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County Offices  
Newland  
Lincoln  
LN1 1YL

13 February 2014

## Council Meeting

A meeting of the Council will be held on **Friday, 21 February 2014 in the Council Chamber, County Offices, Newland, Lincoln LN1 1YL, commencing at 10.00 am** for the transaction of the business set out on the attached Agenda. The attendance of all Councillors is requested.

Yours sincerely

A handwritten signature in black ink, appearing to be 'Tony McArdle', written over a horizontal line.

Tony McArdle  
Chief Executive

## Membership of the Council (77 Members of the Council)

Councillors R Wootten (Chairman), W J Aron (Vice-Chairman), B Adams, M G Allan, A M Austin, Mrs V C Ayling, J W Beaver, Mrs P A Bradwell, D Brailsford, C J T H Brewis, A Bridges, Mrs J Brockway, M Brookes, J P Churchill, K J Clarke, C J Davie, R G Davies, P M Dilks, S R Dodds, G J Ellis, R G Fairman, I G Fleetwood, A G Hagues, J R Hicks, M J Hill OBE (Leader of the Council), J D Hough, D C Hoyes MBE, D M Hunter-Clarke, R J Hunter-Clarke, N I Jackson, A J Jesson, M S Jones, B W Keimach, Ms T Keywood-Wainwright, S F Kinch, R C Kirk, C E D Mair, C E H Marfleet, J R Marriott, R A H McAuley, D McNally, D C Morgan, N M Murray, Mrs A M Newton, P J O'Connor, Mrs M J Overton MBE, C R Oxby, C Pain, S L W Palmer, R B Parker, N H Pepper, R J Phillips, Mrs H N J Powell, Miss E L Ransome, Miss F E E Ransome, Mrs S Ransome, Mrs S Rawlins, Mrs J M Renshaw, R A Renshaw, Mrs A E Reynolds, P A Robinson, Mrs L A Rollings, R A Shore, Mrs N J Smith, Mrs E J Sneath, C L Strange, Mrs C A Talbot, T M Trollope-Bellew, A H Turner MBE JP, S M Tweedale, W S Webb, P Wood, Mrs S Woolley, L Wootten, C N Worth, Mrs S M Wray and B Young



**COUNCIL AGENDA  
FRIDAY, 21 FEBRUARY 2014**

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**Please note:** for more information about any of the following please contact the Democratic Services Officer responsible for servicing this meeting

- Business of the meeting
- Any special arrangements
- Copies of reports

Contact details set out above.

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[www.lincolnshire.gov.uk/committeerecords](http://www.lincolnshire.gov.uk/committeerecords)



**COUNCIL  
13 DECEMBER 2013**

**PRESENT: COUNCILLOR RAY WOOTTEN (CHAIRMAN)**

Councillors W J Aron (Vice-Chairman), M G Allan, A M Austin, J W Beaver, Mrs P A Bradwell, D Brailsford, C J T H Brewis, T Bridges, Mrs J Brockway, M Brookes, J P Churchill, K J Clarke, C J Davie, R G Davies, P M Dilks, S R Dodds, G J Ellis, R G Fairman, I G Fleetwood, A G Hagues, J R Hicks, M J Hill OBE, J D Hough, D C Hoyes MBE, D M Hunter-Clarke, R J Hunter-Clarke, N I Jackson, A J Jesson, M S Jones, B W Keimach, Ms T Keywood-Wainwright, S F Kinch, R C Kirk, C E D Mair, C E H Marfleet, J R Marriott, R A H McAuley, D McNally, D C Morgan, Mrs A M Newton, P J O'Connor, Mrs M J Overton, C R Oxby, C Pain, S L W Palmer, R B Parker, N H Pepper, R J Phillips, Mrs H N J Powell, Miss E L Ransome, Miss F E E Ransome, Mrs S Ransome, Mrs S Rawlins, Mrs J M Renshaw, R A Renshaw, Mrs A E Reynolds, P A Robinson, R A Shore, Mrs N J Smith, Mrs E J Sneath, C L Strange, T M Trollope-Bellew, A H Turner MBE JP, S M Tweedale, W S Webb, P Wood, Mrs S Woolley, L Wootten, C N Worth, Mrs S M Wray and B Young

**52 APOLOGIES FOR ABSENCE**

Apologies for absence were received from Councillors B Adams, Mrs V C Ayling, N M Murray and Mrs C A Talbot.

**53 DECLARATIONS OF COUNCILLORS' INTERESTS**

There were no declarations at this point in the meeting.

**54 MINUTES OF THE MEETING OF THE COUNCIL HELD ON 13 SEPTEMBER 2013**

RESOLVED

That the minutes of the meeting of the Council held on 13 September 2013 be approved and signed by the Chairman as a correct record.

**55 MINUTES OF THE EXTRAORDINARY MEETING OF THE COUNTY COUNCIL HELD ON 22 NOVEMBER 2013**

RESOLVED

That the minutes of the Extraordinary meeting of the Council held on 22 November 2013 be approved and signed by the Chairman as a correct record.

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56     SUBMISSION OF PETITIONS

(a) Objection to the removal of co-ordinators at Miller's Road, Waddington

In accordance with the Council's Petition Scheme Mrs Carol Phillips spoke for not more than three minutes in explanation of the contents of the petition objection to the removal of co-ordinators at Miller's Road, Waddington.

The Executive Director Performance and Governance had determined that the petition would be referred to North Kesteven District Council.

(b) Request for action to taken regarding road safety on the A631

In accordance with the Council's Petition Scheme Mr Geoff Keeley spoke for not more than three minutes in explanation of the contents of the petition requesting action to be taken regarding road safety on the A631.

The Executive Director Performance and Governance had determined that the petition would be referred to the Executive Councillor for Highways, Transport and IT.

(c) Objection to the application by Network Rail to close the Ballast Hole pedestrian rail crossing

In accordance with the Council's Petition Scheme Dr Keith Linley spoke for not more than three minutes in explanation of the contents of the petition objecting to the application by Network Rail to close the Ballast Hole pedestrian rail crossing.

The Executive Director Performance and Governance had determined that the petition would be referred to the Executive Councillor for Highways, Transport and IT.

(d) Petition supporting a 20mph default speed limit in Abbey Ward, Lincoln on all residential roads

In accordance with the Council's Petition Scheme Mrs Ann East spoke for not more than three minutes in explanation of the contents of the petition supporting a 20mph default speed limit in Abbey Ward, Lincoln on all residential roads.

The Executive Director Performance and Governance had determined that the petition would be referred to the Executive Councillor for Highways, Transport and IT.

57     CHAIRMAN'S ANNOUNCEMENTS

The Chairman reported that his civic engagements since the last Council meeting had been varied and had given him the opportunity to continue visiting places within Lincolnshire and meeting interesting people. He thanked his wife Linda for supporting him on these engagements and also Councillor Bill Aron and Amanda Job, Vice-Chairman and Lady, for representing them at civic functions when, due to other commitments, they had been unable to attend.

He reported that his duties had included visiting the Lincolnshire Farm Kitchen, attending the Lincolnshire Police Annual Recognition Awards Ceremony, the Royal British Legion Festival of Remembrance and the Remembrance Day Service at Lincoln Cathedral, the Lincolnshire Road Safety Partnership Community Remembrance Service and Lincoln College Awards Ceremony, where we had the opportunity to meet staff and students. The Chairman was also delighted to welcome HRH The Princess Royal to the County when she visited Grantham, West Pinchbeck and Boston.

The Chairman advised that that evening he would be attending a Lincolnshire Police Christmas Carol Service and the Lincoln Sea and Marine Cadets Awards Evening.

Members were reminded that the Local Government Boundary Commission originally gave notice that they would be carrying out an electoral review for Lincolnshire in 2014. The timetable for that review would have required a decision at this meeting about a submission to the Commission on the future size of the County Council (number of Councillors). The Commission has now informed us that they are delaying their review of the County Council by a year. The proposal on size required next year will be developed by a cross party working group before reporting back to Council.

The Chairman was delighted to announce that as part of the County Council's wellbeing strategy, 385 Council employees took part in the Global Corporate Challenge, where they walked around a virtual world measuring every step using an Accelerometer, which was the latest in pedometer technology. They competed against employees from all over the world. The challenge lasted for 16 weeks, which research has shown to be a behaviour changing period. Lincolnshire County Council successfully completed this challenge and came second in the world in the Government category. This was out of 100 councils!

On a sadder note, since the last ordinary meeting of Council there have been the deaths of County Councillor Chris Underwood-Frost, who represented the Scotter Rural Division from May 2001, and former Chairman of the County Council, Jack Libell, who represented the Louth Marsh Division from 1976 to 2005. The Chairman invited those councillors who wished to do, to pay tribute to both gentlemen.

The Chairman advised that a complete itinerary of civic engagements since the last meeting of this Council are on deposit in the Members' Foyer.

58     STATEMENTS/ANNOUNCEMENTS BY THE LEADER AND MEMBERS OF  
THE EXECUTIVE

Statements by the Leader and Members of the Executive had been circulated with the agenda.

Councillor C J Davie, Executive Director for Economic Development, Environment, Planning and Tourism was pleased to announce that an additional investment to the

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On Lincolnshire programme had been agreed which aimed to bring super-fast broadband to Lincolnshire. The £510,000 investment from the County Council had levered in £684,000 from BT and £1.6m from the ERDF, which made a total of £2.794m. This would improve broadband for an additional 5799 premises within the county.

The programme was going very well and extra fibre optic spines were being laid across the county. It was hoped that a further 14,000 premises would be upgraded and live by the end of January 2014. The government had also started to engage with the authority in relation to funding for the 10% hardest to reach.

Councillor C N Worth, Executive Councillor for Libraries, Heritage, Culture, Registration and Coroners Service was pleased to announce that following a rigorous assessment which included on-site inspections, the Collection, Museum of Lincolnshire Life, Discover Stamford and Gainsborough Old Hall had all received full museum accreditation. This meant that they had national standards to perform to and was a demonstration of good practice. However, it was also a pre-condition for future lottery funding applications. The Executive Councillor paid tribute to Mark McCree, the Collections Access Management, and his team for all the work which had been put into achieving this.

59 QUESTIONS TO THE CHAIRMAN, THE LEADER, EXECUTIVE COUNCILLORS, CHAIRMAN OF COMMITTEES AND SUB-COMMITTEES

Questions pursuant to Council Procedure Rule 10.3 were asked and answered as follows:

<u>Question by</u>	<u>Answer by</u>	<u>Subject</u>
a) A M Austin	Mrs P A Bradwell	Transfer of staff to new provider at Fenside Centre, Boston
b) Mrs J Renshaw	C N Worth	Attendance at Ermine Library Christmas Fair
c) D McNally	C J Davie	Support of the Boston Barrier by Lincolnshire County Council
d) D Brailsford	M J Hill OBE	Implications of the Autumn Statement on the people of Lincolnshire
e) S L W Palmer	M J Hill OBE	Savings made by the changes to the library service



f) P Dilks	C N Worth	Provision of static libraries
g) R G Fairman	C J Davie	Building of houses on grade one farmland
h) I G Fleetwood	C J Davie	Status of the plan and process for the Central Lincolnshire Joint Plan
i) Mrs A E Reynolds	C N Worth	Voluntary groups applying for grants for community hubs
j) J D Hough	M J Hill OBE	Submissions of expressions of interest by staff in libraries
k) C L Strange	R G Davies	Support Edward Leigh MP in campaign for better rail services within the county
l) B McAuley	M J Hill OBE	Provision of sandbags
m) N I Jackson	C N Worth	Possibility of relocating Bracebridge library to the community centre
n) R J Hunter-Clarke	M J Hill OBE	Costs of the library consultation
o) G Ellis	B Young	Changes to staff working conditions
p) M J Brookes	M J Hill OBE	Update on recovery efforts in Boston following the recent flooding
q) Mrs M J Overton	M J Hill OBE	Number of seats on Joint Lincolnshire Panel
r) K J Clarke	R G Davies	Reputation of partners working with the County Council

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s) W S Webb	C J Davie	Update on the effects of the flooding at Gibraltar Point and Donna Nook
t) C Pain	C J Davie	Assurance that important of flood defences was recognised
u) R Kirk	M J Hill OBE	Membership of the Health and Wellbeing Board
v) Miss F E E Ransome	C N Worth	Budgets for community hubs
x) R Renshaw	R G Davies	Road safety for residents during the Christmas Market
y) C J T H Brewis	C N Worth	Update on the expressions of interest received for running community hubs
z) S R Dodds	Mrs P A Bradwell	Quality of care that was being commissioned
aa) R B Parker	C N Worth	Approaches to library services by other authorities
bb) C Morgan	C N Worth	Library consultation

60 APPOINTMENT OF THE VICE-CHAIRMAN OF COMMUNITY AND PUBLIC SAFETY SCRUTINY COMMITTEE

A report by the Executive Director Performance and Governance had been circulated.

It was moved, and seconded and

RESOLVED

That the Council appoints Councillor Mrs Linda Wootten as the Vice-Chairman of the Community and Public Safety Scrutiny Committee for the remainder of the Municipal Year.

61     LINCOLNSHIRE SUSTAINABLE SERVICES REVIEW

A report by the Executive Director Public Health had been circulated.

The Chairman invited the Executive Director Public Health to make a presentation to Councillors on the Lincolnshire Sustainable Services Review.

Councillors were given an opportunity to comment and ask questions following the presentation.

62     MINUTES OF THE COUNCIL'S COMMITTEES:

(a)     Audit Committee - 23 September 2013

That the minutes of the Audit Committee held on 23 September 2013 be received.

(b)     Audit Committee - 11 November 2013

That the minutes of the Audit Committee held on 11 November 2013 be received.

(c)     Planning and Regulation - 2 September 2013

That the minutes of the Planning and Regulation Committee held on 2 September 2013 be received.

(d)     Planning and Regulation - 7 October 2013

That the minutes of the Planning and Regulation Committee held on 7 October 2013 be received.

(e)     Planning and Regulation - 4 November 2013

That the minutes of the Planning and Regulation Committee held on 4 November 2013 be received.

(f)     Pensions Committee - 10 October 2013

That the minutes of the Pensions Committee held on 10 October 2013 be received.

(g)     Pensions Committee - 29 November 2013

That the minutes of the Pensions Committee held on 29 November 2013 be received.

63     MOTIONS FOR DEBATE (IF ANY)

Motion by Councillor R J Hunter-Clarke

It was moved and seconded that:-

"To change the council's form of governance in accordance with Section 9 K and 9 KC of the Local Government Act 2000 to a committee form of governance as provided in Section 9B (1) (B) of that act.

This would be achieved by creating a cross party working group to determine how the system would work for Lincolnshire County Council.

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We believe that this would address the democratic deficit that exists at county hall. The power of the council is currently held with the nine Executive Councillors and this must be addressed. In adopting a committee form of governance it would allow all councillors to more effectively be part of the decision making process.

The findings of the working group to be brought back for Full Council to vote on with the intention of adopting the new system of governance at the Annual Meeting in May 2014.

**1. Background**

**1.1.** The Localism Act was introduced on 15 November 2011. The aim of the Act is to improve freedoms and flexibility for local government and to allow power to be exercised at the lowest practical level, close to the people who are affected by decisions. The Act contains provisions that allow local authorities to change from operating executive arrangements to a committee system.

**1.2.** The Localism Act (the Act) now specifies that, in order to change from a cabinet system to a committee system, local authorities must:-

- Pass a resolution to change their governance arrangements;
- As soon as practicable after passing the resolution, make the provisions of the new arrangements available for inspection;
- Publish in one or more newspapers circulating in the area a notice which describes the features of the new system and timescales for implementation.

If a resolution is passed and publicity requirements above complied with Lincolnshire County Council will be required to cease operating their old form of governance arrangements and start operating their new arrangements. This must take place "at the relevant change time" which, in the case of a move from a cabinet system to a committee system, is defined as:-

- a) The first annual meeting of the local authority to be held after the resolution to make the change in governance arrangements is passed, or
- b) A later annual meeting of the local authority specified in that resolution."

An amendment was put forward to replace the original motion with the following wording:

"The Council recognises that the current form of governance of a Leader and Executive may be seen as leaving a democratic deficit, whilst recognising the requirements of the Local Government Act 2000 this Council accepts that more decisions can be made by Full Council so as to give all Councillors an opportunity to make a contribution on behalf of their constituents and accordingly ask the current all-party Working Group on the constitution to bring back proposals to achieve that aim"

The amendment was put to the mover of the motion, and was accepted.

A recorded vote was successfully requested, and upon being put to the vote, the amended motion was lost.

Motion by Councillor J D Hough

It was moved and seconded that:

"In the years leading up to 2010 this Council, led by the Conservatives, carried out a vigorous public campaign called 'The Missing Millions' to put pressure on the Labour Government to give Lincolnshire even more money that it was being given at that time.

Since the Conservatives and Liberal Democrats took control nationally in 2010, this Council has turned on its head and said that Lincolnshire must take its share of cuts in order to demonstrate how it can suffer along with the rest of the country.

Unfortunately, what has become clear is that Lincolnshire, already one of the poorest counties in the country with low wage levels, is slipping even further behind with the growing concentration of wealth in the South East. The 2012 figures for the annual survey of hours and earnings show average wages for each full time worker in Lincolnshire as being £23,101 compared to the East Midlands figure of £24,337 and the England & Wales figure of £26,307

The coalition government recently announced the award of funding under the Growing Places Fund. This money is meant to 'generate economic activity in the short term by addressing immediate infrastructure and site constraints and promote the delivery of jobs and housing'. Lincolnshire Local Enterprise Partnership (LEPs) was awarded £9,801,076 out of a pot of £730 million. 25 out of 39 LEPs received higher funding than the Lincolnshire LEP and it needs to be borne in mind that the Lincolnshire LEP included North Lincolnshire and North East Lincolnshire. By contrast the award to the Pan London LEP was over £110 million whilst the South East LEP was given just under £50 million. These were the two highest awards of money from a fund which is designed to 'generate economic activity in the short term' and to 'promote the delivery of jobs and housing'.

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Lincolnshire is highly rural and has a lengthy coastline. It needs more support to provide additional investment for the growth opportunities locally, such as in engineering, food production and the university as recently highlighted by East Midlands Councils in its report "East Midlands – An Excellent Investment Opportunity".

This Council therefore resolves to launch a campaign to get the Government to fully recognise the needs of Lincolnshire and ensure that the county grows faster in the future rather than falling further behind the rest of the country."

An amendment to the last paragraph, as follows, was proposed and seconded:-

"The Council therefore resolves to launch a campaign, based on agreement between all group leaders on Lincolnshire County Council to get all national political parties to fully recognise the contribution that Lincolnshire makes to UK Plc and the needs that Lincolnshire has so the county can enjoy accelerated growth in the future."

This amendment was accepted by the mover of the motion. Upon being put to the vote, the motion was carried.

The meeting closed at 4.20 pm

# Agenda Item 6

## COUNTY COUNCIL MEETING – 21 FEBRUARY 2014

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

### Finance Matters

#### **Revenue Budget & Capital Programme 2014/15**

This topic is covered in great detail both within the full budget report before the Council today and in my budget speech. I have provided an update below on three topics related to next year's budget which I believe justify separate comment. These are business rate pooling with the Lincolnshire District Councils, Council tax freeze grant and funding for rural councils.

#### **Business Rate Pooling 2014/15**

The new financial regime for local authorities that came into place from April 2013 allows for the concept of authorities to pool business rates in their area as a means of collectively avoiding paying a levy to Government on excess rates collected. It is a complicated regime but for the current year the County Council entered into such an agreement with North Kesteven and South Holland District Councils. The arrangement is likely to bring around £550k extra income this year to the County Council. An agreement has been entered into for 2014/15 with five of the seven Lincolnshire District Councils for next year which should generate around £950k extra business rate income for the County Council. The agreement is initially for one year only. In the case of two Districts, West Lindsey and South Holland, there exists some uncertainty about the levels of business rate income next which means it is not prudent for these two authorities to participate in the pool next year. The issue will be reviewed annually as part of the budget setting process.

#### **Council Tax Freeze Grant**

The budget proposals before the Council today will, if adopted, freeze our Council Tax for a fourth consecutive year and will entitle the Council to further freeze grant from Government. Historically the Council has, or will receive, the following amounts of freeze grant:

2011/12	£6.293m	(based on 2.5% of the council tax base)
2012/13	£6.332m	(based on 2.5% of the council tax base)
2013/14	£2.533m	(based on 1% of the council tax base)
2014/15	£2.567m	(based on 1% of the council tax base)

The grant for 2012/13 was a one-off allocation whereas it has been confirmed that grants for the other three years will now all be part of the base funding provided by Government to the Council going forward. In effect the grants will be subsumed into Revenue Support Grant for future years. However, it needs to be noted that Revenue

Support Grant is itself likely to reduce each year by between 10% and 20% going forward towards the end of this decade.

### **Funding for Rural Councils**

A year ago, following representations from individual councils, rural council MP's and pressure groups such as the Rural Services Network, the Government provided a modest amount of additional funding for councils delivering services in predominately rural areas. Lincolnshire County Council received £0.755m which was stated as being a one year only allocation. However, in the settlement for next year this funding stream has been maintained and the allocation for this Council increased to £0.813m albeit the funding has been top-sliced from the total funding for local government. Whilst this is good news the grant represents only a small portion of the additional cost of delivering services in rural areas. In addition it is to be added into Revenue Support Grant for future years which, as already mentioned, faces significant year on year reductions over the medium term. This Council will continue to make representations for a fairer funding settlement for rural authorities.

### **Future Delivery of Support Services Programme – Replacement of SAP**

This programme essentially retenders, or otherwise re-provides, all the services presently delivered under the Mouchel contract which terminates in March 2015. For finance, ICT and HR services the Executive will consider awarding preferred bidder status to one of the two remaining tenderers when they meet on 4<sup>th</sup> March 2014. However, we already know that whichever bidder is successful the Council will be replacing its SAP corporate finance and HR system with Agresso from 1<sup>st</sup> April 2015. A considerable amount of work needs to be undertaken to ensure a smooth transfer and I can report that has now commenced in terms of looking at the amount and nature of data that needs to be transferred to the new system and in visiting other users of the system to gain knowledge from their experiences in implementing and running the system.

### **Corporate Property Rationalisation Programme**

The Corporate Property Rationalisation Programme has achieved £1million revenue savings from the office accommodation portfolio in advance of the April 2014 target date. Potential further savings targets are currently being investigated.

The recent closure of the Ida Road office in Skegness is anticipated to generate a capital receipt of around £350,000. The building would have required £750,000 in repairs and maintenance expenditure over the next 10 years.

Further opportunities are currently being analysed in Sleaford, Gainsborough, and East Lindsey to enable further savings and partnership working, building on the success of joint customer access hubs in Boston and Bourne.

### **Procurement Lincolnshire**

The annual 'Meet the Buyer' event will take place on Tuesday 25<sup>th</sup> March 2014 at The Showroom, Tritton Road, Lincoln. This is a great opportunity for Lincolnshire



businesses to meet with buyers from the public and private sector and to find out about upcoming projects and contract opportunities.

Procurement Lincolnshire has recently celebrated the success of seventeen of its officers who have completed their studies to become fully qualified members of the Chartered Institute of Purchasing and Supply (MCIPS). MCIPS is recognised worldwide as the global standard for top quality procurement professionals and I extend my congratulations to these officers.

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## **COUNTY COUNCIL MEETING – 21 FEBRUARY 2014**

**Statement from: Councillor Mrs P A Bradwell, Deputy Leader and Executive Councillor for Adult Care and Health Services, Children's Services**

### **CHILDREN'S SERVICES**

#### **Duke of Edinburgh Awards**

I would like to congratulate the forty young people who travelled to St James Palace in London to receive their DofE Gold Award from the Earl of Wessex in February.

In January I spent a Saturday afternoon with twelve young people in care to celebrate their achievement in receiving their Bronze and Silver DofE Award. The young people gave an inspirational presentation highlighting the work they had done to achieve their Award.

#### **Schools**

##### Primary Schools

Two Lincolnshire schools received letters from David Laws MP congratulating them on their excellent performance in the 2013 Primary school performance tables. Dunholme St Chad's Primary were congratulated on being one of 159 schools nationally where 100% of pupils achieved Level 4+ in reading, writing and maths. Lincoln Monks Abbey Primary were congratulated on being in the top 250 schools in terms of progress between Key Stages 1 and 2, and were commended for the performance of all pupils, particularly their disadvantaged pupils.

##### Secondary Schools

The Key Stage 4 results were published on 24th January. Lincolnshire is again above the national average (by 2.6%) for the percentage of pupils achieving 5+A\*-C GCSEs including maths and English (Lincolnshire 61.8% and National 59.2%). Lincolnshire is also 4.2% above national for the percentage of pupils achieving A\*-C in all English Baccalaureate subjects (Lincolnshire 27.2% and National 23%).

The percentage of pupils making expected progress between Key Stage 2 and Key Stage 4 is well above the national average in maths (73.6% compared to 71.9%), and while below the national average in English (70.4% compared to 71.6%), we remain above the average of our statistical neighbours.

##### Ofsted Outcomes

The focus continues to be on satisfactory and requiring improvement schools but also on good schools that are considered vulnerable. This term, there have been six inspections, all of primary schools. Two of these inspections were of Good schools, both of which remained Good. The other four inspections were of Grade 3 schools and two improved to Good, one remained Requires Improvement and one was put in to Special Measures. The proportion of Good or Better primary schools remains at 81%.

## **Outcomes for young people leaving school**

### Participation

Performance on September Guarantee has improved from last year with 97.87% of 16 year olds (compared to 95.1%) and 90.56% of 17 year olds (compared to 85.3%) receiving an offer of a place in post 16 education.

Preliminary data shows that only 1.6% of leavers from statutory education did not enter education, employment or training compared to 2.01% last year.

Lincolnshire continues to buck the national trend in terms of Apprentice starts for 16 – 18 year olds with growth of 5.1% compared to a drop of 4.9% regionally and 11.6% nationally.

## **Provision for learners with learning difficulties and/or disabilities**

### Supported Internships Pilot

A partnership between the Welfare to Work team and local colleges in Lincolnshire has been piloting supported internships for young people with learning difficulties and/or disabilities. Of the 12 young people who started on the programme in September 2013, two young people have already been offered apprenticeships with Lincoln City Council and these started at the beginning of January. A further 2 have been offered paid jobs. The remainder are progressing well and outcomes look promising with negotiations for employment having commenced for a further 5 young people.

### Demographic growth capital funds

Working with and on behalf of providers we have secured over £2million of capital funding from the Education Funding Agency to develop provision for young people with learning difficulties and/or disabilities. The funding supports the implementation of the Lincolnshire Post 16 Strategy for Learners with Learning Difficulties and/or Disabilities and will fund some innovative projects and facilities for partnerships between colleges and special schools.

## **Families Working Together**

Members of the Troubled Families Unit in Department for Communities and Local Government recently visited Families Working Together in Lincoln to check on the county's progress regarding the delivery of the Troubled Families Programme and discuss preparations for Phase 2, due to commence in 2015.

The Whitehall officials were impressed by the nature of the set-up in Lincolnshire and the delivery against the national government targets – which help reduce anti-social behaviour, youth offending, absence from school and worklessness. Through the Families Working Together partnership, Lincolnshire has now identified over 1200 (90%) of the families it needs to work with and is working with over 1000 of them. Families Working Together were able to tell the Troubled Families Unit representatives that Lincolnshire will have 'turned around' one-third of its' families with complex needs – nearly 500 households - by the end of February. Turning a

family around means reducing the number of interventions and saving money for the public purse.

The visit also provided an opportunity to talk about Phase 2 of the project. More money will be available for Lincolnshire in 2015/16 to address the needs of more families with complex needs. The focus will be on earlier intervention with families allowing local areas greater flexibility to target those families in need of early help to avert undesirable consequences in the future. This will prevent costs building up in the system and put Lincolnshire families on the right track for a healthy, successful future.

### **DFE Recruitment project**

At the end of September 2013, Lincolnshire was selected as one of 15 Local Authorities to participate in a time limited project to enhance foster carer resources. The project is jointly co-ordinated by DfE / iMPower and Fostering Network who effectively act as consultants who ensure that good practice is disseminated amongst participants. The motivation to become involved were 3 fold

- 1) Meeting the challenge of an increase in Looked After Children numbers
- 2) Improving the number of carers via recruitment and retention
- 3) Reviewing the effectiveness of in-house systems

At present we have met with 14 sets of foster carers interested in acting as local contacts for recruitment activity and in the coming months will extend the local recruitment model to 4 quarters of the County. Although the project ends at the end of March, it has put in a place a fresh approach to recruitment and engagement with foster carers that will underpin the service into the future

## **ADULT CARE**

### **Adult Care Performance**

Adult Care continue to maintain good performance across a number of areas.

The number of people entering our reablement service and being successfully re-abled to live independently is almost 50% compared to 39% for the same period last year. Furthermore, over 60% of those needing ongoing support do so at a reduced level of service as a result of reablement. With improving performance and closer working across the County with health colleagues there is every possibility that this will develop further and achieve a national top 25% performance status.

We continue to make progress with personalisation, with everyone (100%) eligible for a personal budget now receiving one. Direct Payments continue to grow with over 4600 people now accessing their support through a direct payment.

Admissions to long term care for adults with a learning disability, mental health or a physical disability remain relatively low and stable. This is good because younger adults typically want to be able to lead independent or close-to-independent lives. However, pressure continues with respect to the number of very elderly people admitted into residential or nursing care. We are currently predicting approx.1200

people will be admitted to long term care this financial year. This reflects an increasing intensity of need associated with serving an increasingly older population in which Lincolnshire has the largest growth in the East Midlands region.

Operational efficiency continues to be very good with over 85% of assessments completed within 28 days, compared to 81% for the same period last year. Review performance is at the highest level ever at this time of year. Performance at the end of September was 66% compared to 56% for the same period last year. Reviews are important because it helps to ensure quality of service and that vulnerable people are getting what they need.

People are receiving services more efficiently with 93% of home support packages brokered within 7 days of referral and 79% within 48 hours where the service is to support a hospital discharge. Our ambition will be to work with providers to ensure even better performance to ensure our top 25% performance nationally on discharge delays is maintained.

### **Care Quality Commission (CQC) Inspections**

363 providers representing nursing and residential homes and, home care services in Lincolnshire have been inspected by the Care Quality Commission. Of these 86% were judged to be compliant with the 16 'Essential Standards of Quality and Safety'. Lincolnshire has the highest level of compliance in the East Midlands, where the average compliance level is 75%. This in part reflects the quality assurance work undertaken by Adult Care, our commitment to subsidised training for providers, the quality of our relationship with providers themselves and the on-going relationship with CQC to identify poor quality providers and support them to improve.

### **Macmillan End of Life Support Service**

In response to the growing number of carers who need support when caring for someone at the end of life, Macmillan funded an 'End of Life Carers Support' project which was launched in Lincolnshire in 2012 and hosted by Carers Connect. A review of the service, which was undertaken in November 2013, identified that 99.3% of the 305 carers referred to the service had been offered and had received support, with 80% of people receiving a completed assessment and 66% receiving a Carers Emergency Response Plan (CERS). As well as indicating success at preventing carer breakdown, the service also helps people to die in their location of choice and offers carers with much needed ongoing support during the end of life and palliative stages. The funding for this post was due to cease in March 2014. However, we are pleased to announce that funding for a further year has been secured and therefore the service will continue up until March 2015. During the next 12 months we will be seeking to include the delivery for this service within our new Carers Hub.

### **Carers**

I am pleased to announce that we have agreed a new grant agreement with the Lincolnshire Carers and Young Carers Partnership. This agreement will help to enable the voice of Carers and Young Carers to be heard. The Partnership also plays a significant part in shaping the strategic direction of services and opportunities for Carers across Lincolnshire. The Carers and Young Carers Partnership have a new staff team in place and are already making an impact in terms of carers getting

involved, and in supporting the current refresh of the Lincolnshire Carers Strategy. The Partnership will also be hosting its much anticipated annual conference in May this year.

### **Budget Update**

The Adult Care budget is currently reporting a predicted overspend at the end of this financial year of £0.5M. This is a significant reduction compared to the previous statement (£1.9m) and is due primarily to a reduction in Short Term Care and Respite within the Older People service, lower than anticipated growth within Learning Disabilities and increased use of the Better Care Fund (formerly known as the Integrated Transformation Fund). Notwithstanding, I expect Adult Care will achieve a balanced budget by the end of the financial year – the second year in succession that it has been achieved.

The service continues to deliver savings with £33.225m anticipated by the end of 2013/14 (after 3 years) from an initial target of £39m (over four years). Adult Care also continues to have one of the lowest management and non-front-line costs of similar authorities with the service delivering good value for money.

Adult Care has recently agreed its 2014/15 budget will be £143.64m. This includes a proposed increase in base allocation of £5.5M.

Funding for Adult Care is also being made available via the Better Care Fund. However the use of this funding is subject to formal agreement with Clinical Commissioning Groups through the Health and Wellbeing Board. Discussions are also ongoing with the four Lincolnshire Clinical Commissioning Groups concerning how the 2015/16 allocation of £48.4m is allocated across Adult Care and Health. The ability of Adult Care to manage within budget is increasingly dependent on the funding coming from the Better Care Fund. This is also intended to support integration with local health partners and help prepare for the advent of the Care Bill and funding reforms.

## **PUBLIC HEALTH**

### **Children's Health Programme**

Public Health staff are working closely with colleagues from Children's Services to embed a range of Public Health services in our children's centres. A new joint programme looking at helping families access services such as weight management in children's centres will be developed and rolled out in the new financial year. It is hoped that this will encourage young parents to make healthier lifestyle choices earlier for themselves and their children.

### **Weight Watchers Adult Weight Management Programme**

A Weight Watchers by Referral success event was held in November to recognise some of those Lincolnshire residents who have managed to lose weight on the 12 week programme. Two GP practices also received awards for the highest number of referrals and the best outcomes for their patients.

Since the programme started in Lincolnshire in April 2012, over 6,000 residents have been referred. Last year 60% of those completing the course lost at least 5% of their body weight and the service is seeing that level of success in even more people this year

### **Wellbeing Service**

The procurement process for the Wellbeing Service is now in the final stages and the new provider is expected to be announced by the end of February 2014. The service is designed to reduce demand for statutory services and provide much better, relevant information at the right time to individuals, their carers and families. Investing in helping people remain independent, such as practical help in the home, or equipment such as hand rails, can save the costs of long term care, as well as providing safer, more accessible homes. The service will promote the use of assistive technology as well as providing a much needed countywide rapid response service. Overall, the model will provide a sophisticated preventative service which will prevent accidents; lead to fewer patients in hospital; facilitate early discharge and avoid expensive re-admissions.

### **LIFELONG LEARNING**

The Apprentice Champions continue to bring young people and employers together to ensure a more effective transition from learning to work and have been successful in bringing additional funding into the County, through working with the Work Based Learning Alliance. They are currently organising the county's largest Skills and Careers event that will take place in Spalding on 4<sup>th</sup> and 5<sup>th</sup> March. The Lincolnshire Skills Show Experience, funded through the national Skills Show, will inspire young people and young adults through interactive skills activities and experiences, and bring together public and private sector, as well as parents and teachers.

Adult Learning continues to evolve and align itself even more closely with the Council's priorities, working in partnership with small providers throughout Lincolnshire to deliver over 12,000 learning opportunities each year. The courses which are run are highly varied, providing skills which support local economic growth.



## **COUNTY COUNCIL MEETING – 21 FEBRUARY 2014**

**Statement from: Councillor C J Davie, Executive Councillor for  
Economic Development, Environment, Planning, Tourism**

### **Economic Development**

The Council continues to play a lead role in shaping plans for growing our economy over the next twenty years. On behalf of the Greater Lincolnshire Local Enterprise Partnership (GLLEP), we have been consulting business and building the case for Government and European funds. The plans will set the framework for investment that will enable business to realise their ambitions and to thrive into the future. We have worked with the LEP to win an allocation of £123m of European funding for our area. The funding can be used to support council priorities such as business growth; major regeneration schemes; employment; rural development; and skills. Projects will help our small to medium enterprises (SMEs) become more competitive. Businesses will be supported to develop growth strategies, to innovate, and to improve supply chains and their resource efficiency. In addition, new and growing businesses will have access to incubation units and grow-on space.

Many businesses are already benefitting from our programmes. For example, the Onlincolnshire Programme is aimed at raising the profile of Lincolnshire's digital and creative businesses and helping this sector with growth strategies, operations/processes, and sales. A number of businesses have already created new jobs and increased their turnover as a result of this work.

We continue to deliver training to businesses in the skills that they need – this ranges from managerial and strategic development through supervisory skills and onto basic and level 2 qualifications. In each case we are using grants that we have won to respond to the specific needs of the business rather than offer them a general training course.

I have previously announced that we have successfully bid for funding to help businesses to be more resource efficient, and to win contracts within supply chains. These schemes are ready to start delivering to businesses, and details will shortly be published about how businesses can benefit from them.

Business confidence is growing. Businesses responding to the Quarterly Economic Survey over the past year have reported continuing improvement in performance particularly in areas such as sales, turnover and investment. What is especially encouraging is that, in contrast to previous years, the improvement has been sustained quarter on quarter with both business performance and confidence building steadily. However, the improvements are not universal, with some businesses reporting sluggish consumer spending affecting growth prospects, and problems with cash-flow, competition and overhead costs. Our Lincolnshire Investment Network will help this problem by making angel and equity funding available to businesses. However, the last quarterly survey of 2013 reports most businesses are very optimistic, with 65% telling us they expect their businesses to grow in 2014.

Last week I was part of a Greater Lincolnshire LEP delegation that met with Greg Clark, the minister for LEPs. Our meeting was to negotiate the best possible deal for Greater Lincolnshire. The meeting provided us with the opportunity to pitch our case

and highlight our unique and significant offer to Great Britain plc in a bid to lever additional funds into our region. Being able to work hand-in-hand with the private sector in this way will hopefully get the best possible deal for Lincolnshire.

2014 is already proving to be a busy year from my Economic Regeneration team who continue to support both large and small business with high quality key interventions.

Within the business incubation sector our Eventus Business Centre in Market Deeping has reached occupational capacity and is developing a waiting list of potential occupiers. Similar centres at Skegness and Horncastle have also seen significant increases in occupation and high quality enquiries. As a result of this activity we are confident that we will achieve our annual target for job creation.

Serious occupier interest in our small office developments at Wyvern House Lincoln and CaNeBuZo at Gedney has also increased since my last report and this interest is expected to convert to lettings shortly. Much of the interest in CaNeBuZo appears to be as a result of these units being awarded the seven best Energy Performance scores in the country.

Work with bigger business continues to focus on building the reputation of Lincolnshire as a cost effective location with outstanding quality of life for potential inward investors. We have recently hosted a promising visit by a Chinese Business delegation, whilst the next quarter will also see us joining with GLLEP to promote Lincolnshire at a number of major Business exhibitions.

Our activities to deliver place based growth and new economic infrastructure are also continuing. We are working with a major landowner in Skegness to develop proposals for a new growth corridor, whilst in the south of the county we have recently agreed to lead the development of highway improvements in Holbeach which will unlock further development in that town.

### **Flood Risk Management**

Recent events have proved, if proof were needed, how essential adequate investment in our coastal defences really is. This winter Lincolnshire, along with the rest of the east coast of England, experienced the most severe coastal surge in 60 years. Properties and agricultural land were flooded in North Lincolnshire, while some 580 homes were flooded in Boston when the Haven overtopped its banks.

Agricultural land around the Wash was flooded, and the Council's National Nature Reserve at Gibraltar Point was inundated, damaging the visitor centre and contaminating inland freshwater habitat with saltwater. The sea defences were breached in a number of places, and the level of the beach maintained by the Lincshire programme dropped by some 20 feet in places.

As bad as this sounds, it could have been so much worse. In fact, our defences held up extremely well, preventing much worse damage. This is a tribute to the way flood risk management and emergency response authorities have worked together so closely over recent years. Lincolnshire is known nationally as leaders in our approach to flood risk management.

However, we are not complacent. There is a huge challenge ahead of us to ensure that national funding for our flood defences fully recognises the great contribution that this county makes to the national economy through food production, food processing and the visitor economy.

Lincolnshire County Council will continue to lobby Government to ensure that ministers understand the unique character of the county, and the existing and potential benefits that are secured for the UK by maintaining our preparedness for flooding. We are working through the GLLEP to prepare an objective evidenced business case setting out the value of Lincolnshire's economy to the UK, and the vital role that water management plays in enabling this contribution.

In terms of funding, an initial £6.7 million has been allocated by Government to repair infrastructure damaged as a result of the coastal surge and we await details of the criteria for bidding. With regard to flood defences, an announcement is expected shortly by Government as to how the damage to the flood defences will be funded.

As part of the 2014/15 budget process this authority has allocated an additional £1.32 million over the next two years to the capital budget to help deliver Flood Defence Grant in Aid schemes relating to surface water flooding.

In the meantime, we continue to develop our new role as a Lead Local Flood Authority. We are working closely with the Environment Agency to deliver the local elements of the statutory Flood Risk Management Plan, due for completion in December 2015. This takes forward our innovative joint flood risk management strategy, improving our ability to target our resources to where they are most needed.

We still await firm news on the new date for the introduction of Sustainable Drainage Systems (SuDS), and the implementation of the Council's role in approving, adopting and maintaining these systems on new developments. Council officers are working with Defra to ensure that government clearly understands the implications of SuDS for local authorities. This is proving challenging, particularly with regard to government's assumptions about long-term funding for the SuDS role and members will be kept informed of progress in this area as matters develop.

With regard to the environment more widely we are considering our options for the future management of the Gibraltar Point nature reserve in the light of the severe coastal flooding in December. We are exploring a number of possibilities with Lincolnshire Wildlife Trust and our insurers, including any opportunities to improve linkages between this important visitor attraction and the coastal country park.

### **Coastal Car Parks**

Further to my December statement when I explained the problems we were experiencing at Huttoft Car Terrace and Marsh Yard, recent meetings with Parish Councils and the Police have clarified future consents and enforcements.

Work has started on the improvements to Anderby Creek Car Park. The drainage and surfacing improvements should help the area to be more accessible the whole year round and should be completed by mid-February.

### **Minerals and Waste Local Plan**

Further to my December statement I can now confirm that the consultation responses are being reviewed and will be reported to the Environmental Scrutiny Committee on 4 April 2014.

### **Central Lincolnshire Core Strategy**

The Core Strategy has been withdrawn and work is commencing on producing a Local Plan for the Central Lincolnshire Area. The projected timeline will look to ensure that the Local Plan is adopted by the end of 2016. The detailed project plan is being worked up for consideration and approval by the Central Lincolnshire Joint Strategic Planning Committee (CLJSPC) on 3 March 2014. There will be clearer Member engagement throughout the process of developing the Local Plan than was undertaken with the Core Strategy and the CLJSPC Members have already been engaged in workshops to that effect. A full update will be provided to the Environmental Scrutiny Committee on 4 April 2014. The delay in the adoption of a Local Plan will delay the adoption of a CIL Charging Schedule which will now be run in parallel with the Local Plan process.

### **South East Lincolnshire Local Plan**

An agreement was reached at the South East Lincolnshire Joint Strategic Planning Committee (SELJSPC) briefing on 24 January 2014 to proceed to prepare a Local Plan and not continue with the Core Strategy / Allocations approach. This partly reflects the Central Lincolnshire experience but also reflects expectations of Members within the District Councils. A full update will be provided to the Environmental Scrutiny Committee on 4 April 2014.

### **Unconventional Hydrocarbons**

The recent Government announcement regarding the importance of Unconventional Hydrocarbons (Fracking) to future energy supplies and the importance of the potential reserve within Lincolnshire will certainly bring increased workload demands to Lincolnshire County Council (LCC) as the Planning Authority. This will also create a very public facing working environment in how we operate. A detailed programme of training for officers and Members is being produced which will enable the Council to effectively engage with the industry in coming months.

## **COUNTY COUNCIL MEETING 21 FEBRUARY 2014**

**Statement from: Councillor R G Davies, Executive Councillor for  
Highways, Transport and IT**

### **LINCOLN EASTERN BYPASS**

As a result of a number of objections to the Orders, a Public Inquiry was held on 4 February 2014 at the Bentley Hotel. A planning application for a non-motorised user bridge at Hawthorn Road to enhance the LEB scheme was submitted on 8 November 2013 and planning permission was granted on 13 January 2014. Tender documents for the construction of the works were issued on 13 January 2014 with a return date of 7 April 2014. Subject to confirmation of the Statutory Orders and completion of the final processes the scheme is still on programme to enable a start this financial year, with an expected opening by the end of 2016.

### **LINCOLN EAST/WEST LINK PHASE 1**

As a result of a number of objections to the Orders, a Public Inquiry is scheduled to commence on 11 March 2014. However, work is ongoing to acquire the remaining properties, and remove the objections.

### **LINCOLN CANWICK ROAD IMPROVEMENTS**

Approval to publish Orders was obtained on 7 January 2014, and the Orders to acquire land and amend existing highways were published on 23 January 2014. The closing date for objections is 7 March 2014. Detailed design work is ongoing and a start date on site by late 2014 is still considered achievable.

### **ROAD MAINTENANCE**

Further external assurance of the effectiveness of the Alliance has been provided by the Cost Quality Customer Statistical Benchmarking work carried out with Leeds University. This pioneering work suggests that the Alliance presently delivers highway maintenance and street lighting services which are in the upper quartile for efficiency nationally.

### **SPALDING WESTERN RELIEF ROAD**

Public Consultation for the route options for Phase 2 and 3 of the relief road is now programmed for late 2014

### **WINTER MAINTENANCE**

As of the 28 January, 8,700 tonnes of salt had been used on 45 countywide salting runs – this is slightly below the 25 year long term average.

## **TRANSPORTATION**

### **Hykeham Station**

East Midlands Trains and Lincolnshire County Council joined forces to provide passengers in Hykeham with brand new facilities to improve their journey. These include 20 new car parking spaces with two accessible spaces, improved surfacing, CCTV, lighting, signage and new secure cycle storage. As a transport hub, there is also a rental station for Lincoln's new short-term bike hire scheme, and increased bus services along Station Road. The work was supported by Access LN6. The work will be further enhanced in the near future as a result of local development in the area.

### **Lincoln – London Rail Services**

In January 2014, the Department for Transport (DfT) announced the shortlisted bidders for the replacement Inter City East Coast rail franchise due to start in February 2015. The three companies selected are East Coast Trains Ltd (First Group), Keolis/Eurostar East Coast Limited and Inter City Railways Limited (Stagecoach and Virgin). The Invitation to Tender (ITT) will be issued at the end of February 2014, with prospective operators having at least three months to prepare their bids. During this period, we will engage with the applicants to lobby for enhancements for Lincolnshire within the new franchise, in particular the inclusion of improved Lincoln-London services.

### **LINCOLNSHIRE ROAD SAFETY PARTNERSHIP**

The provisional number of people killed or seriously injured on Lincolnshire's roads is 402 to the end of 2013. This is 24 less than in 2012, and represents a 5.6% reduction. The number of fatal casualties for the same period is 36 - 3 less than 2012. Of course, these reductions are welcome but mature drivers, young drivers and motorcyclists remain our most vulnerable road users. However, cyclists are emerging as a group of some concern as their casualty rate continues to show an increase over the three year annual average.

In an effort to reduce the number of casualties in the 17 to 24 year old age group, the Prince Michael Award winning 2Fast2Soon production has been re-scripted and improved. 'Kirsty's Story' was prepared in order to have a greater impact than the original production. The event also includes an interactive discussion session which takes place immediately after the 'play' and which covers the fatal causations of driving with mobile phones, the non wearing of seat belts, drink, drugs and speeding.

By the end of 2013, some 2,000 students had watched the theatre production, and bookings for 2014 suggest that around a further 2,500 students will attend before the end of the school year. A Young Drivers training scheme will also be developed in the next financial year.

Performance Plus training courses, production of the Lincolnshire Biker magazine, additional information signing on 'biker' routes, and a significant engagement programme are initiatives that will continue to target motorcyclists. It is also intended

to deliver a number of courses directed toward mature drivers throughout the County during 2014.

Speed camera enforcement continues to be deployed at 50 fixed and 75 mobile high risk locations, with motorists being offered the opportunity to attend educational speed awareness courses as an alternative to prosecution. Motorists are also able to attend our 'What's Driving You' courses in an effort to educate motorists detected committing a range of other driving offences. LRSP are currently looking at implementing the national RIDE scheme for motorcyclists.

93 collision sites were investigated by LRSP Highways engineers resulting in 25 accident reduction schemes being implemented.

Road Safety Officers have carried out educational training in 100% of the identified 'high priority' schools and since September have visited 52 Primary schools (62% of all Primary schools) and 19 Secondary schools (37% of all Secondary schools). Additionally, project schemes including HGV awareness has been carried out.

## **IT**

### **Improving Broadband Through the onlincolnshire programme**

The main contract with BT continues to perform ahead of the contractual timetable. Our current estimate is that over 19,000 premises will have been upgraded by the end of March – 30% more than scheduled.

Steps are in hand to improve our detailed knowledge of individual addresses affected by BT works so that we can focus our communications about changes more finely. This will become more important as the programme gathers pace until hundreds of premises are upgraded every week.

The contract with AB Internet for fixed wireless broadband on the coast continues to develop. There have been some delays with planning permissions and securing sites for masts, but these are now resolved.

Officers have continued to work with Broadband Delivery UK on proposals to fund the last 10% of premises to superfast speeds through the Superfast Extension Programme (SEP). We are hopeful that government will make announcements and financial allocations soon.

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## **COUNTY COUNCIL MEETING – 21 FEBRUARY 2014**

**Statement from: Councillor P A Robinson, Executive Councillor for  
Fire & Rescue, Emergency Planning, Trading Standards,  
Equality and Diversity**

### **FIRE & RESCUE/EMERGENCY PLANNING**

#### **Flooding**

At the time of writing, Lincolnshire has been relatively fortunate in terms of flood damage in the recent storms. No-one was killed in the floods, and, with the exception of Boston, damage to property was much less than elsewhere in the UK. However, in Boston some 580 properties were flooded and 250 people evacuated to rest centres. There was also severe damage to many of the coastal defences which had taken years of work and significant amounts of money to erect, so that our county is now more vulnerable to future storms. Some farming land near the coast is still under water.

Emergency plans worked well and may have been helped by the Exercise Lazarus, fortuitously held in the County Control Room at FRS HQ only weeks before the risk of flooding hit the news. Alongside each other, national bodies such as the Environment Agency, local authorities, our county emergency services and voluntary organisations such as the Red Cross, all worked in a co-ordinated way to minimise the threat to life and property.

As the flooding continues in Somerset, Lincolnshire Fire & Rescue Service are deploying rescue boats and crews (provided last year by central government as a result of Exercise Watermark) to help local emergency services.

### **TRADING STANDARDS**

Trading Standards have been using social media to 'inform and warn' consumers about issues and scams; this approach is paying off as visitors to the trading standards information on the LCC website area has increased by 30%. Work on regular and interesting content updates and more pictures has paid off. The top five stories were unsafe children's sweets (candy trees), illegal cigarettes seized in Lincoln, rogue street sellers, advice for carers on doorstep crime and warnings over scam council tax refunds.

Together with the Police, Trading Standards have apprehended a prolific Lincolnshire-based rogue trader who may be linked to a string of offences; the investigation continues.

Working with the Government Agencies Intelligence Network (GAIN) an organised crime group (OCG) has been identified. On-going work with Lincolnshire Police will result in multi-agency actions in due course.

## **EQUALITY & DIVERSITY**

### **Human Trafficking and Slavery**

East Midlands Councils are in the process of setting up a task group to discover the extent of human trafficking into our region, and to develop the capability to deal with it. The first meeting of the task group was held on 28 January and was attended by local authorities, police and voluntary bodies. Speakers from Bristol, where anti-trafficking is more established, provided a briefing on the scale and nature of the problem, and the action they were taking. Speakers explained that human trafficking is not restricted to victims from the 'Third World', and nor is the range of slavery confined to prostitution: many cases are being found where both men and women are trafficked and forced to work in agriculture, factories and enterprises such as car washes, without pay under threat of violence and/or deportation.

## **COUNTY COUNCIL MEETING – 21 FEBRUARY 2014**

**Statement from: Councillor R A Shore, Executive Councillor for Waste, Recycling**

### **PRESENT SITUATION**

The two current construction projects are:

- The Energy from Waste facility, which continues to progress through hot commissioning, with final certification expected in March 2014.
- The construction of the new Sleaford Household Waste Recycling Centre. This new facility is being built beside the recently opened Waste Transfer Station, and is expected to be opened to the public in April, providing a much improved service over the present site.

The 13 Household Waste Recycling Centres continue to provide a first class service for the public.

### **CHALLENGES**

There are presently some interesting challenges for the service:

- The Chief Executives are supporting our bid to move forward by investigating how the County and the District Councils can make cost savings, improve joint partnership working and how resources can be shared, to ensure that the collection and disposal services are optimised for every council tax payer in Lincolnshire.
- The 2015/16 Fundamental Budget Review will inevitably impact on all the County's services. Waste services will have to share in these budget cuts. Consequently, there will be some hard decisions to be made on the future provision of Waste services in the county.
- Contamination in dry recyclables needs to be addressed in order to reduce costs and encourage income. A countywide media campaign will be undertaken to help inform Lincolnshire residents of major contamination items, such as plastic bags. It is important to encourage best practices, which may include the increased use of paper bags and environmentally friendly packaging.

### **SUCCESSSES**

The recent significant successes include:

- The seamless change by the District Councils to take their waste from their collection rounds to the county's five Waste Transfer Stations (instead of to

landfill for disposal), and the haulage contract for onward transportation to the Energy from Waste facility.

- Enabling Boston Borough Council and East Lindsey District Council to work in partnership by facilitating landfill waste collected in the south of East Lindsey to be deposited at the Boston Waste Transfer Station. This has resulted in operational cost savings to the Districts, as this waste is no longer being transported to Louth.
- The future income from the solar panels at the five Waste Transfer Stations, and the whole Service offsetting of carbon production.

## **FUTURE AMBITIONS/CONSIDERATIONS**

The service continues to evolve by looking at waste as resource and, consequently, will be considering:

- A Materials Recycling Facility to take the County's dry recyclables.
- Establishment of a trade waste service that includes recycling.
- Assessing sources of income from the waste resource, such as textiles.
- Renewal of the contracts for the Household Waste Recycling Centres operational services and waste streams.
- Partnership working with Neighbouring Authorities to investigate cost savings by investigating joint waste services provision.
- Completing the Joint Waste Strategy will give the necessary direction required for the next five years.
- Carrying out a feasibility study on a District Heating Scheme that could give opportunities for reduced energy costs.

## **COUNTY COUNCIL MEETING – 21 FEBRUARY 2014**

**Statement from: Councillor Mrs S Woolley, Executive Councillor for  
NHS Liaison, Community Engagement**

### **Lincolnshire Sustainable Services Review**

The Lincolnshire Sustainable Services Review is about to enter Phase 2 following the approval of the Phase 1 blueprint just before Christmas. A procurement process has been undertaken for strategic support for the programme. Interviews were undertaken on 12 February and the contract has been awarded. Phase 2 includes developing further detail on the blueprint for services together with workstreams on all the supporting functions such as workforce, property, IT systems and developing the functioning of the new neighbourhood teams. It is anticipated that this work will be completed by the beginning of May.

### **Health & Wellbeing Board**

Lincolnshire Health and Wellbeing Board has now planned and set a series of formal and informal meetings throughout 2014. The informal meetings give a space for Board members to discuss relevant items due to be on the formal Board agenda. It has been agreed that topics for the next three sessions will be discussions around the Better Care Fund, Commissioning Plans and activity to support the outcomes of the Joint Health and Wellbeing Strategy.

### **Healthwatch Lincolnshire**

Healthwatch Lincolnshire is our countywide organisation giving residents and communities a stronger voice to influence and challenge how health and social care services are provided in Lincolnshire. In addition, they also provide or signpost people to information to help them make choices about health and care services. Healthwatch Lincolnshire has recently relocated to new offices in Swineshead, employed a team of engagement officers and set up a new intelligence and information database. The organisation is now moving into its most important and crucial stage which is to widely promote Healthwatch Lincolnshire, meet and listen to as many Lincolnshire people as possible; and report this information to our county's service providers and stakeholders, leading to improvements and changes to health and care services.

On 27 February, Healthwatch Lincolnshire is holding a stakeholder event enabling local service providers and stakeholder organisations to consider more effective communications, shared public and patient experiences and better co-ordination of quality visits and service inspections. The organisation's AGM is on 22 May 2014 and this will be an opportunity for anyone interested in joining the Board to put themselves forward. Healthwatch is looking for people with skills and knowledge of areas such as adult & children social care, dentistry, pharmacy and ophthalmology.

### **Councillor Big Society Fund**

Yet again, the Councillor Big Society Fund has successfully supported 191 Lincolnshire organisations. To date £78,377 has been allocated, however, I would remind councillors that applications need to be received by 28 February for this financial year.

## **Big Society**

In January, agreement was reached between the County Council, all seven District Councils and the county's two Councils for Voluntary Services with regard to funding and monitoring arrangements for 2014/15 and 2015/16. The County Council will have a single grant aid agreement with VCS (previously known as Urban Challenge), who will continue to deliver support to local community sector groups and organisations in Lincoln, North Kesteven and West Lindsey; and put in place a service level agreement with LCVS who will deliver the same services in Boston, East Lindsey, South Holland and South Kesteven.

The Big Society Strategy Annual Report is due to be presented to the Executive Committee on 1 April, which will update on progress against all elements of the strategy.

## **Lincolnshire Sports Partnership**

### **2012 Legacy Projects**

**Sportivate (Grant of £100,000 from Sport England to engage young people between the age of 14-25 in new sports)** – the Partnership is funding 144 projects between April 2013 and March 2014, with 28 different sports being offered. We have engaged 1,015 young people on the programme since April 2013 retaining 896 of these doing more than 5 out of the 6 sessions attended.

**LEAP** – the Lincolnshire Elite Athlete Programme, continues to support our elite athletes as they take the first steps on the performance pathway. The applications for 2014 have been assessed and we have 35 athletes on the programme this year.

### **Children & Young People**

Our **School-Club Links** programme has been provided with £32,975 funding from Sport England to develop closer links between schools and community clubs.

Following the announcement of the **Premium Funding** going into primary school we have produced a brochure identifying the support we can give to schools as they develop their PE and School Sport programmes.

The **Sainsbury's Winter School Games** will take place on 5 March at the Meres Leisure Centre in Grantham, over 1000 young people will attend the event with over 200 young volunteers support the sports to deliver the event.

We have developed an online **Professional Education and Training Calendar (PET Calendar)** this will give upcoming training opportunities to coaches, teachers, instructors, clubs and others interested in further development.

### **Physical Activity**

Physical Activity programmes remain at record levels. Fit Kids (weight management for 8-11 year olds) will encompass 4-7 years from April 2014. Writing a programme to engage such a wide age range will be a focus over the next quarter. Health Walks are continuing to run with great success.

## **COUNTY COUNCIL MEETING – 21 FEBRUARY 2014**

**Statement from: Councillor C N Worth, Executive Councillor for  
Libraries, Heritage, Culture, Registration and Coroners  
Service**

### **Library Needs Assessment**

Work to implement the Executive's decision on 3 December 2013 is now well under way. By the deadline of 31 January 2014 we had received Expressions of Interest for all thirty Tier 3 libraries, as well as offers from seven communities without a council run library.

The allocation of mobile library stops has been completed, and detailed route planning is now under way. This will retain over 220 mobile stops after 6 May 2014. All communities have been informed of the hours allocated to them, and the final details of the new routes will be sent to them in April.

Work to implement the staffing changes is nearing completion, and the recruitment of the Public Health Community Advisor team is due to commence shortly.

### **User Satisfaction**

The latest user satisfaction surveys in Libraries and Heritage show that 97.24% of visitors rated the services as Good or Very Good. The surveys relate to the period April to December 2013 and are based on the analysis of 5,454 library surveys and 3,086 heritage surveys.

### **Lincoln Castle Revealed**

Building work on Lincoln Castle Revealed is still on budget and on schedule. The South Curtain Wall and Observatory Tower are complete and scaffolding is being taken down on the East Curtain Wall. Restoration of the Bath House is complete with just the access path to be finished. Work on the Prison buildings is progressing well although the timetable is tight and this is a complex range of buildings. A re-design of the archaeology area has been undertaken to take advantage of the much greater range of finds than was originally expected. Changes can be accommodated within the existing budget. The preparation of all the interpretation is on schedule and we feel that the good range of stories that we have to tell will contribute to the quality experience that we are planning. Marketing is critical to ensure that having created a quality experience that visitors know about it. The marketing, PR, digital solutions and group travel arrangements are in place and activity will ratchet up during 2014. It is also vital that Lincolnshire's tourist industry is fully involved and a Countdown to Lincoln Castle Revealed event has been booked for 23 September, 2014 to start this work.

### **Museum of Lincolnshire Life**

The scheme to develop an electronic guide to the museum, similar to the ones developed in recent years at Gainsborough Old Hall and The Collection is nearing completion. By Easter 2014, the museum will also have a number of augmented reality installations which will enhance the visitor experience including: an interactive timeline in the Regimental Gallery; a Tank Officer talking about the tank; steam

engine "cut aways" to show how they work; and additional information on the Victorian School Room. There will also be three new projections: prisoners in the Gatehouse Gallery prison cell; getting the Bullnose Morris car to start; and even a Penny Farthing race in the Transport Gallery.

### **World War One Commemorations**

As 2014 marks the centenary of the outbreak of the First World War, a programme of activities has been devised which features a series of major exhibitions and talks over the next four years at the Museum of Lincolnshire Life, a former barracks building and home to the Royal Lincolnshire Regimental Museum. There will also be smaller themed exhibitions at Lincolnshire Archives and in libraries across the county which draw on local studies material.

Similarly, Aviation Heritage Lincolnshire is working on centenary events for the next four years including the start of the aircraft industry and the creation of new airfields in the county. There will also be themed trails across the county which links to a Heritage Lottery Funded project with district councils to locate and document the county's war memorials, covered by the Historic Environment Record. The intention is that the end product of this work will be made available through the hugely popular [www.LincstothePast.com](http://www.LincstothePast.com) website.

This level of activity is significantly greater than that being planned in other parts of the region.

### **Registration & Celebratory**

Formal confirmation of the assessment for the Government's Customer Service Excellence Award has been received and the service has once again attained 100% compliance to the challenging criteria, and has been awarded two new Compliance Plus accreditations, making three in total:

1. 2.1.6: We empower and encourage all employees to actively promote and participate in the customer focused culture of our organisation.
2. 2.2.2: Our staff are polite and friendly to customers and have an understanding of customer needs.
3. 3.4.1: We have made arrangements with other providers and partners to offer and supply co-ordinated services and these arrangements have demonstrable benefits for our customers.

New legislation will allow same sex couples to give their notice of intention to marry from 13 March 2014, with ceremonies taking place from 29 March 2014. A review of literature and ceremonies is currently taking place to ensure there is an appropriate choice available for all couples.

The Registration Service is one of nine local authorities taking part in a pension pilot as part of the Tell us Once service. The sharing of pension information is through a legal gateway with the NHS Pensions Team.

Prevention of Sham Marriages is a high profile topic across the country and Lincolnshire continues to report cases of suspected sham marriage where appropriate.



## **Coroners**

The Coroners Service continues to move forward in line with the Coroners & Justice Act 2009, and further opportunities to embrace the modernisation agenda are in hand and will be further explored.

The complexity and related costs of investigations and subsequent Long Inquests continues to be a challenge. One new development in 2013 was the body removal contract and this has now been in place for nine months, with a continuing review of the arrangements.

The national consultation on Medical Examiners has still not been published, however, it is unlikely that national implementation will be in October 2014 as originally expected.

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## **COUNTY COUNCIL MEETING – 21 FEBRUARY 2014**

**Statement from: Councillor B Young, Executive Councillor for  
Crime Reduction, People Management, Legal**

### **CRIME REDUCTION**

There has been a reduction in crime figures generally for 2013/14, particularly in the area of burglaries from dwellings where there have been 235 less victims. Thefts from and of motor vehicles have also seen 341 fewer victims. However, increased figures for shoplifting and theft of petrol from filling stations continue to give concern.

Lincolnshire Police have detected nearly 32% of crimes, which is an increase of 2% on the previous year, and have also issued 1,577 Restorative Justice resolutions.

### **COMMUNITY SAFETY**

The Lincolnshire Community Safety Partnership has conducted a strategic analysis of crime, disorder, anti-social behaviour and wider issues such as community cohesion, technology and environmental that might impact on crime. The analysis has allowed the partnership to identify its priorities for 2014/15, which are Alcohol and Drug Harm, Anti-Social Behaviour, Domestic Abuse, Re-Offending and Road Safety. These priorities are the same as 2013/14. Each priority area is governed by a strategic management board which is tasked with putting in place clear outcomes-based objectives and a delivery plan.

Other themes and areas of risk, which will form part of the objectives for the Lincolnshire Community Safety Partnership, include child and adult safeguarding, sharing of information and intelligence, improving communications, organised crime, child sexual exploitation, modern slavery, hate crime and 'legal highs'. All these issues will be developed, and some will be incorporated into existing priorities, ie hate crime will be adopted within the ASB Strategic Delivery Group. With other areas of risk work, we will continue to develop and improve our understanding in order to inform the appropriate strategic intervention.

### **YOUTH OFFENDING SERVICE**

At this point there is no clear indication on the funding settlement for Youth Justice from the Ministry of Justice for 2014/15. The overall reduction in young people sent to custody has enabled some custodial units to be de-commissioned, which has generated savings. However, briefings from the Youth Justice Board suggest a funding reduction to Youth Offending Services of between 2% and 10%. The LCC proportion of the YOS budget has been agreed, and included an overall 4% budget saving. This was recently presented to the Community & Public Safety Scrutiny Committee. In addition, the service is currently in discussion with the PCC to secure existing funding linked to substance misuse and prevention.

The YOS is actively working with partners in Health, Police, Lincolnshire Safeguarding Children's Board and Trading Standards to gather intelligence and minimise the impact of New Psychoactive Substances (Legal Highs). It is hoped that this will ensure a consistent message is conveyed to make young people aware of the dangers of this emerging issue.

Lincolnshire YOS has commenced a procurement process to look at the provision of a dedicated mentoring service for young people aged 8-18 in Lincolnshire. This will provide an extensive bank of volunteers to support young people in promoting pro-social behaviour and undertaking positive activities to divert them from crime and anti-social behaviour. It will also provide a credible exit strategy once the YOS intervention is withdrawn.

In 2013 the Lincolnshire YOS responded to the Government's Transforming Custody consultation, and the outcome of that consultation has just been published. This proposes a much stronger focus on education and skills within custody and ensuring plans for resettlement are enhanced. This includes a proposal for Magistrates to take a formal role in reviewing young people released from custody to ensure agencies and business partners support their integration into the community. These plans also include the proposal to build a new 320 bed unit in Leicester and amalgamate young people from other units in order to reduce the overall cost of custody.

## **PEOPLE MANAGEMENT**

### **Terms and Conditions**

Senior management are continuing to work on completing the modernisation of Council employment terms and conditions. Unfortunately, the Trades Unions have withdrawn from formal negotiations, and we will be consulting employees direct. We remain open to continuing discussions with Trades Unions if they change their position.



County Council

**Open Report on behalf of Pete Moore, Executive Director Resources and Community Safety**

Report to:	<b>County Council</b>
Date:	<b>21 February 2014</b>
Subject:	<b>Council Budget 2014/15</b>

**Summary:**

The appended Budget Book - "Council Budget 2014/15" describes the budget and council tax proposals recommended to the full Council by the Executive.

**Recommendation(s):**

It is recommended that the Council:

1. considers the responses to consultation on the Council's budget proposals as contained in the appended Budget Book (Appendix C "Budget Consultation");
2. considers the Section 151 Officer's Statement on the Robustness of the Budget and the Adequacy of Reserves as set out in the appended Budget Book (Section 10 - "Section 151 Officer's Statement on the Robustness of the Budget and Adequacy of Reserves");
3. approves:
  - 3.1 the service revenue budgets for 2014/15 contained in the appended Budget Book, (Table 2 "Net Service Revenue Budget 2014/15 and change over previous year");
  - 3.2 the capital programme and its funding contained in the appended Budget Book (Section 7 "Capital Programme") and (Appendix L "Capital Programme");
  - 3.3 the County Council element of the council tax for a Band D property at £1,065.69 for 2014/15 contained in the appended Budget Book (Appendix B "County Precept 2014/15");

and agrees that together these form the Council's Budget.

4. approves the Council's Financial Strategy contained in the appended Budget Book (Appendix D "Financial Strategy");

5. approves the prudential targets for capital finance and notes the prudential indicators contained in the appended Budget Book (Appendix K “Prudential Indicators”);

6. approves that the minimum revenue provision (MRP) be based on the asset life method and made in equal instalments over the estimated life of the assets acquired through borrowing as set out in the appended Budget Book (Section 9 “Minimum Revenue Provision”).

## **1. Background**

1.1 The Provisional Local Government Finance Settlement, issued on 18 December 2013, provided the Council with levels of funding for 2014/15. These figures have now been updated in the final Local Government Finance Settlement announced on 5 February 2014. There has been one amendment to the original figures; this is an additional £0.029m on the returned funding element of Revenue Support Grant (RSG).

1.2 The recommended budget is based on a one year financial plan, as opposed to the three-year plan normally adopted. This is due to the uncertainty associated with local government funding beyond 2015/16. There is a lack of clarity regarding Government funding in the medium term, although general trends indicate further significant reductions in funding. Whilst a provisional grant settlement has been published for 2015/16, there is no certainty on the level of government spending beyond then. This will be determined by a comprehensive spending review anticipated in the latter half of 2015, after the next general election. There will be a fundamental review of service priorities and related spending needs prior to setting a budget for 2015/16 and beyond.

1.3 The Council is recommended to take the 2014/15 Council Tax Freeze Grant, enabling the Council to freeze its Council Tax for the fourth consecutive year.

### Consultation

1.4 The Executive put forward a budget for consultation at its meeting on 7 January 2014. Since that time comments have been received from Overview and Scrutiny Committees, Businesses, Public Organisations, Trade Unions and individual Council Tax payers.

1.5 A summary of these comments is included within **Appendix C** of the appended ‘Budget Book’ and have been taken into account whilst finalising the budget proposals. The majority of the comments are supportive of the budget.

## **Equality Act 2010**

1.6 The Council must be mindful of its obligations under the Equality Act 2010 and the special duties the Council owes to persons who have a protected characteristic as the duty cannot be delegated and must be discharged by the decision maker. The duty is for the Council, in the exercise of its functions, to have due (that is proportionate) regard to the need to:

1. Eliminate discrimination, harassment, victimisation and any other conduct that is prohibited by or under the Equality Act 2010;

A reference to conduct that is prohibited by or under this Act includes a reference to a breach of an equality clause or rule a breach of a non-discrimination rule.

2. Advance equality of opportunity between persons who share a relevant protected characteristic and persons who do not share it;
3. Foster good relations between persons who share a relevant protected characteristic and persons who do not share it: Equality Act 2010 s 149(1). The relevant protected characteristics are age; disability; gender reassignment; pregnancy and maternity; race; religion or belief; sex; sexual orientation: s 149(7).

1.7 Having due regard to the need to advance equality of opportunity involves having due regard, in particular, to the need to:

- I. Remove or minimise disadvantages suffered by persons who share a relevant protected characteristic that are connected to that characteristic;
- II. Take steps to meet the needs of persons who share a relevant protected characteristic that are different from the needs of persons who do not share it;
- III. Encourage persons who share a relevant protected characteristic to participate in public life or in any other activity in which participation by such persons is disproportionately low;

The steps involved in meeting the needs of disabled persons that are different from the needs of persons who are not disabled include, in particular, steps to take account of disabled persons' disabilities.

1.8 Having due regard to the need to foster good relations between persons who share a relevant protected characteristic and persons who do not share it involves having due regard, in particular, to the need to tackle prejudice, and promote understanding.

1.9 Compliance with the duties in this section may involve treating some persons more favourably than others.

1.10 These equality considerations do not preclude changes in services being made, but do require that these be fully appreciated, both individually and holistically. It is clear that the current and future financial challenges facing local authorities and the need for budget savings will result in changes to service provision and to some reduction in Council services. These will apply to services accessed by all people in Lincolnshire as well as services provided to specific groups. It is possible that there may be an adverse impact on some people and communities including those with a protected characteristic.

1.11 In order to meet its obligations equality impact analyses will be carried out when the nature of the proposed changes to services and the potential mitigation if any is clear, so that the implications of decisions are fully understood as they affect specific groups and communities. These have been and will continue to be, regularly reported to the Executive as part of the decision making processes. As part of this the Executive will consider whether any alternative approaches could alleviate or at least mitigate the impact of the decision such as making reductions in other areas which do not have the same equality impacts. In this event the usual budget management processes such as virement would be followed and approval sought at the appropriate levels in accordance with Financial Regulations including full Council where necessary.

1.12 The Council is also under statutory obligation in fulfilling its functions to have regard to its Child Poverty Strategy, Joint Health and Wellbeing Strategy and Joint Strategic Needs Assessment.

1.13 In setting its budget the Council is establishing the financial framework for spending in the next financial year. Regard has been given to the above strategies and needs assessment appropriate at this stage for the setting of the financial framework. In implementing their spending plans each directorate will give detailed due regard to the Child Poverty Strategy, Joint Health and Wellbeing Strategy and the Joint Strategic Needs Assessment which will be reported as specific decisions come to be taken.

## **2. Conclusion**

2.1 The budget proposals aim to reflect the Council's priorities whilst operating within much reduced resources. They are based on the use of reserves of £7.905m in combination with further modest service savings of £4.681m.

2.2 The Council will carry out a fundamental review of services to inform the budget for 2015/16 and beyond.

## **3. Legal Comments:**

There is a legal obligation to consult on the development of the Budget. Robust decision making requires that this consultation as well as the section 151 officer's statement on the robustness of the budget and the adequacy of the reserves are taken into account by the County Council in coming to its decision. Compliance



with recommendations 1 and 2 ensures that this is done.

With regard to recommendation 3 under the Budget and Policy Framework Procedure Rules it is for the County Council to approve the Budget.

With regard to recommendation 4 approval of the Financial Strategy is within the remit of the Council.

With regard to recommendation 5, section 3 of the Local Government Act 2003 requires a local authority to determine and keep under review how much money it can afford to borrow. The determination must be made by County Council. The prudential targets include the Council's borrowing limit and must therefore be approved by the County Council.

Regarding recommendation 6, the requirement to make a determination on how to calculate minimum revenue provision is a requirement of the Local Authorities (Capital Finance and Accounting) (England) Regulations 2003 and the statutory guidance that accompanies the regulations. Minimum revenue provision is relevant to the control of the Council's capital expenditure and must be referred to the County Council for approval.

The recommendations are lawful, in accordance with the Constitution and within the remit of the County Council.

#### **4. Resource Comments:**

The budget proposals are consistent with the Council's Financial Strategy.

The robustness of the budget proposals and the adequacy of the reserves held by the Council are considered in Section 10 of the appended Budget Book. This concludes that the budget is realistic and that the level of reserves is adequate.

#### **5. Consultation**

##### **a) Has Local Member Been Consulted?**

n/a

##### **b) Has Executive Councillor Been Consulted?**

Yes

##### **c) Scrutiny Comments**

These are set out in the appended Budget Book (Appendix C - Budget Consultation).

##### **d) Policy Proofing Actions Required**

n/a

## 6. Appendices

These are listed below and attached at the back of the report	
Appendix	Attached separate booklet - "Council Budget 2014/15" - the Budget Book

## 7. Background Papers

The following background papers as defined in the Local Government Act 1972 were relied upon in the writing of this report.

Document title	Where the document can be viewed
Report to the Executive 7 January 2014 "Council Budget 2014/15"	Committee Services
Report to the Executive 4 February 2014 "Council Budget 2014/15"	Committee Services

This report was written by David Forbes, who can be contacted on 01522 553642 or [david.forbes@lincolnshire.gov.uk](mailto:david.forbes@lincolnshire.gov.uk).

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## 1. BUDGET RECOMMENDATIONS

It is recommended that the Council:

1. considers the responses to consultation on the Council's budget proposals as contained in **APPENDIX C** "Budget Consultation";
2. considers the Section 151 Officer's Statement on the Robustness of the Budget and the Adequacy of Reserves as set out in **Section 10** "Section 151 Officer's Statement on the Robustness of the Budget and Adequacy of Reserves";
3. approves:
  - 3.1 the service revenue budgets for 2014/15 contained in **Table 2** "Net Service Revenue Budget 2014/15 and change over previous year";
  - 3.2 the capital programme and its funding contained in **Section 7** "Capital Programme" and **APPENDIX L** "Capital Programme";
  - 3.3 the County Council element of the council tax for a Band D property at £1,065.69 for 2014/15 contained in **APPENDIX B** "County Precept 2014/15";

and agrees that together these form the Council's Budget.

4. approves the Council's Financial Strategy contained in **APPENDIX D** "Financial Strategy";
5. approves the prudential targets for capital finance and notes the prudential indicators contained in **APPENDIX K** "Prudential Indicators";
6. approves that the minimum revenue provision (MRP) be based on the asset life method and made in equal instalments over the estimated life of the assets acquired through borrowing as set out in **Section 9** "Minimum Revenue Provision".

Councillor M Hill OBE  
Leader of the Council and  
Executive Councillor for  
Policy, Finance, Property,  
Communications, Procurement  
and Commissioning

P Moore BA, CPFA  
Executive Director for Resources  
and Community Safety

## **2. THE FINANCIAL BACKGROUND**

2.1 This report sets out a one year financial plan, as opposed to the three-year plan that the Council normally adopts. This is due to the uncertainty associated with local government funding beyond 2015/16. There is a lack of clarity regarding Government funding in the medium term, although general trends indicate further significant reductions in funding. Whilst a provisional grant settlement has been published for 2015/16, there is no certainty on the level of government spending beyond then. This will be determined by a comprehensive spending review anticipated in the latter half of 2015, after the next general election.

2.2 2014/15 is the final year of the Council's four year savings programme (locally termed "Core Offer"). When originally approved, this provided the Council with a total of £125m savings over the period 2011/12 to 2014/15 to re-invest in services to meet unavoidable cost pressures and expected reductions in Government support. Additional savings have been added to this target to reflect further reductions in local government financing from 2013/14 which have reduced the Council's budgets further in both 2013/14 and 2014/15. Savings targets for these two financial years now stand at £27.600m for 2013/14 and £40.444m for 2014/15.

2.3 The Council also plans to use one off amounts from reserves to bridge the remaining gap between the funding available and Council spending in 2013/14 and 2014/15 (£11.700m and £6.780m respectively).

2.4 The savings identified from the Council's Core Offer, the additional savings added into 2013/14 and 2014/15 budgets, plus the one off use of reserves in these two financial years, have ensured the Council is well placed to withstand the immediate pressures in local government funding. However, future challenges remain and significant further savings will need to be identified in future years to deliver a balanced budget. The Council will undertake a second fundamental review of its service priorities and related spending needs prior to setting a budget for 2015/16 and beyond.

## **3. THE COUNCIL'S REVENUE FUNDING**

### Local Government Finance Settlement

3.1 The Provisional Local Government Finance Settlement, issued on 18 December 2013, provided the Council with levels of funding for 2014/15. These figures have now been updated in the final Local Government Finance Settlement announced on 5 February 2014. There has been one amendment to the original figures; this is an additional £0.029m on the returned funding element of Revenue Support Grant (RSG).

3.2 The main points arising for Revenue Support Grant (RSG) are:

- The RSG allocation for 2014/15 is £124.575m;
- The 2013/14 Council Tax Freeze Grant of £2.547m has been added into RSG from 2014/15;
- In 2013/14, the Council received a separate grant for Efficiency Support for Services in Sparse Areas. This grant has now been renamed Rural Services Delivery Grant and has been added into RSG. The award for 2014/15 is £0.813m. The grant is given as a recognition that there are higher costs associated with delivering services in rural areas; and

- £0.291m of Returned Funding originally held back by Central Government.

3.3 Taking the above changes into consideration before comparing RSG funding received for 2013/14 to 2014/15, the Council has seen a reduction of £25.180m or 17.2% in funding between the two financial years.

#### Other Revenue Government Grants

3.4 The Government has also announced that it will provide grants in addition to the settlement:

- New Homes Bonus Grant of £2.808m will be provided in 2014/15 relating to the increase in the number of new properties built in Lincolnshire;
- New Homes Bonus Returned Top Slice. In 2013/14 the Council received £0.826m of New Home Bonus Returned Top Slice. To date the Council have not been notified of the amount we may expect to receive in 2014/15, therefore, this grant has not been included within the budget assumptions;
- Local Services Support Grant of £1.243m comprising:
  - DfE Extended Rights to Free Travel (£0.664m), this is the second year of a two year award from the DfE;
  - DEFRA Lead Local Flood Authorities (£0.451m); and
  - Inshore Fisheries Conservation Authorities (£0.128m).
- Education Services Grant is budgeted at £7.100m. This reflects the Council's estimate of pupil numbers and funding rates per pupil in local authority and academy schools in 2014/15. The grant is paid on a quarterly basis with each payment being adjusted as schools convert to Academies throughout the financial year;
- Dedicated Schools Grant (DSG). Lincolnshire's indicative DSG for 2014/15 is £484.009m, which is to support all schools in Lincolnshire including local authority schools and academies. Over half of Lincolnshire pupils attend academy schools; therefore the DSG figure for the schools block will be revised down for the academy schools budget share allocations. The DSG is a ring-fenced grant and the actual split between academies and local authority schools has no financial risk to the Council from the DSG prospective;
- Pupil Premium. Lincolnshire's Pupil Premium for 2014/15 is £23.212m. The pupil premium was introduced in 2011 to raise the attainment of disadvantaged pupils from reception to year 11. Similarly to the DSG, the pupil premium allocation for Lincolnshire covers both the allocations for local authority schools and academy schools. The Education Funding Agency allocate pupil premium for academy schools, so the grant will be reduced accordingly. However, this has no financial risk to the Council;
- Adoption Reform Grant, a one off grant of £0.644m in 2014/15. This is an unringfenced grant and the Council can chose how to spend the money in order to best meet local need. This funding has not yet been allocated within the Council's budget. Plans for utilising this funding will be developed in the coming months; and

- Special Educational Needs (SEN) Reform Grant, a one off grant of £0.901m in 2014/15. This is an unringfenced grant and the Council can chose how to spend the money in order to best meet local need. This funding has not yet been allocated within the Council's budget. Plans for utilising this funding will be developed in the coming months.

3.5 An evaluation of the New Homes Bonus Grant is planned to be carried out by Government and completed by Easter 2014. A consultation on measures to further improve the incentive provided by the New Homes Bonus Grant, in particular through mechanisms to withhold payments where planning approvals are made on appeal, will also be carried out. This may affect the value of New Homes Bonus Grant payments in future years.

### Council Tax

3.6 The Council is asked to set the 2014/15 council tax at the same level as in 2013/14 (i.e. no increase). If this is the case, the Government will again provide a Council Tax Freeze Grant. This is calculated as the equivalent to the extra income which the Council would have received if it had increased council tax by 1.0%. The Council has been provided with indicative figures from central government of the level of this funding. This is estimated to be worth £2.567m to the Council. This will be the fourth consecutive year the County Council has chosen to freeze council tax.

3.7 The Council has accepted freeze grant rather than increasing council tax since 2011/12. The effect of these grants on the Council's overall budgets is as follows:

- In 2011/12, the Council received freeze grant worth £6.293m. In 2013/14 this was incorporated into the Council's RSG. As RSG is now reducing year on year, this funding is also effectively reducing annually;
- In 2012/13, the Council received freeze grant worth £6.332m, which was a one off award and was only received in that financial year (this in effect left a budget shortfall in 2013/14, which was addressed in the budget for that year);
- In 2013/14, the Council received freeze grant worth £2.547m. This grant has been incorporated into RSG for 2014/15. As with the 2011/12 award, as RSG reduces in future years, effectively so does this grant; and
- For 2014/15 and 2015/16, the 18 December Provisional Local Government Settlement has announced that any Council Tax Freeze Grants taken in these financial years will be built into the spending review baseline, as RSG. Again, as RSG reduces in future years, effectively so does this grant.

### Council Tax Base and Collection Fund Surplus

3.8 Figures received from the Lincolnshire District Councils show an increase in the tax base and hence the tax yield of 909.23 band D equivalent properties or 0.43%. This will provide the Council with additional Council Tax income of £0.969m per annum at the current council tax levels.

3.9 All seven District Councils have declared the position on their council tax element of their collection funds and there is a net surplus attributable to the County Council of £1.563m. This is a one off addition to income for 2014/15.

## Business Rates

3.10 Business rates receivable by the County Council will be £99.708m; comprising £19.496m actually collected by the seven District Council's in Lincolnshire and a top up grant of £80.212m from Central Government as the total business rates collected in Lincolnshire are not sufficient to cover local authority spending in the area.

3.11 The Chancellor's Autumn Statement announced that Government would cap the RPI increases on business rates to 2% in 2014/15. Prior to this announcement, the Council had expected to receive RPI increases on the business rate element of funding (expected to be 3.2% for 2014/15). Central government have promised that local authorities will be fully compensated for this loss of income through a Section 31 Grant (for both the locally retained element and any top up/tariff payments due). This compensation grant will initially be paid for 2014/15 and 2015/16. Continuation of the grant beyond this date will be decided by the government in place after the next general election.

3.12 The Autumn Statement also included a further year's extension of the Small Business Rates Relief and two further business rate reliefs (Long Term Empty Properties and Retail Relief); again, the additional cost of these is being funded by Central Government via a Section 31 Grant.

3.13 The value of the Section 31 Grant for the County Council is £2.300m for 2014/15; this includes:

- £0.207m from the RPI cap on the locally retained elements of the business rates;
- £0.852m from the RPI cap on the top up element of the business rates. Note the value of this element of the grant is still to be confirmed by Central Government. The budget assumptions include this estimate of the grant receivable by the County Council in 2014/15; and
- £1.241m to cover the extension of the Small Business Rates Relief and two further business rate reliefs.

3.14 All seven District Councils have declared the position on the business rates element of their collection funds and there is a net deficit attributable to the County Council of £0.655m. Any surplus or deficit from business rates collection will only have a one off effect on the 2014/15 budget.

## Business Rates Pooling 2014/15

3.15 The Local Retention of Business Rates Scheme allows the County Council, each year, to consider the option of pooling our business rates with other local authorities.

3.16 The County Council has agreed to pool business rates with five of the Lincolnshire District Councils (Boston Borough, City of Lincoln, East Lindsey, North Kesteven and South Kesteven). Additional income of £0.948m has been included within the Council's budget. This represents 40% of the additional income expected to be generated from pooling.



#### 4. THE COUNCIL'S OVERALL REVENUE BUDGET

4.1 The table below (**TABLE 1**) sets out the overall changes from the 2013/14 budget, cost pressures which the Council will fund, savings to be made and the use of reserves to bridge the gap between current funding available and service costs.

TABLE 1: Summary Revenue Budget

<b>SUMMARY REVENUE BUDGET</b>	<b>2014/15 £m</b>
<b>EXPENDITURE:</b>	
Base Budget	<b>494.363</b>
Cost Pressures ( <i>including inflation</i> )	22.495
Savings	-40.444
<b>Total Expenditure</b>	<b>476.414</b>
Use of Reserves	-7.905
<b>Budget Requirement</b>	<b>468.509</b>
<b>INCOME:</b>	
Local Retention of Business Rates	102.301
Revenue Support Grant	124.575
Other Grants	15.272
County Precept	226.361
<b>Total Income</b>	<b>468.509</b>

4.2 The Council will allocate an additional £22.495m of resources in 2014/15 to fund inflation (£7.226m) and unavoidable costs pressures including: a general increase in population, incorporating an increase in the number of older people in the county (£6.226m) and new costs associated with moving from sending waste to landfill to the Energy from Waste Plant (£3.586m) – this cost is more than offset by the planned saving from diverting waste from landfill detailed in the paragraph below.

4.3 The Council will make budget savings of £40.444m. This includes: redesigning service delivery models in Adult Care (£2.500m), savings on landfill tax and landfill site gate fees by transferring waste disposal to the Energy from Waste Plant (£5.468m) and reduced costs associated with revenue financing of the capital programme (£16.316m). This includes £4.681m of additional directorate savings – details of these savings are set out in the service narratives at paragraph 5.3 to 5.39.

4.4 The Council also will use reserves of £6.780m in 2014/15. However, this is a one off contribution to the Council's budget shortfall and it is expected that the reductions in funding will be permanent. The Council will therefore be required to find a base budget solution to this issue. It is planned that this will be addressed as part of the Council's second fundamental review of services.

4.5 A further £1.125m will be released in 2014/15 from the General Fund. The Council maintain the General Fund balance at between 2.5% and 3.5% of the Council's total budget. With reducing funding, the amount required in the General Fund is also reducing.

4.6 A more detailed analysis of the movement in budget for 2013/14 is shown at **APPENDIX I**.

## 5. SERVICE REVENUE BUDGETS

5.1 Service revenue budgets for 2014/15 are shown below in **TABLE 2** below together with the change over the previous year.

5.2 The budget assumes inflation increases of 1.0% for pay (2.0% for fire-fighters pay) and 2.0% for prices for the next financial year. A further 0.8% has been included in the budget for the increase in employers' pension contribution.

**TABLE 2: Net Service Revenue Budget 2014/15 and change over previous year**

<b>Revenue Budgets</b>	<b>2013/14</b>	<b>2014/15</b>	<b>Change Over Previous Year</b>	<b>Change Over Previous Year</b>
	<b>£m</b>	<b>£m</b>	<b>£m</b>	<b>%</b>
Adult Care	140.940	143.642	2.702	1.9%
Public Health	42.049	43.150	1.101	2.6%
Public Health Grant Income	-27.542	-28.506	-0.964	3.5%
Children's Social Care	44.015	45.573	1.558	3.5%
Education Services	59.446	57.461	-1.985	-3.3%
Highways & Transportation	48.849	49.205	0.356	0.7%
Environment, Planning & Customer Services	26.479	24.266	-2.213	-8.4%
Economy & Culture	12.908	12.102	-0.806	-6.2%
Finance & Resources	17.089	15.891	-1.198	-7.0%
Fire & Rescue	20.144	20.320	0.176	0.9%
Community Safety	19.337	19.064	-0.273	-1.4%
Performance & Governance	21.775	20.553	-1.222	-5.6%
Other Budgets	73.920	58.739	-15.181	-20.5%
Delegated Schools Budget	452.261	455.433	3.172	0.7%
Dedicated Schools Grant	-478.139	-484.009	-5.870	1.2%
Schools Related Expenditure	20.832	23.530	2.698	13.0%
<b>Total Net Expenditure</b>	<b>494.363</b>	<b>476.414</b>	<b>-17.949</b>	<b>-3.6%</b>
Transfer to/from Earmarked Reserves	-11.700	-6.780	4.920	-42.1%
Transfer to/from General Reserves	0.000	-1.125	-1.125	-100.0%
<b>Budget Requirement</b>	<b>482.663</b>	<b>468.509</b>	<b>-14.154</b>	<b>-2.9%</b>

### Adult Care

5.3 By the end of 2013/14, Adult Care will have delivered £33.225m savings, from an initial target of £39.000m by the end of the four year cycle in 2014/15. As such, it is well on the way to delivering the initial target. This is set in the context of increasing demographic pressures and cost pressures related to service provider fee increases. Adult Care has identified that it can deliver £7.850m savings in 2014/15 but that it cannot put forward further savings in the year without delivering unsafe services or acting outside of national policy directives. The budget identifies an additional requirement of £5.531m which reflects ongoing funding pressures within the service, in addition to the £6.226m provided to fund demographic growth.

5.4 Increased demographic pressures are due to the continued increased numbers of very old people and young people moving into adulthood, notably with profound learning disability. This represents a predicted pressure of £6.226m in 2014/15. Over the next few years, the service will be subject to substantial legislative change as the Care Bill, and the impact of the 'Dilnot' funding reforms in 2015 and 2016 respectively, increase the legal duties placed on Adult Care. In addition, the Sustainability Review of Health and Social Services in

Lincolnshire has identified that fundamental reform is needed which is likely to include increased integration with Health partners.

5.5 Within Adult Care, there are a few areas for further efficiencies relating to day care services. More importantly tight management of expenditure and income will continue.

5.6 Adult Care is also due to receive additional funding via the Better Care Fund (BCF). In 2014/15, the sum available to the Lincolnshire health and social care community is estimated to be £15.436m. Agreement on the use of this fund has not yet been obtained, although detailed discussions with health partners have taken place in recent months and a final proposal will be submitted to the Health and Wellbeing Board in February 2014.

### Public Health

5.7 The 2014/15 budget for the Public Health services funded by core County Council base budget is £14.644m. This includes the funding of cost pressures identified at £0.197m and the delivery of savings of £0.343m. The significant areas of change for the budgets are: the funding of the Members' Big Society programme (£0.154m) and a saving, transferring relevant County Council budgeted costs to the ring-fenced Public Health specific grant (where grant conditions can be met) (£0.266m).

5.8 The Public Health responsibilities that transferred to the Local Authority from the NHS in April 2013 are currently met by a Department of Health ring-fenced grant. This grant has been set at £28.506m for 2014/15, which is an increase of £0.963m from the current year. This increase will allow for relevant savings to be made from County Council core budgets and will also fund any pay, pricing and demand increases within the service, ensuring the service avoids putting any pressure on County Council budgets. The service is currently reviewing all of the contracts that transferred from the NHS, to ensure they are meeting the required needs and demand, and offering value for money.

5.9 The Lincolnshire Community Assistance Scheme (LCAS) commenced in April 2013, following changes implemented as part of the Welfare Reform Act 2012. The scheme is funded by a Department of Work and Pensions non-ring fenced grant. This grant has been set at £1.775m for 2014/15, which is a reduction of £0.026m from the current year. This reduction is to reflect the anticipated reduction of administration costs following the transition year. The scheme is currently under spending, as new services often do. However, demand for the service continues to rise each month. The aim will be to contain the LCAS costs within the grant allocated for the service. The Government's present intention is to cease this grant from April 2015.

### Children's Services

5.10 Children's Services has successfully delivered in full, and on time, the Core Offer Review savings for 2011/12 and 2012/13, which totalled £22.517m. Also, it remains on course to deliver the 2013/14 savings of £5.113m. All of these savings have been secured whilst continuing to deliver outstanding services.

5.11 Children's Services has, and will continue to face other significant financial challenges in the coming financial years, most notably in respect of children's social care. In line with the national position, Children's Services is experiencing much greater demand on child protection services. Case loads have increased by over 30% from 2,842 in 2008 to 3,802 in 2013. This is putting significant pressure on front line services. In 2013/14, the Directorate

has been able to manage internally a number of cost pressures through the development of a range of strategies and the re-alignment of budgets. The re-alignment of budgets has involved transferring £0.954m of funds, secured through additional savings and efficiencies on education services, to children's social care budgets. This has enabled the Directorate to deal with pressures such as growth in Special Guardianship Orders, increased legal costs, greater costs for s.17 and Looked After Children, and an increase in Kinship Carer placements. However, to help relieve pressure on case loads, £0.403m has been added to the revenue budget in 2014/15 to finance an increase in the number of social workers.

5.12 The Directorate has worked hard to deliver a significant level of budget reductions following the Core Offer Review, through proactive and robust budget management. It has recently concluded a detailed and thorough review of all of its budgets and this will provide a solid platform for the delivery of the savings requirement for 2014/15.

5.13 With respect to capital, funding has previously been provided for extensions to the properties of foster carers and adoptive parents in specific circumstances. Priority has been given to ensuring the suitability of accommodation for children with disabilities, and to support adoption. Such funding enables Children's Services to keep siblings together and to develop foster care solutions for children who might otherwise have been placed in more expensive external provision. £0.200m is made available in the 2014/15 capital programme, to help sustain these activities.

#### Communities – Highways and Transportation

5.14 Highways and Transportation are on target to successfully deliver their savings target of £0.069m for 2013/14, in addition to the £9.238m that was achieved over the previous two financial years, 2011/12 and 2012/13. These savings were largely made through staff reductions and the reallocation of budgets to deal with inflation pressures within the Roads Maintenance budget without effecting service provision significantly.

5.15 In December 2013, the Council took on responsibility for Civil Parking Enforcement. This service is now fully embedded in the Department and, a year in to its operation; it is believed that the service will be managed as cost-neutral into the foreseeable future.

5.16 In 2014/15, further savings of £0.827m are planned. In the most part, these will be delivered through efficiencies from the use of improved technology and data, the use of commuted sums, a reduction in business mileage and the management of a small number of vacancies.

5.17 The Council has reviewed its policy in relation to the use of commuted sums during the year, and the service plans to utilise £0.180m (4.9%) of the £3.668m it has available to supplement its 2014/15 revenue budget. Commuted sums are the payments made by developers to the Council, which cover the maintenance of assets that have been adopted by the Council.

#### Communities – Economy and Culture

5.18 Economy and Culture are on target to achieve their savings target of £0.098m in 2013/14, having already achieved savings of £3.100m over the previous two financial years, 2011/12 and 2012/13. These savings have largely been made through staff reductions in economy, outreach staff and activities in Culture and some changes to the heritage network. Economy and Culture are preparing to implement plans to make further saving of £1.154m in

2014/15. These will be largely be made from changes to the library service provision, as agreed by the Executive on 3 December, in addition to some smaller planned savings across Economy, which include the management of a small number of vacancies and income generation initiatives.

#### Communities – Environment, Planning and Customer Services

5.19 Environment, Planning and Customer Services are on target to achieve their 2013/14 savings target of £6.492m, in addition to the £4.818m achieved over the previous two financial years, 2011/12 and 2012/13. These savings have largely been made through contract efficiencies and lower than anticipated waste tonnage. There are plans in place to deliver a further £6.307m of savings in 2014/15, which will mostly arise from a reduction in waste disposal costs, following the start of the Energy from Waste Plant in early 2014.

#### Resources and Community Safety – Finance and Resources

5.20 Corporate Property has a further £1.040m of their core offer savings to achieve in 2014/15. However, this is already achieved. Corporate Property also has an additional budget allocation in 2014/15 of £0.050m for carrying out fire risk assessments, and any over spends due to the cost of holding properties awaiting disposal will be offset against any under spends on the capital financing charges at year end.

5.21 Finance and Resources also includes further savings for 2014/15 of £0.408m or 2.38%. This includes £0.286m for Corporate Property, £0.092m for Treasury and Financial Strategy, £0.017m in Procurement Lincolnshire and Contract Management, and £0.013m in Legal Services Lincolnshire. Audit has been excluded from delivering any further savings as the risk of further reducing this activity at this time was rejected given the pending extensive change to the financial systems and processes of the Council.

5.22 The savings will be met by a variety of means such as removing budget for vacant posts, reducing budgets in line with spend e.g. external audit fees, Inshore Fisheries Conservation Authority and Carbon Reduction Scheme.

#### Resources and Community Safety – Safer Communities

5.23 This service area made considerable core offer savings of £2.040m in 2011/12 and £1.350m in 2012/13. For 2014/15, each Head of Service has committed to find further efficiencies totalling £0.555m or 2.7%. The remaining 0.3% of the 3.0% target was retained by the Business Support service in order to cover a cost pressure on offsite document storage.

5.24 The savings are broken down as follows: £0.332m in Business Support, £0.154m in Safer Communities, £0.024m in the Youth Offending Service, and £0.045m in Registration and Celebratory Services and Coroners. These reductions will be met by removing budget for vacant posts, staff turnover, reducing community safety initiatives and increasing income generation.

## Resources and Community Safety – Fire and Rescue

5.25 The outcomes of the service delivery review of whole time crewing arrangements continue to be implemented and will be completed during 2014/15.

5.26 £0.300m is required for the co-responder service. This will be funded in 2014/15 from health re-enablement funds and use of earmarked reserves.

5.27 £0.222m of budget reductions will be delivered via efficiency in delivering support functions and via accessing earmarked reserves to support the Urban Search and Rescue function.

## Performance and Governance

5.28 Information Management and Technology have successfully achieved £1.750m of core offer savings in 2013/14 and remain on target to deliver the remaining £0.750m in 2014/15.

5.29 People Management have achieved £1m of savings in the current core offer through contract management, volume reductions, reductions in staffing and changes to trade union facilities time and has undergone a restructuring to be fit for purpose for the new support service (FDSS) contract. Democratic Services have achieved core offer savings of £0.127 through staffing reductions and reduced spending in the Chairman's Fund. Strategic Communications has achieved core offer of £0.436m savings over 2 years, including reduced editions of County News and savings in the Council's presence at the County Show. Additional savings of £0.357m will also be achieved across services through operational efficiency and better use of digital technology.

5.30 A budget allocation has been added for the Digital Engagement Team of £0.014m.

## Schools

5.31 The Schools Budget is funded via the Dedicated Schools Grant (DSG). The Government's school funding reforms now categorise the DSG into the Schools block, the Early Year's block and the High Needs block. Funding for the schools block has been confirmed by the DfE. However the Early Year's and High Needs blocks are indicative at this stage. The Early Year's block is adjusted in-year to reflect actual participation and the High Needs block will be confirmed by the 31st March 2014.

5.32 Lincolnshire's indicative DSG for 2014/15 is £484.009m, which is to support all schools in Lincolnshire including local authority maintained schools and academies. Over half of Lincolnshire pupils attend academy schools; therefore the DSG figure for the Schools block will be revised down for the academy schools' budget share allocations. The DSG is a ring-fenced grant and the actual split between academies and local authority schools has no financial risk to the Council from the DSG perspective.

5.33 As set out in the Comprehensive Spending Review of 2010, there is no growth in the DSG funding for 2014/15, the fourth and final year covered by the Review period, other than for the increase in pupil numbers. As highlighted below, funding for the pupil premium has increased, but this sits outside of the DSG.

5.34 Work is currently underway to finalise the centrally held budgets within the DSG.

5.35 In June 2013, the Government announced a number of refinements to the radical school funding reforms introduced in 2013/14. Once again, officers have worked with school representatives and others to respond to these changes, and the minor modifications proposed to local school funding arrangements next year have secured widespread support. Protection arrangements will continue to be put in place through application of the Government's minimum funding guarantee (i.e. individual schools budgets will be protected on a per pupil basis, i.e. at 98.5% of the previous year's funding level).

5.36 Details of the local authority's plans for use of the 2014/15 DSG were considered by the Schools Forum at its meeting on 15 January 2014 and were supported.

5.37 Lincolnshire's Pupil Premium for 2014/15 is £23.212m. The pupil premium was introduced in 2011 to raise the attainment of disadvantaged pupils from reception to year 11. Similarly to the DSG, the pupil premium allocation for Lincolnshire covers both the allocations for local authority schools and academy schools. The Education Funding Agency allocate the pupil premium for academy schools, so the grant will be reduced accordingly. However, this has no financial risk to the Council.

5.38 Pupil Premium funding is rising nationally to £2.5 billion in 2014/15 as outlined in the Comprehensive Spending Review of 2010.

#### Other Budgets

5.39 Capital Financing Charges, within other budgets have been set at a level to reflect the revenue implications of the revised capital programme set out below (section 7). The revenue implications of the capital programme have been revised and a reduction of £16.316m will be made over the 2013/14 budget.

## **6. RESERVES**

6.1 The Council's current financial strategy is to maintain general reserves within a range of 2.5% to 3.5% of the Council's total budget. General reserves, at 31 March 2014, are estimated to be £16.400m which is 3.5%. In future years, as the Council's overall revenue budgets reduce, the balance required to maintain the Council's general fund balance at 3.5% also reduces. To maintain the Council's general fund balance at 3.5% at 31 March 2015 requires a balance of £15.275m. In 2014/15, this will release £1.125m from the general fund to fund other Council services.

6.2 At the end of 2012/13, the Council set aside £12.000m in the Financial Volatility Reserve to be utilised in 2014/15 to balance the Council's budget. Following review of the Council's budgets and announcement of funding from central government the amount required from reserves has reduced. It is now planned to use £6.780m from the Financial Volatility Reserve to balance the 2014/15 budget. This is a one off contribution to the Council's budget shortfall in 2014/15. From 2015/16, the Council will need to find a base budget solution to this issue. With the scale of reductions required, a second fundamental review of service priorities is planned to formulate a sustainable budget in the medium to long term.

## 7. CAPITAL PROGRAMME

7.1 The existing capital programme runs to 2014/15 and also includes major schemes for the County Council stretching into future years (including a number of major highways schemes, the rolling programme of renewal and replacement of fire fleet vehicles, and broadband in Lincolnshire). The gross capital programme is now set at £361.308m from 2014/15 onwards, with grants and contributions of £157.954m giving a net programme of £203.354m to be funded by the County Council.

7.2 A review of the capital programme will be undertaken, alongside the fundamental review of service priorities, which will need to take place for setting the Council's 2015/16 revenue budgets. The overall affordability of capital spending will be considered and the Council's capital priorities for future years.

7.3 The new overall capital programme and its funding is shown in **TABLE 3** below.

**TABLE 3 – Capital Programme**

	2013/14 £'000	2014/15 £'000	Future Years £'000
Highways and Transportation	43,534	71,835	108,672
Economy and Culture	16,512	17,873	4,333
Environment, Planning and Customer Services	30,240	7,073	11,650
Children's Services	60,737	23,526	23,440
Adult Care	2,577	2,706	0
Corporate Services	11,341	24,147	18,209
Performance and Governance	5,350	33,013	11,451
Other Programmes	0	3,380	0
<b>Gross Programme</b>	<b>170,291</b>	<b>183,553</b>	<b>177,755</b>
Revenue Funding	5,612	4,500	0
Use of Capital Receipts	2,500	2,000	0
Borrowing	53,821	80,815	116,039
Use of Capital Grants Unapplied	28,337	0	0
Use of Revenue Grant Reserves	3,022	0	0
Use of Other Earmarked Reserves	2,002	0	0
Government Grants and Other Contributions	74,997	96,238	61,716
<b>Total Funding by LCC</b>	<b>170,291</b>	<b>183,553</b>	<b>177,755</b>

7.4 The following minor changes have been made to the capital programme as part of the budget setting process. These add an additional £2.200m of capital spend into the programme for next year. These changes comprise:

- Replacement of a farm house on the County Farms Estate - £0.200m. This will be funded by a budget transfer from the property contingency budget;
- Additional funding for broadband in Lincolnshire - £1.800m. This will be funded by a budget transfer from the new developments capital contingency budget;



- Replacement of SAP with Agresso – £7.000m. This will be funded from the now not required data centre budget (£5.000m) plus an additional £2.000m of new monies;
- Increased places for children with disabilities and for sibling groups within the foster care environment - £0.200m funded from new money;
- A transfer of £7.555m from projects in central Grantham to the Grantham Growth Point initiative including the southern relief road; and
- Additional funding for flood defence £0.670m in 2014/15 and £0.650m in 2015/16. This will be funded by a budget transfer from the new developments capital contingency budget.

7.5 The Council receives government grant funding to support large parts of the capital programme, including schools maintenance and provision, and roads maintenance. The following capital grants have been announced and incorporated into the capital programme for 2014/15 (and future years):

- Highways Maintenance Block £24.175m. Made up of: £21.929m, the final year of a three year award, plus an additional award of £2.246m announced in the 2013/14 Autumn Statement;
- Integrated Transport Grant of £5.816m, the final year of a three year award to the County Council;
- Fire Capital Grant of £0.885m, the second year of a two year award;
- Adult Social Care Community Capacity Grant of £1.848m, the second year of a two year award. The grant is given to support the development of personalisation, reform and efficiency;
- Provision of Schools Place – Basic Need Grant £8.377m for 2014/15, plus an additional award of £2.628m in 2014/15 for specific projects spanning 2013/14 and 2014/15 at Witham St Hughs, Cranwell and Gainsborough.

The Local Government Settlement provided a three year award for Basic Needs, which should allow the Council to plan strategically for the places needed in schools. In addition to the £8.377m in 2014/15 the Council has been awarded £11.434m in 2015/16 and £12.006m in 2016/17;

- Schools capital maintenance of £6.752m for 2014/15 to maintain and improve the condition of school buildings;
- Devolved Formula Capital (DFC) of £1.395m for 2014/15. Note the allocation for DFC is provisional and will be updated to reflect any schools which become academies by 1 April 2014; and
- Capital funding in 2014/15 of £1.085m to support universal free school meals for children in reception, year one and year two in state funded schools. The funding is for improvements to school kitchens and dining facilities.

## **8. PRUDENTIAL INDICATORS**

8.1 The Council is required to agree targets for specified prudential indicators in relation to capital financing and other treasury management matters. The Council also sets its own targets in addition to the statutory ones. The main purpose of these targets is to ensure that the Council's capital financing, in particular its long term borrowing, is prudent, affordable and sustainable. The targets are set out in **APPENDIX K**.

8.2 One of the key targets in the Council's Financial Strategy, is that "the repayment of external debt including interest will be less than 10% of annual income from general government grants, Dedicated Schools Grant and council tax." This is projected to increase to 7.77% by 2016/17 from 6.01% in 2013/14.

## **9. MINIMUM REVENUE PROVISION**

9.1 The Council has a duty to set a minimum revenue provision (MRP) which "it considers prudent". The aim is to ensure that debt is repaid over a period reasonably commensurate with the period over which the capital expenditure funded by borrowing provides benefits.

9.2 The Council's current policy is to apply the asset life method for calculating MRP. This is a prudent approach which is consistent with the Council's Financial Strategy. It is proposed to continue this method in 2014/15.

## **10. SECTION 151 OFFICER'S STATEMENT ON THE ROBUSTNESS OF THE BUDGET AND ADEQUACY OF RESERVES**

10.1 The Local Government Act 2003 includes a statutory duty for the Council's Section 151 officer to report to the Council when it is calculating the council tax on "the robustness of the estimates made for the purposes of the calculations, and the adequacy of the proposed financial reserves." The Council has a statutory duty to "have regard to the report when making decisions about the calculations."

10.2 The Financial Strategy requirement in relation to reserves is based on a full assessment of the Council's potential financial risks last undertaken in November 2013, informed by the Government's October 2010 Spending Review and the four year 'core offer' budget formulated thereafter. The implications of the June 2013 Spending Round announcements have also been taken into account in formulating this budget. A key aspect of that strategy is that Council will maintain its general reserves within a range of 2.5% to 3.5% of its annual budget requirement. This requirement remains in an updated Financial Strategy document that is included elsewhere in this report (**APPENDIX D**).

10.3 Currently the Council's projected year end general reserves stand at £16.400m or 3.5% of the budget requirement (i.e. towards the top of the target range). There is a proposal to reduce the general reserves by £1.125m as part of the 2014/15 budget, this reflects future reductions in the Council's overall budgets. There are proposals to apply some earmarked reserves in 2014/15 (£6.780m) to deliver a balanced budget in preparation for further government funding restraint expected from 2015/16 onwards.

10.4 The new business rate funding regime for local authorities commenced in April 2013 as did revised arrangements for funding local welfare benefits related to the Council Tax. These measures are likely to introduce an element of volatility into the income base of the Council which, acting prudently has required the establishment of an earmarked reserve to assist

with the management of funding risk. That reserve is estimated to be £23.037m at 31<sup>st</sup> March 2014.

10.5 The November 2013 risk assessment encompassed a full assessment of the potential financial risks facing the Council included the following:

The realism of budget estimates for –

- Pay awards
- Price increases
- Income, including higher risk areas such as capital receipts
- Savings
- Provision for demand led services including: children's services, waste disposal, adult care, certain aspects of public health, home to school transport, concessionary fares, winter maintenance, support for the council tax, etc.

Financial management arrangements including –

- The recent history of financial management performance

Potential Losses including –

- Claims against the Council
- Bad debts or failure to collect income
- Major emergencies or disasters
- Failure to deliver budget savings
- Default on loans made by the Council for cash management purposes

10.6 An assessment was also made of the provision against these financial risks including:

- A provision in the form of a contingency budget to deal with pressures related to real or potential legislative change or other unforeseen impacts upon the Council. The general contingency has been maintained for 2014/15 in order to assist in alleviating general funding pressures faced by the Council.
- Specific provisions in the accounts and earmarked reserves
- Provision for the funding of capital which provides modest additional financial flexibility
- The potential for slippage and underspending of the capital programme
- The level of the Council's general reserves

10.7 In the round the finance settlement from government places additional funding pressures on the County Council when compared to 2013/14. A strategy of making further modest budget reductions allied with the use of earmarked reserves has again been used to produce a balanced budget for next year. Thereafter a further fundamental review of service priorities and related spending will be undertaken, during 2014, to produce a sustainable budget for 2015/16 and beyond. Close monitoring of the delivery of savings will be undertaken and, if necessary, corrective action will be initiated to examine alternative options should this be necessary. The delivery of the detailed schedule of planned savings will be monitored and reported regularly to senior management teams and to Executive councillors as part of the formal, published reports.

10.8 Financial management remains an important consideration. Spending pressures continue to arise in Adult Care relating to a range of factors such a demographic growth of the client base. The service is likely to spend within budget in 2013/14 but has been supplemented with the addition of £6.2m in its base budget from 2014/15 onwards.

10.9 In general terms budget pressures in 2013/14 are at, or slightly below, those experienced in recent years. However, it is still expected that service related spending over the whole Council will be at least in balance at the current year end with no need to apply the available general reserves of the Council.

10.10 In relation to the 2014/15 budget, Assistant Directors have provided brief notes on the realism of their proposed budgets and their ability to manage within these budgets. In that context the following points are relevant:

- All Assistant Directors are aware that the savings target that has been set is a significant one and will demand sustained and rigorous management action to ensure it is delivered on target. All have affirmed their commitment to achieving the demanding targets set with appropriate caveats as necessary.
- Funding pressures will continue to exist in a number of service areas. The key pressure areas are as follows:
  - (i) Adult Care – ongoing demographic factors continue to place increasing pressure on service demand. These relate in particular to younger people with learning disabilities moving into adulthood and older people with high intensity homecare needs. Additional base budget funding has been allocated to the service next year in part recognition of these issues. The service is likely to continue activity to integrate its services with relevant health service organisations within the county and in so doing an increasing reliance will emerge on securing direct funding from health budgets. The future financial viability of the service is linked to the success of health integration initiatives.
  - (ii) Council Tax Support Schemes – local schemes were established by all the District Councils from April 2013. The County Council is, in effect, responsible for around 75% of the financial liability arising from these schemes. Whilst a great deal of work has been undertaken with the Districts to establish financially robust arrangements there remain financial risks to the County Council from their operation. These comprise a general demand risk for local support in a recessionary environment and a risk of poorer than expected collection rates where increased levels of tax are being collected from individuals when compared to present arrangements. The County Council maintains a financial volatility reserve to mitigate the risks in this regard.
  - (iii) Public Health – the service faces a major re-procurement of a range of externally delivered services which has a risk that new price levels will exceed available resources and that a range of non-recurrent costs, not presently included in the budget, may arise. These circumstances may lead to short term additional costs until service levels can be realigned to the resources available.
  - (iv) Children’s Services – there remain significant pressures in children's social care in relation to a rise in the number of children looked after; increases in the number of Regulation 24 placements and special guardianship orders; a rise in costs of out of county residential placements and safeguarding, and; an increase in legal costs as the number of care proceedings grows. Additional resources have been made available both from within the Directorate and through new funding to deal with these pressures. In addition the Directorate faces inherent volatility in its school transport budget.

10.11 The capital programme has been reviewed as part of the current budget cycle and only minor changes are envisaged to the programme for 2014/15. Decisions relating to new capital spending for 2015/16 onwards will depend upon the aforementioned fundamental review of services priorities and related spending. Significant commitments, relating in particular to major highways schemes, already exist in the period beyond next financial year.

10.12 Taking into account all these factors the Section 151 officer is satisfied that the budget is realistic and that the level of reserves is adequate but notes that the assessment relies heavily on:

- Continued improvement of financial management across the Council.
- Achievement of expected savings that rely on the timing of the delivery of initiatives arising from the budget core offer review.
- Delivery of a fundamental review of service priorities and related spending to enable a sustainable revenue budget and capital programme to be in place for 2015/16 onwards.

## **11. CONSULTATION**

11.1 A Member Briefing Meeting was held on 6 December 2013 to discuss the current state of the economy and budgets for the Council.

11.2 Individual Scrutiny Committees have received a report and presentation on their respective budget and have had chance to comment on its appropriateness. The Value for Money Scrutiny Committee also considered the proposals as a whole. These comments were collated and presented to the Executive when it considered the Council's final budget.

11.3 Businesses, Trade Unions and other public organisations were consulted at a meeting on 24 January 2014. Comments made at this meeting were collated and presented to the Executive when it considered the Council's final budget.

11.4 The Council invited comments on its budget through its website, social media e.g. Twitter and via an article in County News.

11.5 The Council participated in three consultation events in conjunction with North Kesteven District Council. Members of the public were provided with information about the budget and given the opportunity to comment and vote on the proposals together with their level of satisfaction with Council services.

11.6 A summary of all comments received via the consultation process can be found at **APPENDIX C**.

## REVENUE EXPENDITURE

LINE REF	2013/14 BUDGET £	REVENUE BUDGETS	2014/15 BUDGET CHANGES £	2014/15 ORIGINAL ESTIMATE £
		<b>SERVICE BUDGETS</b>		
1	140,939,769	Adult Care	2,702,269	143,642,038
2	42,049,003	Public Health	1,100,694	43,149,697
3	-27,542,400	Public Health Grant Income	-963,500	-28,505,900
4	44,014,746	Children's Social Care	1,558,307	45,573,053
5	59,446,465	Education Services	-1,985,817	57,460,648
6	48,848,924	Highways & Transportation	355,696	49,204,620
7	26,479,325	Environment, Planning & Customer Services	-2,213,310	24,266,015
8	12,907,931	Economy & Culture	-806,073	12,101,858
9	17,088,852	Finance & Resources	-1,198,108	15,890,744
10	20,143,643	Fire & Rescue	176,773	20,320,416
11	19,337,043	Community Safety	-272,602	19,064,441
12	21,775,322	Performance & Governance	-1,222,417	20,552,905
13	<b>425,488,623</b>	<b>TOTAL SERVICE BUDGETS</b>	<b>-2,768,088</b>	<b>422,720,535</b>
		<b>SCHOOLS BUDGETS</b>		
14	452,261,069	Delegated Schools Budget	3,171,641	455,432,710
15	-478,138,577	Dedicated Schools Grant	-5,870,423	-484,009,000
16	20,831,718	Schools Related Expenditure	2,698,782	23,530,500
17	<b>-5,045,790</b>	<b>TOTAL SCHOOLS BUDGETS</b>	<b>0</b>	<b>-5,045,790</b>
		<b>OTHER BUDGETS</b>		
18	3,632,829	Contingency	0	3,632,829
19	66,654,136	Capital Financing Charges	-16,616,299	50,037,837
20	3,633,428	Other	1,435,109	5,068,537
21	<b>73,920,393</b>	<b>TOTAL OTHER BUDGETS</b>	<b>-15,181,190</b>	<b>58,739,203</b>
22	<b>494,363,226</b>	<b>TOTAL NET EXPENDITURE</b>	<b>-17,949,278</b>	<b>476,413,948</b>
23	-11,700,000	Transfer to/from Earmarked Reserves	4,920,000	-6,780,000
24	0	Transfer to/from General Reserves	-1,125,000	-1,125,000
25	<b>482,663,226</b>	<b>BUDGET REQUIREMENT</b>	<b>-14,154,278</b>	<b>468,508,948</b>
		<b>MET FROM:</b>		
26	97,649,164	Local Retention of Business Rates	4,651,387	102,300,551
27	146,365,703	Revenue Support Grant	-21,790,515	124,575,188
28	7,096,000	Education Services Grant	4,035	7,100,035
29	2,238,257	*Council Tax Freeze Grant 2013/14	-2,238,257	0
30	0	Council Tax Freeze Grant 2014/15	2,566,997	2,566,997
31	2,038,709	New Homes Bonus Grant	769,294	2,808,003
32	825,356	*New Homes Bonus Grant-Return of Top Slice	-825,356	0
33	755,273	*Rural Services Delivery Funding	-755,273	0
34	1,448,016	Local Services Support Grant	-204,820	1,243,196
35	0	Community Right to Challenge Grant New Burdens Grant	8,547	8,547
36	0	Adoption Reform Grant	644,283	644,283
37	0	Special Educational Needs Reform Grant	900,833	900,833
38	224,246,748	County Precept	2,114,567	226,361,315
39	<b>482,663,226</b>	<b>TOTAL MET FROM</b>	<b>-14,154,278</b>	<b>468,508,948</b>
<i>*Please note that these Grants for 2013/14 have now been incorporated into Revenue Support Grant in 2014/15.</i>				

## COUNTY PRECEPT

<b>Council Tax Requirement</b>		<b>£</b>
Total Budget Requirement		468,508,948.20
less	Government Support	242,147,633.00
County Precept		226,361,315.20
less	Net Surplus on District Council Collection Funds	1,563,430.39
Council Tax Requirement		224,797,884.81

Precepts to be levied on District Councils	Number of Band D Equivalent Properties	Council Tax Requirement £	Collection Fund +Surplus/-Deficit £	County Precept £
City of Lincoln	22,110.61	23,563,055.97	633,641.00	24,196,696.97
Boston	17,385.20	18,527,233.79	0.00	18,527,233.79
East Lindsey	40,736.00	43,411,947.84	0.00	43,411,947.84
West Lindsey	27,607.95	29,421,516.24	554,330.00	29,975,846.24
North Kesteven	34,000.00	36,233,460.00	0.00	36,233,460.00
South Kesteven	43,522.40	46,381,386.46	133,593.39	46,514,979.85
South Holland	25,579.00	27,259,284.51	241,866.00	27,501,150.51
<b>Total</b>	<b>210,941.16</b>	<b>224,797,884.81</b>	<b>1,563,430.39</b>	<b>226,361,315.20</b>

<b>County Council Element of Council Tax by Property Band</b>		
Property Band	Proportion of Band D	Council Tax per Property £
Band A	6 / 9	710.46
Band B	7 / 9	828.87
Band C	8 / 9	947.28
Band D	9 / 9	1,065.69
Band E	11 / 9	1,302.51
Band F	13 / 9	1,539.33
Band G	15 / 9	1,776.15
Band H	18 / 9	2,131.38

## **BUDGET CONSULTATION FEEDBACK JANUARY 2014**

This appendix sets out the feedback from a range of budget consultation events that took place during January and early February 2014. These included:

- Reports and presentations to all Scrutiny Committees;
- Public Consultation via the Council's website, social media and a County News article;
- Three joint public consultation meetings with North Kesteven District Council; and
- Meeting with businesses, trade unions and other public bodies.

These comments have been considered by the Executive in recommending the budget for approval by County Council.

### **Budget Comments from Scrutiny Committees**

#### **Children and Young People Scrutiny Committee – 10 January 2014**

The Children and Young People Scrutiny Committee considered the budget proposals and supported the proposed additional funds of £0.400m for social workers and the additional capital grant of £0.200m for the foster care service.

The Committee discussed the potential transport costs arising from the opening of the University Technical College and requested that the funding of these additional costs does not come from existing budgets.

The Committee also discussed the integration of services around health, and questioned how much funding would be coming from health and whether there would be a pooling of budgets. The Committee raised concerns over future financing for 2015/16 and requested early involvement of the Committee in the decision making process.

#### **Community and Public Safety Scrutiny Committee – 22 January 2014**

The Community and Public Safety Scrutiny Committee considered the budget proposals relating to Public Health, Libraries & Heritage, Fire & Rescue/Emergency Planning and Community Safety which it supported.

The Committee noted with concern that the Department for Work and Pensions would be ending funding for the Lincolnshire Community Assistance Scheme (LCAS) after 2014/15 and asked to be kept informed on the thinking around how this Scheme, or a similar Scheme, could be delivered from 2015/16.

The Committee requested that the wording around the co-responder service, detailed at paragraph 1.11 of the Committee's report, be changed to make it clearer that the £0.300m referred to is not additional funding but is the actual budget required.



#### Economic Scrutiny Committee – 16 January 2014

The Economic Scrutiny Committee considered the budget proposals relating to Enterprise and Regeneration which it supported.

The Committee maintained its support for the ongoing work on the Lincoln Castle Revealed project but did raise concerns over whether there was adequate funding to fully realise the opportunities of Lincoln Castle Revealed. The Committee agreed that next year's budget would be important to ensure there was enough funding available to promote and market Lincoln Castle in the run up to the 800<sup>th</sup> anniversary of the Magna Carta in June 2015.

#### Environmental Scrutiny Committee – 17 January 2014

The Environmental Scrutiny Committee considered the budget proposals relating to Waste Management, Environmental Management and Planning which it supported.

The Committee particularly welcomed that the budget for Planning had been maintained at its current level; however the Committee requested that as part of the fundamental review of services the issue of whether to introduce pre-application fees for planning be explored.

#### Highways and Transport Scrutiny Committee – 20 January 2014

The Highways and Transport Scrutiny Committee considered the budget proposals relating to Roads Maintenance, Highways Divisions & Client Services, Flood & Water Risk Operational Management, Transportation and Financial Provisions & Support Services which it supported.

The Committee noted the good work which had been undertaken with the £6.000m of funding received from the Government for road maintenance in 2013/14 and strongly supported that additional monies be put forward, including possibly adjusting some capital funding, to continue to support this work.

#### Value for Money Scrutiny Committee – 21 January 2014

The Committee received a presentation on the Council's overall budget proposals, details of comments made at other scrutiny committees and budget information for Performance and Governance and the services areas within Resources and Community Safety that fall within the remit of the Committee.

The Committee recognised the importance of the upcoming Fundamental Budget Review and looked forward to contributing to the Review and the budget setting process for 2015/16 and beyond.

The Committee also recognised that further budget cuts would be required in the future due to the reduction in funding from central government. In making savings the Committee requested that the impact on the well-being of officers should be taken into consideration when additional duties were allocated to officers.

Members of the Committee highlighted the improved access that councillors have to electronic information and it was agreed that a move towards more paperless working for

councillors should be investigated. It was agreed that a working group should be established to work up proposals for consideration by the Committee.

#### Adults Scrutiny Committee – 24 January 2014

The Adults Scrutiny Committee received a detailed report and a presentation on the budget proposals for Adult Care. The Committee agreed to support the proposals for an overall budget for Adult Care for 2014/15 of £143.508m.

The Committee reflected on the Better Care Funding contribution to Adult Care, which was likely to increase in future years. The Committee received advice that Better Care Funding did not represent new money in the Health and Social Care system. A significant element of the monies to be used to support Better Care Funding would in effect be removed from existing Clinical Commissioning Group budgets. As most of Clinical Commissioning Group funding was currently allocated to secondary care and the prescribing of medicines, the funding available to these two areas was likely to reduce. The Committee recognised that this represented a challenge for the health and social care system, with a change of emphasis from secondary and tertiary care to prevention, early intervention and primary care.

The Committee explored the implications of the Care Bill on future budgets, which was the subject of a separate detailed report to the Committee. The additional impact on the Adult Care Budget was expected to exceed £20.000m per annum by 2025/26, including additional service user costs arising from the Government's cap of £0.072m on the personal contribution to adult care services.

The Committee also looked at Disabled Facilities Grants (DFGs) and the differing priorities for these grants in a two tier council area. The Department of Health now classified all DFG expenditure as part of the Health and Social Care expenditure.

#### **Public Consultation Comments received from Members of the Public**

We have received a number of responses to the consultation. The main points from the responses received are as follows:

- Increases in Council Tax would be preferable to cutting services;
- Continuing to freeze Council Tax is welcomed to support low paid residents in Lincolnshire;
- The condition of Lincolnshire's roads is a concern, more needs to be done to improve the quality of repairs made;
- Improving the condition of cycle routes in the Lincoln area would be welcomed;
- The costs associated with replacing the Authorities accountancy system – this money would be better spent elsewhere rather than cutting services;
- Being less wasteful e.g. not leaving doors of heated buildings open; reducing costs associated with glossy publications, replace with useful, factual and contact information once a year with council tax bills;

- Consideration be given to funding bypass to the north of Tallington village due to road users waiting for long periods at rail junction/crossing;
- Charging the same rates for all services the Council provides. One Council to provide all services or each council provides a service to avoid duplication;
- Ban on new traffic lights as costly to maintain and delay the traffic;
- Concern over volunteering in the Youth and Library Services and the knowledge and experience required;
- Until alternative funding is found or an increase in Council Tax in 2015/16, more use of reserves should be allocated to Adult Care and quality of road repairs; and
- Concerns raised regarding reduction in bus services leading to increased demand on Call-Connect service.

### **Joint Public Consultation Meetings with North Kesteven District Council**

North Kesteven District Council invited the County Council to participate in three public consultation meetings they held on their own budget proposals in early February. Evening events were held in Navenby, Sleaford and North Hykeham. The events took the form of officer presentations, an open forum for questions and comments and a vote on the budget proposals and related matters. The Leader attended the Navenby and Sleaford events with his Support Councillor, Marc Jones, attending the Hykeham event. A number of local County Councillors also attended the sessions. Officers from finance and highways also attended each session. This summary only covers the Navenby and Sleaford events as the Hykeham session took place after the deadline for the finalisation of this note.

A range of issues were raised during the open forums with the most common being:

- Why the Council felt it necessary to invest in broadband for the County.
- Future potential rises in council tax.
- The potential impact of fracking on community finances.
- The extent to which the County Council can influence policing policies in the County.
- A range of specific highways related queries covering the North Kesteven area with potholes being a common topic.

In all some members of the public attended the events and were asked to vote on four specific issues for each authority. The questions posed and responses received in respect of the County Council were as follows:

#### **Has the County Council set the right priorities for 2014/15?**

Strongly Agree	5%
Agree	60%
Neither Agree nor Disagree	19%
Disagree	11%
Strongly Disagree	5%

## How well do you think the Council performs with the money it has available?

Good	43%
Satisfactory	40%
Poor	17%

## How would you rate the quality of services provided?

Good	36%
Satisfactory	48%
Poor	16%

## Overall, how satisfied are you with the Council's services?

Very Satisfied	10%
Fairly Satisfied	62%
Neither	10%
Fairly Dissatisfied	12%
Very Dissatisfied	6%

### **Consultation Meeting with External Stakeholders Comments**

A Budget Consultation meeting was held with external stakeholders on 24 January 2014.

A list of attendees is detailed below these notes.

The Executive Councillor for Policy, Finance, Property, Communications, Procurement and Commissioning, Councillor M J Hill OBE, and the Executive Director Resources and Community Safety, Pete Moore, welcomed everyone to the meeting. Attendees were informed that this meeting was part of the normal consultation process which the Authority undertook when setting its budget, and provided an opportunity for partners and other organisations to take part in the consultation. It was reported that the proposed budget was also examined by each of the County Council's scrutiny committees who would look in more detail at the budgets for individual service areas. Recommendation would then be made to the full Council at its meeting on 21 February 2014, where the budget would be formally approved.

David Forbes, Assistant Director Finance and Resources and Dave Simpson, Head of Finance (Corporate and Communities), gave a presentation on "Budget Consultation, 24 January 2014", which was a consultation exercise led by the County Council to highlight the Council's current budget and financial outlook for public services over the coming years. The presentation highlighted the following main points:

- Expenditure on schools accounted for 45% of the total budget followed by Adult Social Care with 17% of the Budget, and Children's Services with 10%;
- In terms of how the Council was financed, 45% was through the Dedicated Schools Grant, 21% was through Council Tax and 14% was from the Revenue Support Grant which came from Central Government;
- Spending per head was less in rural areas compared with urban areas, although people in living in rural areas paid more in council tax;

- 2014/15 was the fourth and final year of the Core Offer budget reduction strategy which was approved in February 2011. The strategy aimed to deliver £125m of savings over 4 years and was currently on target;
- The strategy was amended in February 2013 to take into account the impact of the new local government funding regime which was put in place from April 2013 along with additional spending pressures. The savings target has since been increased to around £148m;
- At the County Council meeting in February 2013, it was agreed to allocate funding from reserves of £11.7m in 2013/14 and provisionally £12m in 2014/15 to temporarily assist in achieving a balanced budget for those years;
- It was acknowledged that it was not sustainable to continue to use reserves to balance the budget after these two years, and so a fundamental review of service priorities and associated budgets would be required during 2014 in order to deliver a balanced budget from April 2015 onwards;
- It was expected that Lincolnshire's government funding would reduce by a further £31m (14%) from April 2015;
- A significant sum of money would be available on a pooled budget basis with health through the Better Care Fund from 2015/16 with around £50m available jointly to the County/District Councils and the CCG's for care services with a view to securing better integrated working;
- The Efficiency Support for Services in Sparse Areas had been extended with LCC's allocation increased to £0.813m from £0.755m this year;
- The New Homes Bonus of £2.8m had been awarded in line with expectations, and the threat of it being lost from April 2015 had been removed;
- Other revenue grants such as the Education Services Grant and Local Services Support Grant were in line with expectations;
- A further year's council tax freeze grant had been offered at a level of 1%, this was worth approximately £2.2m to Lincolnshire. The referendum ceiling was likely to be 2%, but this was still subject to confirmation and could be lower;
- LCC had reached an agreement with 5 of the 7 Lincolnshire districts to pool business rates which should bring an additional £0.948m to LCC;
- There would be unavoidable cost pressures of £20.4m funded but with savings of £39.8m proposed;
- The savings proposals came from a release of now not required capital financing costs (£16.9m); reduced waste disposal costs from the full operation of the Energy from Waste Plant (£5.5m); and across the board service budget reductions of 1% – 2% (£4.7m). The latter would not have any major service reduction implications;
- The existing capital programme would run until the end of 2014/15, and an update would form part of the 2014 fundamental review of services;

- Key changes proposed for the 2014/15 capital programme include allocation of additional funding for broadband (£1.8m); replacement of SAP with Agresso as the main finance/HR system for the Council (£7m); transfer of £7.6m from projects in central Grantham to Grantham Growth Point initiative including the Grantham Southern Relief Road; and additional funding for flood defence - £1.3m over the next two years;
- Proposed freeze to council tax for a fourth consecutive year by accepting a new tranche of freeze grant. The funding of historic freeze grants was now getting more complicated, but the trend was for the historic grants to be added to the ongoing funding baseline of the authority (effectively the revenue support grant);
- It was noted that the revenue support grant was likely to reduce annually by between 10% and 20% pa for the rest of this decade;
- Consultations on the proposed budget had taken place with the public via the website; scrutiny committees throughout January; businesses, Trade Unions and public sector partners via this meeting; 3 public consultation meetings with North Kesteven District Council in early February. It was acknowledged that a more extensive consultation exercise would be required on the outcome of the fundamental review of service priorities next autumn;
- The next multi-year Spending Review would take place in mid-2015 after the May General Election and was likely to cover the following 3 or 4 years;
- Best, medium and worst case scenarios had been modelled in terms of identifying a funding shortfall. The medium case identified a shortfall of £60m in 2015/16 rising to £107m in 2018/19;
- The impact of the shortfall would be reduced by funding available from the Better Care Fund (possibly £20-25m pa) and the extent to which Council Tax increased beyond the level of the freeze grant;
- A new Local Government Pension Scheme would be introduced on 1 April 2014. Final salary basis pensions would be abolished and replaced by career average salary, all rights up to that point would be protected. A half rate benefits package would be available for half rate contributions. Employees would make a larger contribution and the amount of the employer contribution would be capped (details of which were still being negotiated). This new scheme should save employers the equivalent of 2% of their pay bill going forward;

During the course of discussion the following points were noted:

- The Council was congratulated for retaining the Council Tax Freeze;
- It was clarified that only five of the seven districts were included in the business rates pool as the remaining two districts (West Lindsey and South Holland) had power station infrastructure in them, which would result in potential losses to business rates income. These districts did offer to not participate in the scheme due to the effect it would have on the other districts;

- The ceiling for council tax rise referendums would not be announced until around 12 February 2014. It was thought that some councils were proposing a rise that was close to 2%. The average cost of holding a referendum was £1m;
- Pension payments accounted for approximately 5% of the total gross budget;
- The Pension scheme would need to be reviewed again in the future as the number of employees within the authority fell, the amount of employer contributions would also reduce;
- It was queried whether there would be a benefit if Lincolnshire became a unitary authority. It was noted that work had been carried out into this following a motion which was put forward at a full Council meeting. It was found that this would save between £20-25m per year if the whole of Lincolnshire became a unitary authority. If the county was divided into smaller unitary authorities, these savings would reduce. Attendees were advised that the decision on whether to become a unitary authority was one for the government to make, not the County Council, also this would not be considered before the general election in 2015;
- There had been some discussion with North and North East Lincolnshire regarding the sharing of services. Many of the districts were already involved in partnership working across their boundaries;
- The authority would only get 10% of any increase in business rates;
- It was noted that other two tier authorities had carried out work into becoming unitary authorities, and it had been found that the most efficient population size for a unitary authority was approximately 300,000;
- It was clarified that the capital financing savings would not be coming from projects that the authority had decided not to fund, but instead savings from interest payments as the authority would not be borrowing money now to fund them. It was also noted that there would no longer be a need to build a second data centre, as this would be supplied by the new provider of IT support services;
- It was noted that only £9.5m would be needed from the reserves now, as an additional income of £2.5m would be received from the districts following recalculation of council tax which took into account new homes which had been built during the year;
- Concerns were raised regarding whether enough promotional activities were being planned for 2015 and the 800<sup>th</sup> anniversary of Magna Carta, and there was a need for positive messages to go out locally regarding this;
- It was also noted that there would be a number of infrastructure projects taking place in Lincoln during 2015;
- The authority would still deliver a substantial capital programme including Teal Park, broadband and the castle project, as they had all been planned and were on target to be finished and would not be affected by any of the savings which were to be made;
- There was a complete integrated programme of events and tourist attractions planned for 2015. The six month countdown to the 800<sup>th</sup> anniversary of Magna Carta would be

launched at the Epic Centre on 23 September 2014. The authority would be working with the LEP on marketing the programme of events;

- Belton Horse Trials was used as an opportunity to promote the county;
- The full budget would set out the capital programme in much more detail;
- A lot of funding was being made available to LEP's, and the Greater Lincolnshire LEP had submitted a report to capture money which would be available from the regional growth fund;
- The bids for this funding needed to be quite focused on outputs and projects. The initial draft had been submitted and the final draft was due in March. The LEP was working closely with the County Council on this;
- There was no indication that there would be any additional money from government this year for winter maintenance. However, it was noted that the government were increasing the capital programme for 2015/16 onwards;
- The authority was continuing to lobby for further resources, and a pack of information would be put together, comparing Lincolnshire to similar authorities;
- The government wanted authorities to become self-sufficient from collection of business rates, but Lincolnshire would have a gap of £80m;
- It needed to be remembered that giving additional funding to rural areas would mean that funding would need to be taken from urban areas. However, it was more expensive to deliver services in rural areas compared to urban areas;
- It was also noted that it cost more to run a business in a rural area than an urban area;
- It was commented that if the funding allocated to large urban areas was reduced by 2% and given instead to rural areas, it would increase the amount of funding rural authorities received by 12-14%;
- One problem that authorities had was the damping mechanism, which redistributed a percentage of the allocated funding to less wealthy authorities. The formula for this had been locked in in the last 12 months and would not change until 2020;
- This had been one of the drivers of the missing millions campaign, and had not only affected local authorities, but also the health service and the police;
- It was thought that the sharing of services between authorities seemed like a sensible idea;
- Lincolnshire Police was one of the lowest funded forces, and had regional arrangements in place for serious crime, where there was a pool of expertise which would respond as necessary within the region. It was noted that crime rates had fallen within Lincolnshire even though funding had been reduced. Therefore a reduced budget did not necessarily mean that services would reduce. A lot of intelligence work and pro-active was now taking place as well;



- It was suggested that it was important that people had a sense of place, and it was thought that unitary authorities provide that, and that people would also be happy to pay a little more in council tax if necessary;
- The majority of people within the county were on low incomes and it was thought that they would struggle to pay extra council tax at this time;
- It was commented that there was still a need for a ring road in Stamford. If the County Council was to consider a scheme such as this there would need to be a very high level of demand, as changes to the way funding for highways schemes was allocated would make it more and more difficult to get successful bids. There would be more reliance on developer contributions. There would also need to be local agreement as the County Council was not the planning authority;
- It was noted that approximately seven years ago all the districts were invited to take part in a discussion regarding unitary status, and they were all in favour of retaining the county council and the existing structure.

RESOLVED

That the points made at this meeting be submitted to the meeting of the Executive scheduled to be held on 4 February 2014.

The meeting closed at 12.40pm.

<b>Present</b>	<b>Representing</b>
Councillor R Parker	Lincolnshire County Council
Eg Gilman	Stamford Chamber of Trade and Commerce & Voice of Stamford
Councillor L Wootten	Lincolnshire County Council
Councillor R Wootten	Lincolnshire County Council
Councillor A H Turner MBE	Lincolnshire County Council
Paul Coathup	Lincolnshire County Council
Doug Balderson	Federation of Small Businesses
David Dexter	Federation of Small Businesses
Councillor Mrs M J Overton MBE	Lincolnshire County Council
Matt Corrigan	Lincoln BIG
Councillor M Hill OBE	Lincolnshire County Council
Pete Moore	Lincolnshire County Council
Dave Simpson	Lincolnshire County Council
David Forbes	Lincolnshire County Council
Councillor C L Strange	Lincolnshire County Council
Ken Rustidge	NUT
Rachel Wilson	Lincolnshire County Council

## FINANCIAL STRATEGY

### 1 Spending and council tax

1.1 Resources will be allocated in revenue and capital budgets to support and promote achievement of the Council's Business Plan and statutory responsibilities.

1.2 Total spending and the council tax will be set with regard to:

- the impact on Lincolnshire service users;
- the impact on Lincolnshire council tax payers;
- the impact on the local economy;
- government requirements, in particular likely council tax referendum thresholds or other government constraints; and
- the impact on the County Council of local council tax support schemes set by the District Council's in Lincolnshire.

The Council will aim to keep the level of council tax one of the lowest in the country and remain in the lowest quartile of all English county councils.

1.3 The Council will implement a planned programme of major improvement, efficiency and transformation projects derived directly from key strategies such as the commissioning council model.

The programme will aim to achieve substantial savings to keep the Council's spending within the funding available from government grants and the council tax, and to allow modest development and improvement of priority services where possible.

Savings will be achieved through improved efficiency wherever possible.

The Council will seek to identify and assess appropriate opportunities to engage in partnership/shared services initiatives with other partners in the public, voluntary and private sectors where this will result in tangible efficiency improvements.

1.4 Revenue and capital budgets, typically covering at least three years, will be prepared and set realistically, taking into account the Council's key strategies. However, in setting budget timeframes, close regard will be given to the current programme of comprehensive spending reviews undertaken by the incumbent Government.

### 2 Financial standing

2.1 The Council will maintain its general reserves within a range of 2.5% to 3.5% of its annual budget requirement.

The Value for Money Scrutiny Committee will consider the adequacy of the Council's reserves each Autumn by reviewing a financial risk assessment of the overall financial standing of the Council.

2.2 A number of earmarked reserves will be maintained where considered prudent to do so. A specific earmarked reserve will be maintained to assist the Council in dealing with the inherent volatility now present in the funding regime for local government.

All Earmarked Reserves will be reviewed on a periodic basis. Any reserves no longer required for their original purpose will be transferred into general balances.

2.3 The Council will implement its Risk Management Strategy and keep it under review, including the maintenance and regular review of a Corporate Risk Register.

2.4 The Council will annually review and report on its governance arrangements including the system of internal control and address any significant governance issues.

2.5 The Audit Committee will monitor the effectiveness of risk management and governance arrangements.

2.6 The Council will maintain an internal audit function operating in accordance with the CIPFA Code of Practice.

2.7 The Council will operate a combination of internal and external insurance arrangements. The balance between internal and external insurance will be reviewed at each insurance tender, and on each occasion the opportunity will be taken to examine the cost effectiveness of alternative combinations of internal and external insurance. The Council's external insurance needs will be tendered at the end of each Long Term Agreement, which is usually between five and seven years.

### **3 Financial management standards**

3.1 Training and information will be provided which is appropriate for the financial skills required of councillors, including treasury management.

A finance seminar for councillors will typically be held each Autumn to brief councillors on the overall financial standing of the Council, the latest developments in local government funding and key issues relating to the upcoming budget setting process.

3.2 A comprehensive continual profession development programme covering all the key aspects of financial competencies will be delivered to ensure officers accountable for finance are able to carry out their role effectively.

3.3 The Assistant Director - Finance and Resources must ensure that appropriate training and development in financial competencies is provided to meet agreed needs.

3.4 He/she must also ensure that appropriate, specialist financial expertise is available to provide good quality financial advice to the Council and to manage its financial affairs.

- 3.5 He/she will seek actively to improve financial performance in any poorer performing areas of the Council.

#### **4 Financial decision making**

- 4.1 The Executive Director for Resources and Community Safety will provide comments on financial implications, compliance and value for money as necessary for all decisions to be taken by the Council, Executive or Executive Councillors.
- 4.2 Business cases and option appraisals, in a format agreed by the Assistant Director - Finance and Resources, will be completed and agreed before all major revenue and capital projects, developments and change programmes are commenced.

#### **5 Budget management**

- 5.1 The Executive and officers discharging executive functions must manage within approved budgets.
- 5.2 Executive directors and budget holders must:
- Monitor and report financial performance monthly;
  - Control expenditure and income within their area against approved budgets; and
  - Take any action necessary to avoid exceeding approved budgets.
- 5.3 Executive members will monitor financial performance on a monthly basis.

The Value for Money Scrutiny Committee and the Executive will:

- Receive detailed quarterly reports on performance and spending;
  - Seek detailed explanations from executive directors where expenditure is not being managed within approved budgets; and
  - Review financial performance at each year end.
- 5.4 The Council's organisational arrangements will reflect the principles of good financial management. They will:
- Promote budget ownership;
  - Establish clear responsibility and accountability; and
  - Recognise budget management as an essential part of good management.

#### **6 Budget changes**

- 6.1 The Council's Constitution requires that decisions can only be taken in line with the Council's approved budget. Decisions which would be contrary to, or not wholly in accordance with, the budget approved by full Council will only be taken by full Council following a recommendation from the Executive, subject to the budget reallocation rules set out at paragraph 6.3 below.

- 6.2 Changes to the budget which increase the Council's total expenditure and require either the use of the Council's general reserves or increased borrowing must be referred by the Assistant Director - Finance and Resources to the Executive for consideration before being referred to the full Council for approval.
- 6.3 Subject to the above, budgets can be reallocated between service headings as follows:
- Reallocations of up to £250k may be approved by the relevant Executive Director and should be notified to the Executive Director for Resources and Community Safety;
  - Reallocations of between £250k and £500k may be approved by the relevant Executive councillor/s in consultation with the Assistant Director - Finance and Resources and the relevant Executive Directors; and
  - Reallocations over £500k will be considered by the Executive and must be approved by the full Council.

Budget reallocations within service headings will be made in line with Directorate Schemes of Authorisation.

## **7 Carry forward of over and under spendings**

- 7.1 All under and overspendings on service revenue budgets of up to 1% will be carried forward without exception.

The use of all underspendings on service budgets in excess of 1% will be considered by the Executive and decided by the full Council.

The means of funding all overspendings on service budgets in excess of 1% will be considered by the Executive and decided by the full Council.

- 7.2 All under and overspendings on the following budgets will be carried forward without exception:

- All capital budgets;
- Dedicated Schools Budgets;
- All specific grants; and
- Revenue budgets relating to formally constituted shared services will be carried forward reflecting the joint ownership of such funds.

Earmarked Reserves will be maintained for areas where expenditure is uneven in its nature (for example: insurance and Adverse Weather). Each year any under spendings on these revenue budgets will be transferred into the reserve, and any over spendings funded from the reserve, up to the maximum available in the reserve.

## **8 Expenditure**

8.1 The Council will acquire goods and services to achieve best value in accordance with Procurement Lincolnshire's Sustainable Procurement Strategy in order to:

- Deliver year on year efficiencies but not at the cost of quality; and
- Develop and embrace socially responsible procurement that delivers value for money, promotes the local economy, and takes into account the social and environmental impact of spending decisions.

8.2 Undisputed invoices will be paid in line with either contracted terms or within 30 days on a reasonable endeavours basis.

The Council will seek actively to resolve disputed invoices.

8.3 Procurement and payment processes will utilise available technology where appropriate including e-procurement and the use of procurement cards.

## **9 Income**

9.1 The Council will review its policies on fees and charges for discretionary services bearing in mind the impact on both service users and council tax payers.

9.2 The Council will aim to collect all the income owed to it, to collect it promptly, and to take effective action to pursue non-payment, taking into account the circumstances of the individual debtor.

9.3 Income collection processes will utilise available technology where appropriate including the use of the on-line payments and credit cards.

9.4 The Council will not seek to use the discretionary power to set a Supplementary Business Rate unless there is general support from Lincolnshire businesses.

## **10 External funding and partnerships**

10.1 The Council will work with partners and national bodies to ensure that Lincolnshire receives appropriate levels of government grant.

10.2 The Council will consider annually as part of the budget setting process the merits and risks associated with pooling business rates with all or some of the Lincolnshire District Councils.

10.3 The Council will consider annually as part of the budget setting process the merits and risks associated with pooling resources with Clinical Commissioning Groups or other regional health bodies in relation to the potential integration of services.

10.4 In deciding whether or not to make a bid for external funding or enter into a pooled funding arrangements Directors, Executive Councillors or the Executive must ensure that:

- The project or fund contributes to the Council's corporate objectives;
- Matched funding is available within existing budgets;
- Partner contributions are confirmed;
- Risks are assessed and minimized including:
  - Where funding is linked to the achievement of specific outcomes or identified performance measures.
  - Where success relies on others.
- The Council has the capacity to deliver the outcomes and timescales required; and
- There is a clear exit strategy where external funding is for a limited period.

And must consider:

- The probability of success in obtaining funding, particularly in relation to the resource costs of preparing bids;
- Co-ordination of bids and initiatives within the Council and with partners; and
- Whether the project represents value for money.

10.5 Approval for external funding bids should be sought from:

- the appropriate Executive councillor or the Executive – for projects costing more than £250,000;
- officers authorised to bid for external funding under directorate Schemes of Authorisation – for projects costing less than £250,000.

10.6 The Assistant Director - Finance and Resources must ensure that:

- Costs, benefits and risks are assessed fully before partnership agreements are made;
- Governance, accountability and reporting arrangements are appropriate and clear; and
- Financial arrangements are appropriate and safeguard the Council's interests.

## **11 Funding the capital programme**

11.1 The Council will actively dispose of surplus assets where appropriate in order to reinvest in capital assets.

11.2 Capital spending will be funded largely through long-term borrowing in accordance with government policy.

Consideration will be given as part of developing the annual treasury management strategy to the use of the Council's existing cash resources to delay the need to undertake external borrowing, known as internal borrowing.

- 11.3 Annual provision will be made for the repayment of long term borrowing. The amount repaid will be related directly to the useful life of the assets acquired through borrowing so that debt is not outstanding after an asset's useful life.
- 11.4 Provision for the repayment of long term borrowing including interest will not exceed a long term limit of 10% of annual income from general government grants, and council tax.

## **12 Accounting and financial processes**

- 12.1 Strong financial controls will be maintained with the Assistant Director - Finance and Resources responsible for determining or agreeing all financial processes, systems and financial records used by the Council.
- 12.2 Accounting policies will comply fully with International Financial Reporting Standards and statutory regulations as set out in the CIPFA Code of Practice on Local Authority Accounting in the UK. The annual statement of accounts will give a true and fair view of the financial position and transactions of the Council in the opinion of its external auditor.

## **13 Treasury management**

- 13.1 The Council will comply at all times with the CIPFA Code of Practice on Treasury Management and related locally determined statements, strategies and practices.

The Council will provide a treasury management service to its Pension Fund.

- 13.2 The Council will employ external treasury management advisors and will outline the service received and the arrangements in place with the advisors within the Annual Treasury Management Strategy. The overall responsibility for risk management and control of the treasury operation rests with the Council.
- 13.3 The committee responsible for the scrutiny of the treasury management function is the Value For Money Scrutiny Committee, which will receive the Treasury Management Strategy and Annual Report on an annual basis and also quarterly monitoring reports throughout the year that will compare activity against approved strategy. Quarterly monitoring reports will also be made to the Pensions Committee in respect of the management of its cash resources.

Members and officers will receive appropriate training to assist them in discharging their roles regarding treasury management.

- 13.4 The Council will finance long term debt relating to capital expenditure at periods and interest rate levels that minimise the cost to the Council. The total level of long term debt will be managed within prudential levels pre-determined by the Council. The maturity profile of long term debt will also be managed with the aim of achieving an even maturity structure.
- 13.5 The Council will actively pursue debt rescheduling to the extent that it will generate financial savings without adding significantly to the overall debt burden.



- 13.6 The Council will operate a lending strategy in line with best professional practice that seeks to minimise the risk of capital loss while maximizing the income return to the Council. Priority will be given to security and liquidity over return within the lending strategy at all times.
- 13.7 When making investments, the Council will make use of a wide range of information, including credit ratings, financial press, market data and other relevant information, when determining an appropriate counterparty creditworthiness policy. Limits which diversify investments over country, sector and counterparty group will be applied.

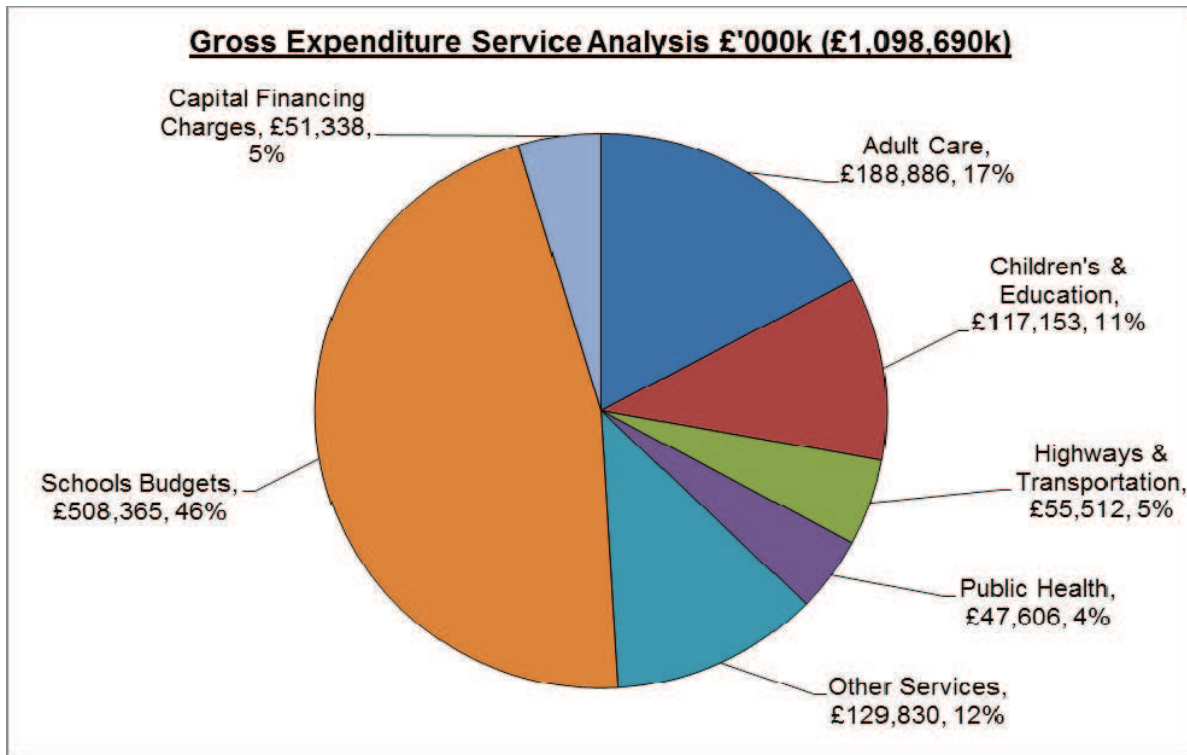
#### **14 Performance measures and targets**

- 14.1 Implementation of the Financial Strategy will be monitored and managed with reference to the measures of financial health and performance set out in the **APPENDIX E**.
- 14.2 The Financial Strategy will be reviewed at least every four years at the start of each new Council or when circumstances suggest an earlier review would be advisable.
- 14.3 Further details and guidance can be found in the Council's Financial Procedures.

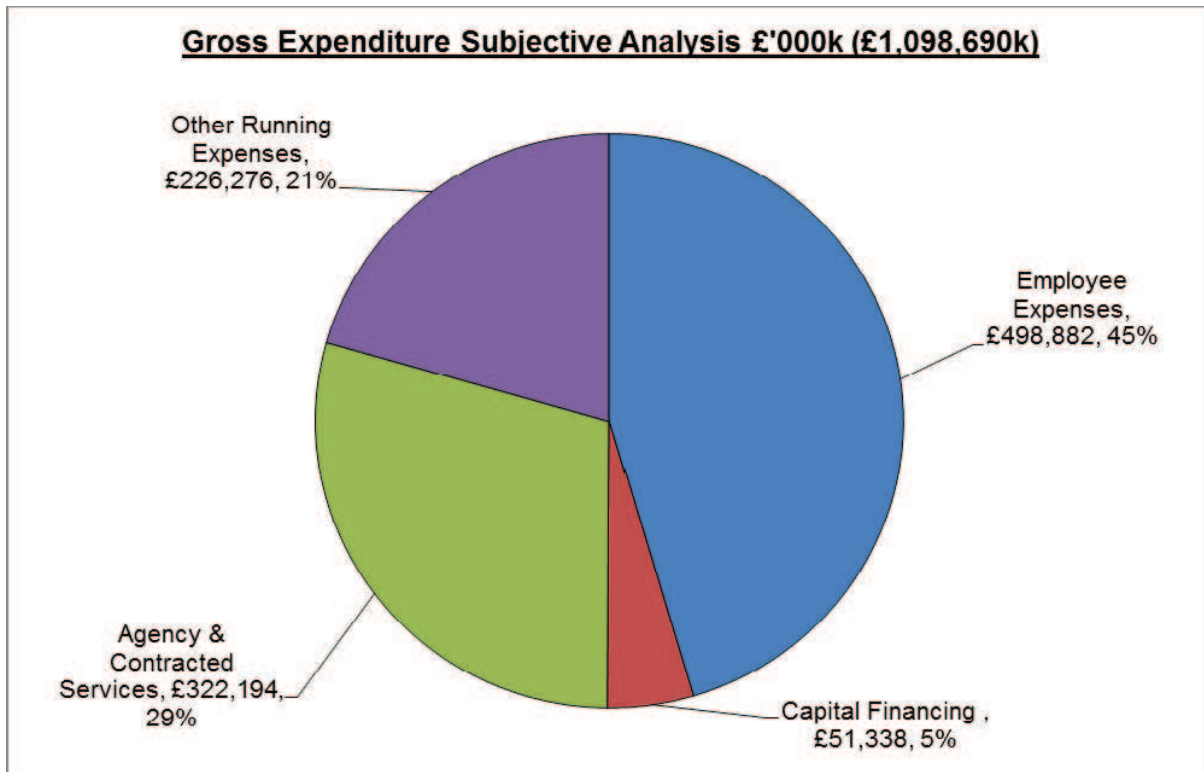
**KEY FINANCIAL PERFORMANCE MEASURE: FINANCIAL HEALTH AND PERFORMANCE**

REF	PERFORMANCE INDICATOR	MEDIUM TERM TARGET	2013/14 Estimate	2014/15 Estimate
1	Council tax compared with other counties	In lowest quartile of all English county councils (out of 27 county councils).	Yes	Yes
2	Government grants	Lobby for annual increases in general government grants to be above the county average.	Yes	Yes
3	Capital receipts	At least £15m over four years 2011/12 to 2014/15.	£2.0m	£2.0m
4	Minimum Revenue Provision and Interest	MRP and Interest repayments not to exceed 10% of net income	6.01%	6.24%
5	Accounting	Unqualified external audit opinion.	Yes	Yes
6	General Reserves	Maintained within the range of 2.5% to 3.5% of the annual budget requirement net of Dedicated Schools Grant.	Within range 3.5%	Within range 3.5%
7	Internal control	None of the processes audited receive a "no assurance" opinion from internal audit.	Yes	Yes
8	Income collection	Overall top quartile performance compared with other counties (100 = top quartile).	85.0	85.0
9	Expenditure - prompt payment	At least 90% of undisputed invoices paid within 30 days.	92.5%	92.5%
10	Treasury management	Risk adjusted return comparison.	Weighted Benchm'k	Weighted Benchm'k

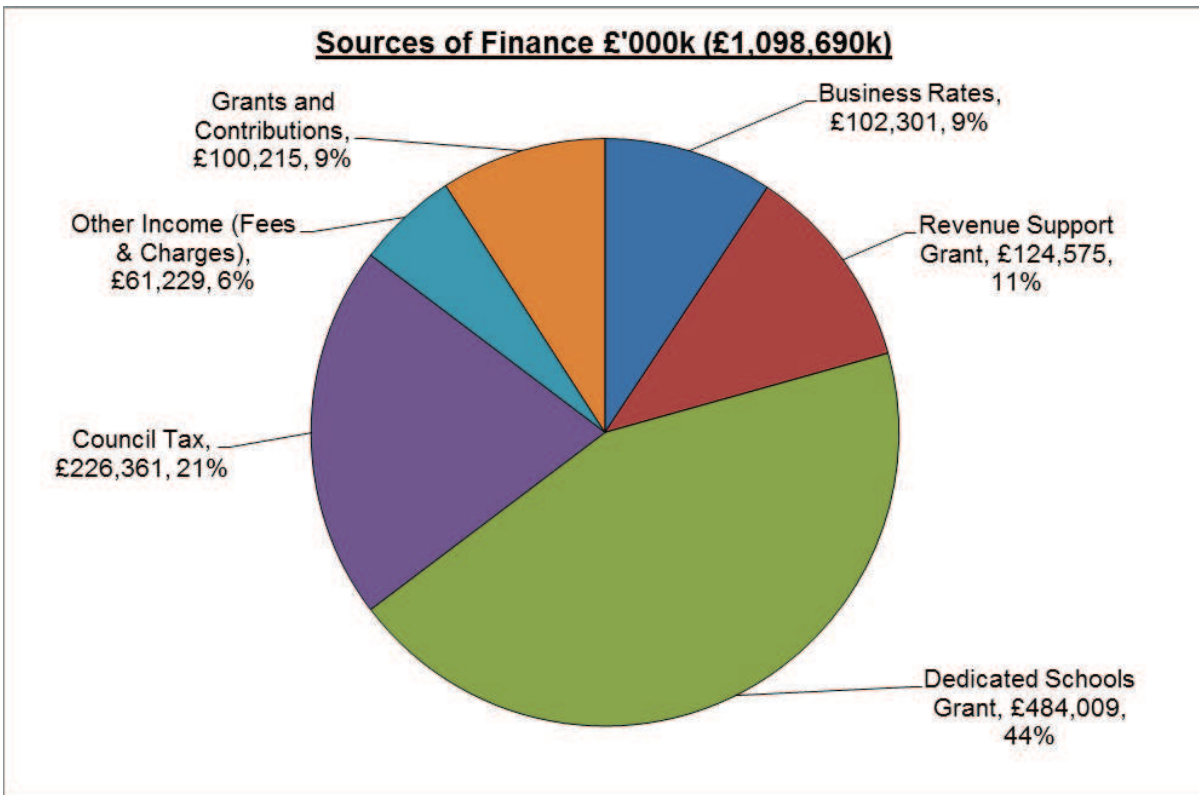
REVENUE BUDGET ANALYSIS



Other Services include – Economy & Culture, Finance & Resources, Fire & Rescue, Community Safety, Performance & Governance and Environment, Planning and Customer Services.



The distribution of budgets differs significantly between different services. For example employee expenses comprise 67.8% of budgeted expenditure in schools, for other (non-schools) budgets it is only 26.2% of budgeted expenditure.



Dedicated Schools Grant. Lincolnshire has been awarded £484.009m, which is for all schools in Lincolnshire including local authority schools and Academies. Approximately half of all pupils attend academy schools, therefore it is expected that this figure will be revised down by half for funding to academy schools. DGS is a ring-fenced grant that is passed directly through to schools.

## REVENUE GOVERNMENT GRANTS

The revenue budget for 2014/15 includes the following government grants which have been allocated to the County Council:

	<b>£'000</b>
Revenue Support Grant (*1)	124,575
Council Tax Freeze Grant 2014/15	2,567
Dedicated Schools Grant (ring-fenced) (*2)	484,009
Pupil Premium (*3)	23,212
Education Services Grant (*4)	7,100
Adoption Reform Grant	644
Special Educational Needs (SEN) Reform Grant	901
Extended Rights to Free Travel (Local Services Support Grant)	665
PFI Revenue Grant	1,158
Adult Social Care Local Reform and Community Voices Grant	608
Public Health Grant (ring-fenced)	28,506
Social Fund	1,775
Local Sustainable Transport Fund	1,149
Bus Services Operators Grant	535
Local Enterprise Partnerships Core Funding	250
Fire Revenue Grant - Fire Link	336
Fire Revenue Grant - New Dimensions	968
Community Right to Challenge	9
Lead Local Flood Authorities (Local Services Support Grant)	450
Inshore Fisheries Conservation Authorities (Local Services Support Grant)	128
New Homes Bonus	2,808
<b>Total Revenue Grants</b>	<b>682,353</b>

(\*1) Revenue Support Grant in 2014/15 includes the following grants which were awarded to the Council separately in the last financial year: Council Tax Freeze Grant 2013/14 and Rural Services Delivery Grant (formerly called: Efficiency Support for Services in Sparse Areas).

(\*2) Dedicated Schools Grant. Lincolnshire has been awarded £484.009m, which is for all schools in Lincolnshire including local authority schools and Academies. Approximately half of all pupils attend academy schools, therefore it is expected that this figure will be revised down by half for funding to academy schools. DGS is a ring-fenced grant that is passed directly through to schools.

(\*3) Pupil Premium. Similarly to the DSG, the pupil premium allocation of £23.212m for Lincolnshire covers both the allocations for local authority schools and academy schools.

(\*4) Education Support Grant is budgeted at £7.100m. This reflects the Council's estimate of pupil numbers and funding rates per pupil in local authority and academy schools in 2014/15. The grant is paid on a quarterly basis with each payment being adjusted as schools convert to Academies throughout the financial year.

**REVENUE BUDGET  
COST PRESSURES AND SAVINGS BY SERVICE**

	<b>2014/15 COST PRESSURES £'000</b>	<b>2014/15 SAVINGS £'000</b>
Adult Care	10,552	-7,850
Public Health	481	-343
Children's Social Care	2,129	-570
Education Services	1,035	-3,021
Highways & Transportation	1,183	-827
Environment, Planning & Customer Services	4,094	-6,307
Economy & Culture	348	-1,154
Finance & Resources	315	-1,513
Fire & Rescue	398	-222
Community Safety	340	-613
Performance & Governance	-115	-1,108
<b>Total Service Budgets</b>	<b>20,760</b>	<b>-23,528</b>
Other Budgets	1,735	-16,916
<b>Total Expenditure</b>	<b>22,495</b>	<b>-40,444</b>

## CHANGES BETWEEN THE 2013/14 BUDGET AND THE 2014/15 BUDGET

	Impact on budget requirement	
	£'000	%
<b>COST PRESSURES:</b>		
Inflation	7,226	1.5%
<b>Adult Care</b>		
Demography Pressures (in Older People, Physical and Learning Disabilities)	6,227	1.3%
Other cost pressures in Adult Care	1,743	0.4%
<b>Public Health</b>		
Cost pressures in Public Health	208	0.0%
<b>Children's Services</b>		
Cost pressures in Children's Social Care and Education Service	1,490	0.3%
<b>Communities</b>		
Costs associated with diverting waste from landfill to the Energy From Waste Plant	3,586	0.8%
Other cost pressures in Communities	580	0.1%
<b>Resources and Community Safety</b>		
Cost pressures in Resources and Community Safety	186	0.0%
<b>Performance &amp; Governance</b>		
Removal of 2013 County Council Election Costs	-570	-0.1%
Other cost pressures in Performance and Governance	85	0.0%
<b>Other Budgets</b>		
Increase in employer pension contribution (monetary amount)	189	0.0%
New funding: Adoption Reform Grant / SEN Reform Grant (to be allocated)	1,545	0.3%
<b>TOTAL COST PRESSURES:</b>	<b>22,495</b>	<b>4.8%</b>
<b>SAVINGS:</b>		
<b>Adult Care</b>		
Redesign of Intermediate Care Service	-1,500	-0.3%
In House day time opportunities	-1,000	-0.2%
Additional funding to Adult Care from the Department for Health	-1,000	-0.2%
Use of Supporting People Reserve	-2,000	-0.4%
Other Savings in Adult Care	-2,350	-0.5%
<b>Public Health</b>		
Savings in Public Health	-343	-0.1%
<b>Children's Services</b>		
Savings on Home to School Transport	-748	-0.2%
Savings on Early Years	-1,665	-0.4%
Other savings on Children's Social Care	-374	-0.1%
Other Savings on Education Services	-804	-0.2%
<b>Communities</b>		
Savings associated with diverting waste from landfill to the Energy From Waste Plant	-5,468	-1.2%
Savings associated with changes to the delivery of library and heritage services	-798	-0.2%
Other savings in Communities	-2,022	-0.4%
<b>Resources and Community Safety</b>		
Savings associated with Property Rationalisation	-840	-0.2%
Other savings in Resources and Community Safety	-1,508	-0.3%
<b>Performance &amp; Governance</b>		
Savings from Information Management and Technology improvement programmes	-750	-0.2%
Other savings in Performance and Governance	-358	-0.1%
<b>Other Budgets</b>		
Reduction to Capital Financing Charges	-16,316	-3.5%
Other savings in Other Budgets	-600	-0.1%
<b>TOTAL SAVINGS:</b>	<b>-40,444</b>	<b>-8.6%</b>

	Impact on budget requirement	
	£'000	%
<b>Other Movements:</b>		
Use of Earmarked Reserve (change over last year)	4,920	1.1%
Release of Funding from the General Fund Balance	-1,125	-0.2%
<b>TOTAL OTHER MOVEMENTS:</b>	<b>3,795</b>	<b>0.8%</b>
<b>TOTAL CHANGE IN BUDGET REQUIREMENT:</b>	<b>-14,154</b>	<b>-3.0%</b>
Reduction in funding from Revenue Support Grant (RSG)	-21,791	-4.7%
Reduction due to grants being rolled into RSG	-2,994	-0.6%
Increase in Business Rates (including Pooling Income and Section 31 Grant)	5,307	1.1%
Business Rates Collection Fund Deficit	-655	-0.1%
Council Tax Freeze Grant for 2014/15	2,567	0.5%
Increase in Grant Income (New Homes Bonus, Education Service Grant, Adoption Reform Grant, SEN Reform Grant etc.)	2,327	0.5%
Reduction in Grant Income (Local Services Support Grant and New Homes Bonus Top Slice)	-1,030	-0.2%
Increase in Council Tax Base and Council Tax Collection Fund Surplus	2,115	0.5%
<b>TOTAL CHANGE IN GENERAL GRANT AND COUNCIL TAX INCOME:</b>	<b>-14,154</b>	<b>-3.0%</b>



## EARMARKED RESERVES

	Actual Balance at 31 March 2013 £'000	Planned Use / Contribution in 2013/14 £'000	Estimated balance at 31 March 2014 £'000	Planned Use / Contribution in 2014/15 £'000	Estimated balance at 31 March 2015 £'000
<b>Balances from dedicated schools budget including those held by schools under a scheme of delegation</b>	37,918	-25,161	12,757	0	12,757
<b>Other Earmarked Reserves:</b>					
Other Services	3,965	-3,965	0	0	0
Adverse Weather	1,000	0	1,000	0	1,000
Insurances	4,058	-786	3,272	0	3,272
Invest to Save	114	0	114	0	114
Children's Fund	0	0	0	0	0
Schools Sickness Insurance Scheme	676	0	676	0	676
Museum Exhibits	149	0	149	0	149
Development - Economic Development Reserve	533	0	533	0	533
Development - Migrant Workers Reserve	65	-61	4	0	4
Development - SCS Reserve	555	-100	455	0	455
Health and Wellbeing	3,984	-700	3,284	0	3,284
Legal	1,140	200	1,340	0	1,340
Procurement	730	0	730	0	730
Salix Carbon Management	294	-194	100	0	100
Safer Communities Development Fund	1,333	-500	833	0	833
Community Safety Development Fund	825	120	945	0	945
Co-Responders Services	150	0	150	0	150
Financial Volatility Reserve - Budget Shortfall	23,200	-11,200	12,000	-12,000	0
Financial Volatility Reserve	13,048	4,769	17,817	5,220	23,037
Teal Park	50	0	50	0	50
Youth Service Positive Activities Development fund	400	-128	272	0	272
Corby Glen/South Lincolnshire Sports Fund	171	0	171	0	171
Youth Offending Service	363	0	363	0	363
Domestic Homicide Reviews	50	0	50	0	50
Civil Parking Enforcement	156	70	226	0	226
Support Service Contract Reserve (FDSS)	4,193	-1,265	2,928	0	2,928
Roads Maintenance Reserve	2,000	-2,000	0	0	0
Responders to Warmth Reserve	500	-500	0	0	0
Temporary Service Reserves	2,902	-315	2,587	0	2,587
<b>Revenue Grants and Contributions Unapplied</b>	37,174	-8,132	29,042	0	29,042
<b>Total Earmarked Reserves</b>	<b>141,696</b>	<b>-49,848</b>	<b>91,848</b>	<b>-6,780</b>	<b>85,068</b>

## PRUDENTIAL INDICATORS

PRUDENTIAL INDICATORS		2013/14	2014/15	2015/16	2016/17
<b>PRUDENTIAL INDICATOR TARGETS</b>					
<b>External Debt:</b>					
1	<b><u>Authorised limit for external debt -</u></b> The authority will set for the forthcoming financial year and the following three years an authorised limit for its total external debt, gross of investments, separately identifying borrowing from other long term liabilities				
	<u>Authorised limit for external debt -</u>	<b>£m</b>	<b>£m</b>	<b>£m</b>	<b>£m</b>
	borrowing	538.844	594.125	607.423	620.816
	other long term liabilities	16.905	16.231	15.493	14.853
	<b>Total</b>	<b>555.749</b>	<b>610.356</b>	<b>622.916</b>	<b>635.669</b>
2	<b><u>Operational boundary -</u></b> The authority will set for the forthcoming financial year and the following three years an operational boundary for its total external debt, gross of investments, separately identifying borrowing from other long term liabilities				
	<u>Operational boundary -</u>	<b>£m</b>	<b>£m</b>	<b>£m</b>	<b>£m</b>
	borrowing	514.844	570.125	583.423	596.816
	other long term liabilities	14.905	14.231	13.493	12.853
	<b>Total</b>	<b>529.749</b>	<b>584.356</b>	<b>596.916</b>	<b>609.669</b>
<b>Treasury Management Indicators:</b>					
<b>Interest Rate Exposures</b>					
The Authority will set for the forthcoming financial year and the following three years upper limits to its exposures to the effects of changes in interest rates. These prudential indicators relate to both fixed and variable interest rates.					
3	<b><u>Upper limit for fixed interest rate exposure</u></b> Net principal re fixed rate borrowing less investments	<b>£m</b>	<b>£m</b>	<b>£m</b>	<b>£m</b>
		660.283	660.283	660.283	660.283
4	<b><u>Upper limit for variable rate exposure</u></b> Net principal re variable rate borrowing less investments				
		198.085	198.085	198.085	198.085
<b>Gross Debt</b>					
The Authority will ensure that gross debt does not, except in the short term, exceed the total of Capital Financing Requirement (CFR) in the preceding year plus the estimates of any additional CFR for the current and next two financial years. This is to ensure that over the medium term debt will only be for a capital purpose.					
5	<b><u>Gross Debt and the Capital Financing Requirement</u></b>	✓	✓	✓	✓
<b>Borrowing in Advance of Need</b>					
The Authority will set for the forthcoming financial year and the following three years upper limits to its Borrowing in Advance of need.					
6	<b><u>Borrowing in advance of need limited to percentage of the expected increase in CFR over 3 year budget period. (Voluntary Indicator).</u></b>	25%	25%	25%	25%
<b>Total principal sums invested for periods longer than 364 days</b>					
Where a local authority plans to invest, for periods longer than 364 days the local authority will set an upper limit for each forward year period for the maturing of such investments					
7	<b><u>Upper limit for total principal sums invested for over 364 days</u></b> (per maturity date)	<b>£m</b>	<b>£m</b>	<b>£m</b>	<b>£m</b>
		40.000	40.000	40.000	40.000

<b>PRUDENTIAL INDICATORS TO NOTE</b>					
<b>8</b>	Repayment of minimum revenue provision and interest will not exceed 10% of Net Revenue Stream including Dedicated Schools Grant (Voluntary Indicator)	<b>6.01%</b>	<b>6.24%</b>	<b>7.37%</b>	<b>7.77%</b>
<b>9</b>	<b>Estimates of capital expenditure -</b> The Authority shall make reasonable estimates of the total of capital expenditure that it plans to incur during the forthcoming financial year and at least the two following years.  Reported in the Revenue Budget and Capital Programme to Full Council				
		✓	✓	✓	✓
<b>10</b>	<b>Ratio of Financing Costs to Net Revenue Stream</b> The Authority will estimate for the forthcoming financial year and the following three years the ratio of financing costs to Net Revenue Stream, including Dedicated Schools Grant.	<b>6.00%</b>	<b>6.21%</b>	<b>7.32%</b>	<b>7.57%</b>
<b>11</b>	<b>Capital Financing Requirement</b> The Authority shall make reasonable estimates of the total of capital financing requirement at the end of the forthcoming financial year and the following three years.				
		<b>£m</b>	<b>£m</b>	<b>£m</b>	<b>£m</b>
	Estimate of the Capital Financing Requirement for the Authority	<b>575.912</b>	<b>632.560</b>	<b>641.543</b>	<b>660.283</b>
	Estimate of Gross External Borrowing	<b>462.732</b>	<b>521.225</b>	<b>531.934</b>	<b>552.125</b>
<b>12</b>	<b>Estimate of the incremental impact of Capital Investment decisions on the Council Tax</b> The Authority will calculate the addition or reduction to Council Tax that results from any proposed changes to the capital programme				
	Band D Council Tax	<b>£9.46</b>	<b>£3.53</b>	<b>£28.42</b>	<b>£14.69</b>
<b>13</b>	<b>Treasury Management:</b> The Authority has adopted the CIPFA's Code of Practice for Treasury Management in Public Services				
		✓	✓	✓	✓
	<b>Treasury Management Indicator:</b>				
<b>14</b>	<b><u>Maturity structure of new fixed rate borrowing</u></b> The Authority will set for the forthcoming financial year both upper and lower limits with respect to the maturity structure of borrowing				
		<u>upper limit</u>		<u>lower limit</u>	
	under 12 months	25%		0%	
	12 months and within 24 months	25%		0%	
	24 months and within 5 years	50%		0%	
	5 years and within 10 years	75%		0%	
	10 years and above	100%		0%	

CAPITAL PROGRAMME

Capital Programme (2013/14 to 2014/15 and Future Years)	Net Programme Contributions 2013/14 £'000	Grants and Contributions 2013/14 £'000	Gross Programme 2013/14 £'000	Net Programme Contributions 2014/15 £'000	Grants and Contributions 2014/15 £'000	Gross Programme 2014/15 £'000	Net Programme Contributions 2015/16 and future years £'000	Grants and Contributions 2015/16 and future years £'000	Gross Programme 2015/16 and future years £'000
<b>Highways and Transportation:</b>									
Lincoln Eastern Bypass	3,000	0	3,000	5,000	19,966	24,966	40,000	29,984	69,984
Lincoln East-West Link	1,144	371	1,515	8,020	1,363	9,383	5,688	0	5,688
Spalding Relief Road (Phase I)	0	0	0	0	0	0	10,000	0	10,000
Grantham Southern Relief Road	350	0	350	6,650	0	6,650	23,000	0	23,000
A16/A1073 Spalding to Eye Road Improvement	-131	0	-131	0	0	0	0	0	0
Asset Protection	1,118	27,535	28,653	0	24,175	24,175	0	0	0
Integrated Transport	3,465	6,375	9,840	601	6,060	6,661	0	0	0
Other Highways and Transportation	307	0	307	0	0	0	0	0	0
<b>Sub Total</b>	<b>9,253</b>	<b>34,281</b>	<b>43,534</b>	<b>20,271</b>	<b>51,564</b>	<b>71,835</b>	<b>78,688</b>	<b>29,984</b>	<b>108,672</b>
<b>Economy and Culture:</b>									
Historic Lincoln	264	4,957	5,221	258	7,283	7,541	0	3,952	3,952
Other Enterprise Schemes	510	0	510	1,252	0	1,252	81	0	81
<b>Sub total - Enterprise</b>	<b>774</b>	<b>4,957</b>	<b>5,731</b>	<b>1,510</b>	<b>7,283</b>	<b>8,793</b>	<b>81</b>	<b>3,952</b>	<b>4,033</b>
Teal Park, Lincoln	1,412	0	1,412	0	0	0	0	0	0
Grantham Incubation Centre	35	0	35	0	0	0	0	0	0
Grantham Station Approach	774	0	774	0	0	0	0	0	0
Grantham Growth Point (inc. Southern Relief Road)	0	0	0	7,555	0	7,555	0	0	0
Lincoln Growth Point	1,772	0	1,772	0	0	0	0	0	0
LEP Loan Scheme	2,916	0	2,916	0	0	0	0	0	0
Lincolnshire Waterways	887	875	1,762	422	0	422	300	0	300
Other Regeneration Schemes	1,831	0	1,831	103	0	103	0	0	0
<b>Sub total - Regeneration</b>	<b>9,627</b>	<b>875</b>	<b>10,502</b>	<b>8,080</b>	<b>0</b>	<b>8,080</b>	<b>300</b>	<b>0</b>	<b>300</b>
Libraries and Heritage	279	0	279	1,000	0	1,000	0	0	0
<b>Sub Total</b>	<b>10,680</b>	<b>5,832</b>	<b>16,512</b>	<b>10,590</b>	<b>7,283</b>	<b>17,873</b>	<b>381</b>	<b>3,952</b>	<b>4,333</b>
<b>Environment, Planning &amp; Customer Services:</b>									
Energy from Waste	28,853	0	28,853	0	0	0	0	0	0
Flood Defence	0	0	0	6,670	0	6,670	650	0	650
Boston Barrier	0	0	0	0	0	0	11,000	0	11,000
Other Environment and Planning	1,387	0	1,387	403	0	403	0	0	0
<b>Sub Total</b>	<b>30,240</b>	<b>0</b>	<b>30,240</b>	<b>7,073</b>	<b>0</b>	<b>7,073</b>	<b>11,650</b>	<b>0</b>	<b>11,650</b>
<b>Adult Care:</b>									
Adult Care	766	1,811	2,577	858	1,848	2,706	0	0	0
<b>Sub Total</b>	<b>766</b>	<b>1,811</b>	<b>2,577</b>	<b>858</b>	<b>1,848</b>	<b>2,706</b>	<b>0</b>	<b>0</b>	<b>0</b>

<u>Capital Programme (2013/14 to 2014/15 and Future Years)</u>	<b>Net Programme Contributions 2013/14 £'000</b>	<b>Grants and Contributions 2013/14 £'000</b>	<b>Gross Programme 2013/14 £'000</b>	<b>Net Programme Contributions 2014/15 £'000</b>	<b>Grants and Contributions 2014/15 £'000</b>	<b>Gross Programme 2014/15 £'000</b>	<b>Net Programme Contributions 2015/16 and future years £'000</b>	<b>Grants and Contributions 2015/16 and future years £'000</b>	<b>Gross Programme 2015/16 and future years £'000</b>
<b>Children's Services:</b>									
Devolved Capital	2,700	1,455	4,155	0	1,395	1,395	0	0	0
Provision of School Places (Basic Need)	13,223	11,090	24,313	0	11,056	11,056	0	23,440	23,440
School Condition / Maintenance Capital	820	5	825	0	0	0	0	0	0
Schools Modernisation / Condition Capital	2,840	7,165	10,005	0	6,752	6,752	0	0	0
Early Years Sufficiency / Extended Provision	137	0	137	450	0	450	0	0	0
Universal Infant Free School Meals Capital	0	0	0	0	1,085	1,085	0	0	0
Schools Access Initiative	537	0	537	0	0	0	0	0	0
Foster Capital	211	0	211	200	0	200	0	0	0
Short Breaks for Disabled Children	47	0	47	0	0	0	0	0	0
Other Children's Services	855	260	1,115	900	0	900	0	0	0
Lincolnshire Secure Unit	0	26	26	0	30	30	0	0	0
Lincoln Priory Academies	195	0	195	0	0	0	0	0	0
Skegness Academy	579	1,496	2,075	300	0	300	0	0	0
Sleaford - St George's Academy	273	0	273	300	0	300	0	0	0
University Academy Holbeach	3,640	1,748	5,388	274	0	274	0	0	0
Priory Ruskin Academy	2,978	7,414	10,392	485	299	784	0	0	0
Previous Project and Programmes	1,043	0	1,043	0	0	0	0	0	0
<b>Sub Total</b>	<b>30,078</b>	<b>30,659</b>	<b>60,737</b>	<b>2,909</b>	<b>20,617</b>	<b>23,526</b>	<b>0</b>	<b>23,440</b>	<b>23,440</b>
<b>Corporate services:</b>									
Property	3,987	0	3,987	3,400	0	3,400	0	0	0
Property Rationalisation Programme	1,210	0	1,210	5,000	0	5,000	0	0	0
Property Contingency	0	0	0	7,298	0	7,298	0	0	0
Fire & Rescue and Emergency Planning	421	885	1,306	4,805	885	5,690	1,500	0	1,500
Fire Fleet Vehicles and Associated Equipment	4,838	0	4,838	2,759	0	2,759	16,709	0	16,709
<b>Sub Total</b>	<b>10,456</b>	<b>885</b>	<b>11,341</b>	<b>23,262</b>	<b>885</b>	<b>24,147</b>	<b>18,209</b>	<b>0</b>	<b>18,209</b>
<b>Performance and Governance:</b>									
Broadband	610	1,529	2,139	4,811	14,041	18,852	7,111	4,340	11,451
Infrastructure and Refresh Programme	250	0	250	1,950	0	1,950	0	0	0
Replacement ERP Finance System	0	0	0	7,000	0	7,000	0	0	0
Care Management System (CMPP)	819	0	819	1,681	0	1,681	0	0	0
IMP Development	845	0	845	543	0	543	0	0	0
ICT Development Fund	1,297	0	1,297	2,987	0	2,987	0	0	0
<b>Sub Total</b>	<b>3,821</b>	<b>1,529</b>	<b>5,350</b>	<b>18,972</b>	<b>14,041</b>	<b>33,013</b>	<b>7,111</b>	<b>4,340</b>	<b>11,451</b>
<b>Other programmes:</b>									
New Developments Capital Contingency Fund	0	0	0	3,380	0	3,380	0	0	0
<b>Sub Total</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>3,380</b>	<b>0</b>	<b>3,380</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>TOTAL</b>	<b>95,294</b>	<b>74,997</b>	<b>170,291</b>	<b>87,315</b>	<b>96,238</b>	<b>183,553</b>	<b>116,039</b>	<b>61,716</b>	<b>177,755</b>

### SUMMARY OF CAPITAL SCHEMES FROM THE 2014/15 PROGRAMME

The Council's Capital Programme includes the following schemes which are due to be undertaken in 2014/15:

#### Highways and Transportation:

- Maintenance of roads, bridges, safety fencing, street lighting, signs and lines, and traffic signals.
- Integrated transport schemes across the County including minor capital improvements, rights of way, road safety, public transport and town/village enhancements.
- Lincoln Eastern Bypass, Lincoln East-West Link Road and Grantham Southern Relief Road – three major new roads projects.

#### Economy and Culture:

- Historic Lincoln – redevelopment of the Castle and other associated projects, including Magna Carta pavilion and refurbishment of the prison.
- Grantham Growth Point (inc. Southern Relief Road). The Grantham Growth Point is a partnership between South Kesteven District Council and the County Council and is responsible for the delivery of large scale housing and employment growth in Grantham. The growth is focused on two major sustainable urban extensions as well as a number of town centre regeneration sites.
- Libraries and Heritage – funding set aside for one-off investment, most of it in Community Hubs offering library facilities.

#### Environment, Planning and Customer Services:

- Flood defence – contribution towards Environment Agency led flood defence schemes in Louth and Horncastle.

#### Adult Care:

- Schemes including: Extra Care Housing; Telecare/Telehealth; Disabled Facilities Grants, Day Opportunities Development Fund and Minor Works & Health & Safety.

#### Children's services:

- Programme of expansion and new build construction of school buildings to meet the statutory responsibility for provision of educational places. Significant major projects for 2014/15 include the building of new primary schools in Bourne, Spalding and Skegness, and expansions of Kirton Primary School and Boston Staniland Primary Academy.
- Programme to improve the condition of the school estate, for example roofing, boiler replacements and window replacements. Also the replacement of end of life mobile accommodation with permanent solutions at New Leake and Ingoldsby schools.
- Improvement to schools kitchens and dining facilities for reception, year one and year two aged pupils in state funded schools.

### **Corporate Services (including Property and Fire and Rescue Services):**

- Repairs, maintenance and improvement to council properties.
- Property rationalisation programme, projects throughout the County.
- Replacement of fire-fighters' personal protective equipment.
- New fire station builds at Sleaford and Louth, alongside a maintenance and improvement programme to ensure fire properties are fit for purpose.
- Rolling programme for the replacement of fire and rescue fleet vehicles and associated equipment.

### **Performance and Governance (including ICT):**

- Broadband – a programme to install high speed internet infrastructure in communities and businesses, particularly in rural areas.
- Replacement ERP Finance System – the replacement of the SAP finance system with Agresso in line with the FDSS programme.
- Care Management System (CMPP) – the replacement of fragmented social care IT systems with a new multi-agency case management system.
- General IT programmes including: IT development; Replacement of PC's and other IT equipment and ICT infrastructure.

## CAPITAL GOVERNMENT GRANTS

The Capital Programme for 2014/15 includes the following government grants which have been allocated to the County Council:

	<b>£'000</b>
Adult's Social Care Community Capacity Grant	1,848
Highways Asset Maintenance	21,929
Additional Highways Maintenance	2,246
Highways Integrated Transport	5,816
Local Sustainable Transport Fund	244
Local Pinch Point Fund - Canwick Road Improvement Scheme	1,363
Fire Capital Grant	885
Schools Basic Needs	8,377
Targeted Basic Needs (*1)	2,628
Universal Infant Free School Meals Capital	1,085
Schools Capital Maintenance	6,752
Schools Devolved Formula Capital (*2)	1,395
Academies Grant	299
<b>Total Capital Grants</b>	<b>54,867</b>

(\*1) Targeted Basic Needs

The County Council was awarded additional targeted basic need grant for specific projects at Witham St Hugh's, Cranwell and Gainsborough (this is the second year of a two year award).

(\*2) Schools Devolved Formula Capital (DFC)

The allocation for DFC is provisional and will be updated to reflect any schools which become academies by 1 April 2014.

Further grants included in the programme will be received on a claim basis as spend is incurred.



**SUMMARIES OF SERVICE REVENUE ESTIMATES**

Ref No	Main Area of Expenditure	2014/15 Estimate £	Notes
1	2013/14 BUDGET	140,939,769	Ref 1 Base Budget 2013/14
	BUDGET CHANGES:		
2	Inflation Cost Pressures	2,583,031	Ref 2 An allocation for inflation
3	Demography	6,226,521	Ref 3 Pressure relating to more clients joining the service than leaving in 2014/15
4	ASA reduced income	134,580	Ref 4 Change in ASA financial assessments methodology resulting in reduced client contributions
5	Additional BCF funding required	1,175,034	Ref 5 Additional budget following DoH funding transfer for Learning Disability expenditure
6	Additional LARS service costs	300,000	Ref 6 One off costs due to delivery change.
7	Employer's pension contribution	133,151	Ref 7 0.8% increase in the employer's contribution rate to the local Government Pension scheme from 18.9% to 19.7%
	Savings		
8	Intermediate care service redesign	-1,500,000	Ref 8 Efficiencies and other savings within the service
9	LARS savings	-260,951	Ref 9 Increase in the number of service users accessing the LARS service
10	Night Care Service	-49,000	Ref 10 Part year efficiency of closure of nightcare services in 13/14. This is full year effect.
11	Business Mileage	-229,000	Ref 11 Savings resulting from changes to mileage rates paid to staff
12	Home support reduction	-86,214	Ref 12 Direct payments selected in preference to traditional services
13	residential accommodation reduction	-34,884	Ref 13 Direct payments selected in preference to traditional services
14	In House day time opportunities	-1,000,000	Ref 14 Redesign of the existing provision of inhouse services.
15	Transport	-300,000	Ref 15 Savings made through re design of the service.
16	Community Supported Living contracts	-150,000	Ref 16 Redesign of services within high demand areas to become more efficient to meet client needs
17	Residential over 65	-100,000	Ref 17 Redesign of services within high demand areas to become more efficient to meet client needs
18	Residential respite	-50,000	Ref 18 Redesign of services within high demand areas to become more efficient to meet client needs
19	ASA Saving	-140,000	Ref 19 Re negotiation of care costs for 2014/15
20	Supported living big 5 providers	-150,000	Ref 20 Community Supported Framework hourly rate savings for 2014/15
21	Clients over 75 in supported living	-50,000	Ref 21 Redesign of services within high demand areas to become more efficient to meet client needs
22	Admin (Therapists)	-25,000	Ref 22 Maximising funding opportunities from external sources.
23	Review of MH Section 75	-725,000	Ref 23 Reduction in the Section 75 funding from Health 2014/15
24	DoH funding for Adult Social Care	-1,000,000	Ref 24 DoH funding to relieve Base budget pressures
25	Use of SP reserves	-2,000,000	Ref 25 Efficiencies and savings through consolidation of cases through Supporting People
<b>26</b>	<b>2014/15 BUDGET</b>	<b>143,642,038</b>	

REVENUE EXPENDITURE - ADULT CARE

ADULT CARE DIRECTORATE

(1) Line No	(2) Description	(3) 2013/14 Budget £	(4) Budget Changes £	(5) 2014/15 Original Estimate £
1	OLDER PEOPLE	68,825,511	1,887,882	70,713,393
2	PHYSICAL DISABILITIES	11,938,734	326,532	12,265,266
3	LEARNING DISABILITIES	45,301,630	636,921	45,938,551
4	MENTAL HEALTH	6,315,521	-	5,635,521
5	INFRASTRUCTURE	6,959,590	552,934	7,512,524
6	CARERS	1,598,783	-	1,576,783
<b>7</b>	<b>NET TARGET BUDGET</b>	<b>140,939,769</b>	<b>2,702,269</b>	<b>143,642,038</b>

Ref No	Main Area of Expenditure	2014/15 Estimate £	Notes
1	2013/14 BUDGET	14,506,603	
	BUDGET CHANGES:		
2	Inflation	272,893	Ref 2 An allocation for inflation.
3	Cost Pressures	154,000	Ref 3 To provide for the Members Big Society Fund within the base budget.
4	Members Big Society budget	31,000	Ref 4 This is to provide 50% of core funding for the Lincolnshire Single Equality Council.
5	Just Lincolnshire	10,247	Ref 5 0.8% increase in the employer's pension contribution rate to the Local Government Pension Scheme from 18.9% to 19.7%.
6	Employers pension contributions		
7	Savings	12,306	Ref 6 The net cost of increments less staff turnover.
8	Staffing costs	266,020	Ref 7 Transfer current Public Health costs being met by LCC core budgets into the ring fenced grant.
9	Transfer to ring fenced grant	-	Ref 8 Savings resulting from changes to mileage rates paid to staff.
10	Business mileage savings	-	Ref 9 Transition costs required for 2013/14 only.
11	Healthwatch transition costs	-	Ref 10 Efficiencies achieved by amalgamating LCC and NHS Public Health teams.
12	Travel and office costs	-	Ref 11 Increase in the Public Health ring fenced grant as LCC moves towards its target allocation.
13	Additional Public Health expenditure	963,500	Ref 12 Planned efficiency savings in the administration of local welfare support.
14	Additional Public Health grant	963,500	Ref 13 Reduced government grant to reflect efficiency savings above.
15	Welfare Provision - Administration	26,207	
	Welfare Provision grant	26,207	
<b>15</b>	<b>2014/15 BUDGET</b>	<b>14,643,797</b>	

REVENUE EXPENDITURE - PUBLIC HEALTH

PUBLIC HEALTH DIRECTORATE

(1) Line No	(2) Description	(3) 2013/14 Budget £	(4) Budget Changes £	(5) 2014/15 Original Estimate £
1	EXISTING LCC PUBLIC HEALTH SERVICES COMMUNITY ENGAGEMENT & VULNERABLE PEOPLE	1,340,184	132,760	1,472,944
2	PUBLIC HEALTH COMMISSIONING	13,166,419	4,434	13,170,853
3	TOTAL FOR EXISTING LCC PUBLIC HEALTH SERVICES	14,506,603	137,194	14,643,797
4	LOCAL WELFARE PROVISION PROGRAMME FUNDING	1,487,187		1,487,187
5	ADMINISTRATIVE FUNDING	314,254	26,207	288,047
6	GOVERNMENT GRANT FUNDING	-	26,207	1,775,234
7	TOTAL FOR LOCAL WELFARE PROVISION	0	0	0
8	TRANSFERRED PUBLIC HEALTH SERVICES EXPENDITURE ON TRANSFERRED PUBLIC HEALTH SERVICES	27,542,400	963,500	28,505,900
9	GOVERNMENT GRANT FUNDING	-	963,500	28,505,900
10	TOTAL FOR TRANSFERRED PUBLIC HEALTH SERVICES	0	0	0
11	<b>NET TARGET BUDGET</b>	<b>14,506,603</b>	<b>137,194</b>	<b>14,643,797</b>

REVENUE EXPENDITURE - CHILDREN'S SOCIAL CARE

CHILDREN'S SERVICES DIRECTORATE

Ref No	Main Area of Expenditure	2014/15 Estimate £	Notes
1	2013/14 BUDGET	44,014,746	
	BUDGET CHANGES:		
2	Inflation	639,265	Ref 2 An allocation for inflation.
3	Employer's pension contributions	132,136	Ref 3 0.8% increase in the employer's pension contribution rate to the Local Government Pension Scheme from 18.9% to 19.7%.
4	Commissioning & Social Workers	403,000	Ref 4 Additional funding for front line social care staff to reflect the increase in demand on the child protection services including an increase in referrals.
5	Residential Care & Fostering Services	680,760	Ref 5 An increase in the number, complexity and cost of out of county placements.
6	Family Support Services	230,881	Ref 6 Savings achieved from part of the short break initiative ceasing (-£0.138m), the transfer of a post to Early Years (-£0.041m) and a reduction in the budget requirement for the Contact Team (-£0.052m).
7	Youth Justice	202,710	Ref 7 Re-negotiation of the Youth Justice Board contract and the move to eleven beds.
8	Children's & Young People's Strategy	46,020	Ref 8 Dis-establishment of a Safeguarding Officer post following reduction in the number of maintained schools.
9	Other Children and Families	149,590	Ref 9 An increase in Special Guardianship Orders being granted by the courts in care proceedings as a preferred permanence option for children.
10	Central Commissioning	196,520	Ref 10 The dis-establishment of the Early Years Sufficiency team.
11	Management & Support Services	275,951	Ref 11 An increase in the cost of insurance due to some recent high value claims and a 15% increase in premiums (£0.266m), additional legal and Section 17 costs due to the increase in the number of looked after children (£0.365m), savings as a result of a premises review (-£0.050m) and savings identified as part of a detailed and thorough review of all budgets (-£0.305m).
12	Other changes	46,264	
<b>13</b>	<b>2014/15 BUDGET</b>	<b>45,573,053</b>	

REVENUE EXPENDITURE - CHILDREN'S SOCIAL CARE

CHILDREN'S SERVICES DIRECTORATE

(1) Line No	(2) Description	(3) 2013/14 Budget £	(4) Budget Changes £	(5) 2014/15 Original Estimate £
1	COMMISSIONING AND SOCIAL WORKERS	11,677,627	628,142	12,305,769
2	RESIDENTIAL CARE	4,671,379	415,228	5,086,607
3	FOSTERING SERVICES	7,425,880	349,141	7,775,021
4	OTHER LOOKED AFTER CHILDREN SERVICES	3,496,316	70,782	3,567,098
5	FAMILY SUPPORT SERVICES	9,998,017	-	9,094,493
6	YOUTH JUSTICE	250,250	202,710	452,960
7	CHILDREN'S & YOUNG PEOPLE'S STRATEGY	2,194,912	74,303	2,120,609
8	OTHER CHILDREN'S & FAMILIES SERVICES	2,260,880	211,500	2,472,380
9	CENTRAL COMMISSIONING FUNCTION	1,578,212	43,512	1,621,724
10	MANAGEMENT & SUPPORT SERVICES	961,773	1,020,539	1,982,312
<b>11</b>	<b>NET TARGET BUDGET</b>	<b>44,014,746</b>	<b>1,558,307</b>	<b>45,573,053</b>

Ref No	Main Area of Expenditure	2014/15 Estimate £	Notes
1	2013/14 BUDGET	59,446,465	
	BUDGET CHANGES:		
2	Inflation	1,033,908	Ref 2 An allocation for inflation.
3	Employer's pension contributions	72,438	Ref 3 0.8% increase in the employer's pension contribution rate to the Local Government Pension Scheme from 18.9% to 19.7%.
4	Early Years	1,468,305	Ref 4 The dis-establishment of the Early Years Sufficiency team and a reduction in the related grants (-£0.437m) plus the movement of the funding source of some early years costs in conjunction with the DfE's disadvantaged 2 year old funding transfer into the Dedicated Schools Grant (-£0.635m).
5	Home to School/College Transport	648,000	Ref 5 A reduction in the budget to allow funding for 190 transport days only (-£0.748m) plus additional budget to transport children to the University Technology College, Lincoln when they live more than three miles away from the site (£0.100m).
6	Services to Young People	169,530	Ref 6 Permanent funding for the REAL bus which is a mobile information and advice centre for young people based in East Lindsey.
7	Special Education Services	84,143	Ref 7 Funding for a Principal Educational Psychologist post.
8	Learner Support	641,700	Ref 8 Savings as a result of the invest to save funding in the Foundation Learning programme ending in August 2013 (-£0.092m), the removal of the two year funding for investment in the Learners with Learning Difficulties and/or Disabilities strategy (-£0.300m) and the removal of funding for the Big Society (-£0.250m).
9	Local Authority Education Functions	76,720	Ref 9 As a result of a change in policy, redundancy costs are now met by individual schools.
10	Management & Support Services	538,527	Ref 10 Savings resulting from changes to mileage rates paid to staff (-£0.197m), the dis-establishment of a Head of Service post (-£0.082m), the transfer of the Food in Schools team to Public Health (-£0.057m) and the re-profiling of CfBT management fees in line with the contract for Traded Services and a greater share of the costs borne from the Dedicated Schools Grant (-£0.203m).
11	Other changes	27,416	
12	<b>2014/15 BUDGET</b>	<b>57,460,648</b>	



REVENUE EXPENDITURE - EDUCATION SERVICES

CHILDREN'S SERVICES DIRECTORATE

(1) Line No	(2) Description	(3) 2013/14 Budget £	(4) Budget Changes £	(5) 2014/15 Original Estimate £
1	EARLY YEARS	10,514,434	-	9,159,949
2	CENTRALLY HELD BUDGETS RELATING TO SCHOOLS	57,080	-	33,000
3	HOME TO SCHOOL/COLLEGE TRANSPORT	25,873,061	-	25,495,388
4	SERVICES TO YOUNG PEOPLE	4,677,222	122,679	4,799,901
5	SPECIAL EDUCATION SERVICES & ADMINISTRATION	3,243,290	107,728	3,351,018
6	LEARNER SUPPORT	5,233,360	-	4,286,743
7	ACCESS	918,774	149,624	1,068,398
8	LOCAL AUTHORITY EDUCATION FUNCTIONS	4,734,540	-	4,624,620
9	MANAGEMENT & SUPPORT SERVICES	4,194,704	446,927	4,641,631
10	<b>NET TARGET BUDGET</b>	<b>59,446,465</b>	<b>-</b>	<b>57,460,648</b>

Ref No	Main Area of Expenditure	2014/15 Estimate £	Notes
1	2013/14 BUDGET	48,848,924	
	BUDGET CHANGES:		
2	Inflation	824,189	Ref 2 An allocation for inflation
3	Cost Pressures	358,613	Ref 3 Roads Maintenance electricity price increases (£0.246m), growth in number of assets to maintain (£0.022m) and 0.8% increase in the Employer's Pension Contribution Rate to the Local Government Pension Scheme from 18.9% to 19.7% (£0.090m)
4	Savings	- 827,106	Ref 4 Savings relating to Gulley Cleansing (-£0.250m), Tree inspections (-£0.020m), recharge of management cost to Civil Parking Enforcement (-£0.021m), Directorate wide legal charges (-£0.028m), Directorate wide support expenditure (-£0.035m), Lincslab charges (-£0.025m), use of Commuted Sums reserves (-£0.180m), vacancy management (-£0.099m), Permits/Licences and Section 38 charges (-£0.066m). Also savings resulting from changes to Mileage Rates paid to employees (-£0.104m)
5	<b>2014/15 BUDGET</b>	<b>49,204,620</b>	

REVENUE EXPENDITURE - HIGHWAYS & TRANSPORTATION

COMMUNITIES DIRECTORATE

(1) Line No	(2) Description	(3) 2013/14 Budget £	(4) Budget Changes £	(5) 2014/15 Original Estimate £
1	HIGHWAYS NORTH	1,915,762	-	1,876,424
2	HIGHWAYS EAST	878,343	-	864,007
3	HIGHWAYS WEST	1,546,715	-	1,529,517
4	HIGHWAYS SOUTH	991,271	-	976,683
5	HIGHWAYS CLIENT	2,170,549	3,978	2,174,527
6	FLOODS & WATER RISK MANAGEMENT	706,963	14,856	721,819
7	ROADS MAINTENANCE	24,795,265	139,479	24,934,744
8	TRANSPORTATION	14,110,438	184,595	14,295,033
9	FINANCIAL PROVISIONS & SUPPORT SERVICES	1,733,618	98,248	1,831,866
10	<b>NET TARGET BUDGET</b>	<b>48,848,924</b>	<b>355,696</b>	<b>49,204,620</b>

Ref No	Main Area of Expenditure	2014/15 Estimate £	Notes
1	2013/14 BUDGET	26,479,325	
	BUDGET CHANGES:		
2	Inflation	473,892	Ref 2 An allocation for inflation
3	Cost Pressures	3,619,723	Ref 3 Increase in Waste Disposal costs (£3.097m), operating costs of Waste Transfer Stations (£0.489m) and 0.8% increase in the Employer's Pension Contribution Rate to the Local Government Pension Scheme from 18.9% to 19.7% (£0.034 m)
4	Savings	6,306,925	Ref 4 Savings following the opening of the Energy From Waste Plant, namely, Landfill Disposal costs (-£1.105m) and Landfill Tax (-£4.363m), savings from Waste Management Contracts (-£0.728m) and Customer Services initiatives (-£0.087m). Also savings resulting from changes to Mileage Rates paid to employees (-£0.025m)
5	<b>2014/15 BUDGET</b>	<b>24,266,015</b>	

REVENUE EXPENDITURE - ENVIRONMENT, PLANNING & CUSTOMER SERVICES

COMMUNITIES DIRECTORATE

(1) Line No	(2) Description	(3) 2013/14 Budget £	(4) Budget Changes £	(5) 2014/15 Original Estimate £
1	PLANNING	1,168,526	5,472	1,173,998
2	ENVIRONMENTAL MANAGEMENT	1,208,928	11,859	1,220,787
3	WASTE MANAGEMENT	20,884,290	- 2,228,804	18,655,486
4	FLOOD DEFENCE PRECEPT	620,521	12,411	632,932
5	CUSTOMER OPERATIONS	2,595,880	- 69,943	2,525,937
6	FINANCIAL PROVISIONS	1,180	55,695	56,875
<b>7</b>	<b>NET TARGET BUDGET</b>	<b>26,479,325</b>	<b>- 2,213,310</b>	<b>24,266,015</b>

Ref No	Main Area of Expenditure	2014/15 Estimate £	Notes
1	2013/14 BUDGET	12,907,931	
	BUDGET CHANGES:		
2	Inflation	159,914	Ref 2 An allocation for inflation
3	Cost Pressures	188,030	Ref 3 Additional funding for costs associated with the Aviation Heritage Partnership for one year (£0.130m) and 0.8% increase in the Employer's Pension Contribution Rate to the Local Government Pension Scheme from 18.9% to 19.7% (£0.058m)
4	Savings	- 1,154,017	Ref 4 Savings relating to the provision of the Libraries & Heritage Service (-£0.799m). A reduction to the Select Lincs, Good Taste, SLA Budget and additional EU Funding within Enterprise (-£0.125m). Withdrawal from Sports Centre Agreement in Regeneration (-£0.124m) and Vacancy Management within the Regeneration and Enterprise areas (-£0.075m). Savings resulting from changes to Mileage Rates paid to employees (-£0.032m)
5	<b>2014/15 BUDGET</b>	<b>12,101,858</b>	

REVENUE EXPENDITURE - ECONOMY AND CULTURE

COMMUNITIES DIRECTORATE

(1) Line No	(2) Description	(3) 2013/14 Budget £	(4) Budget Changes £	(5) 2014/15 Original Estimate £
1	REGENERATION	1,519,516	-	1,369,390
2	ENTERPRISE	2,598,783	-	2,441,286
3	LIBRARIES & HERITAGE	8,788,534	-	8,191,840
4	FINANCIAL PROVISIONS	1,098	98,244	99,342
<b>5</b>	<b>NET TARGET BUDGET</b>	<b>12,907,931</b>	<b>-</b>	<b>12,101,858</b>

Ref No	Main Area of Expenditure	2014/15 Estimate £	Notes
1	2013/14 BUDGET	17,088,852	
	BUDGET CHANGES:		
2	Inflation	320,818	Ref 2 An allocation for inflation.
3	Cost Pressures	- 52,378	Ref 3 Removal of budget to fund costs associated with properties awaiting disposal (-£0.150m). Property fire risk assessments (£0.050m). 0.8% increase in the employer's pension contribution rate to the Local Government Pension Scheme from 18.9% to 19.7% (£0.048m).
4	Savings	- 1,466,548	Ref 4 Facilities Management rent, rates and utilities cost reductions (-£0.840m). Reduction in Mouchei contract payments as property base falls (-£0.200m). Reduction to planned maintenance costs at Travellers Sites (-£0.040m). Carbon Reduction Scheme - saving on actual carbon tax requirements (-£0.040m). Expected increase to County Farms rent income (-£0.030m). Reduction to consultancy support for Property Rationalisation Programme (-£0.156m). Reduction to Property minor improvements budget (-£0.021m). Lower fees payable to External Audit (-£0.028m). Reduction to Inshore Fisheries Conservation Authority Levy (-£0.052m). Reduction in Treasury & Financial Strategy budget for legal charges (-£0.011m). Reduction to staffing budgets in Procurement and Legal Lincolnshire (-£0.030m). Savings resulting from changes to mileage rates paid to staff (-£0.019m).
<b>5</b>	<b>2014/15 BUDGET</b>	<b>15,890,744</b>	



REVENUE EXPENDITURE - FINANCE AND RESOURCES

RESOURCES AND COMMUNITY SAFETY DIRECTORATE

(1) Line No	(2) Description	(3) 2013/14 Budget £	(4) Budget Changes £	(5) 2014/15 Original Estimate £
1	TREASURY & FINANCIAL STRATEGY	4,581,376	-	4,553,039
2	CORPORATE AUDIT & RISK MANAGEMENT	999,962	17,964	1,017,926
3	STRATEGIC ASSET MANAGEMENT	11,098,161	-	9,894,239
4	PARTNERSHIP & CONTRACT MANAGEMENT	-	118,492	99,604
5	PROCUREMENT LINCOLNSHIRE	838,563	-	741,857
6	LEGAL LINCOLNSHIRE	410,322	-	415,921
7	<b>NET TARGET BUDGET</b>	<b>17,088,852</b>	<b>-</b>	<b>15,890,744</b>

Ref No	Main Area of Expenditure	2014/15 Estimate £	Notes
1	2013/14 BUDGET	20,143,643	
	BUDGET CHANGES:		
2	Inflation	380,284	Ref 2 An allocation for inflation
3	Savings	- 221,630	Ref 3 Savings resulting from changes to mileage rates paid to staff (-£0.007 m) Use of earmarked reserve to support service delivery (-£0.040 m) Reduction in printing cost and other admin supplies (-£0.095 m) Unallocated Price Inflation (-£0.080 m)
4	Cost Pressures	18,119	Ref 4 0.8% increase in the employer's pension contribution rate to the Local Government Pension Scheme from 18.9% to 19.7%
5	<b>2014/15 BUDGET</b>	<b>20,320,416</b>	

REVENUE EXPENDITURE - FIRE & RESCUE AND EMERGENCY PLANNING

RESOURCES AND COMMUNITY SAFETY DIRECTORATE

(1) Line No	(2) Description	(3) 2013/14 Budget £	(4) Budget Changes £	(5) 2014/15 Original Estimate £
1	FIRE AND RESCUE	19,686,275	198,104	19,884,379
2	EMERGENCY PLANNING	457,368	-	436,037
<b>3</b>	<b>NET TARGET BUDGET</b>	<b>20,143,643</b>	<b>176,773</b>	<b>20,320,416</b>

Ref No	Main Area of Expenditure	2014/15 Estimate £	Notes
1	2013/14 BUDGET	19,337,043	
	BUDGET CHANGES:		
2	Inflation	226,459	Ref 2 An allocation for inflation
	<u>Cost Pressures</u>		
3	Domestic Homicide Review	27,284	Ref 3 Increased workload
4	Coroners	50,000	Ref 4 Funding for long inquests
5	Coroners	15,000	Ref 5 Coroner's office accommodation costs
6	Business Support	70,000	Ref 6 Off site storage
7	Employers pension contributions	91,599	Ref 7 0.8% increase in employers pension contribution rate to the Local Government Pension Scheme from 18.9% to 19.7%
	<u>Savings</u>		
8	Business Mileage	36,212	Ref 8 Savings resulting from changes made to mileage rates paid to staff
9	Business Support	70,000	Ref 9 Reverse the funding of off site storage costs above
10	Business Support	331,574	Ref 10 Introduction of staff turnover rate
11	Community Safety	27,284	Ref 11 Reduction in Community Safety commissioning to cover pressure in Domestic Homicide Review
12	Community Safety	112,849	Ref 12 Further reduction in Community Safety commissioning budget
13	Community Safety	5,000	Ref 13 Reduction in testing and sample analysis budgets
14	Community Safety	33,844	Ref 14 Deletion of Trading Standards post
15	Registration & Celebratory Services	65,000	Ref 15 Increased income to off set pressures highlighted above in the Coroners service
16	Registration & Celebratory Services	34,784	Ref 16 Additional increase in income
17	Coroners	8,000	Ref 17 Reduction in the Mortuary and Body Removal contracts (inflation)
18	Coroners	2,000	Ref 18 Review of office expenses and operating costs
19	Youth Offending	23,716	Ref 19 Deletion of a YOT officer post
20	Other	2,681	Ref 20 Other minor changes to the budget
<b>21</b>	<b>2014/15 BUDGET</b>	<b>19,064,441</b>	

REVENUE EXPENDITURE - COMMUNITY SAFETY

RESOURCES AND COMMUNITY SAFETY DIRECTORATE

(1) Line No	(2) Description	(3) 2013/14 Budget £	(4) Budget Changes £	(5) 2014/15 Original Estimate £
1	SAFER COMMUNITIES	4,795,566	-	4,710,304
2	YOUTH OFFENDING	756,353	-	733,195
3	SUPPORT TO THE BUSINESS	12,385,703	-	12,244,532
4	CORONERS	1,094,360	-	1,225,006
5	REGISTRATION SERVICE	305,061	-	151,404
<b>6</b>	<b>NET TARGET BUDGET</b>	<b>19,337,043</b>	<b>-</b>	<b>19,064,441</b>

Ref No	Main Area of Expenditure	2014/15 Estimate £	Notes
1	2013/14 BUDGET	21,775,322	
	BUDGET CHANGES:		
2	Inflation	370,247	Ref 2 An allocation for inflation.
3	Cost Pressures	484,943	Ref 3 Removal of funding for May 2013 County Council Election costs (-£0.570m). 0.8% increase in the employer's pension contribution rate to the Local Government Pension Scheme from 18.9% to 19.7% (£0.041m). Additional administrative support to political groups (£0.030m).
4	Savings	1,107,721	Ref 4 Funding of operating budget for Digital Engagement Team (£0.014m). Savings from the Next Generation Platform programme and implementing new technologies to reduce support costs (-£0.750m). Unallocated prices inflation (-£0.203m). Reduction to Policy Resource budget (-£0.050m). Reduction to Chairman's Fund budget (-£0.015m). Downsize County Council presence at Lincolnshire Show (-£0.010m). General efficiency savings including the digital production of documents to reduce printing costs in Communications and Democratic Services (-£0.061m). Cessation of payment to support Beaumont Manor, Unison Club (-£0.011m). Savings resulting from changes to mileage rates paid to staff (-£0.008m).
5	<b>2014/15 BUDGET</b>	<b>20,552,905</b>	

REVENUE EXPENDITURE - PERFORMANCE & GOVERNANCE

PERFORMANCE & GOVERNANCE DIRECTORATE

(1) Line No	(2) Description	(3) 2013/14 Budget £	(4) Budget Changes £	(5) 2014/15 Original Estimate £
1	INFORMATION MANAGEMENT & TECHNOLOGY	10,039,832	-	9,402,914
2	PEOPLE MANAGEMENT	3,981,744	86,550	4,068,294
3	DEMOCRATIC SERVICES	2,675,905	-	2,062,758
4	STRATEGIC COMMUNICATIONS	1,001,368	18,535	1,019,903
5	PERFORMANCE & PROGRAMMES	3,228,919	-	3,211,323
6	CHIEF EXECUTIVE'S OFFICE	847,554	-	787,713
7	<b>NET TARGET BUDGET</b>	<b>21,775,322</b>	<b>-</b>	<b>20,552,905</b>

## GLOSSARY OF TERMS

**Budget carry forward** - The actual under/overspending at the end of the financial year compared with the revised budget target which is allowed to be carried forward into the next financial year.

**Budget requirement** - Net revenue expenditure to be financed from Business Rates, Revenue Support Grant, other non-ring fenced Government Grants and Council Tax Income.

**Budget Target** - A corporately determined spending limit for an individual service.

**Capital Grants** - Government grants received that contribute towards capital expenditure incurred on a particular service or project e.g. Highways Asset Protection Grant received from the government which contributes towards planned capital expenditure on roads.

**Capital Receipts** - Proceeds received from the sale of property and other fixed assets (assets which have a value beyond one financial year). These can be used to contribute towards the cost of capital expenditure, but not revenue expenditure.

**Central support** - A charge to a service which is the service's share of the cost of the central administration and professional departments which support direct service provision.

**Contingency** - A sum of money set aside to provide for foreseen but unquantifiable commitments and for unforeseen expenditure that may occur at any time in the future.

**County precept** - The income which District Councils collect on the County Council's behalf from Council Tax payers.

**Capital financing charges** - Charges to the revenue account which fund capital expenditure. Such charges comprise debt charges, direct revenue financing and leasing payments.

**Dedicated Schools Grant (DSG)** - The main grant paid by central government to support schools within the county. This must all be spent on supporting schools.

**Education Services Grant** – New grant from 2013/14 non ring fenced grant paid by central government to local authorities. This grant is to cover central services costs of providing services to schools, e.g. admissions policy and administration.

**Revenue Support Grant** - The main grant paid by central government to local authorities to support the provision of all services, except for schools.

**Interest on revenue balances** - The money earned or paid in relation to the temporary investment of, or temporary borrowing to support, the County Council's cash balances.

**Local retention of Business rates** – Business rates set by central government and levied on business properties. This is collected by District Councils who pay this income over to the County Council.

**Precept** - An amount levied by one body on another e.g. the Environment Agency precepts on the County Council.

**Reserves** - The revenue reserves available to provide a working balance during the financial year, for example in periods when expenditure exceeds income.

**Specific grants** - Grants made to a local authority by central government for a particular project or service e.g. Private Finance Initiative.

**Total Expenditure** - Budget requirement plus expenditure financed by drawing from balances (or the budget requirement less contributions to balances).



**CONTACT INFORMATION FOR SERVICE BUDGET DETAIL**

The information on revenue budgets provided in this booklet summarises the detailed estimates approved by individual services. If you require further detail please contact:-

Adult Care	01522 836480 & 01522 554286
Public Health	01522 836480 & 01522 554243
Children's Social Care	01522 836404
Education Services	01522 836404
Highways and Transportation	01522 836441
Environment, Planning and Customer Services	01522 836441
Economy and Culture	01522 836441
Finance and Resources	01522 836480
Fire and Rescue	01522 836480
Community Safety	01522 836480
Performance and Governance	01522 836480

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County Council

**Open Report on behalf of David O'Connor, Executive Director Performance and Governance**

Report to:	<b>County Council</b>
Date:	<b>21 February 2014</b>
Subject:	<b>Council Business Plan 2012 – 2015 Annual Update</b>

**Summary:**

This report outlines the annual update of the Council Business Plan 2012 - 2015.

**Recommendation:**

Council approve the updated Council Business Plan 2012 - 2015.

## 1. Background

Our Business Plan 2012 - 2015 is a short, strategic document that sets out how we use our resources to deliver the most important things the Council is doing. This is measured through council priority activities, performance indicators and targets. The plan has been updated to reflect changes over the last year and the updated plan is now presented to Council for approval. Assistant Directors, Corporate Management Board and Portfolio Holders have been involved in updating the Council Business Plan attached in Appendix A.

Additional footnotes have been included in the Council Business Plan to enhance understanding of performance indicators and targets. Although this Business Plan is primarily an internal document, it is published on the Council's website LCC Connects, with paper copies printed on request. We publish separate messages to communicate on a wider basis with the public and other organisations.

## 2. Conclusion

The Council Business Plan 2012 - 15 has been updated so it continues to reflect what is most important to the Council. This is measured through quarterly performance reports of performance against the council priority activities, performance indicators and targets set out within in the plan.

## 3. Legal Comments:

The decision to approve the updated Council Business Plan is within the remit of Full Council.

#### **4. Resource Comments:**

The resources to deliver this Plan are included in the approved 2014/15 revenue budget and capital programme of the Council.

#### **5. Consultation**

##### **a) Has Local Member Been Consulted?**

Not applicable

##### **b) Has Executive Councillor Been Consulted?**

Yes

##### **c) Scrutiny Comments**

The draft updated Plan was considered by the Value for Money Committee on 21<sup>st</sup> January. Quarterly performance against the plan is scrutinised by the Value for Money Committee prior to reporting to the Executive.

##### **d) Policy Proofing Actions Required**

The Council's obligations under the Equality Act 2010 need to be taken into account by the Executive when considering the Plan.

The Council must, in the exercise of its functions, have due regard to the need to:

(1) eliminate discrimination, harassment, victimisation and any other conduct that is prohibited by or under the Equality Act 2010;

(2) advance equality of opportunity between persons who share a relevant protected characteristic and persons who do not share it;

(3) foster good relations between persons who share a relevant protected characteristic and persons who do not share it: Equality Act 2010 s 149(1). The relevant protected characteristics are age; disability; gender reassignment; pregnancy and maternity; race; religion or belief; sex; sexual orientation: s 149(7).

Having due regard to the need to advance equality of opportunity involves having due regard, in particular, to the need to:

(1) remove or minimise disadvantages suffered by persons who share a relevant protected characteristic that are connected to that characteristic;

(2) take steps to meet the needs of persons who share a relevant protected characteristic that are different from the needs of persons who do not share it;

(3) encourage persons who share a relevant protected characteristic to participate in public life or in any other activity in which participation by such

persons is disproportionately low.

(4) The steps involved in meeting the needs of disabled persons that are different from the needs of persons who are not disabled include, in particular, steps to take account of disabled persons' disabilities.

(5) Having due regard to the need to foster good relations between persons who share a relevant protected characteristic and persons who do not share it involves having due regard, in particular, to the need to tackle prejudice, and promote understanding.

(6) Compliance with the duties in this section may involve treating some persons more favourably than others.

This duty cannot be delegated and must be discharged by the Executive.

In relation to the business plan, this is effectively made up of council priority activities, performance indicators and targets. It is the responsibility of each project manager to make sure equality considerations and an impact analysis of the project on different groups is undertaken as part of the project start up and design. Action from impact analysis are monitored through project reporting. The performance indicators reflect activities expressed in numerical terms. It is the responsibility of each service when it makes a change, stops, or starts a new service to make sure equality considerations and an impact analysis are completed.

## 6. Appendices

These are listed below and attached at the back of the report	
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Appendix A	Council Business Plan 2012-2015 Annual Update
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## 7. Background Papers

No background papers within Section 100D of the Local Government Act 1972 were used in the preparation of this report.

This report was written by Jasmine Sahunta, who can be contacted on 01522 552124 or [jasmine.sahunta@lincolnshire.gov.uk](mailto:jasmine.sahunta@lincolnshire.gov.uk).

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# Council Business Plan 2012 - 2015

Updated 2014

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## Foreword

Our Business Plan is a short, strategic document setting out how we use our resources to deliver the most important things the council is doing. It is updated annually and adds some detail to the broad picture painted in our **Organisational Strategy**. This Business Plan is primarily an internal document. It summarises much of what we do, how we are aiming to change, how we will measure success and what our targets are. Some of what we do is in partnership with others such as Health and the Police and our plan reflects this. We will publish separate messages to communicate on a wider basis with the public and other organisations. As this is the final year of our current Business Plan, we will develop our Organisational Strategy and Business Plan for 2015-2018 during this year.

During 2014 we will sharpen our focus on outcomes so that our effort and expenditure is directed to best effect. We will define those outcomes through commissioning strategies based on evidence of needs and political priorities. In future we are going to organise ourselves around our intended outcomes rather than our services. Together with our colleagues across the NHS in Lincolnshire we have undertaken a fundamental review of the health and social care system in the county; the Lincolnshire sustainable services review provides a blueprint of how health and care services could be commissioned and provide more sustainably and with better outcomes. This will mean considerable change, particularly for Adult Care, Children's Services and Public Health. These changes will be reflected in our Business Plan 2015-2018, which we will develop during this year.

Although the environment in which we operate continues to change and present new challenges, we are confident that we are shaping an organisation that is effective in providing a strategic response to these challenges. Having instigated a four year savings programme in 2012/2013 to deliver £125 million of spending reductions, we are on track and will have delivered over £100 million savings in 2013/2014. Our savings target increased to around £148 million and the Council faces an estimated funding shortfall of £60 million in 2015/2016 projected to rise to £100 million over the subsequent three years. To address this, the Council is committed to undertaking a fundamental review of services' priorities and associated budgets prior to the start of 2015/2016.

This plan summarises how we deliver our priorities and reflects our budget.

**Councillor Martin Hill**, Leader of the Council  
**Tony McArdle**, Chief Executive

## Our vision and purpose

Our vision and purpose, agreed by the Council in December 2011, reflects the changing world in which we operate. We will continue to work in 2014/2015 to focus how we operate to reflect those decisions. This Business Plan is part of that work.

### Our vision

#### Is 'working for a better future' by...

- Building on our strengths;
- Protecting your lifestyle; and
- Being ambitious for the future.

### Our purpose

- Investing in infrastructure and the provision of services;
- Commissioning for outcomes based on our communities' needs;
- Promoting community wellbeing and resilience;
- Influencing, coordinating and supporting other organisations that contribute to the life of Lincolnshire; and
- Making the best use of all of our resources.

This Business Plan is structured around our purpose shown above. As we begin to organise ourselves around our intended outcomes our Business Plan 2015-2018 will reflect this.

## Where we are now

Lincolnshire is a great place to live. We have fresh air, lots of space and low crime levels. It is good that others want to join us and our population is growing faster than the UK as a whole. This is because people are moving into the county. Whilst housing is relatively cheap, incomes are generally lower than the national average, so affordable housing is an issue for many.

The number of older people in the county is an important issue for us, particularly in terms of people over 85 as they place a different emphasis on health and social care needs. There are health inequalities across the county: for example, people in the east are more likely to have an unhealthy weight or die, under the age of 75, from coronary heart disease than those in the west.

The current period of recession and economic downturn aside, our economy has grown consistently over the years but still lags behind much of the UK. Whilst county unemployment is below national rates, school attainment is generally higher than national rates. Despite large improvements in skills levels, the 2011 Census results show residents with no qualifications is higher than national rates and those qualified to NVQ Level 4 and above is lower. Nationally and locally there are signs of recovery from the economic downturn, though there are still challenges facing the economy.

## Our organisational values

Our organisational values reflect the council's vision and purpose. They are a set of consistent, simple values that guide our attitudes and behaviour.

Our values define how we do things here at Lincolnshire County Council, and are the principles by which we work together and with our customers and partners. They reflect the important shared attitudes, beliefs and behaviours that we value in each other, regardless of our role; the choices and decisions we make and the qualities of how we will work together to deliver the Council's vision and purpose. At Lincolnshire County Council the following statement is at the heart of our values and behaviour:

*We are proud to work here for the benefit of our customers and communities. To achieve this we will be **Professional, Resourceful, Respectful and Reflective** in all that we do.*

We have published more information in our [behaviours framework](#).

## Risks to achieving this plan

Like all large and complex organisations, private or public sector, we have 'risks' that could prevent us from achieving our aims. 'Corporate risks' are those which, if they did happen, would have a serious impact on our ability to deliver our business plan.

We recognise the importance of understanding our corporate risks and where possible take action to manage them. That creates an environment of 'no surprises'.

The Council's strategic risk management approach means that we focus on seeking opportunities, responding to the pace of change and understanding what will happen if we do or do not do something.

## Our equalities objectives

The Equality Act 2010 requires public bodies to set and publish equality objectives. Our approach to equality and diversity puts people, both our customers and our staff, at the heart of what we do. The following two equality objectives reflect our approach.

- **We value all of our workforce** and want to make sure they are able to do the best job. We are reviewing all of our People Management policies to make sure that they are consistent yet flexible and fit for a modern local authority.
- **We want to make a positive difference for our communities.** When we review, or introduce a new policy or activity, commission or begin a new project we look at the impact on people. This analysis helps us to make informed decisions.

## Investing in infrastructure and provision of services

### Corporate

- Implementing the Local Broadband Plan will enable 88% of premises in the county to access superfast broadband by the end of 2016. We are in discussion with the Government about the whole of the county having access to superfast broadband.
- We recognise the impact of our spending power on the local economy and support local business where we can.

Indicators to help us understand how we perform	Targets		
	2012/2013	2013/2014	2014/2015
Lincolnshire properties with access to super-fast Broadband speeds of at least 24 Mb per second	New in 2012/2013	60%	72%
Bids received by local suppliers	37%	40%	50%
Total council spending on local businesses	52.44%	52.69%	52.94%

### Economy and culture

- We have high quality heritage, tourism and cultural assets and events for the community and are delivering the Lincoln Castle Revealed Programme.
- We are delivering a number of major infrastructure projects to benefit housing Growth Point areas which provide a supply of good quality housing, including affordable housing for key workers and those in lower income groups.
- We support businesses to develop and grow our economy including supporting the Local Enterprise Partnership, a voluntary partnership between councils and businesses to help identify local economic priorities and lead economic growth and job creation. We are delivering an affordable library service to meet Lincolnshire's needs through the Library needs assessment programme.
- We are supporting a multifunctional flood barrier for Boston to improve flood protection and provide safe and attractive navigation through the fens waterways link.

Indicators to help us understand how we perform	Targets		
	2012/2013	2013/2014	2014/2015
Adults attending adult learning courses and or skills training <sup>1</sup>	8,904	8,783	8,789
Jobs created and safeguarded <sup>2</sup>	330	142	482
Contact with the heritage service either in person, on the phone, by e-mail or via the website	5,588,369	5,644,253	5,084,912 <sup>3</sup>

<sup>1</sup> This includes learners on Community Learning Programmes funded by the Skills Funding Agency; learners engaged in programmes funded by the European Social Fund and County Council employees enrolled on NVQ/qualification courses managed by the Adult Learning service.

<sup>2</sup> Actual performance in 2012/2013 (1,028) was significantly better than target. This was thought to be a one off increase due to Siemens and so the 2013/2014 target was set at 142. Performance in quarters 1, 2 and 3 of 2013/2014 was better than target. The target for 2014/2015 will be revised after April 2014 to reflect assessment of all Economic Services' activities, rather than the current target which concentrates on investor development activity and sites and premises activities.

<sup>3</sup> The 2014/2015 target reflects the decrease in use of the [Lincs to the past website](#) by 442,102 at the end of October 2013 compared with the same period in 2012.

Indicators to help us understand how we perform	Targets		
	2012/2013	2013/2014	2014/2015
Contact with the library service either in person, on the phone, by e-mail or via the website <sup>4</sup>	5,866,053	5,924,714	5,500,000

## Highways and transportation

- We manage the county's road network and aim to maintain quality with reduced budgets through use of innovative partnerships.
- We have prioritised resources for winter gritting at a time when other budgets are reducing.
- We maximise capital investment in our highways by successfully bidding for external funds in partnership with District Councils and Local Enterprise Partnerships.
- We are progressing four major road schemes; Lincoln East West Link Road, Spalding Western Relief Road, Grantham Southern Relief Road and the Lincoln Eastern Bypass.

Indicators to help us understand how we perform	Targets		
	2012/2013	2013/2014	2014/2015
Principal Roads (A roads) that require maintenance <sup>5</sup>	4%	4%	4%
Non Principal Roads (B roads) that require maintenance	8%	12%	12%
Unclassified Roads that require maintenance	25%	30%	30%
Roads treated in advance of ice and frost forming	34%	34%	34%

## Road Safety

- We work within the Lincolnshire Road Safety Partnership to make people safer on our roads.

Indicators to help us understand how we perform	Forecast		
	2012	2013	2014
People killed or seriously injured in road traffic accidents <sup>6</sup>	411	437	427
Children killed or seriously injured in road traffic accidents <sup>7</sup>	29	26	26

<sup>4</sup> We will replace this with a satisfaction measure in future years. The 2014/2015 target reflects the removal of 167 mobile stops, reduction in hours at 15 core libraries and includes usage and opening hours at 30 Community Libraries such as Sutton and Saxilby.

<sup>5</sup> Smaller is better for road maintenance performance indicators. The targets reflect the proposed budget.

<sup>6</sup> Road traffic accident figures are collated over a calendar year to comply with Government statistics. A forecast reduction is desirable. The challenging forecast of 411 in 2012 was based on a 50% reduction of the Government baseline of the 2005 to 2009 average. The actual was 426. In early 2013 the Lincolnshire Road Safety Partnership Strategy Board adopted a more relevant baseline of the 2011 to 2012 average and set a forecast of 437.

<sup>7</sup> The actual in 2012 was 33.

## Commissioning for outcomes based on our communities' needs

### Corporate

Commissioning for Lincolnshire is a programme which will transform the approach the Council takes to commissioning. Our priority focus is on outcomes for people in Lincolnshire.

### Adult Care

- We continue to help people using Adult Care and carers have greater choice and control over how they receive their care.
- Our level and quality of engagement with people who need or use social care, their families and friends continues to improve. This means that we can more consistently work in a way that shares responsibility in delivering statutory functions with service users, their carers and the wider community.
- We are preparing for changes to how people pay for their care and support needs introduced by the Care Bill.

Indicators to help us understand how we perform	Targets		
	2012/2013	2013/2014	2014/2015
People assessed as needing help from Adult Care receiving a direct payment <sup>8</sup>	New for 2014/2015		38%
People leaving reablement not needing on-going support <sup>9</sup>	45%	50%	55%
Delayed transfers of care attributable to social care or jointly to social care and the NHS, per 100,000 population <sup>10</sup>	New for 2014/2015		2.3

### Children's Services

- Our Children's Centres ensure families are supported in their parenting role.
- The Families Working Together project supports families with the most complex needs by working with partners such as Police, Jobcentre Plus and the voluntary sector.
- We work with a range of partners to give high quality advice and guidance to young people, especially those with additional needs, so they become engaged in education, employment or training when they leave school.

<sup>8</sup> Direct payments allow users of Adult Care to arrange and pay for their own care and support services.

<sup>9</sup> Our reablement service helps people recover the skills and confidence to return to their own homes, perhaps after a lengthy spell in hospital.

<sup>10</sup> The NHS is required to notify Adult Care if a patient is likely to need Adult Care services when they are discharged from hospital, giving 24 hours notice of actual discharge. The target for delayed discharges of care is based on maintaining very low levels of delayed discharges of care that are attributable to social care. The outturn for 2012/2013 was 2.3 per 100,000 against the national average of 3.3.

- We have specific responsibilities to implement raising the participation age. This means that young people are required to participate in accredited learning when they leave school.
- We are raising educational outcomes for very young children through the Early Years Foundation Stage (EYFS). The gap is closing for the most disadvantaged and vulnerable children and families, helped by access to free childcare for all three and four year olds and the most disadvantaged 2 year olds.
- Introduction of pupil premiums means that more funding is available in schools to help children who are eligible for free school meals to make better than expected progress.
- We will continue to make sure that high quality school improvement support services are available to all schools and academies and continue to drive up educational attainment.
- We are supporting small and medium sized primary schools within communities through collaborative working.
- We are facilitating the development and sustainability of a wide range of positive activities that will be attractive to young people and that will support their personal and social development through our youth and community development project.

Indicators to help us understand how we perform	Targets		
	2012/2013	2013/2014	2014/2015
Looked After Children per 10,000 population aged under 18	40	43	43
Children subject to a Child Protection Plan per 10,000 population under 18 <sup>11</sup>	19	20	26
Achievement of Good Level of Development in the Early Years Foundation Stage	New in 2013/2014	65%	66%

Indicators to help us understand how we perform	Targets		
	Summer 2012	Summer 2013	Summer 2014
Pupils achieving Level 4+ at Reading, Writing and Maths at the end of Key Stage 2	76%	76%	77%
Attainment gap for disadvantaged pupils and their peers at Key Stage 2, Level 4 and above in Reading, Writing and Maths <sup>12</sup>	21%	18%	17%
Attainment gap between disadvantaged pupils and their peers at Key Stage 4, 5 A* - C at GCSE including English and Maths <sup>13</sup>	30%	29%	28%
Pupils achieving 5 A*-C grades or equivalent including GCSE English and Maths taken at the end of KS4	67%	65%	65%
Pupils age 16 in the academic year participating in learning	93.1%	94%	95%

<sup>11</sup> Smaller is better. Greater awareness of domestic abuse, drugs and alcohol misuse has seen a rise in the number of children/young people requiring intervention through a child protection plan. Strengthened partnership working has seen a more coordinated response to early identification of children requiring a response in these circumstances.

<sup>12</sup> Smaller is better.

<sup>13</sup> Smaller is better.

## Promoting community wellbeing and resilience

### Corporate

We will work across the Council and closely with other organisations and local communities to support communities to 'help them help themselves'.

### Public Health

- The shared priorities and outcomes set out in the Joint Health and Wellbeing Strategy for Lincolnshire and the outputs of the Lincolnshire Sustainable Services Review will form the basis for our joint commissioning decisions over the next five years, led by the Lincolnshire Health and Wellbeing Board. Having undertaken a review of all Public Health services that transferred into the Council from the NHS, we will implement the findings of this review. This will make sure we continue to commission Public Health services that will improve and protect the health of the population.
- We will continue to develop the Wellbeing Service, providing more proactive, integrated, high quality care delivered by people who have a range of training and experience working together to provide the service in a coordinated way (multi-disciplinary working) and helping us to deliver the aspirations set out in the Lincolnshire Sustainable Services Review of health and care services county-wide.
- We will improve the way we commission by focusing on outcomes and integrating activities where there is evidence that this will improve effectiveness and outcomes.
- We will produce the 'Report on the State of Health of the people of Lincolnshire' outlining key issues that require attention of local people and organisations.
- We provide expert public health advice to local NHS commissioners, including Clinical Commissioning Groups.
- We will ensure that the other statutory duties of the Director of Public Health are complied with.

Indicators to help us understand how we perform	Targets		
	2012/2013	2013/2014	2014/2015
<b>Appropriate access to sexual health services</b> Under 18 conceptions per 1,000	New in 2013/2014	32.3	32.3
Chlamydia diagnoses (15-24 year olds) per 100,000 <sup>14</sup>	New in 2013/2014	2,300	2,300
<b>National Child Measurement Programme</b> <sup>15</sup> Excess weight in 4-5 year olds	New in 2013/2014	24%	23%
Excess weight in 10-11 year olds	New in 2013/2014	34%	33%
<b>NHS Health Check Assessment</b> NHS Health Check Programme offered to those eligible <sup>16</sup>	New in 2013/2014	20%	20%
NHS Health Check Programme accepted to by those eligible	New in 2013/2014	57%	55% <sup>17</sup>

<sup>14</sup> The target reflects changes to national guidance.

<sup>15</sup> Both indicators have been revised to bring them in line with the Public Health Outcome framework and include obese and overweight categories. Smaller is better.

<sup>16</sup> The targets reflect national guidance.

<sup>17</sup> The target of 55% is in line with the regional average and reflects evidence that people who are lower risk are likely to have lower uptake.



Indicators to help us understand how we perform	Targets		
	2012/2013	2013/2014	2014/2015
<b>Local priority Indicators</b>			
People supported to stop smoking <sup>18</sup>	New in 2014/2015	New in 2014/2015	TBC <sup>19</sup>
People referred for alcohol treatment completing treatment in a planned way	New in 2013/2014	60%	60%
<b>Wellbeing Service</b>			
People receiving support from the Wellbeing Service to maintain their independence and improve their physical and mental health <sup>20</sup>	New in 2014/2015	New in 2014/2015	90%
People accessing the Wellbeing Service due to breakdown in unpaid carer role <sup>21</sup>	New in 2014/2015	New in 2014/2015	TBC <sup>22</sup>
<b>Promoting Healthier Lifestyles</b>			
Number of people successfully completing an exercise referral programme <sup>23</sup>	New in 2014/2015	New in 2014/2015	70%

## Environmental Management

- We are implementing the Joint Local Flood Risk and Drainage Management Strategy as part of our responsibilities as a Lead Flood Authority. This will help make communities less likely to flood and more resilient to flooding if it does occur.
- We continue to provide sustainable waste management by minimising waste going to landfill and maintaining high levels of recycling. Our Energy from Waste plant will be fully operational in 2014 and will assist us in achieving this aim.
- We have signed up to Climate Local demonstrating our on-going commitment to reduce carbon emissions and improve resilience to the effects of our changing climate and extreme weather. We are implementing carbon management action plans and developing a corporate climate change adaptation risk management plan.

Indicators to help us understand how we perform	Targets		
	2012/2013	2013/2014	2014/2015
Household waste sent for reuse, recycling and composting <sup>24</sup>	53.3%	53.9%	54.5%
Tonnage waste to landfill by diverting to the Energy from Waste facility	167,573	97,955	22,521

<sup>18</sup> Percentage of people receiving support from the Stop Smoking Service who successfully quit smoking at four weeks following their recorded quit date.

<sup>19</sup> Target to be agreed as part of the contract negotiations with Lincolnshire Community Health Services (LCHS) and will be decided by 31 March 2014.

<sup>20</sup> This measure is the percentage of people supported to achieve improved health as a result of using the Wellbeing Service.

<sup>21</sup> This indicator includes all clients accessing the Wellbeing Service where they have done so as a result of a breakdown in their unpaid carer's (including young carers) ability to provide care for them.

<sup>22</sup> We will be tracking this indicator during 2014/2015. As there is no baseline data available we are not able to set a target for 2014/2015 at this stage.

<sup>23</sup> Exercise referral is a 12 week programme. This performance indicator measures the percentage of people completing the programme out of all those who start the 12 weeks course. Completion is defined as attending at least 10 of 12 sessions.

<sup>24</sup> The way household waste sent for reuse, recycling and composting is measured has changed to reflect the new Euro Standard. The Euro Standard sets the UK national target of 50% by 2020. Our target for 2014/2015 remains at 54.5%, exceeding the national target and will be reviewed as part of the Joint Municipal Waste Management Strategy review.

Indicators to help us understand how we perform	Targets		
	2012/2013	2013/2014	2014/2015
Progress on the carbon reduction plan <sup>25</sup>	New in 2014/2015	New in 2014/2015	4%
Protection of properties from surface water flood risk as a result of the Council's contribution to flood defence schemes <sup>26</sup>	New in 2014/2015	New in 2014/2015	126

### Community Safety

- We work through the Lincolnshire Resilience Forum to help services and communities plan for and cope with the impact of major emergencies.
- Our Fire and Rescue Service continues to make the County a safer place to live, work and visit through its prevention and protection work and by responding to incidents. In our large rural county, this includes acting as 'first responders' to medical emergencies. These are incidents at which Lincolnshire Fire and Rescue is first in attendance, often without an ambulance crew.
- We are reviewing the future provision of appliances and equipment within fire and rescue following the termination of the previous contract through the contract and maintenance of fire fleet project.
- We are working in collaboration with Hertfordshire, Humberside and Norfolk fire and rescue services to provide a modern and resilient mobilising system through the future control project.
- We work in community safety partnerships across the county and with the Police and Crime Commissioner so that Lincolnshire continues to be a safe place where people can live free from fear of crime. Priorities will focus on drugs harm, alcohol harm, antisocial behaviour, domestic abuse and re-offending.
- In 2014 the community safety partnership will also focus on Safeguarding and improved information sharing. Partnerships will focus more on prevention by identifying the signs for crime, disorder and antisocial behaviour. There will be a focus on the family and community needs and tackling the cause rather than the symptom.
- Our Youth Offending Service is focusing resources on young people at greatest risk of re-offending and who cause the greatest harm. We ensure that custody is used only for young people whose risk cannot be managed in the community. The service, working with Police and our Families Working Together programme will develop a restorative approach to crime and disorder, with a focus on victim needs, whilst reducing the risk of young people becoming criminalised.
- We ensure a safe, healthy and sustainable food chain for the benefit of consumers and the rural economy. We protect the supply chain against animal diseases.
- We also support economic growth especially in small businesses, by tackling rogue trading, supporting businesses to comply with the law and protecting consumers from scams.

Indicators to help us understand how we perform	Forecast <sup>27</sup>		
	2012/2013	2013/2014	2014/2015
Fatalities due to primary fires per 100,000 population	0.57	0.56	0.56

<sup>25</sup> The target is 22% reduction by 2018, which equates to 4.4 percentage points each year for 5 years from 2014/2015 until 2018/2019.

<sup>26</sup> Number of properties to be protected.

<sup>27</sup> Smaller is better for each of these with the exception of 'First responder' incidents attended.

Indicators to help us understand how we perform	Forecast <sup>27</sup>		
	2012/2013	2013/2014	2014/2015
Number of arson incidents (primary fires) per 10,000 population	4.6	4.27	4.05
'First responder' incidents where Fire and Rescue made a positive difference	85%	91%	92%
Repeat incidents of domestic abuse	27%	20%	TBC <sup>28</sup>
Number of antisocial behaviour incidents	New in 2013/2014	25,762 <sup>29</sup>	TBC <sup>30</sup>
Re-offending rates for 10-17 year olds	New in 2013/2014	29.9%	27.9%
Re-offending rates for adults aged 18 and over	New in 2014/2015	New in 2014/2015	TBC <sup>31</sup>
Number of First Time Entrants to the Youth Justice System	New in 2013/2014	436.5	436.5

<sup>28</sup> The 2014/2015 target will be confirmed by the Anti-Social Behaviour Management Board on 27 January 2014.

<sup>29</sup> The target is a 3% reduction compared with 2012/2013.

<sup>30</sup> The 2014/2015 target will be confirmed by the Anti-Social Behaviour Management Board on 27 January 2014.

<sup>31</sup> The target is nationally set by the Ministry of Justice and is not yet available.

## Influencing, co-ordinating and supporting other organisations

We aim to:

- Seek opportunities to bring more resources to Lincolnshire.
- Promote Lincolnshire whenever and wherever we can.
- Work with partners in the NHS, business, other councils and the voluntary sector whenever that will help us to improve services in Lincolnshire.
- Work with District Councils to shape local development plans.

## Making the best use of our resources

We are:

- Continuing to build the new County Council vision and purpose into everything we do.
- Delivering £150 million savings from 2011/2012 to 2014/2015 to balance our budgets.
- Getting better value from our use of land and buildings by assessing the performance of all our property assets and identifying opportunities for rationalisation.
- Transforming the quality of our IT and reducing costs via the new generation platform programme and our IT strategy.
- Improving Information Governance – the ways we manage information to make sure it is secure and available to the right people at the right time.
- Procuring support services to improve operational efficiency leading to cost savings.
- Introduce a new case management system starting with social care to deliver operational efficiencies and cost savings.
- Continue to manage risks to support well measured risk taking.
- Embedding the Council's new values, culture and behaviours to enable major organisational change.
- Developing strong leaders and managers; reviewing people management policies and procedures to ensure they are fit for purpose; supporting employees to perform better; recruiting and developing the right skills through the people strategy implementation programme.
- Reviewing the terms of conditions of employment.
- Continuing to assess the impact of council decisions on local people, especially vulnerable individuals and groups.

Indicators to help us understand how we perform	Targets <sup>32</sup>		
	2012/2013	2013/2014	2014/2015
Satisfaction with the Council	85%	90%	90%
Net revenue spend	£449m	£483m	£469m
Net capital spend	£121m	£98m	£87m
General reserves as % revenue budget	3.5%	3.5%	3.5%
Level of council tax within the lowest quartile	Yes	Yes	Yes

<sup>32</sup> For net revenue spend and net capital spend the figures shown are the annual budget.

Indicators to help us understand how we perform	Targets <sup>32</sup>		
	2012/2013	2013/2014	2014/2015
Employees with appraisal in the last 12 months	100%	100%	100%
Percentage of time lost to sickness	New in 2014/2015	New in 2014/2015	TBC <sup>33</sup>
Percentage of new spend through shared contracts	65%	70%	70%

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<sup>33</sup> The performance indicator is being developed. The target will be set once the 2013/2014 baseline has been established.

## More information

For enquiries about this plan, please contact us in the following ways.

By phone | 01522 782060

Website | [www.lincolnshire.gov.uk/businessplan](http://www.lincolnshire.gov.uk/businessplan)

By email | [performanceandprogrammes@lincolnshire.gov.uk](mailto:performanceandprogrammes@lincolnshire.gov.uk)



County Council

**Open Report on behalf of David O'Connor, Executive Director Performance & Governance**

Report to:	<b>County Council</b>
Date:	<b>21 February 2014</b>
Subject:	<b>Independent Remuneration Panel</b>

**Summary:**

This report presents the findings of the Independent Remuneration Panel (IRP) convened in 2013 and a revised Scheme of Members Allowances for 2014-18 that implements relevant recommendations.

In addition, the IRP made recommendations to be implemented before the next IRP is convened in 2017.

**Recommendation(s):**

1. To consider the IRP report and recommendations.
2. To agree or amend the proposed Scheme of Members Allowances for 2014-18
3. To agree to compile role descriptions for all roles covered by the Scheme to inform the next IRP in autumn 2017.

**1. Background**

The County Council sets a Scheme of Members' Allowances and expenses in accordance with the Local Authorities (Members' Allowances) (England) Regulations 2003 ('the 2003 Regulations') and other relevant legislation.

The 2003 Regulations require that an Independent Review Panel (IRP) is convened to make recommendations to the Council. The Council is required to consider any IRP report and recommendations before setting a scheme but is not required to accept their recommendations.

The previous IRP met in early 2010 and reported to Council in May 2010 with further consideration in May 2011. Their recommendations were effectively not implemented by Council so the County Council's Scheme has not been significantly changed since before 2009 when the Council declined to raise allowances in line with the Consumer Price Index due to the economic downturn.

The IRP was convened again in October 2013. Their report, findings and recommendations are in Appendix A.

The table below shows the IRP recommendations and actions and how they have been incorporated into a draft Scheme of Allowances for 2014-18 attached as Appendix B.

Council must vote to adopt a Scheme each year. If the recommendations here are agreed then the vote for each of the next three years could, for example, be to roll forward this Scheme by applying the indexing provisions contained within it.

<b>IRP 2013 Recommendation</b>	<b>Action taken / needed</b>
Simplify the Scheme of Allowances	Draft Scheme is less than half the length of the 2013-14 Scheme. Requirements for travel and subsistence expenses linked to HMRC rates.
Implement Role Descriptions for all allowances	Recommendation to develop these in this report
Increase in Basic Allowance	Recommended increase incorporated in draft Scheme
Changes in Special Responsibility Allowances	Recommended changes incorporated in draft Scheme
Indexing –link allowances to local government 'green book' pay awards	Recommended changes incorporated in draft Scheme
Approved duties – simplify the definition	Single simplified definition in draft Scheme
Dependant's Carers' Allowance – investigate whether an alternative could be less onerous but continue to provide adequate financial controls.	Draft Scheme recommends link to Minimum Wage and payment based on receipts.
Broadband provision – reflect policy change in the Scheme	Incorporated in draft Scheme
Lunches at Council – replace with buffet	Incorporated in draft Scheme

All of the above are implemented in the revised Scheme that is presented to the meeting except the recommendation on role descriptions. Council is requested to agree that recommendation separately.

## **2. Conclusion**

The Council is required to convene the IRP and has done so. The IRP has made recommendations that the Council must take into account when setting a Scheme of Members' Allowances.



### **3. Legal Comments:**

Legal requirements are covered in the body of the main report and in Appendix A.

### **4. Resource Comments:**

Provision for the additional costs is built into the recommended budget for 2014-15.

### **5. Consultation**

#### **a) Has Local Member Been Consulted?**

n/a

#### **b) Has Executive Councillor Been Consulted?**

n/a

#### **c) Scrutiny Comments**

The proposals have been considered by the working group currently reviewing the Consitution. They welcomed the simplification of the Scheme. Comments to aid clarification have been implemented in the Scheme put forward to this meeting.

#### **d) Policy Proofing Actions Required**

The IRP considered the impact of being a Councillor on Members with young children or other dependants and and proposed amendments to how that is covered by the Scheme.

### **6. Appendices**

These are listed below and attached at the back of the report	
Appendix A	IRP Report and Recommendations
Appendix B	Proposed Scheme of Members' Allowances 2014-18

### **7. Background Papers**

No background papers within Section 100D of the Local Government Act 1972 were used in the preparation of this report.

This report was written by David O'Connor, who can be contacted on 01522 552316 or david.oconnor@lincolnshire.gov.uk

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## **LCC Independent Remuneration Panel Recommendations for 2014-15**

### **Purpose**

The County Council has commissioned the Independent Remuneration Panel (IRP) to make recommendations for 2014-15 as required by relevant legislation - the Local Authorities (Members' Allowances) Regulations 1991, and the Local Authorities (Members' Allowances) (England) Regulations 2001 and 2003. This paper sets out our findings and recommendations to the County Council.

### **Background**

The IRP last made recommendations to Council in 2010. For a range of reasons connected to the economic downturn, Council deferred implementation of our recommendations.

Whilst understanding the lead given by Councillors on this, the consequence of deferral has been that Lincolnshire's allowances are out of line with comparable organisations.

Initial guidance issued to Councils when the current system of basic allowances and special responsibility allowances was introduced included a notion of 'voluntary contribution' of 25%. We requested your officers to calculate how the voluntary contribution for the Basic Allowance has changed based on the difference between the 2010 IRP recommendations plus CPI uplift and continuation of the previous basic allowance. The voluntary contribution has now grown to 44%.

The Panel will need to meet again in 2017-18 to make recommendations for 2018-19 onwards.

### **Allowances for 2014-15**

#### **Approach**

There was an initial meeting with Officers to scope out our review. We requested and were subsequently provided with additional information.

Personal and telephone interviews were conducted with 27 Members covering those in receipt of most SRAs. Some provided written submissions. The extent of political change in the Council this year meant that several of the Members interviewed had been new to the Council or had changed roles. Those Members were very surprised at the amount of work involved in their new activities.

Comparative information was provided from other Councils' Schemes of Allowances, benchmarking, existing approved role descriptions and extracts from the Constitution where a role description is not in place. However, there is wide variation in allowances between councils that does not appear to be related to factors such as population or budget so we have exercised judgement where necessary. Our recommendations take account of the fact that, assuming they are accepted by Council, allowances will be indexed until 2018 and there will be no further comparative analysis in that period. We were mindful that comparative information reviewed from other councils was dated 2009 -2013.

## **Factors influencing our recommendations**

### **General**

*Simplifying the Scheme* – having reviewed several other county schemes we believe that Lincolnshire's should be simplified. We are aware that the Exec Director (Performance and Governance) has also recommended simplifying the Scheme.

*Role descriptions* – were available for some SRAs but not all. Members understandably have different perspectives and it is difficult for us to form a view without a consensus from the Council about responsibilities falling within a SRA. We make recommendations to have a role description for every role covered by a SRA and for these to be reviewed after each election.

*Impact* –SRAs should be based upon the impact that role has on the leadership or governance of the County Council rather than number of meetings etc.

*Allowances payable* – the current scheme provides for dependants' carers' allowance, backdating changes within a financial year, indexing of payments, pensions and superannuation. We are required to advise on these and recommend continuation with any amendments specifically made in this report.

### **Basic allowance**

The Basic Allowance applies to every elected Councillor.

Lincolnshire's current Basic Allowance is £8,184, which currently ranks 27<sup>th</sup> of 31 County Councils (Appendix 1). In 2010 the IRP recommended raising the Basic Allowance to £10,000 but that was deferred by Council.

We recommend a Basic Allowance of £10,100 for 2014-15, representing a 1% rise (the same as most employees have received) over the 2010 recommendations. This would rank 18th of 31 County Councils – see Appendix 1- and be just under the median value of £10,152.

### **Special Responsibility Allowances**

We recommend simplifying the Scheme into 10 bands as set out in Columns 1 and 2 of Appendix 2. Recommended SRAs for each Band are set out in Column 3 with comments in Column 4.

Our starting point was to implement the 2010 IRP Recommendations plus 1% and then review further in the light of comparative information for similar counties and other counties in the region. We also considered relative impact of the role on leadership and governance of the County Council, bearing in mind that these are Special Responsibility Allowances. Significant changes are explained in more detail below.

#### *The Executive and Executive Support*

We are clear that the Leader, Deputy Leader and other Members of the Executive have significant responsibilities in steering a very large and complex organisation spending hundreds of millions of pounds. As a consequence we recommend increases above the norm and recognise that this will increase the differential between the Executive etc. and other SRAs.

Even after the recommended increase the Leader of the Council's total allowance would be less than other counties in the East Midlands and significantly less than the Police and Crime Commissioner (£65,000) or a NHS Foundation Trust Chairman (typically £50 – 60,000.) Our recommended allowances are much less than market forces would dictate.

#### *Health Scrutiny, Audit and Pensions Committees*

We recommend that Health Scrutiny and Audit Committees are recognised as equivalent to the responsibilities of Chairing the Council and Overview & Scrutiny Management.

We recommend that Pensions Committee is recognised as equivalent to a Scrutiny Committee.

#### *Opposition Group Leaders and Shadow Executive*

The 2010 IRP recommended a separate fixed allowance for Leader of the Opposition equivalent to a Scrutiny Committee Chairman and we recommend implementing that plus 1%. The same principle applies for the Shadow Executive.

For Minority Group Leaders we now recommend a change to a fixed allowance of £5,000, recognising that there is a fixed workload and responsibilities for them that are not related to the numbers in a Group.

Overall, total allowances for Opposition Group Leaders are recommended to rise significantly from those currently in place, reflecting the responsibility on an effective Opposition in good governance.

#### *Recommendations to reduce allowances*

We recommend reductions in the SRAs for the Definitive Map & Statement of Public Rights of Way Sub Committee and for the Chief Whip. These recommendations reflect our assessment of responsibilities in relation to other roles.

#### *Recommendations to cease allowances*

As part of simplifying the Scheme of Allowances we recommend:

- Deleting SRAs relating to the Appointments Committee and Chief Officers Salary Review Committee. These Committees will inevitably be chaired by a Councillor in receipt of a higher SRA so will never be claimed.
- Deleting SRAs for Chairmen of Select Committees and one-off payments for Task and Finish Groups as we believe these should be met by the increased Basic Allowance.
- Deleting the SRA for Spokespersons for Special Interests as this is now largely redundant.

*Indexing* – the 2010 IRP recommendations included indexing using the CPI. We explored alternatives during our discussions with Members and, on balance, recommend now that indexing from 2014 onwards should be linked to local government 'green book' pay awards as many councils now do.

*Approved duties* – Lincolnshire's definitions simply replicate the legislation and we recommend that they are simplified or explained better. There was evidence in our interviews that the complexity was confusing for Members.

*Dependants' Carers' Allowance* – the current Scheme only allows payment "when an appropriately qualified and experienced arm's length provider (i.e. not family or friends)" is used. This could disadvantage Members who have local or family networks to support them. We recommend investigating whether an alternative could be less onerous but continue to provide adequate financial controls.

*Broadband provision* – we understand that the Scheme has been altered by a policy decision. If so the Scheme should be modified accordingly.

*Lunches at Council* – we recommend that the Scheme provides for a buffet lunch on Council days

The Independent Remuneration Panel:

Peter Clay (Chairman)

Colin Childs

John Marsh

Sharon Wetherall

February 2014

## Appendix 1 – Comparison of Basic Allowances

County	Basic allowance
1. Durham	£ 13,300
2. Nottinghamshire	£ 12,906
3. Kent	£ 12,827
4. Northumberland	£ 12,625
5. Cornwall	£ 12,128
6. Hampshire	£ 12,003
7. Surrey	£ 11,791
8. Shropshire	£ 11,514
9. Essex	£ 11,500
10. Wiltshire	£ 11,403
11. Devon	£ 10,970
12. East Sussex	£ 10,842
13. Buckinghamshire	£ 10,718
14. Dorset	£ 10,185
15. Suffolk	£ 10,172
16. Leicestershire	£ 10,152
17. Lancashire	£ 10,139
18. Derbyshire	£ 9,948
19. Hertfordshire	£ 9,588
20. Staffordshire	£ 9,244
21. Worcestershire	£ 9,020
22. North Yorkshire	£ 8,994
23. Warwickshire	£ 8,975
24. Norfolk	£ 8,928
25. Gloucestershire	£ 8,799
26. Oxfordshire	£ 8,295
<b>27. Lincolnshire</b>	<b>£ 8,184</b>
28. Cumbria	£ 8,030
29. Cambridgeshire	£ 7,610
30. Herefordshire	£ 7,244
31. Northamptonshire	£ 7,086

← Proposed £10,100 for Lincolnshire

## Appendix 2 – Revised allowances

"Increased to reflect responsibilities" means that a SRA has been increased over the 2010 IRP Recommendation plus 1%

Band	Role	Recommended SRA	Rationale for change
1	Leader of the Council	£32,000	Increased to reflect responsibilities
2	Deputy Leader of the Council	£21,000	Increased to reflect responsibilities
3	Members of the Executive	£18,000	Increased to reflect responsibilities
4	Chairman of the County Council	£12,120	2010 IRP Recommendation plus 1%
	Chairman of the Overview and Scrutiny Management Committee		2010 IRP Recommendation plus 1%
	Chairman of the Health Scrutiny Committee for Lincolnshire		Increased to reflect responsibilities
	Chairman of the Audit Committee		Increased to reflect responsibilities
5	Chairmen of the Scrutiny Committees	£9,090	2010 IRP Recommendation plus 1%
	Chairman of the Planning & Regulation Committee		2010 IRP Recommendation plus 1%
	Leader of the Opposition		2010 IRP Recommendation plus 1%
	Chairman of the Pensions Committee		Increased to reflect responsibilities
6	Executive Support Councillor	£8,000	Set in relationship to Executive Councillors
7	Minority Group Leaders	£5,000	Fixed allowance introduced for Minority Group Leaders to recognise that work and responsibility are relatively fixed rather than related to numbers in a Group.
	Chief Whip		Reduced to reflect responsibilities with reference to other SRAs.
8	Vice-Chairman of the County Council	£4,040	2010 IRP Recommendation plus 1%
	Vice-Chairman of the Overview and Scrutiny Management Committee		2010 IRP Recommendation plus 1%
	Vice-Chairman of the Health Scrutiny Committee for Lincolnshire		Realigned as for Chairman



Band	Role	Recommended SRA	Rationale for change
	Vice-Chairman of the Audit Committee		Realigned as for Chairman
	Chairman of the Definitive Map & Statement of Public Rights of Way Sub Committee		Small reduction to align with others in this Band
9	Vice-Chairmen of the Scrutiny Committees	£3,030	2010 IRP Recommendation plus 1%
	Vice-Chairman of the Planning & Regulation Committee		2010 IRP Recommendation plus 1%
	Vice-Chairman of the Pensions Committee		Realigned as for Chairman
10	Vice-Chairman of the Definitive Map & Statement of Public Rights of Way Sub Committee	£1,010	Realigned as for Chairman
	Member of the Shadow Executive		2010 IRP Recommendation plus 1%
	Childcare and dependants' carer's allowance  The Monitoring Officer has discretion to increase the rate in particular cases of need.	An hourly rate equivalent to the National Minimum Wage for the time being	
-	Co-opted Member	£750	Increased to reflect responsibilities

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## **Members' Allowances and Travel and Subsistence Scheme**

### **General**

This Members' Allowance Scheme for Lincolnshire County Council has been prepared in accordance with the Local Authorities (Members' Allowances) (England) Regulations 2003 ('the 2003 Regulations') and other appropriate legislation. In particular, the Scheme takes account of recommendations of an Independent Remuneration Panel reporting to Council in February 2014.

This Scheme is effective from 1 April 2014. It is applicable to all elected Members of the County Council. Specific provisions relating to co-opted members are also included.

Within the scheme:

- 'year' refers to the financial year ending on the 31 March and
- 'day' and 'daily' refers to a 24 hour period beginning at 3am
- 'approved duties' are those defined in Schedule 2

An Elected Member who is a member of two separate authorities may not receive an allowance from each authority in respect of the same duties or for the same purpose.

Administrative guidelines relating to Members allowances, travel and subsistence will be published separately.

Members should initially seek advice from the Democratic Services Manager if necessary. In all cases of interpreting this Scheme, the decision of the Monitoring Officer shall be final.

### **Record of allowances**

The 2003 Regulations require the County Council to maintain records of payments made under this scheme specifying the name of the recipient of the payment, the amount and the nature of each payment. The records must be available for inspection at any reasonable time by members of the public.

The 2003 Regulations also require annual publication of the total paid to each recipient for each of the types of allowance and expenses in this scheme. Lincolnshire County Council publishes these on our website.

Government transparency legislation may require additional information regarding Members' allowances to be published.

### **Allowances for Elected Members**

There is no power to pay an attendance allowance to Members.

There are three types of Elected Members allowance in this Scheme:

*Basic Allowance* payable to all Elected Members – see Schedule 1 for values.

*Special Responsibility Allowance* payable in addition to those Elected Members who hold the posts shown in Schedule 1 to the values shown in that Schedule. In the event of one Member holding more than one Special Responsibility post, only one Special Responsibility Allowance, whichever is the greater, will be paid.

*Childcare and Dependants' Carers' Allowance* payable in addition to reimburse Elected Members for the cost of caring for their children or dependent relatives whilst undertaking approved duties. The maximum rate payable is set out in Schedule 1.

### **Claims and payments**

Basic and Special Responsibility Allowances will normally be paid monthly into Members' bank accounts. Such allowances are paid in respect of each year or part year. For example, in the event of a Member giving up a Special Responsibility Allowance mid-year the part-year allowances are paid on a pro-rata daily basis for the period of a year to which they apply.

Claims for travel and subsistence expenses and for Childcare and Dependant's Carer's Allowance should be supported by receipts and made in accordance with any guidance issued by the County Council. Claims must normally be made within two months of the duty for which the claim is made.

### **Renouncing allowances**

A Member may elect to forego any or all of their entitlement to any allowance under this Scheme. Election must be made by written notice to the Democratic Services Manager and will continue until amended by a further notice.

### **Travel and Subsistence Expenses**

Travel expenses incurred whilst on approved duties as defined in Schedule 2 will be paid in accordance with rates set out in Schedule 3.

Subsistence expenses incurred whilst on approved duties as defined in Schedule 2 will be paid in accordance with rates set out in Schedule 3 except that subsistence expenses will not be paid for '*County Councillors' activities within their Division including surgeries, formal meetings of any relevant Parish Council, Residents Association or similar organisation.*'

All reasonable steps should be taken to minimise the need to travel by using telephone or video conferencing, telephone or e-mail or by combining meetings at the same location.

### **Pensions for Councillors**

The County Council has resolved that any Elected Member of the Council will be entitled to a pension in accordance with a scheme made under section 7 of the Superannuation Act 1972 and that both basic and special responsibility allowances will be taken into account.

### **Suspension of Payments to Members**

The County Council has resolved to exercise the power available to it under the 2003 Regulations to withdraw all allowances (including travel & subsistence) from any Member of the Council who has been or is in custody pursuant to a custodial sentence.

In the event that any Member is in custody pursuant to a custodial sentence, their entitlement to allowances will cease from the point of conviction. Allowances will only recommence at a point when they are no longer in custody and are able to perform the full range of duties. No retrospective payment of allowances forgone will be made in any circumstances.

Where payment of any allowance has already been made in respect of any period during which the member concerned ceases to be a member of the County Council; or is in any other way not entitled to receive the allowance in respect of that period, the County Council may require that such part of the allowance as relates to any such period be repaid to the County Council.

### **Annual Increases (Indexing) of Allowances**

The County Council has resolved to exercise the power available to it under the 2003 Regulations to increase allowances annually in line with the movement in an appropriate index.

The index to be applied is the average % increase in pay for employees covered by the National Joint Council for Local Government Services for the previous 12 months (usually referred to as 'Green Book' employees).

Indexation will be applied to the basic, special responsibility and co-opted members' allowances for the four-year period up to May 2018 unless the Council resolves otherwise. (The 2003 Regulations allow indexing for a maximum of four years but also require that Council votes to adopt a Scheme of Members' Allowances each year.)

### **Backdating Of Allowances**

The County Council has resolved to adopt the backdating provisions in the 2003 Regulations.

Where an amendment is made which affects an allowance payable for the year in which the amendment is made, the amendment will apply from the beginning of the year in which the amendment is made or such later date as specified by the County Council.

### **Co-opted Members Allowance**

The County Council has resolved to exercise the power available to it under the 2003 Regulations to pay a co-optee's allowance in respect of the attendance of individuals co-opted onto committees, select committees, sub-committees, working groups and task and finish groups of the Council. The allowance will cover attendance at such meetings and any other activity arising directly from that role (e.g. seminars, conferences, training courses, etc.).

The Co-opted Members Allowance is set out in Schedule 1.

The Council Committees etc. relevant to this allowance are those set out in the Articles of the Constitution.

Entitlement to this allowance will be restricted to co-optees who are not remunerated by way of an allowance, salary, etc. from another body as a direct result of their membership of the Committee in question. For example, a District Councillor representing that body would not qualify for this allowance.

The allowance will be paid monthly and in the case of part year service, pro-rata to the service undertaken.

Where a co-optee undertakes any role that would otherwise qualify for receiving a Special Responsibility Allowance set out in Schedule 1 they will receive the relevant Special Responsibility Allowance (but not the basic allowance) that would have been paid to an

Elected Member discharging that role. In such circumstances the co-optee will not also receive the standard co-optees allowance for the period they are in receipt of the Special Responsibility Allowance.

The provisions of this scheme relating to renunciation, travel and subsistence expenses, suspension of payments, annual increases and backdating also apply to the Co-Opted Members Allowance.

### **IT Related expenses**

The Council will facilitate use of Information Technology to assist Elected Members and Co-opted Members (Members) in their approved duties.

Where Members' personal IT equipment is approved and used for Council purposes, the Council will meet the costs of facilitating such use, such as installation and maintenance of synchronisation software. No allowances or depreciation will be paid for use of their own equipment by a Member. Where Members incur expenditure on consumables (such as printer cartridges) for their personal IT equipment used for Council purposes, actual expenditure will be reimbursed supported by receipts.

Where the Council supplies IT equipment, costs will be met by the Council. IT consumables used for such equipment (such as printer cartridges) will normally be supplied by the Council, but if not supplied, actual expenditure will be reimbursed supported by receipts.

Members are expected to meet the cost of their own broadband connection.

## Schedule 1 – Allowances

Responsibilities and allowances within bands 1-10 in the table below are 'Special Responsibility Allowances'

<b>Band</b>	<b>Responsibility</b>	<b>Allowance</b>
-	Basic Allowance	£10,100
1	Leader of the Council	£32,000
2	Deputy Leader of the Council	£21,000
3	Members of the Executive	£18,000
4	Chairman of the County Council	£12,120
	Chairman of the Overview and Scrutiny Management Committee	
	Chairman of the Health Scrutiny Committee for Lincolnshire	
	Chairman of the Audit Committee	
5	Chairmen of the Scrutiny Committees	£9,090
	Chairman of the Planning & Regulation Committee	
	Leader of the Opposition	
	Chairman of the Pensions Committee	
6	Executive Support Councillor	£8,000
7	Minority Group Leaders	£5,000
	Chief Whip	
8	Vice-Chairman of the County Council	£4,040
	Vice-Chairman of the Overview and Scrutiny Management Committee	
	Vice-Chairman of the Health Scrutiny Committee for Lincolnshire	
	Vice-Chairman of the Audit Committee	
	Chairman of the Definitive Map & Statement of Public Rights of Way Sub Committee	
	Vice-Chairmen of the Scrutiny Committees	£3,030
	Vice-Chairman of the Planning & Regulation Committee	
	Vice-Chairman of the Pensions Committee	
10	Vice-Chairman of the Definitive Map & Statement of Public Rights of Way Sub Committee	£1,010
	Member of the Shadow Executive	
-	Childcare and dependants' carers' allowance  The Monitoring Officer has discretion to increase the rate in particular cases of need.	An hourly rate equivalent to the National Minimum Wage for the time being
-	Co-opted Member	£750

## **Schedule 2 – Approved Duties**

The 2003 Regulations specify the circumstances in which dependant's carer's allowance, travel and subsistence expenses may be paid. These are all encompassed in the definition of 'approved duties' below.

Approved duties are duties undertaken in exercise of the role of County Councillor

That includes, but is not limited to:

- Meetings of, and activities related to, the County Council, any of its Committees, Executive functions or any bodies of which the County Council is a Member or appoints members
- Any legislative requirement for Members to be present
- Any Standing Orders of the County Council
- The exercise of any function of the County Council
- Any meeting where two or more political groups are invited by an Officer
- Any meeting where one political group is invited by the Chief Executive or an Executive Director
- County Councillors' activities within their Division including surgeries, formal meetings of any relevant Parish Council, Residents Association or similar organisation

Meetings and other activities related to the management or operation of any political group or political party are not approved duties.



## **Schedule 3 - Travelling & Subsistence and Other Allowances**

### **Public Transport**

Travel by public transport should be made at the lowest rate available for the journey(s) in question.

Air travel, foreign travel and, in exceptional cases, travel at rates higher than lowest available fares should be approved in advance by Democratic Services Manager.

Travel costs will be reimbursed at the actual cost incurred with claims supported by receipts.

Members are encouraged to order tickets for travel by public transport through their administrative support who will use the County Council's travel procurement arrangements to secure good value for money that will normally be paid direct by the County Council.

### **Private vehicles and car parking**

Rates payable for travel by a private vehicle used by a Member and for official passengers will be those equivalent to HM Revenue & Customs Approved Mileage Rates for the time being. Rates and changes in rates will be notified to Members.

Members are responsible for ensuring that private vehicles used by them comply with all relevant legislation for the purposes for which they are used including safety, taxation and insurance.

Car parking will be reimbursed at the actual cost incurred with claims supported by receipts.

### **Taxis**

In cases of urgency, or where no public transport is reasonably available, Members may travel by taxi and claim the amount of the actual cost incurred, supported by receipts.

### **Subsistence Expenses**

In cases where the County Council provides a meal or a voucher for a meal no other meal allowance will be paid. On County Council meeting days Members will be provided with a buffet lunch in the County Restaurant and will consequently not be entitled to claim expenses.

In other cases, the County Council will reimburse reasonable costs of meals incurred whilst undertaking approved duties except that subsistence expenses will not be paid for '*County Councillors' activities within their Division including surgeries, meetings of any relevant Parish Council, Residents Association or similar organisation.*'

Claims must be for actual costs incurred supported by receipts.

Overnight accommodation should be booked in advance on behalf of the Member by their administrative support using the County Council's standard procurement arrangements to secure best value for money that will normally be paid direct by the County Council.

In cases where a Member incurs reasonable costs for overnight accommodation, it will be reimbursed at actual cost incurred with claims supported by receipts.

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County Council

**Open Report on behalf of David O'Connor, Executive Director Performance and Governance**

Report to:	<b>County Council</b>
Date:	<b>21 February 2014</b>
Subject:	<b>Pay Policy Statement</b>

**Summary:**

The Localism Act 2011 requires all local authorities to agree pay policy statements annually at a Full Council meeting and then subsequently to publish them. The Council's policy provides more detail than is required by the legislation.

There are no major changes to the Pay Policy which was adopted by Full Council for 2013/14 other than the Council is requested to note that the policy has been updated to recognise the national 1% pay award in 2013 for grades 1 – 16. Following discussion between Cllr Young (portfolio holder) and the Executive Director for Performance and Governance it was agreed to implement the award 'as is' rather than implement with local variations.

For 2014-15 the pay multiple is 7.2 compared to 8.2 in 2013-14. This has reduced because higher paid staff have not received any increase. The pay multiple is the ratio between the salary of the highest paid employee and the median full time equivalent salary of the organisation. The pay multiple is often referred to as 'pay dispersion'.

Negotiations are underway around local Terms & Conditions that may impact on pay policy. This may require modification of the Pay Policy Statement, in which case there will be a further report to the Pay Policy Sub-Committee and to Council.

**Recommendation(s):**

To agree the Pay Policy Statement in Appendix A.

## **1. Background**

The requirement for Councils formally to adopt pay Policy Statements was introduced in the Localism Act 2011, followed by Guidance from DCLG. In line with this guidance it is considered good practice for the Pay Policy sub-committee to consider the Statement before it is presented to Full Council for approval. The Statement itself has been prepared in line with the requirements of the legislation and the best practice put forward in the guidance.

## **2. Conclusion**

The Pay Policy Statement sets out the County Council's policy on pay and conditions for senior managers and employees (excluding operational fire fighters and schools based employees). This ensures that the Council has a fair and transparent approach to these matters.

### **3. Legal Comments:**

By publishing the Council's Pay Policy annually ensures compliance with the Localism Act 2011.

### **4. Resource Comments:**

This Policy ensures that all senior managers and employees are treated fairly and transparently.

## 5. Consultation

a) Has Local Member Been Consulted? N/A

b) Has Executive Councillor Been Consulted? Yes

### c) Scrutiny Comments

The approval of the Pay Policy Statement is a decision for Full Council to make under the legislation and is accordingly not subject to call-in.

### d) Policy Proofing Actions Required

N/A

## 6. Appendices

Appendix A: Pay Policy Statement
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## 7. Background Papers

### Pay Policy Statement to Pay Policy Sub-Committee 4<sup>th</sup> February 2013

Document title	<a href="http://www.lincolnshire.gov.uk/jobs/manuals/employment-manual">http://www.lincolnshire.gov.uk/jobs/manuals/employment-manual</a>
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This report was written by Martin Purnell, who can be contacted on 01522 553328 or [martin.purnell@lincolnshire.gov.uk](mailto:martin.purnell@lincolnshire.gov.uk).



Employment Manual

# PAY POLICY STATEMENT

For year 2014/2015  
People Management Service



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# **1 INTRODUCTION**

This Pay Policy Statement sets out County Council policy on pay and conditions for senior managers and employees (excluding operational Fire Fighters and schools' based employees) for 2014-15.

The Council aims to attract and retain employees to deliver the Council's objectives. In determining pay policy for Chief Officers and all other employees, the Council is committed to ensuring a fair and transparent approach. Within this, it is recognised that different approaches may be required between groups of employees reflecting factors such as difficulties in attracting and retaining key skills.

## **KEY PRINCIPLES FOR PAY POLICY**

To be fair, reasonable and transparent

To be affordable

To reward employees for their contribution to the Council's achievements

To maintain rates of pay which are both competitive in the market place and reflect the need to retain key skills

## **EMPLOYEES IN SCOPE OF THE PAY POLICY STATEMENT**

This Pay Policy Statement covers all employees (except teachers and uniformed fire fighters except those defined as Senior Managers.) As such, it goes wider than minimum legal requirements of the Localism Act 2011.

## **THE SENIOR MANAGEMENT PAY STRUCTURE**

Senior Managers are defined for this purpose as the Chief Executive; Executive Directors – (referred to as Chief Officers); Assistant Directors, Chief Fire Officer, Deputy Chief Fire Officer and Assistant Chief Fire Officer. The senior management pay structure is attached at Appendix A.

### **Chief Executive and Executive Directors**

Remuneration is determined by the Chief Officers' Pay Policy Sub-Committee and is based on salary comparison against Chief Officers in other Shire Counties in the Eastern and Midlands region, against the market place and taking into account information from the annual NJC Salaries & Numbers Database. The aim is to ensure the Council retains key employees by maintaining rates of around median pay which are both competitive in the market place and reflect the need to retain key skills. The Chief Executive post is paid on a spot salary<sup>1</sup>. Executive Director posts are all paid at the same single spot salary point because all roles have collective responsibility for the success of all service areas and for the Council as a whole.

### **Assistant Directors**

Remuneration is determined by the Corporate Management Board and underpinned by the Hay Job Evaluation Scheme. The same five point grade applies to all Assistant Directors. Periodically the pay structure will be reviewed to ensure that salaries offered are competitive in the market place, taking into account the advice set out in the Joint Negotiating Committee<sup>2</sup> (JNC) for Chief Officers of Local Authorities Conditions of Service.

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<sup>1</sup> See Glossary Page 10

<sup>2</sup> See Glossary Page 10

## **Fire & Rescue Service Management Team**

The pay structure is determined in line with the NJC for Brigade Managers (Gold Book<sup>3</sup>) with the Deputy Chief Fire Officer and Assistant Chief Fire Officer receiving 80% and 75% respectively of the Chief Fire Officer salary.

In accordance with the 2011 Code of Recommended Practice for Local Authorities on Data Transparency, information on senior salaries is published on the Council's website - [Data on Senior Salaries](#) together with information about the structure of the workforce. Additional legal provisions about reporting payments over £50,000 in a year are in the Accounts & Audit (England) Regulations 2011, also available in the Council's published accounts on our website: [Statement of Accounts 2010/11](#).

## **OTHER EMPLOYEES' PAY STRUCTURE (including lowest paid employees)**

Remuneration for other employees is normally determined by the Council's Job Evaluation (JE) Scheme<sup>4</sup> which covers all staff on NJC Local Government Services terms and conditions of service. This includes the lowest paid council employees. The Lincolnshire County Council (LCC) Pay spine for staff up to and including Heads of Service is attached at [Appendix B](#).

The Pay and Grading structure used by the Council was implemented by Collective Agreement<sup>5</sup> in July 2008, backdated to be effective from 1 April 2007 and is anchored to the national NJC pay spine for Local Government Services. The current pay spine is at 2009 rates as no annual pay awards were made during 2010, 2011 and 2012. The JE Scheme, the Greater London Provincial Council Scheme, was selected through a process of consultation with staff and Trade Unions and complies with equal pay requirements.

## **NON-STANDARD TERMS AND CONDITIONS**

Staff transferring into the Council under TUPE arrangements have the right to retain their existing terms and conditions. The largest group includes those staff who transferred from the Connexions Service.

Additionally some specialist posts, mainly in education related services, such as Educational Psychologists and the Youth Service are recruited to specific terms and conditions although they are in scope of the [Local Scheme of Conditions of Service](#)

## **THE NATIONAL PAY AWARD**

Pay levels are adjusted to take account of any cost of living increase negotiated nationally by the JNC for Local Authority Chief Executives<sup>6</sup>; the JNC for Chief Officers of Local Authorities and the NJC for Local Government Services<sup>7</sup>. LCC applied the National 1% pay award in April 2013/14.

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<sup>3</sup> See Glossary Page 10

<sup>4</sup> The Job Evaluation scheme ensures that all jobs are graded fairly and equitably between men and women

<sup>5</sup> A Collective Agreement is a formal agreement signed between the County Council and the recognised Trade Unions

<sup>6</sup> See Glossary Page 10

<sup>7</sup> See Glossary Page 10

## **RECRUITMENT, RETENTION AND MARKET FORCE SUPPLEMENTS**

The Council recognises that at times it may be difficult to recruit new employees or retain existing staff in key posts. To ensure the Council attracts and maintains a skilled and experienced workforce, supplements may be paid in addition to the post grade. Further details can be found in the [Recruitment, Retention and Market Force Supplements Policy](#).

## **RELOCATION EXPENSES AND DISTURBANCE ALLOWANCES**

Relocation Expenses and Disturbance Payments are paid to employees to cover additional costs they may incur as a result of a change or disturbance to work base. These are paid in accordance with the [Relocation Expenses and Disturbance Allowances Policy](#).

## **STARTING PAY**

Employees, when appointed to posts within the Council are paid on an incremental scale and will normally be appointed at the minimum point of the pay grade for that post. However, in certain circumstances it may be appropriate to appoint to a higher point within the pay grade. This should be objectively justifiable and have regard to the pay of existing employees within the service area. See [Green Book Employees Pay and Conditions Policy](#).

Where an employee is appointed who does not yet meet the minimum competency requirements for that role, they are appointed in accordance with the [Appointed One Point Below Policy](#).

## **PERFORMANCE RELATED PAY (PRP) AND “EARN BACK”**

The Council does not operate a PRP scheme or “earn back”<sup>8</sup> system.

## **PAY PROGRESSION**

The Chief Executive, Executive Directors and Fire & Rescue Senior Managers are all appointed to a spot salary so no pay progression applies.

For other employees, eligibility for incremental progression, including any acceleration through the grade with the use of Merit Increments, will be in accordance with the [Green Book Employees Pay and Conditions Policy](#) covering the NJC for Local Government Services Group. An increment may be withheld following an adverse report on an employee’s performance (subject to the Council’s capability / disciplinary procedures being followed). Any increments withheld may subsequently be paid if the employee’s performance becomes satisfactory.

## **REVIEWING INDIVIDUAL PERFORMANCE**

Individual achievement is assessed using the [Council's Appraisal Scheme](#) and all employees will take part in an appraisal process. In most cases this will be the full LCC appraisal process; however, there may be some cases where the process is amended so that it is appropriate to the role of the employee.

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<sup>8</sup> An earn back system relates to withholding a specified portion (for example, up to 20%) of existing pay if performance is unsatisfactory; or releasing that portion if performance is satisfactory

Learning and development needs will be linked to the [County Council's Behaviours Framework](#) which are interchangeable with occupational national standards of competence where appropriate.

## **RESPONSIBILITY FOR REVIEWING PERFORMANCE**

The Chief Executive's individual performance will be assessed by the Leader of the Council together with the appointed cross-party group. For individual Executive Directors, the assessment will be made by the Chief Executive and reported to the cross-party group.

For all other employees, the assessment will be made by the individual's line manager, as appropriate.

## **ACTING UP ARRANGEMENTS**

Employees temporarily acting up into a role which is normally graded on a higher level should be paid at the appropriate level for the duties they are asked to perform. Further details can be found in the Council's [Green Book Employees Pay and Conditions Policy](#) covering the NJC for Local Government Services Group.

## **HONORARIA**

An honorarium payment may be made for exceptional or special work undertaken on a short term basis of not more than 6 months and will be in accordance with the Council's [Green Book Employees Pay and Conditions Policy](#) covering the NJC for Local Government Services Group.

## **EMPLOYEES ON FIXED TERM/TEMPORARY CONTRACTS**

The Council will not treat employees on fixed term or temporary contracts less favourably than employees on a permanent contract. See [Fixed Term and Temporary Contracts Policy and Procedure](#).

## **ALLOWANCES/EXPENSES**

### **Chief Executive, Executive Directors and Assistant Directors**

Allowances will be in accordance with the [Local Scheme of Conditions of Service](#) or jointly agreed schemes in Directorates. Business Travel will be reimbursed in accordance with the [Travel Policy](#). This policy applies to all staff (including Senior Managers) in scope of the Local Scheme of Conditions of Service.

### **Fire & Rescue Service Senior Managers**

Allowances and expenses will be in accordance with the NJC for Brigade Managers Conditions of Service and Service Order 19<sup>9</sup>. See George page: Service Order 19 - Pay and Allowances.

## **SALARY PROTECTION**

Where an employee accepts a post on a lower grade as result of a restructuring or change in the workforce, personal salary protection will apply in accordance with the [Local Scheme of Conditions of Service](#) or Collective Agreement for those in the Fire & Rescue Service. See George Collective Agreement Pay Protection Fire & Rescue Service.

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<sup>9</sup> See Glossary Page 10

## **SEVERANCE PAYMENTS**

For those in the Local Government Pension Scheme, (including Chief Officers) payments relating to redundancy, early retirement and flexible retirement will be paid in accordance with the Council's [Redundancy and Early Retirement Policy](#) or [Flexible Retirement Policy](#).

All employees / recruits (including Chief Officers) in receipt of a redundancy payment will be subject to the Redundancy Payments (Continuity of Employment in Local Government etc.) (Modifications) Order 1999<sup>10</sup>.

## **PAYMENTS FOR RETURNING OFFICERS DURING LOCAL ELECTIONS**

Payments for the Chief Executive and Executive Directors who are Returning Officers are made in accordance with their respective JNC Conditions of Service.

Payments for employees at Head of Service and below for Local Election duties are made in accordance with the [Local Scheme of Conditions of Service](#).

## **PAY POLICY SUB-COMMITTEE**

The Pay Policy Sub-Committee undertakes an annual review of Chief Officers' salaries i.e. Chief Executive and Executive Directors. The Sub-Committee comprises of Councillors from the Appointments Committee, representing the political balance of the Council overall in accordance with the terms of the Local Government and Housing Act 1989.

## **LCC GREEN BOOK<sup>11</sup> NEGOTIATING TEAM**

The Negotiating Team considers pay issues relating to all employees within the scope of NJC pay awards.

## **RELATIONSHIP BETWEEN SENIOR MANAGEMENT PAY AND CONDITIONS WITH OTHER OFFICERS (including the lowest paid)**

The approaches for determining senior management pay are set out in paragraph 4 above.

The approach for determining other employees' pay, including the lowest paid employees, is set out in paragraph 5 above.

## **PAY MULTIPLES (or pay dispersion)**

Pay multiple is the ratio between the salary of the highest paid employee and the median full time equivalent salary of the organisation. The pay multiple is often referred to as 'pay dispersion'.

Lincolnshire has published this voluntarily in recent years.

For 2014-15 the pay multiple is 7.2. For context, the Hutton Review (2010) identified the pay multiple in Shire Counties as greater than 11.

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<sup>10</sup> Under the Employment Rights Act 1996 (ERA), an employee can count service with an 'associated employer' towards the service requirement for a redundancy payment (i.e. two years) and, if appropriate, for calculating that payment.

<sup>11</sup> See Glossary Page 10

There is no formal mechanism for direct comparison between pay levels of the wider workforce with Senior Manager pay and there are no Council policies on reaching or maintaining a specific pay multiple.

## **RE-ENGAGEMENT OF FORMER SENIOR MANAGERS**

The policy for appointing or re-engaging any Senior Manager who has previously been made redundant by this authority, or who is in receipt of a local government pension, is that there should be a presumption against re-employment for a period of 6 months following the end of their employment. However, in exceptional circumstances Senior Managers may be re-employed by the Council more quickly provided that it is not within one month and one day of their leaving date.

In approving a re-employment of a Senior Manager, Members will need to be satisfied that:

the employee is not being re-employed in a role or capacity, which is broadly similar to the role from which they were made redundant;

the rate of pay applied to the work undertaken by the re-engaged employee should be that appropriate to the work to be done and not the grading which applied to the employee prior to the end of their current contract;

the employment should be for a fixed term, not exceeding one year, unless there are exceptional circumstances; and the arrangement must provide financial / operational advantage to the Council.

The policy of the Lincolnshire Pension fund is not to abate pensions should any officer retire and then return to work for the Council.

## **THE USE OF CONTRACTS FOR SERVICES AND APPOINTMENT OF CONSULTANTS**

The Inland Revenue requires the authority to determine whether an arrangement with a consultant or contractor constitutes a contract of employment or can be deemed to be on a self-employed basis.

The determination will need to be made for every agreement that is proposed as the decision on status relates to the contract, not the individual. This must be undertaken before any engagement is agreed or any contract signed.

Where it is determined that an engagement constitutes a contract of employment, normal Council terms and conditions will apply and the work must be paid for at the evaluated rate for the job.

It may be appropriate to re-engage a former employee as a consultant with a contract for service in certain circumstances. This may be appropriate:

For discrete pieces of work where the former employee has the appropriate skill and experience which is not available elsewhere in the Council.

Where it is more cost effective

Where it is difficult to recruit due to market conditions

Where work of an urgent nature arises at short notice.

Such arrangements should be time limited, and be subject to appropriate written agreements covering the nature, duration, quality standards, and the basis on which the agreement will be terminated. The written agreement must be signed before the arrangement commences.

Initial consideration for providing cover for urgent work should be through the use of temporary employment contracts advertised in the usual manner or through acting up or secondment arrangements made available to existing staff. This should particularly be true where the work relates to the normal business of the service area, as opposed to defined projects or one off tasks.

It is our duty under the Pensions Act 2008 to comply with auto-enrolment Regulations and an assessment will be made on whether the contractor is an employee rather than a contractor and therefore pensionable under the Act.

The assessment process will not rely on IR35 but will take into account work practices which may differ from what is on the contract as well as whether they are the named individual on a contract and cannot be substituted for another person if required, they are line managed within LCC given tools to do their job.

## **PERSONAL SERVICE CONTRACTS**

In the contracting sector, the generally accepted definition of a personal service company is a limited company that typically has a sole director, the contractor, who owns most or all of the shares.

Many contractors choose to work for clients using their own [limited companies](#) for many reasons, Limited companies can be a tax efficient way for contractors to work, as they often split their income between [salary and dividends](#), which means they do not pay, employers' or employees' Class 1 National Insurance Contributions on a large part of their overall income

Personal Service contracts prevent the risk of there being a contract of service, or an employment relationship with the Council which eliminates any income tax liability on the Council.

By using a limited liability company, contractors are also insulated to a certain extent from business risk.

Although the Council does not currently have any such contracts in place for normal employment it is possible that it will do so in the future as they are an acceptable way of reducing the legal liabilities that come from hiring employees.



## APPENDIX A

### Senior Management Pay Structure – 2014 -15

<b>Salary (£)</b>	<b>Chief Executive</b>
<b>Tier 1</b>	£173,226.00
<b>Tier 2</b>	Director of Public Health £160,834
	Executive Directors £125,982.76
	Director of Adult Social Services (DASS) £105,000

<b>LCC Assistant Director Grade</b>	
<b>Tier 3</b>	£76,578.62
	£78,493.56
	£80,405.40
	£82,317.24
	£84,228.84

<b>Assistant Director (Public Health) Grade</b>	
<b>Band 8</b>	
	£65, 922
	£67,805
	£70,631
	£74,084
	£77,850
	£81,618

<b>Band 9</b>	
	77,850
	81,618
	85,535
	89,640
	93,944
	98,453

N.B. Director and Assistant Director roles in Public Health transferred into the Council on the 1 April 2013 from the NHS as part of the Health and Social Care Act 2012. The transfer was under TUPE, therefore terms and conditions of employment, including salary, are protected.

<b>Fire &amp; Rescue Service Management Team</b>	
Chief Fire Officer	£111,100.00
Deputy Chief Fire Officer	£88,880.00
Assistant Chief Fire Officer	£83,325.00

## APPENDIX B

### Lincolnshire County Council Salary Structure from 1<sup>st</sup> April 2013

#### NJC for Local Government Services

LCC Pay Spine for staff up to and including Head of Service			GLPC Points Score
1	<b>12266</b>		
2	<b>12614</b>		
3	<b>13321</b>	G1	Grade 1 = 182 - 227
4	13854		
5	14351		
6	<b>14880</b>	G2	Grade 2 = 228 - 267
7	15455		
8	16029		
9	<b>16604</b>	G3	Grade 3 = 268 - 307
10	17282		
11	17961		
12	<b>18638</b>	G4	Grade 4 = 308 - 347
13	19447		
14	20258		
15	<b>21067</b>	G5	Grade 5 = 348 - 387
16	21774		
17	22481		
18	<b>23188</b>	G6	Grade 6 = 388 - 427
19	24033		
20	24880		
21	<b>25727</b>	G7	Grade 7 = 428 - 467
22	26847		
23	27864		
24	<b>28922</b>	G8	Grade 8 = 468 - 507
25	29980		
26	31025		
27	<b>32072</b>	G9	Grade 9 = 508 - 547
28	33309		
29	34547		
30	<b>35784</b>	G10	Grade10 = 548 - 587
31	37273		
32	38764		
33	<b>40254</b>	G11	Grade 11 = 588 - 627
34	42333		
35	44413		
36	46494	G12	Grade 12 = 628 - 667
37	48054		
38	49612		
39	51172	G13	Grade 13 = 668 - 707
40	52731		
41	54291		
42	55849	G14	Grade 14 = 708 - 747
43	57408		
44	58968		
45	60527	G15	Grade 15 = 748 - 787
46	62086		
47	63645		
48	65205	G16	Grade 16 = 788 +

This pay spine is anchored to salary points on the NJC National Pay Spine and these salaries are shown in bold. The relevant Lincolnshire points are SCPs 1, 2, 3, 6, 9, 12, 15, 18, 21, 24, 27, 30 & 33.

**Part 3 Paragraph 2.6(e) Sleeping-in Duty Payment**

1 Apr 13  
£33.27

**Paragraph 35 Standby Duty Allowance - Social Workers (1)(a)(i) Allowance -  
Per Session**

1 Apr 08  
£26.76

## **APPENDIX C Glossary of Terms**

### **Spot Salary:**

Spot salaries within Lincolnshire County Council are fixed to specifically defined spinal column point. There is no progression up to or beyond the rate for each position. Spot salaries are one of the least discriminatory of pay methods because everyone is paid the rate for the job from day one and the pay structure cannot be distorted by differential progression.

### **JNC for Local Authority Chief Officers**

The primary role of the Joint Negotiating Committee is a national body to reach agreement on a national framework on all national pay and service conditions and items related to any dispute for all chief officers

### **NJC for Brigade Managers (Gold Book)**

The primary role of the National Joint Committee for Brigade Managers of Fire and Rescue Services (the NJC) is to reach agreement on a national framework of pay and conditions for Brigade Managers for local application throughout the Fire and Rescue Service in the UK.

### **JNC for Local Authority Chief Executives**

The Joint Negotiating Committee (JNC) for Chief Executives of Local Authorities is the national negotiating body for the pay and conditions of service of chief executives in England and Wales. The Authorities' Side consists of elected members nominated by the Local Government Association. The Staff Side consists of chief executives nominated by the Association of Local Authority Chief Executives (ALACE). ALACE is registered as an independent trade union.

### **NJC for Local Government Services**

The pay and terms of conditions of employment for local government services' workers is determined by the National Joint Council for Local Government Services. The NJC for Local Government Services has 70 members: 12 on the employers' side and 58 on the trade union side.

In 1997, the NJC for Local Government Services agreed a national framework with potential for local modification to suit local service requirements. Known as The Single Status Agreement, these pay and conditions of service agreements are published in **The Green Book: Local Government Scheme of Conditions of Service**.

### **Greater London Provincial Council (GLPC) Job Evaluation Scheme**

Lincolnshire County Council use the scheme developed to support local authorities in carrying out their obligations under the national agreement on single status. The job evaluation scheme was the subject of consultation with the Equal Opportunities Commission. The scheme is jointly agreed by the employers and unions in London local government. It was developed by a working party of experienced evaluators and tested jointly at regional and local authority levels.

The scheme is accompanied by a code of good practice and a framework procedure to inform local arrangements.

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County Council

**Open Report on behalf of Tony McArdle Chief Executive**

Report to:	<b>County Council</b>
Date:	<b>21 February 2014</b>
Subject:	<b>Appointment of Monitoring Officer</b>

**Summary:**

This report proposes a new Monitoring Officer for the County Council further to the retirement of David O'Connor.

**Recommendation(s):**

That Richard Wills be appointed Monitoring Officer from 1 April 2014.

## 1. Background

Section 5 of the Local Government and Housing Act 1989 imposes a statutory duty on the Council to designate one of its officers to be its Monitoring Officer, to carry out a number of statutory duties set out under legislation relating legality, maladministration and ethical standards – these include the duty to make formal reports to Council in prescribed circumstances as well as duties in relation to the Member Code of Conduct and Registers of Interests.

The current Monitoring Officer retires in April 2014 and it is for the Council to appoint a replacement. The Monitoring Officer post cannot legally be taken by the statutory Head of Paid Service (myself) or the statutory Chief Financial Officer (Pete Moore).

The County Council has, in recent years, appointed the Monitoring Officer from the Management Team.

## 2. Conclusion

That the Council must appoint a Monitoring Officer to fulfil its statutory duties and that Richard Wills is recommended to you.

**3. Legal Comments:**

The Council must appoint a Monitoring Officer to fulfil its statutory duties.

**4. Resource Comments:**

There are no resource implications. No separate payment is made for this work.

**5. Consultation****a) Has Local Member Been Consulted?**

n/a

**b) Has Executive Councillor Been Consulted?**

n/a

**c) Scrutiny Comments**

This is a matter for decision by the Council so is not subject to Scrutiny.

**d) Policy Proofing Actions Required**

Not applicable.

**6. Background Papers**

No background papers within Section 100D of the Local Government Act 1972 were used in the preparation of this report.

This report was written by Eleanor Hoggart, who can be contacted on 01522 552542 or [eleanor.hoggart@lincolnshire.gov.uk](mailto:eleanor.hoggart@lincolnshire.gov.uk).



**Open Report on behalf of Tony McArdle, Chief Executive**

Report to:	<b>County Council</b>
Date:	<b>21 February 2014</b>
Subject:	<b>Lincolnshire Fire Service Pensions - Internal Dispute Resolution Procedure</b>

**Summary:**

To formally designate Councillor Peter Robinson, the Portfolio Holder for Fire and Rescue, and Councillor Sue Wray, to make determinations under the Internal Dispute Resolution Procedure (IDRP) Stage 2 of the Lincolnshire Fire and Rescue Service Pension scheme.

**Recommendation(s):**

That Councillor Peter Robinson be appointed and Councillor Sue Wray be appointed the reserve member, with immediate effect.

## 1. Background

The IDRP Stage 2 process for the Fire Service Pension Scheme requires either a member body to make the Stage 2 determination or for the delegation by the Council of the power to make stage 2 determinations to a single member.

There is nothing currently in LCC's existing constitution regarding any appeal committee.

Options are:

- 1. Set up a specific Fire Pensions Appeals Committee to make Stage 2 determinations. This may be an overly bureaucratic solution for an issue which arises relatively rarely.
- 2. Put the power to review such stage 2 appeals into the terms of reference of another committee (e.g. Pensions or Audit) with provisions for that committee to set up an ad-hoc sub-committee to handle such appeals. This could be done by, for example, formally setting up a sub-committee to deal with appeals at the same time or, alternatively if and when such an appeal arose that Committee could set up a sub-committee to handle it – this may be building in delay if there is no committee scheduled in the near future. A further alternative would be for either the council at the time of making the

delegation or the committee after that has happened to agree a scheme for the setting up of a sub-committee, for example by selection of members from a panel. Any of these would need to meet the requirements of political proportionality so may again be a bit over-bureaucratic for the purpose.

- 3. Get the power delegated to a single member. It is not an Executive function within those rules but that doesn't mean it cannot be delegated to an Executive Councillor acting in another capacity.

## **2. Conclusion**

Of the options available – given the scale of the requirement (the Council having had no relevant appeals at all until now) – option 3 is recommended.

### **3. Legal Comments:**

The Council is required by law to have a proper process for dealing with IDRPs appeals and this decision is required to be made by Full Council.

### **4. Resource Comments:**

There are no material financial consequences arising from the acceptance of the recommendation in this report.

## **5. Consultation**

### **a) Has Local Member Been Consulted?**

n/a

### **b) Has Executive Councillor Been Consulted?**

Yes

### **c) Scrutiny Comments**

The appointment is for full council to make

### **d) Policy Proofing Actions Required**

N/A

## **6. Background Papers**

No background papers within Section 100D of the Local Government Act 1972 were used in the preparation of this report.

This report was written by Eleanor Hoggart, who can be contacted on 01522 552542 or [eleanor.hoggart@lincolnshire.gov.uk](mailto:eleanor.hoggart@lincolnshire.gov.uk)

# Agenda Item 14

## COUNTY COUNCIL MEETING – 21 FEBRUARY 2014

### LINCOLNSHIRE COUNTY COUNCIL

#### ELECTION OF A COUNCILLOR FOR THE SCOTTER RURAL ELECTORAL DIVISION

ELECTION DATE: 19 DECEMBER 2013

Notice is hereby given that the under-mentioned person was elected as the Councillor for the Scotter Rural Electoral Division at the election held on 19 December 2013: -

Name: Mrs Lesley Anne Rollings

Address: The Granary  
Green Lane  
Pilham  
Gainsborough  
DN21 3NU

Political Party: Liberal Democrat

Tony McArdle  
Returning Officer

Dated: 20 December 2013

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## **PENSIONS COMMITTEE 19 DECEMBER 2013**

### **PRESENT: COUNCILLOR M G ALLAN (CHAIRMAN)**

Councillors R J Phillips (Vice-Chairman), N I Jackson, B W Keimach, Mrs S Rawlins and A H Turner MBE JP

Co-opted Members in attendance:- Mr A Antcliff (representing employees) and District Councillor M Leaning (representing District Councils)

Also attended:- Peter Jones (Independent Advisor)

Officers in attendance:- Jo Ray (Group Manager - Pensions and Treasury), Nick Rouse (Investment Manager), Tony Warnock (Head of Finance, Children's and Specialist Services), Catherine Wilman (Democratic Services Officer)

### 29 APOLOGIES/REPLACEMENT MEMBERS

Apologies were received from Councillors C E D Mair, Miss F Ransome and Mr J Grant.

### 30 DECLARATIONS OF MEMBERS' INTERESTS

Councillor M G Allan requested that a note should be made in the minutes that he was currently a contributing member of the Pension Fund as a North Kesteven District Councillor and as a County Councillor.

Councillor M Leaning requested that a note should be made in the minutes that he was currently a contributing member of the Pension Fund as a West Lindsey District Councillor and as a member of the Witham Third Internal Drainage Board.

Councillor Miss F E E Ransome requested that a note should be made in the minutes that she was employed by HSBC.

Mr A Antcliff requested that a note should be made in the minutes that he was currently a contributing member of the Pension Fund as an employee of Lincolnshire County Council.

### 31 CONSIDERATION OF EXEMPT INFORMATION

RESOLVED:

**2**  
**PENSIONS COMMITTEE**  
**19 DECEMBER 2013**

That in accordance with section 100(A) (4) of the Local Government Act 1972, the public and press be excluded from the meeting for the following item of business on the grounds that if they were present there could be a disclosure of exempt information as defined in paragraph 3 of Part 1 of Schedule 12A of the Local Government Act 1972, as amended.

32     THREE YEARLY REVIEW OF GLOBAL EQUITIES MANAGERS,  
INCLUDING PRESENTATIONS, AS FOLLOWS:-

33     SCHRODER

The Committee received a presentation from representatives of Schroder Investment Management who managed an active portfolio of Global Equities for the Fund. Following discussion, a decision was made as to the future of the portfolio.

RESOLVED

That the recommendations as detailed in the report be approved and the future of the portfolio agreed.

34     NEPTUNE

The Committee received a presentation from representatives of Neptune Investment Management who managed an active portfolio of Global Equities for the Fund. Following discussion, a decision was made as to the future of the portfolio.

RESOLVED

That the recommendations as detailed in the report be approved and the future of the portfolio agreed.

35     THREADNEEDLE

The Committee received a presentation from representatives of Threadneedle, who managed an active portfolio of Global Equities for the Fund. Following discussion, a decision was made as to the future of the portfolio.

RESOLVED

That the recommendations as detailed in the report be approved and the future of the portfolio agreed.

The meeting closed at 12.30pm

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**PLANNING AND REGULATION  
COMMITTEE  
13 JANUARY 2014**

**PRESENT: COUNCILLOR I G FLEETWOOD (CHAIRMAN)**

Councillors Mrs H N J Powell (Vice-Chairman), Mrs V C Ayling, D C Hoyes MBE, D M Hunter-Clarke, M S Jones, D McNally, D C Morgan, N H Pepper, Mrs J M Renshaw, C L Strange, T M Trollope-Bellew and W S Webb

Alan Aistrup (Head of Highways (North)), Steve Blagg (Democratic Services Officer), Andy Gutherson (Head of Planning), Charlotte Lockwood (Solicitor), Neil McBride (Development Manager), Lee Rowley (Senior Project Leader - Major Schemes), Brian Thompson (Head of Highways West) and Marc Willis (Principal Planning Officer (Development Management))

134 APOLOGIES/REPLACEMENT MEMBERS

Apologies for absence were received from Councillors D Brailsford and Ms T Keywood-Wainwright.

135 DECLARATIONS OF MEMBERS' INTERESTS

Councillor T M Trollope-Bellew stated that he had attended meetings of both the Parish and Town Councils when the matters had been discussed in connection with minutes 138 and 142 but had not made any comments on the applications at the meetings.

136 MINUTES OF THE PREVIOUS MEETING OF THE COMMITTEE HELD ON 4 DECEMBER 2013

RESOLVED

That the minutes of the meeting of the Committee held on 4 December 2013, be agreed as a correct record and signed by the Chairman subject to the deletion of the words "The applicant" and the addition of the words "Local residents", in the first bullet point, third paragraph of minute 129.

137 TRAFFIC ITEMS

138 STAMFORD - BARNACK ROAD AND JUNCTIONS - PROPOSED NO WAITING RESTRICTIONS AND LIMITED WAITING RESTRICTIONS

Brian Thompson presented a report in connection with proposed waiting restrictions for Barnack Road, Stamford to increase visibility for road users, to improve

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**PLANNING AND REGULATION COMMITTEE  
13 JANUARY 2014**

pedestrian safety and provide safe areas for vehicles to move out of the way of oncoming vehicles and thereby alleviate damage caused to the verges.

Brian Thompson stated that the initial proposals had been amended to reflect some of the responses received to consultation and the revised proposals were shown on Appendices D and E of the report. As these changes were less restrictive than the original proposals there was no requirement for further consultations to take place. It was believed that the revised changes now struck a reasonable balance between safety and the needs of local residents.

On a motion by Councillor T M Trollope-Bellew, seconded by Councillor W S Webb, it was -

RESOLVED (unanimous)

That the remaining objections be overruled and the amended proposals be publically advertised.

139 MILLFIELD TERRACE, SLEAFORD - PROPOSED INTRODUCTION OF A  
NO WAITING AT ANY TIME TRAFFIC REGULATION ORDER

Brian Thompson presented a report in connection with objections received to the proposed waiting restrictions on Millfield Terrace, Sleaford, following consultation with standard consultees, Carre's Grammar School, the local Member and residents of the street in question.

Brian Thompson stated that it was clear from the responses to consultation that the proposals were not welcomed and would create more problems than they would solve. The Council would continue to work with Carre's Grammar School to seek alternative solutions for student parking.

On a motion by Councillor W S Webb, seconded by Councillor Mrs H N Powell, it was -

RESOLVED (unanimous)

That the objections be upheld and that the Order be not taken forward to the formal advertisement stage.

140 PROPOSED ONE-WAY ORDER - COW LANE, WELBOURN

(Councillor D C Morgan arrived in the meeting)

Alan Aistrup presented a report in connection with objections received to the proposed one way traffic order on Cow Lane (part) in Welbourn.

On a motion by Councillor Mrs H N Powell, seconded by Councillor T M Trollope-Bellew, it was –

RESOLVED (unanimous)

That the objections be overruled and the proposal be implemented as advertised.

141 COUNTY MATTER PLANNING APPLICATIONS

142 SUPPLEMENTARY REPORT: TO FORM A HOUSEHOLD WASTE RECYCLING CENTRE, USING THE EXISTING CONCRETE SURFACE COMPRISING THE CONSTRUCTION OF CONCRETE WALLED BUNKERS FOR WASTE SORTING, ACOUSTIC BUND ALONG PART OF NORTH AND WESTERN BOUNDARY OF SITE, METAL PALISADE BOUNDARY FENCE AND GATES, TOGETHER WITH ASSOCIATED ROADWAY MARKINGS AND BOLLARDS AT BRADSTONE SITE, OUTGANG ROAD, BASTON FEN - PMK RECYCLING LTD - S7/2760/11

Since the publication of the report a letter had been received from the applicant, dated 3 January 2014, addressed to Ms A Cant, Planning Department, outlining their response to the imposition of a S106 Planning Obligations imposed by the Committee on 10 April 2012.

Comments made by the Committee included:-

1. The road referred to in the report was the A1175, not the A16.
2. HGV traffic had increased in the area.
3. The cost of maintenance of the highway would have to be met by the Council if the S106 Agreement was not imposed in its entirety.
4. The effect of the relocation of the household waste site which was used by the public and the likelihood of increased HGV movements to deal with the likely increase in waste handled should have been examined before the original planning consent was given.
5. The need for the digitalised speed sign to be maintained.

Officer's responses to the comments made by the Committee included:-

1. The applicant was only prepared to enter into a S106 Planning Obligation to fund the cost of a digitalised speed sign and the routing of all HGVs via Outgang Road to the east of the site to Cross Road to the A1175.
2. The £40,000 agreed in the original S106 Planning Obligation by the Committee was to be utilised by the local highway authority for maintenance and improvement works on the signed route to the site. However, the applicant had stated that there was no increase in HGV movements in connection with the application and as evidence was required to show any increase in HGV movements to pursue any legal claim by the County Council this was not warranted.
3. There would be monitoring and enforcement of the site.
4. The tonnage handled at the new site was detailed in the report and the conditions covered the recording of waste leaving the site.

On a motion by Councillor M S Jones, seconded by Councillor D McNally, it was –

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PLANNING AND REGULATION COMMITTEE  
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RESOLVED (12 votes for and 1 vote against)

(a) That the applicant be invited to enter into a Section 106 Planning Obligation to secure:

1. the sum of £6,500 for the administration, advertisement consultation and implementation (and all associated works) for the erection of a digitalised speed sign; and
2. the routing of all HGVs via Outgang Road to the east of the site to Cross Road to the A1175.

(b) That subject to the completion of the Planning Obligation referred to in (a), the Executive Director for Communities be authorised to grant planning permission subject to the conditions detailed in the report.

143 TO ERECT A SINGLE WIND TURBINE WITH A MAXIMUM BLADE TO TIP HEIGHT OF 90M, MICROSITING AND ASSOCIATED INFRASTRUCTURE INCLUDING AREAS OF HARDSTANDING, CONTROL BUILDING AND CABLING AT MIDDLEMARSH LANDFILL SITE, MIDDLEMARSH LANE, BURGH LE MARSH - FCC ENVIRONMENT UK LTD - (E)S23/1646/13

Since the publication of the report responses to consultation had been received as follows:-

Local Resident – a further letter of objection received from a resident (living in Tetney). This is the same standardised response as those already received and therefore the grounds for objection identified are already summarised and set out in the report (para. 20).

The Joint Radio Company Ltd - (on behalf of Western Power Distribution) has now withdrawn their objection to the proposal.

Comments made by the Committee included:-

1. In view of the comments made by the RAF in connection with the effect of the planning application on their radar facilities the Council had a duty of safety to its residents.
2. Many of the Council's Household Waste Recycling sites had had solar panels installed to good effect.
3. What was the effect of the Position Statement made by the County Council in connection with wind energy.

Officers stated that the County Council's Position Statement in connection with wind energy was a political statement not a formal planning policy such as those within an adopted Local Plan or Supplementary Planning Guidance. The location of the wind turbine was important with regard to the RAF's radar facilities and the MoD was a statutory consultee for all local authorities in connection with similar developments.

On a motion by Councillor C L Strange, seconded by Councillor M S Jones, it was –

RESOLVED (12 votes, 0 votes against and 1 abstention (Councillor T M Trollope-Bellew did not vote as he had not been present for the duration of the discussion on this application))

That planning permission be refused for the reasons detailed in the report.

144 APPLICATION FOR RETROSPECTIVE PLANNING PERMISSION FOR THE USE OF LAND AND BUILDINGS FOR WASTE RECYCLING OPERATIONS AT BLUE SKY PLASTICS LTD, SOUTH FEN ROAD, BOURNE - BLUE SKY PLASTICS LTD - S12/1880/13

Since the publication of the report a response to consultation had been received as follows:-

Applicant – the applicant has withdrawn this application as consider the reasons for refusal are capable of being overcome. Intend to resubmit an application shortly addressing these issues.

RESOLVED

That the request from the applicant to withdraw his application for the reasons stated in the update, be noted

145 1. FOR PROPOSED SOUTHWARDS EXTENSION OF COPPER HILL QUARRY, COMPRISING OF THE EXTRACTION OF 1.5 MILLION TONNES OF LIMESTONE (BLOCKSTONE AND LIMITED AGGREGATE), WITH RESTORATION TO CALCAREOUS GRASSLAND AND THE CONSTRUCTION OF A NEW QUARRY ACCESS - S2/3097/13; AND 2. TO USE 0.85HA. OF THE EXISTING QUARRY TO FACILITATE THE PROPOSED SOUTHWARD EXTENSION OF THE QUARRY - S2/3092/13 AT COPPER HILL QUARRY, B6403, HIGH DYKE, ANCASTER - ANCASTER COPPER HILL STONE LTD

Since the publication of the report a response to consultation had been received as follows:-

Applicant – has submitted a letter setting out the need for the development which is accompanied by two letters of support from companies who trade in Lincolnshire stone. The main points of the letter are summarised as follows:-

- Planning status of the quarry the applicant contends that working at the existing quarry is lawful which is based on their assertion that quarrying has been taking place at the quarry since 1905; details from old maps; reference to previous committee reports and monitoring reports; emerging core strategy document shows the site as an existing quarry; operator could regularise the situation by way of a certificate of lawfulness;

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- Note that suitable quality stone is often concentrated in a limited geographical area. Emerging policy in the minerals and waste core strategy and the Minerals Local Plan show support for the extension of existing quarries and does not restrict the geographical location of quarries which should be assessed on a criteria basis;
- Submit that the quarry has been a source of quality blockstone for many years and serves a wide national and international market with reference to letters of support and concerns raised by the cathedral about the loss of Ancaster Stone;
- Provide details of production levels and end use of stone from 3 quarries identified by the Council - stating that these either do not supply stone to competitors or are subject to output restrictions;
- Draw attention to a decision by the Council in 2009 that contends sets a principle that nearby quarries producing similar stone do not preclude permission being granted; and
- Note lack of objection from consultees and support of Wildlife Trust.

Head of Planning Response – Whilst the two companies cited by the applicant may well trade in Lincolnshire and source the stone from Copper Hill do not provide any information or evidence that there is a substantive reason why the quarry's stone is the only source of stone from Lincolnshire or any reason why it materially differs from alternative quarries in close proximity.

In terms of the planning status of the quarry do not consider that any of the points made by the applicant confirms that the existing quarry has planning permission. Any reference to this quarry in committee reports or monitoring reports is not definitive in terms of the planning status of the quarry. Does not consider a Certificate of Lawfulness is appropriate as mineral extraction is operational development and there are no pre 1948 development rights that permit this use. The site is not shown as an existing quarry in the minerals and waste draft core strategy and development management policies. Furthermore, a legal opinion has been obtained that confirms that the Copper Hill Quarry needs, but does not have, a planning permission for the continuation of mining operations.

Do not disagree with the applicants assertion as to what current minerals policy states but assess that this application do not accord with these policies.

Whilst there is no dispute that other sources of Lincolnshire blockstone are available on the market without a proven specific need for the exact stone from this particular quarry it is considered that there is no need for the site to provide stone. Indeed the same agent acting for another mineral operator in the area stated in an application made in 2007: "Reserves at Copper Hill quarry are virtually exhausted and little stone

is released to the market. Owing to previous blasting, remaining reserves are not suitable for block stone production".

The letter does not demonstrate that suitable stone is unavailable for purchase by end users of the stone and these issues are market issues which relate to matters outside the scope of the Council to consider when determining this application. If quarries within 1 mile are producing similar stone for sale on the open market it is not for the council to get involved with the business side of distribution of stone to customers.

All applications must be determined on their merits as no two sites are ever identical and each proposal must be determined accordingly. The site referenced by the applicant was authorised at the time the application to extend it was made and was also an aggregates quarry that was assessed to comply with policy and consequently does not set a precedent for the determination of this particular application.

Andy Gutherson recommended that the planning application should be deferred to allow officers to consider the information provided by the applicant detailed in the update.

RESOLVED (unanimous)

That consideration of the application be deferred to allow officers to examine the additional information provided by the applicant as detailed in the update to the Committee.

146     COUNTY COUNCIL PLANNING APPLICATIONS

147     CONSTRUCTION OF NON MOTORISED USER BRIDGE, LINCOLN EASTERN BYPASS - W42/130726/13

(Note: Councillor I G Fleetwood stated that he was not the local Member but was the neighbouring local Member and had been lobbied extensively on the application. He did not consider that the lobbying was sufficient to prevent him from chairing the meeting for this application).

Since the publication of the report responses to consultation had been received as follows:-

Cherry Willingham Parish Council – Further letter received from Cherry Willingham Parish Council which reiterates their concerns and dissatisfaction regarding the lack of a road overbridge at Hawthorn Road (as proposed as part of a previous dual carriageway bypass scheme). Whilst the PC is supportive of the proposed NMU bridge they comment that it would not properly integrate with the existing footpath/cycleway infrastructure and so should be realigned. As an alternative to the proposed NMU bridge consideration should be given to a road overbridge or underpass at Hawthorn Road or the re-alignment of Hawthorn Road so as to join up with Wragby Road roundabout.

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Concerns also expressed regarding the wider layout and junction arrangements of the associated bypass scheme and the potential impacts that these could have on traffic flows and connectivity for users approaching Lincoln from the east.

Reepham Parish Council - advise that the residents of Reepham do not wish the road along Hawthorn Road to be stopped and that a road bridge be provided to maintain this traditional freedom of access into Lincoln over the proposed Lincoln Eastern Bypass (LEB). The proposal to provide a non-motorised access road via a small bridge over the LEB does not allow the traditional motorised route to exist and as such Reepham Parish Council objects to the application for the NMU bridge. In the event that the resident's wishes are ignored and Hawthorn road is stopped the NMU bridge may answer some but not all requirements.

Head of Planning Response\_- the PC's concerns regarding the alignment of the NMU bridge and its connection with existing footpath/cycleway are noted but this issue had already been considered and addressed in the Officer report (para 15) no changes are deemed necessary to the development.

With regard the wider concerns and issues raised regarding the bypass scheme itself, again the Officer report (para 14) explains that as planning permission for the scheme exists these are not relevant to the determination of this proposal. These issues/objections are now to be considered as part of the forthcoming Compulsory Purchase and Side Road Orders Public Inquiry or handled via the County Council's corporate complaints procedure.

Witham Valley Access Project – concern about impact of Eastern Bypass due to the fundamental change in traffic flow if direct access from Hawthorn Road to Bunkers Hill is closed. It is noted it is now proposed to construct a footbridge/cycle access rather than a road bridge over Hawthorn Road. This does not solve the issue of acceptable motorised traffic flow.

Fear that roads in cherry Willingham will become busier due to this change and that vulnerable people in the local community will be exposed to greater risk from increased vehicular traffic; consequently request that this change to the scheme is re-considered with a view to reinstate the original safer scheme of incorporating a road bridge.

Head of Planning Response - any impact on traffic flows and connectivity in Cherry Willingham village resulting from the proposed bypass will not be as a consequence from this proposal. This is an issue in relation to the application to change the bypass to a single carriageway which was determined by the Committee in June 2013.

Geoff Stratford, an objector, commented as follows:-

1. Safety concerns for cyclists and other users, particularly school children cycling to schools in Cherry Willingham and Lincoln, accessing and egressing the non-motorised users' bridge at the junction with the by-pass.



2. The concerns about the safety of cyclists would be raised by the public at the forthcoming Public Inquiry.

In response to questions posed by the Committee, Geoff Stratford stated:-

1. He hoped that the Council would provide more room to allow for cyclists to access and egress the bridge to avoid them coming into close contact with vehicles coming off the by-pass.
2. He had contacted the Ramblers and cycling organisations and they would be making comments similar to those he had made.
3. He did not have any information in connection with the likely numbers of cyclists who would use the bridge but was aware that children travelled in both directions to schools in Cherry Willingham and Lincoln.

Paul Coathup, representing the applicant, commented as follows:-

1. Explained that it had been necessary to make significant changes to the design of the bridge across Hawthorn Road since the decision to go for a single carriageway by-pass instead of a dual carriageway. An over bridge suitable for both vehicular traffic and pedestrians was originally proposed for Hawthorn Road.
2. The Council had tried to mitigate the concerns raised by the objectors.
3. The proposals for the bridge met the current planning conditions.
4. Separate highway powers could be used to address the issue of providing additional room to take cyclists away from the junction for safety purposes.

In response to questions posed by the Committee, Paul Coathup, responded:-

1. Planning permission had previously been granted by this Committee for the scheme and following the proposals for a single dual carriageway the County Council had published Compulsory Purchase and Side Road Orders to begin the purchase of land required to enable the implementation of the 2013 scheme and to amend the existing road network.
2. Measures had been taken to mitigate concerns raised.
3. The public had an opportunity to comment at the Public Inquiry.
4. There was insufficient time to redesign a separate scheme.
5. Under existing highway powers for the County Council would examine improved access for cyclists at this junction.

Comments by the Committee, included:-

1. Should the application not be approved today the bridge would not be built.
2. Financial constraints prevented a bridge for all types of traffic being built.
3. If the by-pass was not operational was it possible to alter the level of the bridge?
4. Would suitable lighting be provided for the bridge?
5. Local residents were not happy about Hawthorn Road being blocked up for motorised vehicles which would lead to traffic congestion at other junctions in the area.

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**PLANNING AND REGULATION COMMITTEE**  
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Officer's responses to the comments by the Committee, included:-

1. The consultees were listed in the report and included the Ramblers and cycling organisations.
2. Unrelated highway issues, including access for cyclists, would be examined under separate highways powers.
3. Any relocation and redesign of the bridge to the south of Hawthorn Road was not feasible given the timescales involved.
4. Suitable street lighting would be provided for the bridge.

On a motion by Councillor W S Webb, seconded by Councillor C L Strange, it was –  
RESOLVED (11 votes and 1 vote against)

That planning permission be granted subject to the conditions detailed in the report.

148 OUTCOME OF PLANNING APPEAL AT BOWMANS BUSINESS PARK,  
MILL ROAD, ADDLETHORPE

The Committee received a report from Neil McBride on the outcome of the planning appeal in connection with Bowman's Business Park, Mill Road, Addlethorpe, Skegness.

RESOLVED

That the decision of the Planning Inspectorate be noted.

The meeting closed at 12.40 pm



## AUDIT COMMITTEE 27 JANUARY 2014

### **PRESENT: COUNCILLOR MRS E J SNEATH (CHAIRMAN)**

Councillors N I Jackson, C E D Mair, S M Tweedale, W S Webb and P Wood

Also in Attendance: Mr P D Finch (Independent Added Person)

Officers in attendance:-

Debbie Barnes (Executive Director Children's Services), Sara Barry (head of Safer Communities), Zoe Butler (Head of Customer Services), Julie Castledine (Principal Auditor), Paul Coathup (Assistant Director Highways and Transportation), Tony Crawley (KPMG), David Forbes (Assistant Director Finance and Resources), Stephanie Kent (Audit Manager), Pete Moore (Executive Director Resources and Community Safety), David O'Connor (Executive Director Performance and Governance), John Sketchley (Audit Manager), Tony Warnock (Head of Finance - Children's and Specialist Services) and Rachel Wilson (Democratic Services Officer)

### 39 APOLOGIES FOR ABSENCE

Apologies for absence were received from Councillor Mrs S Rawlins.

### 40 DECLARATION OF MEMBERS' INTERESTS

There were no declarations of interest at this point in the meeting.

### 41 MINUTES OF THE MEETING HELD ON 11 NOVEMBER 2013

RESOLVED

That the minutes of the meeting held on 11 November 2013 be signed by the Chairman as a correct record.

### 42 CORPORATE AUDIT PROGRESS REPORT TO 31 DECEMBER 2013

Consideration was given to a report which provided an update on progress made against the Audit Plan 2013/14.

It was reported that the audit testing on the contract management activities with Public Health had been completed, and a due diligence audit had been scheduled for February 2014. It was noted that there was some significant work taking place in Public Health.

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### AUDIT COMMITTEE

27 JANUARY 2014

The Committee was informed that reasonable progress had been made against the internal audit plan with 56% of the planned work for the year being completed. Remaining audits were scheduled in for the rest of the year and temporary audit resources to help complete the work had been engaged.

Since the last progress report, 5 County Council audits had been completed, 2 of which had resulted in limited assurance and one system which had received a split assurance. A further 27 County Council audits were in progress and 9 of these were at the draft report stage. Changes to the plan were agreed at the meeting in November 2013 due to long term sickness and vacancies, since that date a long serving member of staff sadly passed away and this vacancy would be carried forward into 2014/15. A Principal Auditor had also been recruited to the team and they would be taking the lead on Adults and Public Health.

At the last meeting, Members raised a concern regarding the level of audit work being undertaken in Public Health and as a result, the package of due diligence work had been increased with work covering payroll; awareness of LCC processes; budget holder awareness of responsibilities, processes etc.; testing of orders and payments and budget monitoring.

Three of the audits which had been completed had received substantial assurance, and three had received limited assurance. There were very few outstanding recommendations.

Senior officers representing Trading Standards and the Customer Services Centre were in attendance in order to reassure the Committee that the actions identified were being implemented.

Members of the Committee were provided with the opportunity to ask questions to the officers present in relation to the information contained within the report and some of the points raised during discussion included the following:

- Trading Standards had seen a significant reduction in budget (40%) since the Core Offer, and so had had to review the way that work was carried out. As well as a reduction in the number of staff, there had been a move from staff working in a specialised team (e.g. animals) to a more generic team. The strategic priorities for the Service had been identified and there were now 25 staff who were spread over four sites. It was noted that Lincolnshire was one of only a few authorities who still had trading standards staff in multiple sites;
- Concerns were raised regarding the increased use of 'legal highs' and the impact they were having in particular wards. The Committee was advised that one of the benefits of Trading Standards being within the remit of Community Safety was that there could be more joined up working on this. there would be a big information programme run involving teachers, carers and social workers. It was noted that 'legal highs' were increasingly being used by adults as well, and trading standards would be using every method they could to try and prevent them from being available;
- The management actions identified in the audit were being completed, with the exception of the outcome measures, as these had not yet been finalised. This

- had been identified as a key risk and would be included in the work programme for the coming year;
- The four Trading Standards teams were based in Lincoln, Boston, Grantham and Louth. It was noted that a further team based in Skegness would be useful as staff undertook a lot of summer work there;
  - There was a move back to teams carrying out work based around the key strategies, with some general work as well;
  - If there was another major trading standards issue such as the horsemeat incident, additional resources would be made available. There was a lot of joint working with the district councils which worked well;
  - Key risks were around managing public expectations, but since the core offer there was more resilience and flexibility around the staff. However, it was noted that a lot of the older, more experienced staff were lost from the team during the Core Offer process;
  - A transformation plan had started to be developed for the Customer Service Centre, as management were keen to modernise it. The areas which had been picked up by the audit were mainly around the customer experience, and so there was now a move away from the traditional performance measures such as the time taken to answer the phone. It was important to ensure that the right things were being measured. The Customer Service Centre staff used between 5 and 9 different IT systems, which required a lot of training, and so when an enquiry was received staff would often need to update several different systems;
  - Calls which related to Adult care or Children's Services were currently all recorded, but there was a move towards all calls being recorded;
  - Members were assured that the audit recommendations would form part of the transformation plan;
  - The Plan would be monitored by the Value for Money Scrutiny Committee;
  - The Customer Service Centre received 750,000 contacts per year, and there were 126 FTE staff based there, the majority of which were frontline advisors;
  - The management actions had not yet all been completed, however, it was noted that they were not all quick to implement, e.g. the IT systems, but they were all part of the transformation plan. The actions which could be implemented quickly would be;
  - The actions would be followed up as part of the tracking process;
  - In terms of the third audit where assurance was assessed as limited – Income – Business Support and Schools, it was noted that the problem area in terms of compliance was schools. The change from SAP to Agresso would be a challenge as every operator would need to be retrained on the new system. This training would also pick up the other weaknesses which had been identified in the audit. The system change would start in April 2014;
  - It would be up to schools to decide what financial system they used, however, most schools were currently using SAP, but they could choose to operate independently;

RESOLVED

That the outcomes of the Corporate Audit Work be noted.

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**AUDIT COMMITTEE**  
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43     EXTERNAL AUDIT PROGRESS REPORT

The Committee received a report from the Councils External Auditor which provided an update on progress of work performed during the interim audit stage for the County Council and Pension Fund audits, as well as work planned for the next quarter.

Members were advised that the 12/13 work had just been completed, and the arrangements for the FDSS contract were in the process of being reviewed for the purposes of the VFM conclusion.

It was noted that the accounts closure would need to be done very quickly as SAP was scheduled to be switched off at the end of June 2015. This would only give 3 months to close the accounts in 2015.

RESOLVED

That the progress report be noted.

44     SUPPORTING SOUND FINANCIAL MANAGEMENT AND INTERNAL CONTROLS IN SCHOOLS AND ACADEMIES

The Committee received a report which provided an update on the ways in which Children's Services, the Mouchel Schools' Finance Team and Internal Audit supported schools to improve their financial management and internal control arrangements. The report also provided information on the assurance framework set out for academies by the Education Funding Agency.

Members were reminded that a report was provided in June 2013 on the work with schools during 2012/13 which highlighted an increase in the number of schools given Limited Assurance following an audit visit when compared with previous years. The Committee asked how the Authority worked with schools to address the issues identified by the audits, and the report presented provided details of this. It was noted that whilst officers were able to influence and advise schools, delegation meant that a school's Headteacher and governing body were ultimately responsible for ensuring that arrangements were adequate and protected staff, the school and the public purse.

The Committee was provided with the opportunity to ask questions to the officers present in relation to the information contained within the report and some of the points raised during discussion included the following:

- It was commented that one thing missing with self-reporting was which governors had attended training and when that training had taken place;
- Clarification was sought regarding delegation of responsibility and local authority risks in terms of maintained schools;
- Maintained schools reported through their financial statements and the authority would work with them in the event of any overspends. It was ultimately up to the governors of the school to manage any budgets which

- were allocated to a school. The local authority could not write off any overspends;
- The monitoring role for the authority was very important, and it had the right to enter and inspect the accounts of a maintained school at any time. Schools did work in a tight control environment if they were using SAP. The withdrawal of the delegation was one action which could be taken if the governing body was not functioning correctly;
  - In relation to SFVS (Schools Financial Value Standard), it was queried whether there were adequate controls in place to guard against fraud and theft;
  - It was reported that there were only two schools which failed to complete the SFVS, and a follow up check was requested;

It was suggested that as this was such a wide topic, whether it would be beneficial to hold a workshop for members of the Committee on risk management in schools

#### RESOLVED

1. That the content of the report be noted;
2. That a workshop on risk management in schools be arranged and added to the work plan.

#### 45 COMBINED ASSURANCE STATUS REPORTS

Consideration was given to reports which provided an insight on the assurances across the Councils critical services, key risks and projects.

The Committee was guided through each assurance report by a senior officer and provided with an opportunity to ask questions in relation to the information contained within each report, and some of the points raised during discussion included the following:

Communities (presented by the Assistant Director Highways and Transportation)

- There was only one area which was identified as red, which was in Regeneration, which was mainly the Sutton Bridge Marina project, which had complex land ownership and legal issues which were outside of the authority's control, officers were working hard to resolve this;
- The assurances reported were on the processes and systems which were in place to deliver the work;
- The Highways and Transport Scrutiny Committee received regular updates on the performance of the Highways Alliance;
- Members were pleased with the support which was in place in respect of flood alleviation;
- An investigation into recent flooding events had been commissioned and published;

Resources and Community Safety (presented by the Executive Director Resources and Community Safety)

- Progress had been made in terms of overall assurance status;

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- The only area identified as red was in internal audit, but officers were confident that the action plans which had been put in place were more than adequate to deal with this issue;
- It was noted that the authority would be facing a period of change in the coming 12 months including the procurement of support services and systems;
- It was commented that it was an excellent report and contained a lot of information;

Children's Services (presented by the Executive Director Children's Services)

- An ofsted visit was due in relation to early help and safeguarding;
- Further details were requested in relation to the next steps identified in the report;
- Officers would be looking for what issues were picked up on in ofsted inspections of other authorities and ensuring Lincolnshire's arrangements met requirements;
- There had been some very high profile cases from serious case reviews ;
- The Lincolnshire Safeguarding Children's Board did have a risk register and this was reviewed at every meeting;
- Clarification was sort regarding the methodology for how assurance was given, and it was reported that the Executive Director had a huge raft of data at their disposal including ofsted reports, peer reviews, and significant amounts of performance information, which was used in agreeing the assurance level;
- The 5-11 age group was covered by the school improvement service;
- 15 hours of early education was important in areas of deprivation and a national requirement. There was a new initiative that 40% of two year olds in deprived areas should have access to good or excellent nursery care. The DfE had provided a £850,000 grant to provide capital support to the two year old offer, and there were four significant projects underway, but it was more about making smaller changes to offer more places;

#### RESOLVED

That the current status of the Executive Directors' assurance regime be noted.

#### 46 COUNTER FRAUD PROGRESS REPORT TO 31 DECEMBER 2013

Consideration was given to a report which provided an update on the Council's fraud investigation activities and information on progress made against our Counter Fraud Work Plan 2013/4.

It was reported that since the last meeting, the data analytics capabilities had been developed on a joint fraud proactive/due diligence exercise on expenses and member allowances. The detailed testing which arose from this work was now complete and a report of findings was being prepared. Members were advised that there had been some slippage on the counter fraud awareness campaign due to



investigative demands, due diligence commitments and the need to co-ordinate promotional work with the development of the e-learning tool and website updates.

Work on the National Fraud Initiative was now complete, and the only area to still be uploaded to the NFI system related to Blue Badges. The Business Support Team had validated the matches in the area and the results would be posted shortly.

In terms of investigations, there were currently two fraud investigations with the Police; three cases had been investigated since the last meeting of this Committee, these cases have now been closed; the team was currently investigating five cases of suspected fraud.

It was reported that the Home Office had announced the closure of the National Fraud Authority from 31 March 2014, and the Authority's responsibilities would be realigned to reflect the creation of the National Crime Agency which became operational in October 2013. It was also announced in the Autumn Statement that new funding would be made available to councils to tackle non-benefit fraud. It was still to be decided by ministers how to distribute this two year funding, but if shared equally across all councils it would mean an additional £25,000 per year for the next two years.

Members were provided with the opportunity to ask questions to the officers present in relation to the information contained within the report, and some of the points raised during discussion included the following:

- It was acknowledged that sometimes it could be very difficult to get the police involved, which was why the authority had trained investigators who knew how to collect evidence which would be admissible in court. The authority would always carry out its own preliminary enquiries before contacting the police;
- Lincolnshire Police no longer had a trained fraud officer, and this could be a very complex and specialised area of policing. However, there was an Economic Crime Unit, and if there was a very complex case this unit would be contacted;
- Internet crime had been identified as a growing area, and there were some resources available at a regional level for tackling this;
- It was suggested that the whistleblowing process would be a good subject for a councillor development session which would be open to all members of the council;

#### RESOLVED

1. That the outcomes of the counter fraud work be noted;
2. That the possibility of holding a Councillor Development Session, open to all members, in relation to the whistleblowing process be examined.

#### 47 UPDATED ANTI-MONEY LAUNDERING POLICY

Consideration was given to a report which covered the key aspects of the revisions to the Anti-Money Laundering Policy, explained the legal obligations on the Council and clarified the arrangements for raising awareness. It was noted that this policy

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revision did not contain any new legislation and replaced the anti-money laundering statement and procedures, 2007. The revised policy aimed to clarify the legislative requirements and the responsibilities of the council, its key partners and employees; explain the relevant criminal offences; defined the reporting arrangements (internal and external) and expected response; provide a list of possible indicators of money laundering activity; and use plain English.

It was intended to promote this policy alongside the authority's counter fraud and whistleblowing awareness programme and supplement with targeted training for those staff groups most likely to encounter money laundering. It was noted that the authority had strong counter fraud and whistleblowing arrangements and so the risk to the council remained low.

Members commented that the document was very thorough and the importance of raising awareness was highlighted. These messages needed to be consistently reinforced.

These policies were applied to all strategic contracts. It was noted that both tenders for the FDSS contract required disclosure of this policy.

**RESOLVED**

That the content of the policy revision be noted.

**48      UPDATE ON ANNUAL GOVERNANCE STATEMENT 2013**

Consideration was given to a report which provided the Committee with information on the annual review of the Local Code of Governance and progress on agreed actions contained in the Council's Annual Governance Statement 2013.

Members of the Committee were provided with the opportunity to ask questions to the officers present in relation to the information contained within the report, and some of the points raised during discussion included the following:

- Members commented that it was a very well written and straightforward document;
- A report would be going to full Council in February 2014 regarding new monitoring officer arrangements;
- In terms of the Senior Leadership Programme, it was reported that there were a lot of managers who were just below Head of Service level entering this programme, as senior managers were too busy to attend. However, this was starting to develop future leaders;
- It was important to manage the expectations of members and the public in terms of what the council was able to do;
- The Sustainable Services Review would involve huge changes for the authority. The future governance framework would be quite complex;

- There was a synergy between assurance reports from executive directors and the Annual Governance Statement;
- Becoming a commissioning council would be a method used by the council to meet the financial challenges. The authority would redesign what it did, it would not stop doing things, but it would change the way that services were delivered. There would be closer working with health, and more effective working with district councils;
- Reviews of services would take place and it was aimed that changes would be implemented by May 2017;
- The programme itself was on track but some activities were one month behind;
- Procurement and contract management were big issues. Members were assured that officers had a good view of all contracts, and there was a contracts register. It was ensured that good quality outputs were there from the start of the contract;
- It was important to build up relationships with the suppliers to manage issues rather than just imposing penalties;
- It was queried whether any problems with NHS contracts was envisioned due to the integration with NHS functions. Members were advised that there were a number of national contracts, and many services were commissioned from inside of Lincolnshire. It was noted that the Council was now in a better position with the CCG's in terms of relationships than ever before, meetings were held every month, and services would be commissioned jointly through a Joint Commissioning Unit;

#### RESOLVED

1. That the effectiveness of the Council's Local Code of Governance be noted;
2. That the progress made on the Annual Governance Statement be noted.

#### 49     WORK PLAN

The Committee received a report which provided information on progress on agreed actions and its work plan up to 31 March 2014.

Members were reminded that a workshop would be held following the meeting on 31 March 2014 to assess the effectiveness of the Audit Committee. It was also noted that the work plan would be considered during this workshop in order to plan future work for the Committee.

#### RESOLVED

1. That the progress of agreed actions in Appendix A to the report be noted;
2. That the work plan set out in Appendix B to the report be noted;
3. That a self-assessment on the effectiveness of the Audit Committee be undertaken following the meeting in March 2014.

The meeting closed at 1.00 pm

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