



**OVERVIEW AND SCRUTINY MANAGEMENT
BOARD
29 FEBRUARY 2024**

PRESENT: COUNCILLOR A N STOKES (CHAIRMAN)

Councillors T J N Smith (Vice-Chairman), Mrs J Brockway, M Brookes, I D Carrington, P M Dilks, R J Kendrick, C S Macey, C E H Marfleet and N H Pepper

Councillors: R D Butroid, M J Hill OBE and M A Whittington (Executive Support Councillor for Resources, Communications and Commissioning) were also in attendance virtually as observers.

Officers in attendance:-

Debbie Barnes OBE (Chief Executive), Andrew Crookham (Executive Director Resources), Emily Wilcox (Democratic Services Officer), Kiara Chatziioannou (Scrutiny Officer), Nicola Calver (Member Services Manager), Michelle Grady (Assistant Director – Finance), Andy Gutherson (Executive Director Place), Adam Hopley (Head of Finance - Corporate), Caroline Jackson (Head of Corporate Performance), Tony Kavanagh (Assistant Director – Human Resources and Organisational Support), Sue Maycock (Strategic Finance Lead (Technical)), Thomas Spencer (Treasury Officer) and Karen Tonge (Treasury Manager)

Robert Baxter (Link Asset Services) also attended the meeting virtually.

91 APOLOGIES FOR ABSENCE/REPLACEMENT MEMBERS

Apologies for absence were received from Councillor K E Lee, Martin Kyle and Emile van der Zee.

92 DECLARATIONS OF INTEREST

None were declared.

93 MINUTES OF THE MEETING HELD ON 25 JANUARY 2024

It was noted that the attendance details had been amended to include attendance by Councillor M J Hill OBE as an observer.

RESOLVED:

That minutes of the meeting held on 25 January 2024 be approved as a correct record and signed by the Chairman.

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94 ANNOUNCEMENTS BY THE CHAIRMAN, EXECUTIVE COUNCILLORS AND CHIEF OFFICERS

There were no announcements made.

95 CONSIDERATION OF CALL-INS

There were no Call-Ins to consider.

96 CONSIDERATION OF COUNCILLOR CALLS FOR ACTION

There were no Councillor Calls for Action to consider.

97 CORPORATE PLAN SUCCESS FRAMEWORK 2023-24 - QUARTER 3

Consideration was given to a report by Caroline Jackson, Head of Corporate Performance, which invited the Board to review the Corporate Plan performance for Quarter 3 of 2023-24. The Board were invited to consider and comment on the report prior to its consideration by the Executive on 5 March 2024.

The Board unanimously supported the recommendations to the Executive, as set out at Appendix A, and during the discussion the following points were recorded:

- Members inquired about the percentage of disabled adults employed. Data was not immediately available, but there was a commitment to consult with the Assistant Director in Adult Care, to provide a comparative analysis and suggestions for improvement. It was further clarified that the data referred to adults with disabilities open to adult social care services. They are individuals known to and receiving support from the authority, not just those known to the Council.
- Members raised concerns about limited space in recycling centres and proposed a reuse centre similar to the Seagull Recycling Centre in Skegness which operated a model of recycle and reuse of items with great success in the past. The Executive Director of Place acknowledged the idea and expressed interest in discussing the logistics further.
- Members inquired about the inclusion of public sector volunteer managers in the recently launched Linkage Volunteer Managers Network. An action was taken to confirm whether LVMN included public sector managers; further information would be shared in due course.

- Concerns were raised about the delayed progress of extra care housing projects. The Chief Executive acknowledged the challenges in identifying partners, securing agreements, and addressing planning issues. A commitment was made for the process to be expedited and for ways and opportunities for streamlining to be explored.
- Members inquired about the potential financial impact of the separate food waste collection. The Executive Director of Place explained the uncertainty regarding new funding and reassured that the Waste Partnership would review all relevant issues before final decisions were made.
- Clarification was sought on potential financial burdens resulting from the Environment Act. The Executive Director of Place expressed optimism that the Environment Act was anticipated to ultimately have a positive impact, potentially creating extra capacity and relieving pressure on existing waste systems.

RESOLVED:

1. That the recommendations to the Executive, as set out at appendix A to the report, be supported.
2. That a summary of the comments made be passed on to the Executive as part of its consideration of the report.

98 PEOPLE MANAGEMENT UPDATE - QUARTER 3

Consideration was given to a report by the Assistant Director – HR And Organisational Support, which provided an update on the HR Management Information for Quarter 3 of 2023-24, as detailed on pages 73-78 of the agenda pack.

During the discussion, the following points were recorded:

- Members raised concerns over the low response rate to the employee survey for those employed within Fire & Rescue. Officers acknowledged the concerns raised and assured Members that they were investigating the reason for the low response rate, which was thought could have been a result of a large proportion of the workforce being made up of on-call firefighters with minimal time and limited resource to access the survey; as well as the undertaking of two recent inspections by His Majesty's Inspectorate of Constabulary and Fire & Rescue Services (HMICFRS) which had taken further resource from Fire & Rescue employees.
- In relation to the employee survey, it was clarified that whilst previously Corporate and Commercial Services had been identified as one directorate, Commercial services were now part of the Resources directorate, which explained the disparity in responses and the lower number of responses for the Corporate Directorate in the 2023.

- Members welcomed the decrease in sickness absence rates and whilst it was acknowledged that long term sickness absence could impact the overall figures, it was hoped that more could be done to further decrease absence rates.
- In relation to agency spend, concerns were raised that individuals employed directly by Lincolnshire County Council may move to agency work due to more attractive rates of pay, which would lead to a further increase in agency spending for the Council. Officers recognised this as a risk but reassured the Board that retention incentives were in place for hard to recruit areas and that the Council would continue to invest in staff. It was highlighted that being directly employed by the Council offered other benefits such as annual leave and pension benefits and an environment with good terms and conditions with support from an accessible manager.
- The Council had made several recommendations to the Department for Education around the regulations and qualifications for individuals wishing to join agencies and whilst the report had been acknowledged, the recommendations were yet to be implemented.
- The Council had formal teaching partnerships with universities which supported joint recruitment and a support programme with various different sessions, supporting people in readiness for a career at Lincolnshire County Council. Several colleagues from Lincolnshire County Council had taken part in a scheme ran by the Local Enterprise Partnership where individuals would visit education settings to provide an insight into their career.
- Officers were pleased to report that the apprenticeship levy budget had almost been completely fulfilled, which was a positive sign for the Council's apprenticeships programme.

RESOLVED:

1. That the report be received.
2. That satisfaction be recorded on the assurance given over the HR Management Information provided.

99 REVENUE BUDGET MONITORING REPORT 2023/24 (QUARTER 3)

Consideration was given to a report by Michelle Grady, Assistant Director – Finance, which invited the Board to consider the Revenue Budget Monitoring information for Quarter 3 of 2023/24, as set out at pages 79-104 of the report. The Board were invited to consider and comment on the report prior to consideration by the Executive on 3 April 2024.

During the discussion, the following points were recorded:

- Members expressed difficulty in discerning the total spending on adult social care and understanding the Better Care Fund's role. Officers referring to the report (p. 90), explained that the net spend was £243 million, with an additional £61 million directly attributable to the Better Care Fund. The gross spend, including care

contributions and grants, was estimated at around £323 million. Furthermore, Officers acknowledged the wider joint health and local authority spend contributing to the Better Care Fund and took an action to provide more detailed information in due course.

- Members raised concerns about the 39.3% increase in fostering placement costs, questioning whether there were short-to-medium-term actions to mitigate such risks. The Chief Executive acknowledged the national pressure on fostering costs and highlighted local efforts, such as capital investments in residential homes. The need for national attention to the issue was emphasised.
- Members further inquired about the potential shift in pressure from Special Education Needs and Disabilities (SEND) schools to mainstream schools due to the SEND school programme. The Chief Executive addressed the increase in education, health and care plans (EHCPs), emphasising Lincolnshire's investments in special schools. The risk of parents seeking legal protection, leading to an increase in EHCPs and the need for potential national reforms was also acknowledged.
- Clarification was sought on the £2.8 million underspend in highways related to Traffic Regulation Orders (TROS) and street lighting energy. Officers explained that the TRO income was generated from fines to utility companies for road works on the highway network that were unplanned or lacked authorisation and permitting and emphasised that this income as well as the energy cost savings contributed to the underspend.
- Lastly, Members inquired about a potential overspend in homeschool transport asking for an estimate of this. Officers confirmed they were still working through the figures but acknowledged this was a significant concern on their radar.
- Regarding revenue-funded capital investment, Officers further clarified that the approved £11.9 million was in addition to the existing project budgets, not inclusive of them.

RESOLVED:

1. That the recommendations to the Executive, as set out at appendix A to the report, be supported.
2. That a summary of the comments made be passed on to the Executive as part of its consideration of the report.

100 CAPITAL BUDGET MONITORING REPORT 2023/24 (QUARTER 3)

Consideration was given to a report by Michelle Grady, Assistant Director – Finance, which invited the Board to consider the Revenue Budget Monitoring information for Quarter 3 of 2023/24, as set out at pages 105-124 of the report. The Board were invited to consider and comment on the report prior to consideration by the Executive on 3 April 2024.

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During the debate, Members raised concerns about the Council's ability to absorb external shocks beyond its control, such as changes in national interest rates or global events affecting commodities like oil or grain. In response, Officers highlighted the dual aspects of the issue, addressing the cost of borrowing and the cost of supply. Officers assured the Board that contingency measures were in place to handle unforeseen events, including potential material cost fluctuations or delays in provision, providing a level of confidence in the Council's ability to respond to and absorb such shocks.

The Board unanimously supported the recommendations to the Executive, as set out in appendix A.

RESOLVED

1. That the recommendations to the Executive, as set out at appendix A to the report, be supported.
2. That a summary of the comments made be passed on to the Executive as part of its consideration of the report.

101 TREASURY MANAGEMENT PERFORMANCE - QUARTER 3 TO 31 DECEMBER 2023

Consideration was given to a report by Karen Tonge, Treasury Manager, which invited the Board to consider the Treasury Management Performance for Quarter 3 of 2023/24, as set out on pages 125-150 of the agenda pack.

During the discussion the following points were recorded:

- It was common to restrict investments for liquidity towards the end of the financial year as spending levels increased, however this was particularly evident in the current financial year as the debt liability benchmarking was also being managed which also meant a reduction in cash balances.
- In terms of supporting capital expenditure using internal resources, Officers had been cautious with longer term lending until there was evidence that cash balances had been met as predicted. This meant that there was currently some restriction on the length of lending.
- In relation to debt maturity for the Council, it was clarified the decision to borrow was determined by the Council's capital programme and borrowing requirement and the debt liability benchmark.
- In relation to the debt liability benchmark, this was a new prudential indicator which had been introduced within the 2021 CIPFA Treasury Management code that the Council were obliged to adhere to. This was revised year on year to allow for movement in the capital programme and had been introduced to stop unnecessary borrowing. The Council would aim to adhere to this, however if they did not agree with the level set and wished to borrow outside of the indicator, the Council would report on why they had taken a different route to that recommended.

- Members were reassured that setting medium- and longer-term financial plans, as well as holding contingency budgets, meant that in year adjustments could be made where necessary which also prevented unnecessary borrowing.

RESOLVED

1. That the report be received;
2. That satisfaction of the activity and performance reported with assurances provided relevant to future forecasting be noted.

102 TREASURY MANAGEMENT STRATEGY STATEMENT AND ANNUAL INVESTMENT STRATEGY FOR TREASURY INVESTMENTS 2024/25

Consideration was given to a report by the Treasury Manager, which invited the Board to consider the Treasury Management Strategy Statement and Annual Investment Strategy for Treasury Investments 2024/25, as set out on pages 151-198 of the agenda pack. The Board were invited to consider and comment on the report, prior to consideration by the Leader of the Council (Executive Councillor – Resources, Communications and Commissioning) between 11 and 15 March 2024.

The Board welcomed Robert Baxter (Link Asset Services) to the meeting. The Board was advised that Link Asset Services were forecasting a drop in interest rates to 4.75% by September 2024, 4.25% by December 2024 and around 3% by September 2025. The forecast would be adjusted based on actual inflation rates.

In terms of the Council's Treasury Management Strategy Statement, the Council's internal borrowing position had increased to around 30%, which was in line with the position of other Link Asset Service's clients and was sustainable in terms of the Council's cash position.

In terms of borrowing, the Council was due to borrow £22.5m in 2024/25, which would depend on factors such as capital expenditure and investment balances, which were likely to drop over the year, meaning the portfolio duration would reduce. This was in line with Link Asset Service's interest rates forecasts.

Link Asset Services were of the view that the proposed Treasury Management Statement and Strategy would serve the Council well and was fit for purpose.

The Board were satisfied with the proposed strategy and supported the recommendations to the Leader of the Council, as set out at Appendix A to the report.

RESOLVED:

1. That the recommendations to the Leader of the Council, as set out at appendix A to the report, be supported.

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2. That a summary of the comments made be passed on to the Leader of the Council as part of his consideration of the report.

103 UPDATE REPORT - LINCOLNSHIRE PUBLIC LAW

Consideration was given to a report by Will Bell, Chief Legal Officer, which provided an update on the creation of the legal services company, Lincolnshire Public Law (LPL), as set out at pages 199-201.

During the discussion the following points were recorded:

- The Board welcomed the update and congratulated all officers involved for their work in establishing the company.
- The Board extended thanks to David Coleman, Chief Legal Officer and wished him well in his retirement.
- Assurance was provided that existing work carried out by Legal Services Lincolnshire would continue to be prioritised. Whilst there was an appetite for growth within Lincolnshire Public Law, the work of Legal Services Lincolnshire remained a priority and a high standard of work would continue to be delivered for the County Council and its clients. Requests for work through Lincolnshire Public Law would be assessed on a case-by-case basis and managed in line with capacity.

RESOLVED:

1. That the report be received;
2. That satisfaction be recorded with the progress made in relation to the setting up of Lincolnshire Public Law.

104 SCRUTINY COMMITTEE WORK PROGRAMMES

Consideration was given to a report by the Chairman of the Children and Young People Scrutiny Committee, which set out the activity undertaken and planned work programme of the Children and Young People Scrutiny Committee, as set out on pages 206-208 of the agenda pack.

It was reported that the pre-decision scrutiny items on Gosberton House Academy, Minerva House Project and Primary School Mobile Replacement Team had been deferred from 19 April 2024 to 14 June 2024 due to a delay on final costings for each project.

Consideration was then given to a report by the Public Protection and Communities Scrutiny Committee which set out the activity undertaken and planned work programme of Public Protection and Communities Scrutiny Committee, as set out on pages 211 to 214 of the agenda pack.

The Board were satisfied with the activity undertaken and planned work programme of both Committees.

RESOLVED:

1. That thanks be recorded for the detailed reports;
2. That satisfaction of the work undertaken by the Children and Young People Scrutiny Committee and Public Protection and Communities Scrutiny Committee be recorded;
3. That the work programmes of the Children and Young People Scrutiny Committee and the Public Protection and Communities Scrutiny Committee be endorsed.

105 OVERVIEW AND SCRUTINY MANAGEMENT BOARD WORK PROGRAMME

RESOLVED:

That the report be noted.

The meeting closed at 11.49 am

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