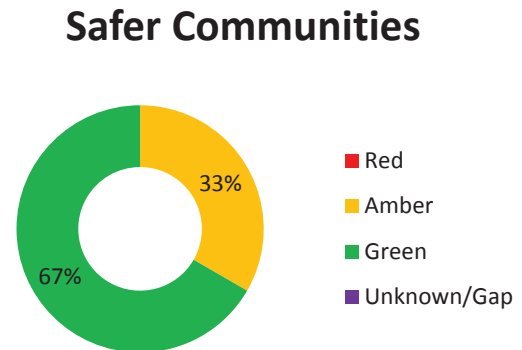
Community Safety Commissioning

A major commissioning exercise was commenced in 2013, the major part of this was a joint programme agreed between LCC and the Police and Crime Commissioner. This programme is now underway with some smaller projects still in the development phase due to the need to find innovative solutions.

Domestic Abuse

Safer Communities holds a coordinating role to ensure partner agencies do everything they can to prevent and protect victims of domestic abuse. There is a strong partnership in place across Lincolnshire that received external audit and commendation from a Home Office project. There is now a statutory requirement to review all homicides that were the result of domestic abuse, this does bring the benefit of learning how the system works for victims but brings a risk that failings will be exposed. The reviews can also be resource intensive. The two reviews that have been commenced to date have highlighted training and awareness needs in the social care areas of LCC, which is currently being addressed.

Figure 14



Youth Offending

The current performance data for Lincolnshire Youth Offending Service underlines an encouraging longer term trend of reducing offences and offenders. The decreasing number of number of young people appearing before the Courts in Lincolnshire has naturally correlated with a reduction in statutory orders.

The service is demonstrating high levels of performance in respect of the three key performance measures of first time entrants, reducing re-offending and numbers of young people in custody.

A focus upon early engagement and intervention has led to an increase in community resolutions and restorative justice outcomes. The standard escalators which progressed young people within the Criminal Justice System have been removed which presents the ability to apply a wider range of disposals at any time such as cautions and restorative justice. Through the Youth Offending Service input into the LCJB Victim and Witness Group, a scrutiny and overview panel to evaluate all out of court disposals will soon be in place and this will enable greater transparency of decision making to maintain confidence in restorative justice outcomes.

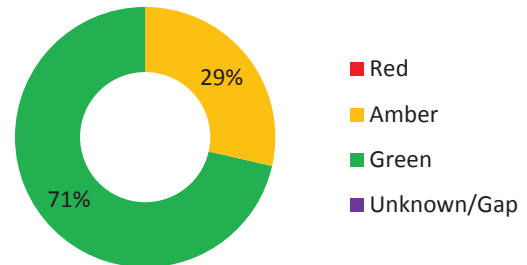
The service is expanding its involvement in prevention work in conjunction with key partners in Police, Community Safety, ASB and Families Working Together and clear referral pathways exist. The impending changes to ASB legislation in Spring 2014 will enable the Youth Offending Service to support District Councils/Community Safety Teams in the management, enforcement and appropriate targeting of ASB orders to maximise their impact and provide both prohibitive and positive requirements.

The Youth Offending Service is a multi-agency model which utilises the resources and skills of partners from Health, Probation and Police. The uncertainty surrounding the Transforming Rehabilitation agenda for Probation carries a potentially significant impact upon the Youth Offending Service. This is relevant in terms of the provision of qualified staff, the transition arrangements for youth to adulthood and the management of high risk young people.

In October 2013 an internal Quality Assurance audit was undertaken to assess the standards of case management in key areas of public protection, safeguarding and reducing re-offending. Cases selected for the audit were chosen from recent Court Orders that were still in the initial 12 weeks of the order. A total of 30 cases were selected which replicated the inspectorate (HMIP) methodology and auditing toolkit and the cases were evenly spread across the three area teams. For consistency, the audit of the selected cases was carried out by qualified Area Team Managers from a list provided by the ICT & Performance Manager. The audit demonstrated strong performance in key areas and a summary and relevant actions will be reported through the YOS Management Board.

Figure 15

Youth Offending Service



The YOS faces funding pressures from the Ministry of Justice due to the need to achieve savings nationally and on-going grant reductions are realistic in the current financial climate. Historic funding previously provided directly to the Youth Offending Service has now been directed towards the Police and Crime Commissioner, therefore the YOS must meet this new challenge to demonstrate its effectiveness and evidence meaningful outcomes to retain its status as the current provider of services to young people. This risk is addressed through the oversight provided by the Youth Offending Service Management Board which includes all key partners.

Lincolnshire has a significant number of Private Care Homes within the county and this has highlighted the need for all agencies to closely manage the transfer of young people who can often present with complex needs. The YOS has worked closely in conjunction with the Courts and Lincolnshire Police to minimise the potential for young people to be criminalised by better use of restorative justice and engagement with care home staff to support their management of young people.

However the concerns regarding effective safeguarding of young people within the private care system remain and are realistic. The Youth Offending Service recently took part in a recent Department for Education consultation exercise looking at private care home provision and placing of young people outside of their home authority. The consultation results will be published shortly but may result in new regulations which are geared towards improving the standards of care provision and safeguarding vulnerable young people within Lincolnshire. The YOS continues to raise individual care home issues with relevant authorities and have escalated cases with respective local authorities where necessary. The chair of the Lincolnshire Safeguarding Children's Board is planning to meet with OFSTED to raise concerns regarding care home provision and evidence has been submitted from Police, Health and the local authority to support this case.

The number of remands to Youth Detention Accommodation remains low and the service is working in close co-operation to ensure the new demands of remand management and the associated looked after status are addressed. The remand process within the YOS was recently audited by Lincolnshire County Council corporate audit team and received substantial assurance. A recruitment campaign for remand foster carers is continuing within Children's Services and when fully established will provide credible alternatives to remand to custody. The remand budget formula is currently being reviewed by the Youth Justice Board with some areas experiencing significant overspends and others under spending. However the process remains volatile with spike events and long term remands representing a future financial risk for the local authority.

Suggested next steps for Resources and Community Safety:

The key challenges over the next 12 to a 18 months have been summarised in the 'Key Messages' section of this report, together with the service summaries. Key programmes of work will have appropriate plans and milestones and risks will be assessed and managed on an ongoing basis. The 4 most significant, corporate programmes of work for the Directorate over the next 12 months will be:

1. The Fundamental Budget Review to be undertaken during 2014.
2. The work to move towards and support a 'Commissioning Council'
3. The Future Delivery of Support Services
4. Integrated working with key partners, especially Health and the Police.

Over the next 12 months we will seek to ensure that our services maintain a high level of assurance and address areas those identified for improvement.

Strategic Risks



Funding and maintaining financial resilience

Carry forwards from 2012/13 were confirmed at the full Council meeting in September. The revenue budget outturn for the current financial year (2013/14) is expected to show a net underspend, which will allow some flexibility to be carried forward into 2014/15 together with the possibility of replenishing reserves.

The medium term financial strategy was updated following the Chancellor's Autumn Statement and the Local Government finance settlement in December. This will be kept under review as further clarification on the size and use of the Better Care Fund is made available. There were no significant surprises in the recent announcements and the continued trajectory of Government funding reductions through to 2020 is still expected.

The Executive has now proposed a one year budget for 2014/15 which is in line with the Council's current financial strategy, including the measured use of reserves. The budget proposals also include additional net savings of 1% above the core offer savings already included in the budget. The budget assumes a further council tax freeze in 2014/15. The budget proposals are now subject to scrutiny and consultation prior to finalisation in February.

The Fundamental Budget review to set a new medium term financial strategy and budgets (and taking account of funding reductions from 2015/16) is programmed to be undertaken from February to September 2014, when proposals will be subject to consultation and scrutiny.

Council's highest rated Strategic Risks for this area of the business

Funding and maintaining financial resilience

Delivery of Strategic Contracts

Delivery of strategic contracts

As part of the FDSS programme measures are in place to manage the existing Mouchel contract and transition plans are being finalised to manage in any new arrangements. My current assessment of direction of travel in this area would be static.





Strategic Risks - Assurance Map as at 30th November 2013	OWNER	RISK APPETITE	CURRENT RISK SCORE	TARGET RISK SCORE	DIRECTION OF TRAVEL	Assurance Status (Full, Substantial, Limited, No)	Corporate Functions & Third Party	Internal Audit	OVERALL ASSURANCE STATUS	COMMENTS
Promoting Community Wellbeing & Resilience										
ASC not able to live within budget/ Not balancing the service requirements to match available budget	Tony McAulde	<u>Cautious</u> (Regulatory standing & legal compliance - recognised may need to change the ways things are done but will be tightly controlled)			↑ Static	A	A	A	A	Still a limited assurance and static due to outstanding budget at present of £2m
Commissioning for outcomes based on our Communities' needs										
Delivery of Strategic contracts	Pete Moore	<u>Open & aware</u> (Finance & money - No Surprises - prepared to invest for reward and minimise the possibility of financial loss by well measured risk taking)			← Improving	G	G	A	A	Continue to be 'Substantial' and improving due to controls in place. Two sets of work together has highlighted some differences in assurances which will be explored further to verify the level of management assurance given
Making the best of all our Resources										
Funding and maintaining financial resilience	Pete Moore	<u>Open & aware</u> (Finance & money - No Surprises - prepared to invest for reward and minimise the possibility of financial loss by well measured risk taking - allocating resources in order to capitalise on potential opportunities)			↑ Static	G			G	Owner has comfort that everything that can be being done is being done and that the target score is achievable

Projects



Value for Money Scrutiny Committee		
Programme	June 2013	January 2014
Future Delivery of Support Services	●	●
Commissioning for Lincolnshire	●	●

- Programme of work is on target
- Recommendations in respect of preferred bidder for IT, Finance and HR will go to the Executive in March 2014. That report will also include the decision as to whether the Customer Service Centre is included
- Transition programme on the above services and implementation of new Agresso system will commence in April 2014. Appropriate financial resources have been included in budgets for this work
- Property procurement process has begun with target decision in September 2014.
- David O'Connor is the principal lead for this programme
- Finance staff are supporting the analysis of current budgets / spend by proposed new commissioning areas
- Key mangers in the Directorate have been included in the training programme and this training has begun.

<p>Property Rationalisation Programme</p>			<ul style="list-style-type: none"> • This programme is currently on track, with the initial set of space and savings targets already achieved. • A programme plan is being developed to take the Council through to 2017 and beyond, which will reflect the Council's future property needs, the outcomes of the area based reviews and the need to make additional financial savings.
<p>Contract and Maintenance of Fire Fleet</p>			<ul style="list-style-type: none"> • Executive members have recently agreed a future model where the Fire and Rescue vehicles are procured and managed directly by the Council via a national framework contract whilst maintenance of the vehicles is provide by a contract arrangement. • Revenue and capital budgets have been established to meet these new requirements from the budget that was previously established for the AssetCo contract which was terminated in April 2012. A replacement profile for the vehicles and equipment has been included within the capital programme • The Council is about to commence the procurement process in respect of the maintenance contract • This project is on target.

Projects



Projects			
Pensions Development	●	●	<ul style="list-style-type: none"> The provision of future pensions administration is being addressed as part of the Mouchel re-procurement. The Council has determined that the best option for the future is a collaborative arrangement on administration within another County Council and is engaged in a process to shortlist potential partners The government is continuing to consider options regarding potential merger of or collaboration in the management of pension funds and a further consultation paper is expected over the next few months This project is on track

● On track

End of Report

