



County Offices
Newland
Lincoln
LN1 1YL

15 April 2019

Overview and Scrutiny Management Board

A meeting of the Overview and Scrutiny Management Board will be held on **Thursday, 25 April 2019 at 10.00 am in Committee Room One, County Offices, Newland, Lincoln LN1 1YL** for the transaction of the business set out on the attached Agenda.

Yours sincerely

A handwritten signature in black ink that reads 'DBarnes'.

Debbie Barnes OBE
Head of Paid Service

Membership of the Overview and Scrutiny Management Board (11 Members of the Council and 4 Added Members)

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

Added Members

Church Representatives: Reverend P A Johnson and Mr S C Rudman

Parent Governor Representatives: Mrs P J Barnett and Miss A E I Sayer

**OVERVIEW AND SCRUTINY MANAGEMENT BOARD AGENDA
THURSDAY, 25 APRIL 2019**

Item	Title	Pages
1	Apologies for Absence/Replacement Members	
2	Declarations of Interest	
3	Minutes of the meeting held on 28 March 2019	7 - 14
4	Announcements by the Chairman, Executive Councillor for Resources and Communications and Chief Officers	
5	Consideration of Call-Ins	
6	Consideration of Councillor Calls for Action	
7	IMT Strategy Document <i>(To receive a report from John Wickens (Chief Digital Officer), which invites the Board to consider a report regarding the IMT Strategy Document, which is due to be considered by the Executive Councillor for Highways, Transport and IT between the 07 and 10 May 2019. The views of the Board will be reported to the Executive Councillor as part of his consideration of this item)</i>	15 - 42
8	Formation of a Company for Legal Services <i>(To receive a report from David Coleman (Chief Legal Officer), which invites the Overview and Scrutiny Management Board to consider a report regarding the formation of a company for Legal Services, which is due to be considered by the Executive on 08 May 2019. The views of the Board will be reported to the Executive as part of the consideration of this item)</i>	43 - 68
9	Procurement Strategy <i>(To receive a report by Alex Botten (Strategic, Commercial and Procurement Manager), which invites the Board to consider a report on the Procurement Strategy 2019-2022, which is due to be considered by the Executive on 8 May 2019. The views of the Board will be reported to the Executive as part of the consideration of this item)</i>	69 - 84
10	Office Supplies <i>(To receive a report from Alex Botten (Strategic, Commercial and Procurement Manager), which invites the Board to consider a report regarding Office Supplies, which is due to be considered by the Executive Director of Finance and Public Protection between the 07 May and 3 June 2019. The views of the Board will be reported to the Executive Director as part of his consideration of this item)</i>	85 - 94

- 11 Performance of the Corporate Support Services Contract** 95 - 100
(To receive a report from Sophie Reeve (Chief Commercial Officer), which provides an update of Serco's performance against contractual Key Performance Indicators specified in the Corporate Support Services Contract between October 2018 and February 2019)
- 12 Energy Procurement** 101 - 112
(To receive a report from Sophie Reeve (Chief Commercial Officer), which invites the Board to consider a report regarding the Council's arrangements for purchasing electricity, which is due to be considered by the Leader of the Council between the 6 and 30 May 2019. The views of the Board will be reported to the Leader of the Council, as part of his consideration of this item)
- 13 Performance Reporting to Scrutiny Committees** 113 - 120
(To receive a report from Nigel West (Head of Democratic Services and Statutory Scrutiny Officer), which sets out a proposed new arrangement of reporting performance against the Council Business Plan to Scrutiny Committees)
- 14 Overview and Scrutiny Annual Report 2018-19** 121 - 122
(To receive a report by Nigel West (Head of Democratic Services and Statutory Scrutiny Officer), which invites the Board to consider a draft of the Overview and Scrutiny Annual Report for 2018-19)
- 15 Overview and Scrutiny Management Board Work Programme** 123 - 138
(To receive a report which enables the Board to consider and comment on the content of its work programme for the coming year, to ensure that scrutiny activity is focussed where it can be of greatest benefit)

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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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**OVERVIEW AND SCRUTINY
MANAGEMENT BOARD
28 MARCH 2019**

PRESENT: COUNCILLOR R B PARKER (CHAIRMAN)

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

Added Members

Church Representatives: Mr S C Rudman

Councillors: P A Skinner and M A Whittington attended the meeting as observers

Officers in attendance:-

Daniel Steel (Scrutiny Officer), Nigel West (Head of Democratic Services and Statutory Scrutiny Officer), John Wickens (Chief Digital Officer) and Rachel Wilson (Democratic Services Officer)

27 APOLOGIES FOR ABSENCE/REPLACEMENT MEMBERS

Apologies for absence were received from Mrs P A Barnett (Parent Governor Representative), Miss A Sayer (Parent Governor Representative) and Councillor C E H Marfleet.

Apologies for absence were also received from Councillor B Young (Executive Councillor for Community Safety and People Management) and Pete Moore (Executive Director Finance and Public Protection).

28 DECLARATIONS OF INTEREST

There were no declarations of interest at this point in the meeting.

29 MINUTES OF THE MEETING HELD ON 28 FEBRUARY 2019

RESOLVED:

That minutes of the meeting held on 28 February 2019 be approved as a correct record and signed by the Chairman.

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

**OVERVIEW AND SCRUTINY MANAGEMENT BOARD
28 MARCH 2019**

The Chairman advised that he had attended the meeting of the Executive held on 5 March 2019 and had highlighted the comments from the Board on the Quarter 3 Council Business Plan 2018/19. In particular he emphasised the Board's concern regarding the order of reporting for this item to scrutiny committees, the Board and Executive. As requested, officers had looked at a number of options for how this could be addressed. The options had been presented to Group Leaders and Corporate Management Board for their input, and a report on a proposed new way for reporting the Council Business Plan would be presented to the Board at its next meeting on 25 April 2019.

In relation to concerns which had been raised regarding adult social care and safeguarding where the source of risk was the service provider, it was noted that these would be addressed by the Executive Director and a new indicator was being developed which would measure those reports which lead to a Section 42 investigation.

As agreed at the last meeting, a joint workshop with the Audit Committee had been arranged for 30 May 2019 at 1.30pm to look at Culture and Accountability. This followed on from the last workshop in December 2018 which looked at what lessons could be learnt from Northamptonshire County Council in relation to financial resilience. An electronic appointment had been sent to members.

It was also reported that at the last meeting of the Board, a report on the membership of the Local Government Association (LGA) was considered and the Board recommended that the termination for 1 April 2019 be withdrawn and replaced with a further 12 months' notice to terminate membership of the LGA, which would mean the Council could leave the LGA on 1 April 2020. The Chairman reported that the Leader of the Council's decision was in accordance with the recommendation from the Board.

31 CONSIDERATION OF CALL-INS

None were received

32 CONSIDERATION OF COUNCILLOR CALLS FOR ACTION

None were received

**33 CORPORATE SUPPORT SERVICES CONTRACT – IMT PROGRESS
REPORT**

Consideration was given to a report which provided an update to the Overview and Scrutiny Management Board (OSMB) on the progress made against key IMT – related transformation and transactional projects being undertaken by Serco, and other third party suppliers. Page 15 of the report set out those projects which had been completed since the last report.

OVERVIEW AND SCRUTINY MANAGEMENT BOARD
28 MARCH 2019

Members were provided with an 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:

- In relation to the open text migration project, it was queried when it was likely that the status of the project would move from red to green, and how far behind the project was. The Board was advised that the project was about three weeks behind target and that the impact of this would carry on for another three to four weeks. However, it was noted that this was due to a delay in getting the technical resource from the vendor. In terms of impact, the Council would continue to use the existing platform for longer than planned as some compatibility issues had been identified with Office 365. Officers were exploring ways to resolve the outstanding issues.
- It was queried whether the Council was incurring any additional costs due to the delay to the introduction of Open Text Migration. It was acknowledged that there were some associated costs, but the delay had been caused by a third party. The costs were mainly in terms of resources from the extension of the project.
- It was queried whether the makers of the software were getting any benefit from the changes requested by the authority to integrate the Confirm Highways System, and it was noted that this was a bespoke system that was developed specifically for LCC.
- It was queried what 'Planned Stage Boundary' referred to in terms of project impact, and members were advised that this meant the project manager required information from third parties.
- In relation to the conversion to Windows 10 software, it was commented that after the automatic updates were installed there seemed to be a slowing down of the computer, and it was queried whether all of the new computers and laptops being issued to staff would have the automatic updates function switched on. Members were advised that it had been possible to defer release of the updates until they had been tested but Microsoft's update-release strategy meant the updates would automatically update eventually.
- In relation to the Corporate Card Payments project on page 16 of the report, it was queried what the 'other modern methods' referred to, and it was also highlighted that the customer not present transactions held a lot of risk and it was also queried whether customers would also be able to pay by credit card online. It was noted that there were agreements with different card processors to enable online payments in addition to the one for card holder present and contactless payments. Those departments which were planning on enabling card payments would have done their own due diligence in terms of risk.
- Members were advised that due diligence around compliance with procurement regulations had been carried out. It was also queried how this was being risk managed. Members were advised that all projects carried a risk log, and if a risk was significant it would go into the departmental log. If it was still considered significant it would be included within the corporate log.
- In relation to the project dashboards on page 19 of the report, it was queried what the forecast closure date was and the forecast/actual delivery date. It was noted that these were project technicalities, and the closure date would

OVERVIEW AND SCRUTINY MANAGEMENT BOARD 28 MARCH 2019

be when the project was finished and fully closed down from a commercial aspect. The Forecast/ Actual Delivery Date applied to the next milestone name on that line.

- It was highlighted that the exception reporting would focus on those projects which were listed as red or amber; however, reports would continue to include the other projects, despite being green, as members may still have questions about these projects.
- It was confirmed that completed projects were green, and it was considered that it was useful to show these as it highlighted what had been achieved. Members agreed that they were happy to leave the reporting as it was.
- The Board expressed their thanks to John Wickens and his team for the work they had done.

RESOLVED

1. That the Overview and Scrutiny Management Board note the performance of the Corporate Support Services Contract, and the performance of other project related contracts.
2. That the highlighted 20 IMT projects be noted.
3. That the proposal for IMT to report by exception for future OSMB reports be supported.

34 SCRUTINY COMMITTEE WORK PROGRAMMES

The Chairman of the Environment and Economy Scrutiny Committee, the Chairman of the Highways and Transport Scrutiny Committee and the Chairman of the Flood and Water Management Committee outlined the recent work undertaken by their committees, and the prospective work programmes.

Members were provided with the opportunity to ask questions to the Chairmen in relation to the information contained within the update and the work programmes, and some of the points raised during discussion included the following:

Environment and Economy Scrutiny Committee

- The potential impact on County Farms of replacing the European funding subsidy was referred to.
- It was felt that there could be some negative impacts within the Agriculture Bill including whether there would be any impact on the ability of the County Council to dispose of county farms land. However, it was observed that it was not the Council's policy to dispose of county farms. If a tenant was reaching retirement age, then the authority would look at succession planning and would encourage this where possible. It was also noted that if there were a number of small parcels of land that the Council would see if these could be combined to form a larger parcel.
- Members were advised that Councillor Dobson, Chairman of the Environment and Economy Scrutiny Committee had attended the forum which aimed to influence the Agriculture Bill.

OVERVIEW AND SCRUTINY MANAGEMENT BOARD
28 MARCH 2019

- There was a need to consider the availability of electric car charging points in car parks throughout the county. It was suggested that the North Sea Observatory might be a good location for a charging point in that area of the east coast. (Councillor K Cook declared an interest and left the meeting as her company was an installer of electric car charging points.)
- It was noted that the Council was working with Material Recovery Facilities (MRF) sites to find out what could be done in terms of simplifying the message around recycling.
- It was noted that the company Mars had a scheme encouraging customers to return plastic bags from their pet food products to them free of charge for recycling.
- In terms of education, it was highlighted that the Energy from Waste facility in North Hykeham ran a programme of school trips for young people to learn about how the waste was processed.
- Councillor Mrs Brockway requested that if there was any action in relation to the Riseholme site, she would like to be informed.
- It was noted that the theme for this year's Looked After Children and Care Leavers FAB awards had been recycling.
- In terms of the future work programme, interest was expressed in further consideration of Lincolnshire's developing relationship with the Hunan province in China and that as part of this it was important to consider the ethics of any business relationship.
- It was noted that there was a reference to an item in relation to the Skegness Countryside Business Park and members were advised that this outline plans for the development of a new business park in Skegness.

Highways and Transport Scrutiny Committee

- It was noted that the schedules for the April and June 2019 meetings of the Highways and Transport Scrutiny Committee were full, but that they did not include any items in relation to the Lincoln Western Growth Corridor. It was noted that there had been a press release by the Executive Councillor for Highways, Transport and IT. It was thought that there was a need for improvements to the Birchwood roundabout, and that the infrastructure should be in place before any new houses were built and it was suggested whether something could be added to the work programme to consider this. It was highlighted that these issues may come under the Lincoln Transport Strategy, which would be coming to the next meeting, and any concerns should be put forward at that point.
- In terms of the winter treatment of roads, it was queried whether there was any room in the system to introduce additional roads for treatment. It was noted that the Council had maintained the same number of roads and the policy had always been that if a new road was added then one needed to be taken out of the winter salting routes. The winter maintenance report was on the agenda for the next meeting. If there was a new route that members wanted included, there needed to be a case made for it.

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- It was queried whether there were any plans to programme in an item on the Coastal Highway. It was noted that it was listed as an item to be programmed, but there was not a date for it as yet.
- In relation to road classifications and frequency of inspections of pot holes, it was noted that in some cases there was more traffic on 'B' roads than 'A' roads.
- It highlighted that there was a technical link which did not work on the 'Fix my Street' fault reporting system. The Chairman of the Highways and Transport Scrutiny Committee advised that if the details could be passed to him he would follow it up with officers. It was queried whether it was thought that this was an IT issue or a highways issue, and members were advised that there had been some data matching issues between the old and new systems.
- In relation to the CCTV monitoring outside of schools, it was noted that the schools were selected based on need.
- It was noted that the road from Nettleham had now been resurfaced and it was highlighted that the highways officers had been very responsive to the parish councillors.

Flood and Water Management Scrutiny Committee

- In terms of sustainable drainage and riparian ditches, it was commented that no one was taking responsibility for them and they were a significant part of the drainage system and were being filled in and covered over. It was suggested that there was a need for a piece of work to be carried out on this issue, and it was reported that some of the drainage boards were now looking into it.
- In terms of water resources, it was commented that there was a need to look strategically as Lincolnshire was one of the driest counties in the country, and it was queried whether there was a plan to build reservoirs in the south of the county.

RESOLVED

That the content of the work programmes of the Environment and Economy, Highways and Transport and Flood and Water Management Scrutiny Committees be noted.

35 OVERVIEW AND SCRUTINY MANAGEMENT BOARD WORK PROGRAMME

Consideration was given to a report which enabled the Board to consider and comment on the content of its work programme for the coming year to ensure that scrutiny activity was focused where it could be of greatest benefit.

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:

**OVERVIEW AND SCRUTINY MANAGEMENT BOARD
28 MARCH 2019**

- There were three pre-decision scrutiny items scheduled for the April meeting
- It was queried when the working group on exiting the EU would be completed. Members were advised that Justin Brown in Economic Development was leading on this, and further meetings had been set up for May/June. It would be requested that a progress report be provided to the Board at a future meeting. It was noted that there had recently been an article in The Municipal Journal which suggested that there may be more money available for local authorities and the Chairman would circulate this to members.

RESOLVED

That the Board's work programme, as set out in Appendix A of the report, be noted and agreed.

The meeting closed at 12.05 pm

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Open Report on behalf of Debbie Barnes OBE, Head of Paid Service

Report to:	Overview and Scrutiny Management Board
Date:	25 April 2019
Subject:	IMT Strategy Document

Summary:

This item invites the Overview and Scrutiny Management Board to consider a report regarding the IMT Strategy Document. This report is due to be considered by the Executive Councillor for Highways, Transport and IT between the 07 and 10 May 2019. The views of the board will be reported to the Executive Councillor as part of his consideration of this item.

Actions Required:

- (1) To consider the attached report and to determine whether the board supports the recommendation that the Executive Councillor for Highways, Transport and IT approves the Council's IMT High Level Strategy 2019-22.
- (2) To agree any additional comments to be passed to the Executive Councillor in relation to this item.

1. Background

The IMT High Level Strategy 2019-2022 sets out the guiding principles for how Council technology assets and services will align to corporate objectives and desired outcomes. It enables senior leadership to set the direction for the future direction of IMT and to monitor performance of the Council in delivering against their objectives. It establishes a basis against which future decision making can take place and establishes a future work plan for the Council's IMT service and partners.

The full Executive Councillor report is attached at Appendix 1 to this report.

2. Conclusion

Following consideration of the report, the Overview and Scrutiny Management Board is requested to consider whether it supports the recommendations in the report and highlight any additional comments to be considered by the Executive Councillor for Highways, Transport and IT.

3. Appendices

These are listed below and attached at the back of the report	
Appendix 1	I017909 - IMT Strategy Document

4. 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 John Wickens, who can be contacted on 01522 553651 or john.wickens@lincolnshire.gov.uk.

Open Report on behalf of Debbie Barnes OBE, Head of Paid Service

Report to:	Councillor R G Davies, Executive Councillor for Highways, Transport and IT
Date:	07 - 10 May 2019
Subject:	IMT Strategy Document
Decision Reference:	I017909
Key decision?	No

Summary:

The Report seeks approval for the IMT High Level Strategy 2019-22 attached at Appendix A to this Report.

Recommendation(s):

That the Executive Councillor for Highways, Transport and IT approves the document at Appendix A to this Report as the Council's IMT High Level Strategy 2019-22.

Alternatives Considered:

Not to approve the document at Appendix A to this Report as the Council's IMT High Level Strategy 2019-22.

Reasons for Recommendation:

It is generally accepted as good practice to create and issue and periodically review a high level strategy for the Council's approach to IMT.

This IMT High Level Strategy 2019-2022 sets out the guiding principles for how Council technology assets and services will align to corporate objectives and desired outcomes. It enables senior leadership to set the direction for the future direction of IMT and to monitor performance of the Council in delivering against their objectives. It establishes a basis against which future decision making can take place and establishes a future work plan for the Council's IMT service and partners.

This is intended to allow the leadership of the Council to be assured the IMT service (in-house and partners) is aligned to the Council's broader strategies and the challenges being faced by the council.

1. Background

Information Management and Technology (IMT) underpins most Lincolnshire County Council (LCC) services.

Put simply if critical IMT systems fail, public facing services will be compromised or cease altogether. Modern IT systems will enable us to deliver high quality, efficient and effective services across all our activities.

LCC has recognised the need to modernise its infrastructure, personal devices and systems for some time and continues to fund a programme of work which will deliver significant business benefits during 2019.

Looking beyond that timeframe there is a need for the Council to establish the high level principles against which it will continue to develop its IMT to support the future delivery of the Council's services.

The IMT High Level Strategy 2019-22, as attached at Appendix A, sets out the guiding principles for how Council technology assets and services will align to corporate objectives and desired outcomes over the next 3 years. It proposes a prioritisation of activities based on a structured development through modernisation, optimisation and transformation. This structured approach allows the identification of a series of projects which fit into one of the three main categories. Many of these projects especially in the category of modernisation are already in place. Others as we progress into optimisation and especially transformation will require their own business cases and their own individual decision-making.

The Strategy enables senior leadership to establish the future direction for the IMT service and provides a basis against which progress in the development of the Council's IMT can be monitored. It is a high level short form document intended for decision makers and stake holders to understand the direction of travel and the principles which will underpin future proposals and decision-making.

The Strategy also provides the basis on which the future activities of the Council's IMT service will be directed.

The IMT service is a mix of internal and external resources. Strategic functions remain largely in-house and our prime service provider, Serco, provides the support desk for service users, infrastructure support, solution design and project services. The service is working increasingly in a more joined up way at the strategic level.

The Serco contract runs to 2022, the same period as the Strategy, and over this period the IMT service as a whole aims to become a more "Enabling Service" which makes more of the skills available within the IMT service, available to business managers when they are in the process of redesigning their own services or changing their processes and tools.

2. Legal Issues:

Equality Act 2010

Under section 149 of the Equality Act 2010, the Council must, in the exercise of its functions, have due regard to the need to:

- * Eliminate discrimination, harassment, victimisation and any other conduct that is prohibited by or under the Act
- * Advance equality of opportunity between persons who share a relevant protected characteristic and persons who do not share it
- * Foster good relations between persons who share a relevant protected characteristic and persons who do not share it.

The relevant protected characteristics are age; disability; gender reassignment; pregnancy and maternity; race; religion or belief; sex; and sexual orientation

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

- * Remove or minimise disadvantages suffered by persons who share a relevant protected characteristic that are connected to that characteristic
- * 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
- * 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

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

Compliance with the duties in section 149 may involve treating some persons more favourably than others

The duty cannot be delegated and must be discharged by the decision-maker. To discharge the statutory duty the decision-maker must analyse all the relevant material with the specific statutory obligations in mind. If a risk of adverse impact is identified consideration must be given to measures to avoid that impact as part of the decision making process.

Equality Act considerations have been taken into account and there are not considered to be any impacts of this decision.

Joint Strategic Needs Analysis (JSNA) and the Joint Health and Wellbeing Strategy (JHWS)

The Council must have regard to the Joint Strategic Needs Assessment (JSNA) and the Joint Health & Well Being Strategy (JHWS) in coming to a decision

The JSNA and JHWS have been considered and this decision is not considered to have any direct impact on them

Crime and Disorder

Under section 17 of the Crime and Disorder Act 1998, the Council must exercise its various functions with due regard to the likely effect of the exercise of those functions on, and the need to do all that it reasonably can to prevent crime and disorder in its area (including anti-social and other behaviour adversely affecting the local environment), the misuse of drugs, alcohol and other substances in its area and re-offending in its area

Crime and Disorder Act considerations have been taken into account and there are not considered to be any impacts of this decision.

3. Conclusion

The IMT High Level Strategy attached at Appendix A has been developed following engagement with key stakeholders as a high level statement of the future direction for development of IMT to support LCC in terms of modernisation, optimisation and transformation and the report seeks the approval of the Executive Councillor for the Strategy

4. Legal Comments:

The Council has the power to adopt the decision.

The decision is consistent with the Policy Framework and within the remit of the Executive Councillor.

5. Resource Comments:

Approving the IMT High Level Strategy 2019-2022 will not have a direct impact on the budgets of the council. The strategy will direct future IMT projects and improvements to meet the council's objectives and this programme of work will form part of the approved capital programme.

6. Consultation

a) Has Local Member Been Consulted?

n/a

b) Has Executive Councillor Been Consulted?

Yes

c) Scrutiny Comments

This decision will be considered by the Overview and Scrutiny Management Board at its meeting on 25 April 2019 and the reports of the Committee will be reported to the Executive Councillor.

d) Have Risks and Impact Analysis been carried out?

Yes

e) Risks and Impact Analysis

See the body of the Report and the Strategy

7. Appendices

These are listed below and attached at the back of the report	
Appendix A	IMT Strategy Feb 2019 V1.0

8. Background Papers

No Background Papers within the meaning of section 100D of the Local Government Act 1972 were used in the preparation of this Report.

This report was written by John Wickens, who can be contacted on 01522 553651 or john.wickens@lincolnshire.gov.uk.

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**Information Management and
Technology
High Level
Strategy 2019 – 2022**

February 2019

Document History

Version	Version Date	Changes
0.1	14/12/2018	First draft
0.2	17/12/2018	Revised Order to aid readability and Grammatical Changes
0.3	22/01/2019	Removal of Information Management and Service Strategy sections
0.4	23/01/2019	Edits based on stakeholder feedback
0.5	25/01/2019	Section changes, further edits
0.6	05/02/2019	Language aligned and other simplifications
0.7	05/02/2019	Final graphics reworked
0.8	05/02/2019	Grammatical corrections
0.9	12/02/2019	CMB Feedback
0.91	14/02/2019	Revision to align to IMT Communications
1.00	14/02/2019	Reviewed by CEX

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2. Introduction

The Information Management and Technology (IMT) Service underpins most Lincolnshire County Council (LCC) services.

Put simply if critical IMT systems fail, public facing services will be compromised or cease altogether. Modern IT systems will enable us to deliver high quality, efficient and effective services across all our activities.

The Council has recognised the need to modernise LCC's infrastructure, personal devices and systems for some time and continues to fund a programme of work which will deliver significant business benefits during 2019.

The IMT service organisation is a mix of internal and external resources. Strategic functions remain largely in-house and our prime service provider, Serco, provides the support desk for service users, infrastructure support, solution design and project services. The service is working increasingly in a more joined up way at the strategic level. The Serco contract runs to 2022 and over this period the IMT service as a whole aims to become a more "Enabling Service" which makes more of the skills available within the IMT service, available to business managers when they are in the process of redesigning their own services or changing their processes and tools

The support desk service has improved markedly over the last year, and the expected reduction in the number of high severity incidents as a result of the investment will release resources to focus on providing a high quality service and the proactive maintenance of the estate.

All LCC, IMT service providers are directly or indirectly managed through the retained IMT service, which is responsible for all IMT infrastructure, application and digital services.

This IMT Strategy will set out the guiding principles for how Council technology assets and services will align to corporate objectives and desired outcomes. It will enable senior leadership to establish the service has interpreted its directions correctly. It is a high level short form document intended for leadership level decision makers and stake holders and represents only the changing elements of the service.

More detailed information is being made available on the Council intranet.

3. Document Lifecycle

This document describes the high level IMT strategy from 2019 to 2022 and will be reviewed annually to validate the continued alignment of IMT Strategies with corporate objectives.

4. IMT Strategy Alignment to Corporate Priorities

Key Corporate Objectives

The Councils key corporate objectives apply equally to IMT as to all other Council business areas:



Business Priorities for the IMT Service

Stakeholder engagement has identified the following key corporate priorities for the IMT service, which will enable the Council to achieve its business objectives.

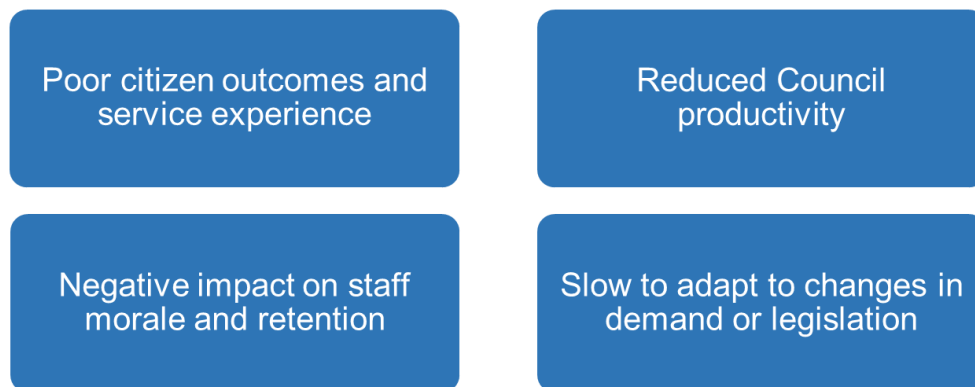


5. Priority 1 - Become Brilliant at the Basics through Modernisation

The 3 highest priority areas for the Council IMT service are:

- A. Address known recurring high impact service issues.
- B. Deliver high performing and reliable IMT services and devices.
- C. Empower staff to exploit the full value of IMT services, devices and technology.

Business Impacts of Not Being Brilliant at the Basics



Brilliant at the Basics through Modernisation

To become brilliant at the basics, IMT will continue the existing refresh work programme and the migration to cloud services as part of the Modernisation work stream.

The **Modernisation work stream** will focus on:

- A. Resolution of known issues impacting day to day operations.
- B. Remove technical debt and establish a reliable baseline IMT service with high performing services, applications and devices.
- C. Build the foundation for a platform to support ongoing business improvement.

Summary of Modernisation Work stream

The following key projects sit in this work stream:

- The upgrade of the **Identity Service**, used to verify the identity of users logging on to the network and Council applications, will ensure a 'single sign on' experience as services migrate to the Cloud
- The adoption of the **DMARC** email security standard will maintain ongoing confidentiality of emails between government departments as we move away from GCSX
- An extension of the **Web Access Modernisation** programme using the zScaler security service to protect against browser based cyber-attacks
- The **Telephony Enablement** project will upgrade the Avaya software and reconfigure the underlying platform. This will extend the working life of the existing investment and address a number of issues affecting the CSC
- LFR will also be migrated to the LCC **Avaya telephony** platform to reduce the cost of replacing their current 'end of life' system
- The ongoing upgrade of the **Lincoln Campus network** is replacing ageing infrastructure and improving performance and supportability. Improved WiFi capacity will allow many more devices (including personal devices) to connect supporting staff, Councillors and visitors
- A related project will also upgrade the **Internet Connection** to support the growing reliance on Cloud services. This includes the implementation of the new Health & Social Care Network (HSCN) as a replacement for the discontinued N3 Health connection
- An investigation of the **Crown House network** is confirming the requirements for a network refresh taking into account the resilience of the telephony components used by the CSC. This project will adopt much of the design work from the Lincoln Campus network upgrade
- The **IMP migration** project moves the Council's documents to the Cloud negating the need to replace ageing infrastructure and future work will allow full records management capability and a better user experience

- The **Windows 10 Corporate Refresh** programme will provide staff with new, faster, lighter and more reliable laptops, and ensures we continue to use a fully supported Windows version
- The introduction of a **Digital Platform**, which includes a rebuild of the **LCC Corporate Website**, will significantly improve the ability for local people and visitors to 'self-serve' and carry out online transactions
- The provision of 'contactless' and 'chip and pin' payment methods for a broader range of Council services will be delivered as part of the **Corporate Card Payments** initiative

Summary

Being brilliant at the basics means IMT services will be modernised and work brilliantly for our service users. Council services and business outcomes will benefit from reliable IMT infrastructure and application services and the support services to keep them working.

Recurring issues are impacting day to day service and Council productivity. This is the highest priority area for IMT to address in the short term, but will require least business engagement.

6. Priority 2 – Support Business Efficiency through Optimisation

The level 2 priority areas for IMT are to:

- A. Enable collaboration between staff, Councillors and partners.
- B. Improve citizen engagement.
- C. Enable the better use of information to improve decision making.
- D. Make information more meaningful for transparency and accountability.
- E. Optimise our financial efficiency through cost engineering the solutions and services in use.

Business Impacts of not Supporting Business Efficiency through Optimisation



Supporting Business Efficiency through Optimisation

Optimisation refers to the introduction of new technology and capability to improve aspects of existing business service models and processes, or to improve the financial efficiency of the IMT services. In technology it typically refers to improvements and capabilities benefiting the whole Council.

Some of the capabilities deployed under this work stream could be termed transformational. However for the purposes of this strategy Transformation is defined as activities which fundamentally change business service models and processes, typically challenging historical practices and conventions in a particular business area.

The business value of technologies deployed under the Optimisation work stream will require greater business engagement, but in turn will generate greater business value.

The IMT service must assist and shape the business adoption of new services such as Office 365, which contains many new productivity tools and ways of communicating, to ensure maximum benefit is extracted from these investments.

The IMT service will further develop its collaborative working relationships with the business to deliver this goal. IMT will re-organise itself to provide business managers and leaders with better access to the skills and expertise within the IMT service. The objective is to support proposals requiring IMT work for presentation to the newly formed IMT Board.

This change will be evolutionary rather than revolutionary and is as much a cultural change as a service design change.

The **Optimisation work stream** will build upon modernisation outcomes to:

- A. Enhance Council productivity.
- B. Create organisational capacity through process automation.
- C. Improve access to services for citizens through enhancements to existing contact centre services, web channels and digital technologies.
- D. Improve the quality of management reporting and decision making through data visualisation and business intelligence.

Summary of Optimisation Work Stream

- IMT is supporting **LFR strategic plans** for relocation:
 - To provide the technical infrastructure and capability to support LFR in occupying the new purpose built fire station in Sleaford housing 130 staff
 - To ensure services are fully tested and working as expected as the LFR Control room moves to Nettleham
 - The LFR South Park build project will provision the IMT service elements of the new shared service Blue Light Campus
- The current version of Microsoft Office will be replaced with **Office 365**. As well as access to well known apps – Word, Excel, Powerpoint – LCC staff will have access to Skype for Business video conferencing improving productivity and reducing travel. This sophisticated Cloud service will also allow content and data to be accessible to all connected devices with effortless sharing and collaboration
- The introduction of **SIM Enabled Laptops** allows staff, particularly in Adult & Children's Services, to access key systems and real-time information whilst out in the field
- The implementation of a **network link between LCC and the Microsoft Azure Cloud** will allow the Data Services team to build, deploy and manage workloads in the Cloud giving access to the latest **Business Intelligence** toolsets
- To support the move away from GCSX, the **Symantec secure email** plug in project is the final piece of a solution which will make it easy for users to send emails securely to external recipients

- The **replacement of the remaining Windows 7 Laptops and PCs** during 2019 will provide numerous benefits: Windows 10 functionality, better hardware, seamless remote working, particularly for field workers, and lighter, faster and more resilient devices.
- As part of the **Digital Platform website** project, a number of supporting component technologies are being delivered to enable integration between the services offered and the required 'back office' systems used to process the transactions.
- The implementation of a **Records Management** programme to address the accumulation of physical and digital records and to reduce cost of storage. The scale of these records is also affecting the Council's agility when adopting new technology.

Summary

The Optimisation work speaks to the need for the Council to continuously improve how it delivers its services to citizens within its existing set of services, processes and business models.

Due to the speed with which it may be accomplished following modernisation activities, Optimisation is the second priority and will require business engagement to ensure new technology is adopted across the Council and the investments are fully exploited.

7. Priority 3 - Support the Business in Transformation

The level 3 priority area for the Council IMT service is to:

- A. Enable a sustained Council capability for agile service transformation to support managers who seek to exploit emerging technologies to transform their business operations.

In recent years the public sector has been subject to reducing budgets whilst citizens' expectations and demand for services has continued to grow. Consequently cost and waste has been driven from existing processes and service models.

In order to continue to serve the public's changing expectations and meet the ongoing budget constraints, the Council must rethink how it delivers its services.

In some areas a case can be made to exploit emerging technologies such as Artificial Intelligence and cognitive computing to transform the services we present to the public and reduce the cost of providing those services.

Business Impact of not Supporting the Business in Transformation



Supporting the Business in Transformation

Transformation in the IMT sense is about building upon the Modernisation and Optimisation work streams and commissioning additional capabilities that exploit emerging transformative technologies at the level required by the Council. The objective here is to:

- A. Co-ordinate investments made by the Council to augment its Digital Platform capabilities
- B. Develop the platform for rapid, secure deployment of new IMT capabilities and to support the creation of the Councils new business models
- C. Enable a Council capability for ongoing transformation and innovation at the level required by the Council by providing better access to the expertise within the IMT service and its partners

Summary

We are seeing a number of new and maturing technologies that create the capability to transform almost all modern businesses and the Council will to some degree be compelled to respond to this challenge. This will require the IMT service, and the complementary cultural and business change capability, to be developed to enable transformation to happen.

The IMT service will work with those business managers who seek to exploit these opportunities to take these initiatives through from business case to benefits realisation at the level the Council requires of us.

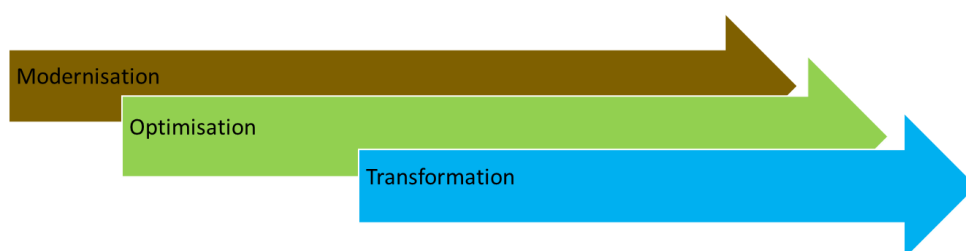
Relationship between IMT Technical Strategy Work streams

Higher business value can be realised through Optimisation and Transformation work streams.

The IMT elements of these work streams by their definition require higher levels of business input to achieve improved business outcomes and business value.

Whilst it is true an ability to deliver Transformation builds upon the Modernisation and Optimisation work stream deliverables, there is significant overlap and individual projects could be in 2 or all of these categories.

These work streams will run concurrently for as long as transformative technologies continue to emerge.



A key success factor for the IMT Strategy and associated Forward Work Plans are that they demonstrate over time a move away from a predominately risk driven Modernisation payload to a more balanced Modernisation, Optimisation and Transformation payload at the level the Council decides.

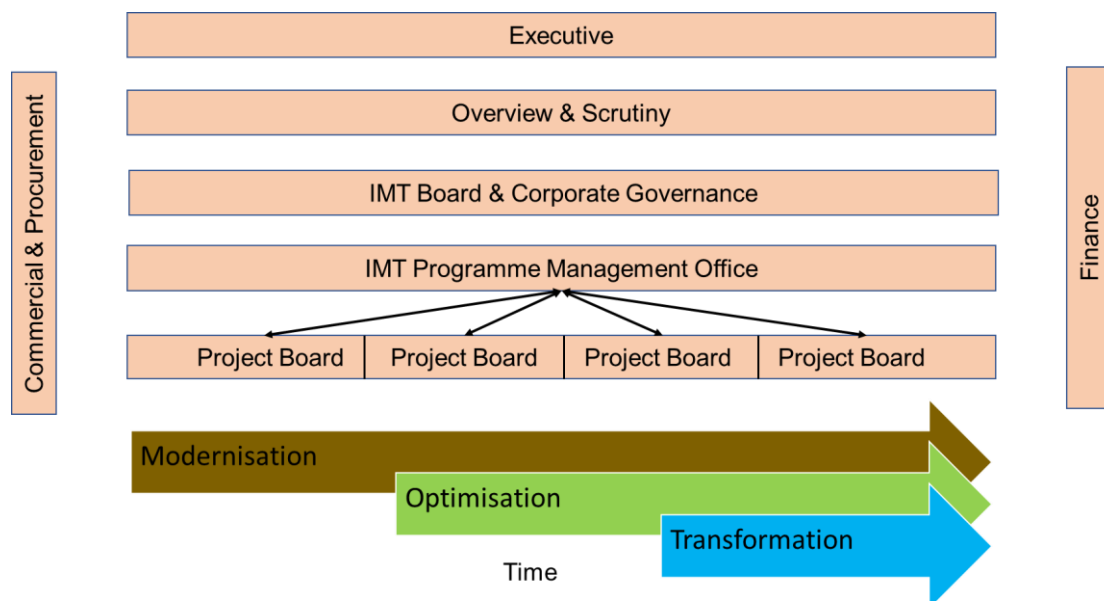
8. Executing the IMT Strategy

IMT Strategy Programme Delivery

The delivery of the IMT Technical Strategy will be through a holistic IMT programme which will provide governance to:

- A. Provide ongoing validation of business alignment, map dependencies and take early corrective action when needed.
- B. Re-balance the work plan from Lifecycle/Modernisation to higher value Optimisation and Transformation at the level the Council decides.
- C. Enable strategic decision making through a programme rather than project view i.e. all work required to achieve a business goal is considered collectively.

IMT Programme Governance Model



9. The 6As - Measuring Success and Prioritisation

Success of the IMT Technical Strategy and projects commissioned through it will be measured against the 6As criteria.



Aligned
Clear linkage to the vision of Council and needs of citizens



Assured
Technology solutions are secure, compliant and auditable



Agile
Enables rapid adoption, modification and retirement of technology



Accessible
Council IMT solutions will champion digital inclusion for all



Affordable
Purchase and ongoing costs are understood and sustainable



Available
Technology is available where and when it is needed

10. Core Design Principles

The core design principles for new and changed technology services are:

- A. Technology must support achieving Council objectives and goals.
- B. All new services will be assessed against the 6As success criteria.
- C. Technology must underpin or enable business optimisation and transformation.
- D. New capabilities where possible will be built upon the Digital Platform to reduce the proliferation of single purpose solutions and siloed working.
- E. LCC will adopt a hybrid cloud service model with a cloud first preference.
- F. The security and integrity of Council data remains paramount.
- G. All new technology will be scalable, sustainable and supportable.
- H. IMT technologies will wherever possible adhere to open standards and be interoperable.
- I. Technology will enable secure collaboration internally and with authorised 3rd parties and citizens.

11. IMT Domains

The IMT projects will be characterised in terms of the following technology Domains.



Identity and Information Security

How information and access to services are secure, monitored and managed.



Data Services

Covers how data is collected, stored and managed for reporting, sharing with other services and supporting decision making



End User Compute Services

Covers the end user experience. Covers devices, core productivity and collaboration applications



Platform Services

The infrastructure which hosts applications, data and provides end users access to services. May be in the cloud, hosted and/or on-premise



Application Services

Focuses on applications and services specific to individual Business Area service lines.



Connectivity Services

How systems and end-users connect to access applications, communicate and share information

The IMT programme will plan and budget against these domains and continually ensure they remain aligned to the Councils objectives verified via the 6A's criteria.

This use of Domains can help expose situations where duplication of capability may occur and reduce or contain cost and complexity.

12. Conclusion

The continued support and recognition by the Council that the IMT Strategy underpins the Council's objectives, creates the possibility to undertake an ambitious and challenging programme of work.

The strategy is aligned to the priorities previously identified through stakeholder engagement sessions. The ongoing pipeline of work is being developed into proposals for consideration by the IMT board and will be aligned and assessed in the same way.

The IMT Strategy aims to deliver improvements on a wide variety of areas.

- Deliver the solutions to long running problems that have affected productivity
- Improve Citizen engagement
- Deliver modernised services, systems and devices. Providing the tools our staff and Councillors need
- Enable collaboration between council staff and Councillors with our public sector and delivery partners
- Evolve the IMT team and its service partners into an "Enabling Service"
- Drive improvements in the overall quality of service whilst remaining within budget constraints
- Normalise the IMT service away from firefighting to delivering a balanced programme of work, helping to move the Council forwards
- Deliver an effective program of cost engineering initiatives
- Collaborate on business cases in support of proposals for optimisation and transformation activity by working with the business managers
- Bring effective Information and Records Management into operation
- Deliver Business Intelligence and data visualisation tools to enhance inform and accelerate the councils use of data
- Maintain security and data assurance in a changing world

2019 will see many changes delivered representing a step change in the user experience. That work continues to ensure all council locations benefit

equally. The aim is then to broaden our focus to deliver the same type of improvement to the citizen experience when engaging with the council.

It will also see the start of initiatives to evaluate what emerging technologies LCC could exploit to the benefit of its citizens. Those that promise to advance the councils objectives will be drawn up into a business case for consideration by the Council.

The IMT service is being made ready to respond to those requirements.

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**Open Report on behalf of Andrew Crookham,
Executive Director - Resources**

Report to:	Overview and Scrutiny Management Board
Date:	25 April 2019
Subject:	Formation of a Company for Legal Services

Summary:

This item invites the Overview and Scrutiny Management Board to consider a report regarding the formation of a company for Legal Services.

This report is due to be considered by the Executive on 08 May 2019. The views of the board will be reported to the Executive as part of the consideration of this item.

Actions Required:

- (1) To consider the attached report and to determine whether the board supports the recommendations listed.
- (2) To agree any additional comments to be passed to the Executive in relation to this item.

1. Background

This report sets out the rationale and seeks approval for the creation of a company with a view to the company being licenced by the Solicitor's Regulation Authority (SRA) as an alternative business structure.

The full Executive report is attached at Appendix 1 to this report.

2. Conclusion

Following consideration of the report, the Overview and Scrutiny Management Board is requested to consider whether it supports the recommendations in the report and highlight any additional comments to be considered by the Executive.

3. Appendices

These are listed below and attached at the back of the report	
Appendix 1	Formation of a Company for Legal Services

4. 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 Coleman, Chief Legal Officer, who can be contacted on 01522 552134 or david.coleman@lincolnshire.gov.uk .

Open Report on behalf of Andrew Crookham, Executive Director - Resources

Report to:	Executive
Date:	08 May 2019
Subject:	Formation of a Company for Legal Services
Decision Reference:	I017879
Key decision?	No

Summary:

This Report sets out the rationale and seeks approval for the creation of a company with a view to the company being licenced by the Solicitor's Regulation Authority (SRA) as an alternative business structure.

Recommendation(s):

That the Executive:-

- (1) approves the establishment of a company wholly owned by the County Council with the object of the company being licensed by the Solicitors Regulation Authority for the purpose of providing legal advice and services; and
- (2) delegates to the Executive Director – Resources, in consultation with the Executive Councillor for Community Safety and People Management, authority to determine and approve the final form and constitution of the company and the terms of any accompanying legal documentation including the provision of financial support to the company and the nomination of any directors of the company.

Alternatives Considered:

- | | |
|----|---|
| 1. | <p>Not to establish a company with a view to it being licensed by the SRA as an alternative business structure.</p> <p>Regulatory issues will limit Legal Services Lincolnshire's (LSL) ability to fully meet the legal needs of its partners as they arrange for the exercise of their functions through new structures such as companies. The ability of LSL to attract external income and thereby contribute to the budget positions of its partner councils will be constrained by the same regulatory considerations.</p> |
|----|---|

Reasons for Recommendation:

The proposal will allow LSL to continue to provide services to its partner Councils when they deliver services through new structures such as companies without risk of it acting contrary to the requirements of the Solicitors Regulation Authority as our professional regulator.

The proposal would also allow LSL to provide services more widely in the future as opportunity arises and capacity allows.

1. Background**Introduction**

- 1 Legal Services Lincolnshire (LSL) is a shared service between the County Council, Boston Borough Council, East Lindsey District Council, North Kesteven District Council, South Holland District Council and West Lindsey District Council. It was created in 2008 and has been operating on a trading basis since 2010. The service is hosted by the County Council and all staff within the service are employees of the County Council.
- 2 The vast majority of LSL's work is carried out for the County Council and District Partners although some work worth approximately £150,000 is carried out for other external public bodies. Any surplus achieved over and above the costs of the service is distributed back to the partners. There may be opportunities to pursue other external work in future.
- 3 Solicitors are regulated by the Solicitors Regulation Authority and that regulation can impact at two levels. At the level of the individual all solicitors are required to comply with professional codes of conduct. In addition an entity which provides legal services to the public or a section of the public is required to be authorised by the SRA and is regulated by the SRA as an entity.
- 4 As partner councils explore different ways of delivering services, especially through companies, LSL must have regard to the regulatory framework governing it and its solicitors. Guidance issued by the SRA concerning when an in-house team may be required to be licensed as an entity suggests there may be limits to LSL's ability to continue providing services to our partners when they act through other entities such as companies.
- 5 LSL has identified that the creation of an alternative business structure (ABS) would overcome these regulatory concerns and allow LSL to follow its partners work regardless of how they choose to deliver it and to pursue other external work as it arises within a robust regulatory framework. This report explains the background and drivers, briefly identifies and analyses the options, describes how an ABS might work and seeks approval for establishing a company as the first step to progressing an application for a licence to operate as an ABS.

- 6 Partner Councils have indicated their support for the proposals in this Report.

Drivers

- 7 An ABS is a solicitor's firm generally organised as a limited company licensed by the SRA to provide legal services to the public where the owners of the business include individuals or entities that are not themselves qualified solicitors.
- 8 Under this regime a local authority can own an ABS and there are examples from around the country of local authorities who have pursued this model including Hertfordshire, Warwickshire and Kent County Councils. There have tended to be two drivers for these developments – either to trade commercially to generate income and profit or to manage regulatory risks and enable the Council's in-house teams to continue to provide services to their existing customers as those customers find new ways of delivering their services. There is no inconsistency between these drivers and an entity established to manage regulatory risk can, once created, be used to widen trading activity.
- 9 In the case of LSL both of these drivers are at work. As described above our partner Councils are looking to deliver their services in innovative ways and this is already impacting on our ability to carry out work on their behalf. Equally LSL has traditionally done work for other public bodies as opportunity has arisen and would want to be in a position to continue to do so where that was prudent and sustainable without impacting on the services provided to the partner councils. An ABS would allow LSL to provide its services to a wider range of clients which may enable it to increase the income it achieves to support the budget positions of the partner councils.

Options

- 10 An options appraisal has been carried out in terms of different ways of setting up an ABS model. The options that have been considered together with brief discussion of their pros and cons, are:-

- a) *No change. Retain solely a local authority shared services partnership structured as an in-house trading unit of Lincolnshire County Council.*

This does not manage the regulatory risk of acting for other entities. This could lead to LSL losing the ability to provide partners with support as they potentially move core work into new ways of working. This would impact on the income capable of being attracted to LCC.

- b) *Create an ABS alongside the in-house trading unit to act for non-partner clients. Staff would be made available to the ABS where*

necessary to work for clients who can only be provided with services through the ABS.

This would provide a solution to the regulatory risks of acting for other partner-created entities and enable LSL to manage the wider regulatory risks around existing partners pursuing their activities through new structures and ways of working. This would secure existing income and potentially enable the attraction of additional income from partners. The solution is also scalable, forming a basis on which the Council could pursue wider trading activity where appropriate.

- c) *Create an ABS instead of an existing in-house trading unit as a non-Teckal trading company owned by the Council. All services including those to existing Partners would be delivered through the ABS and all staff would transfer into the ABS and be employed by it. Partner entitlement to surplus shares would need to be secured through the constitution of the company – probably through dividends on shareholdings.*

This would potentially enable an entirely separate legal entity to operate outside local authority pay structures as a means of addressing recruitment and retention difficulties. It would, however, be a significant undertaking, would probably increase costs to the County Council and partners and create procurement issues for the County Council and partners in purchasing legal services from the company. The access of the County Council to legal advice would be dependent on contract rather than direct control and the specialist public sector focus of the service may be lost over time as the ABS responds to commercial pressures and opportunities.

- d) *Create an ABS instead of an existing in-house trading unit as a Teckal trading company owned by the Partners.*

This model and is the same as Option c) except the Partners would exert sufficient control over the company for it to qualify for the Teckal procurement exception so the Partners' own work could be awarded to it without competition. Only 20% of the turnover of the company could be traded activity so the loss of public sector focus referred to in c) above would be minimised. However the capacity of the ABS to respond to opportunities to provide services to third parties would be limited. In order to take advantage of the Teckal exemption all Partners would need to be owners which would increase the complexity of establishing and running the ABS (see below).

- e) *Partner with an existing local authority ABS. Under this option LSL could become a local branch of a wider local authority ABS with ambitions outside its immediate area.*

This would require a period of negotiation and alignment of objectives and appetite for risk which is likely to take time and may not be successful. Such an entity is likely to be one that is driven by commercial, trading objectives with the potential loss of focus referred to in c) above. To deal with the regulatory risk some form of formal shared service arrangement would be necessary or LCC would need to take a share of ownership in the ABS.

11 On the basis of a consideration of these options it is recommended that the Council pursue the establishment of an ABS on the model of option b) above for the following reasons:-

- The priority should be to secure in-house capacity for the County Council and existing Partners rather than to pursue external income for its own sake.
- The model needs to ensure regulatory problems do not prevent LSL providing services expected by the Partners both to them and any new entities they establish.
- The attraction of external income is welcome insofar as it is consistent with the sustainability of the service.
- There are concerns about the capacity of the existing service to accommodate additional external work and about its ability to attract the additional capacity that would be needed to enable trading on any scale.
- While a trading ABS might be able to offer higher pay, such additional costs will either have to be passed on to the Partners in higher rates or covered by new external work. There is no evidence of a widespread market from which those additional costs could be covered by new work.
- Disruption to existing services and the resources required to give effect to any proposal should be minimised. A full trading model would require most resource and be most disruptive.

Establishing a Future Model

12 The precise nature of the model to be established will be subject to detailed discussion with the SRA who will need to be satisfied that any model meets its regulatory requirements before it will licence the entity to provide legal services.

13 The SRA approval process for licensing an ABS is rigorous and wide ranging. In particular the SRA will need to approve:-

- Each owner of the company (i.e. the County Council).
- Each individual who exercises any degree of control over the ABS on behalf of the owner – i.e. any member or officer with decision-making responsibility on behalf of the Council as owner.
- Each individual who acts as a director of the company.
- Each compliance officer of the company – one is required for professional practice and one for finance (they will also be directors).

- Arrangements in place to manage conflict and otherwise to ensure separation between the work carried out on behalf of the ABS and work carried out direct for the County Council and Partners.
- 14 Subject to discussion with the SRA, however, we know that the SRA has licensed an arrangement which would have many of the characteristics we would be looking to implement. In particular, the model operates without the need for existing staff to transfer to the ABS and therefore all staff would remain employed by LSL (Lincolnshire County Council). Suitable arrangements would be put in place between the ABS and the Council so that the ABS could call on the services of the staff within LSL to provide services to the clients of the ABS. This kind of model would be a proportionate response to the drivers identified in this paper which revolve principally around following the work of our existing partners whilst they would also enable appropriate expansion of the services provided by the Council.
- 15 A lot of the work necessary to meet SRA requirements is already in place. In particular a conflict protocol is already followed and case management systems allow files to be restricted to particular lawyers. However, further work will be needed to document this to SRA satisfaction. Specialist input will be needed to ensure compliance with SRA accounting rules and tax issues. Work and conflicts would need to be managed carefully to ensure that work for the County Council and existing partners is not jeopardised.

Establishing a Company

- 16 Although the Council will be the sole owner of the proposed ABS, it is not the Council but the company which must apply to the ABS for a licence to provide legal services. The establishment of a company is therefore the first stage in progressing this matter. This Report therefore seeks approval for the establishment of the company with a view to the company making application for a licence as an ABS.
- 17 To progress this draft Articles of Association and a draft Shareholders Agreement are being developed. A copy of the Articles of Association is attached at Appendix A. These are fairly standard Articles with few issues of principle involved. They have been developed with a view to addressing the issues that are likely to be of concern to the SRA.
- 18 With this in mind it is proposed that there are only two Directors of the company (three at most), one of which will be the Chief legal Officer who will also be the Compliance Officer for Legal Practice (COLP) and the other a suitable person with the necessary financial background to act as the Compliance Officer for Finance and Administration (COFA).
- 19 The Shareholders Agreement will govern the relationship between the Council as owner of the company and the company itself. As is usual with such agreements the main issue of principle relates to the extent of control the Council should exercise over the company as against the Directors. In

relation to the ABS it is proposed that the degree of control would be relatively limited because the ABS is a trading company rather than a Teckal company and because the SRA is likely to be more concerned the more the Council seeks to exercise control over what is a regulated and licensed legal practice.

- 20 Nevertheless some degree of control is appropriate and the Shareholders Agreement will contain reserved matters which would be subject to approval by the Council as owner. The main areas where control will be exercised are set out in Appendix B. As can be seen, the principal area where control is exercised is in approval of the annual business plan and budget supplemented by some specific controls over financial, constitutional and administrative decisions. One of these proposed controls relates to the nature of the clients that the ABS might act for with any decision to act for anything other than public sector bodies being reserved to the Council as shareholder.
- 21 Given that the County Council will be the sole owner of the company it will be a regulated company within the meaning of the Local Authorities (Companies) Order 1995 and Part V of the Local Government and Housing Act 1989. This requires such companies to comply with certain administrative responsibilities relating, for example to the identification of the County Council as owner of the company on its letter head, the provision of information, the appointment of auditors and the remuneration of directors. These requirements will be complied with.
- 22 Financially, the ABS is expected to require very little funding from the Council. This is because the ABS itself is envisaged as having no employment costs although it will need to arrange its own professional indemnity insurance cover and will need to pay its way in relation to any property or support services costs to ensure that there is no State Aid. The principal issue for the ABS is likely to be cash flow caused by any issues with recovery of fees from its clients. This may be alleviated by the provision of a loan facility at commercial rates. The extent to which any such facility may be required will be determined moving forward.

2. Legal Issues:

Equality Act 2010

Under section 149 of the Equality Act 2010, the Council must, in the exercise of its functions, have due regard to the need to:

- * Eliminate discrimination, harassment, victimisation and any other conduct that is prohibited by or under the Act
- * Advance equality of opportunity between persons who share a relevant protected characteristic and persons who do not share it
- * Foster good relations between persons who share a relevant protected characteristic and persons who do not share it.

The relevant protected characteristics are age; disability; gender reassignment; pregnancy and maternity; race; religion or belief; sex; and sexual orientation

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

- * Remove or minimise disadvantages suffered by persons who share a relevant protected characteristic that are connected to that characteristic
- * 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
- * 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

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

Compliance with the duties in section 149 may involve treating some persons more favourably than others

The duty cannot be delegated and must be discharged by the decision-maker. To discharge the statutory duty the decision-maker must analyse all the relevant material with the specific statutory obligations in mind. If a risk of adverse impact is identified consideration must be given to measures to avoid that impact as part of the decision making process

The proposal in this Report is not considered to have any implications for equality and diversity.

Joint Strategic Needs Analysis (JSNA) and the Joint Health and Wellbeing Strategy (JHWS)

The Council must have regard to the Joint Strategic Needs Assessment (JSNA) and the Joint Health & Well Being Strategy (JHWS) in coming to a decision

The proposal in this Report has no direct impact on the Joint Health and Wellbeing Strategy

Crime and Disorder

Under section 17 of the Crime and Disorder Act 1998, the Council must exercise its various functions with due regard to the likely effect of the exercise of those functions on, and the need to do all that it reasonably can to prevent crime and disorder in its area (including anti-social and other behaviour adversely affecting the local environment), the misuse of drugs, alcohol and other substances in its area and re-offending in its area

The proposal in this Report has no direct impact on crime and disorder matters.

3. Conclusion

Overall, it is considered that the proposal in this Report provides a proportionate, response to the emerging regulatory issues which would allow LSL to continue with its current scope of work as Partners pursue alternative means of delivering their services. It would also provide a basis for gradually widening the clients LSL can work for.

4. Legal Comments:

The Council has power under section 1 of the Localism Act 2011 to provide legal services as envisaged but must do so through a company if it is acting for a commercial purpose.

The more detailed legal issues to be taken into account in reaching a decision are referred to in the Report.

The decision is consistent with the Policy Framework and within the remit of the Executive.

5. Resource Comments:

Establishing an ABS company as per the report recommendation will have little direct impact on the budgets of the Council.

Implications for financial administration and accounting of the company will need to be kept under review as the proposal progresses and prior to a final decision being taken under delegated authority by the Executive Director - Resources in consultation with the Executive Councillor for Community Safety and People Management.

6. Consultation

a) Has Local Member Been Consulted?

N/A

b) Has Executive Councillor Been Consulted?

Yes

c) Scrutiny Comments

The decision will be considered by the Overview and Scrutiny Management Board at its meeting on 25 April 2019 and the comments of the Board will be reported to the Executive.

d) Have Risks and Impact Analysis been carried out?

Yes

e) Risks and Impact Analysis

See the body of the Report

7. Appendices

These are listed below and attached at the back of the report	
Appendix A	Draft Articles of Association
Appendix B	Draft Reserved Matters

8. Background Papers

No Background Papers within the meaning of section 100D of the Local Government Act 1972 have been used in the preparation of this Report.

This report was written by David Coleman, Chief Legal Officer, who can be contacted on 01522 552134 or david.coleman@lincolnshire.gov.uk .

THE COMPANIES ACT 2006

PRIVATE COMPANY LIMITED BY SHARES

ARTICLES OF ASSOCIATION

OF

[]¹

INTRODUCTION

1 INTERPRETATION

1.1 The following definitions and rules of interpretation apply in these Articles

Act means the Companies Act 2006

Appointor has the meaning given in article 13.1

Articles means the company's articles of association for the time being in force

Business Day means any day other than a Saturday, Sunday or public holiday in England on which banks in London are open for business

Controlling Member means a registered holder for the time being of not less than 75% in nominal value of the equity share capital of the company from time to time

Eligible Director has the meaning given in article 3.3

Model Articles means the model articles for private companies limited by shares contained in Schedule 1 of the Companies (Model Articles) Regulations 2008 (*SI 2008/3229*) as amended prior to the date of adoption of these Articles.

1.2 Save as otherwise specifically provided in these Articles, words and expressions which have particular meanings in the Model Articles shall have the same meanings in these Articles, subject to which and unless the context otherwise requires, words and expressions which have particular meanings in the Act shall have the same meanings in these Articles.

1.3 Headings in these Articles are used for convenience only and shall not affect the construction or interpretation of these Articles.

1.4 A reference in these Articles to an "article" is a reference to the relevant article of these Articles unless expressly provided otherwise.

1.5 Unless expressly provided otherwise, a reference to a statute or statutory provision is a reference to it as it is in force on the date when these Articles become binding on the company.

1.6 A reference to a statute or statutory provision shall include all subordinate legislation made as at the date on which these Articles become binding on the company under that statute or statutory provision.

1.7 Any words following the terms **including, include, in particular, for example** or any similar expression shall be construed as illustrative and shall not limit the sense of the words, description, definition, phrase or term preceding those terms.

¹ Name of company to be confirmed.

- 1.8 Where the context permits, **other** and **otherwise** are illustrative and shall not limit the sense of the words preceding them.
- 1.9 The Model Articles shall apply to the company, except in so far as they are modified or excluded by, or are inconsistent with, these Articles.
- 1.10 Articles 7, 8, 9(1), 11, 13, 14, 15, 17, 18, 44(2) and 52 of the Model Articles shall not apply to the company.
- 1.11 Article 20 of the Model Articles shall be amended by the insertion of the words "(including alternate directors)" before the words "properly incur".
- 1.12 In article 25(2)(c) of the Model Articles, the words "evidence, indemnity and the payment of a reasonable fee" shall be deleted and replaced with the words "evidence and indemnity".
- 1.13 Article 29 of the Model Articles shall be amended by the insertion of the words ", or the name of any person(s) named as the transferee(s) in an instrument of transfer executed under article 28(2) of the Model Articles," after the words "the transmittee's name".
- 1.14 Articles 31(1)(a) to (c) (inclusive) of the Model Articles shall be amended by the deletion, in each case, of the words "either" and "or as the directors may otherwise decide". Article 31(d) of the Model Articles shall be amended by the deletion of the words "either" and "or by such other means as the directors decide".

DIRECTORS

2 DIRECTORS TO TAKE DECISIONS COLLECTIVELY

- 2.1 The general rule about decision-making by directors is that any decision of the directors must be either a majority decision at a meeting or a decision taken in accordance with article 3.
- 2.2 If:
 - 2.2.1 the company only has one director for the time being; and
 - 2.2.2 no provision of the Articles requires it to have more than one director,

then the general rule does not apply and the director may (for so long as he remains the sole director) take decisions without regard to any of the provisions of the Articles relating to directors' decision-making.

3 UNANIMOUS DECISIONS

- 3.1 A decision of the directors is taken in accordance with this article when all Eligible Directors indicate to each other by any means that they share a common view on a matter.
- 3.2 Such a decision may take the form of a resolution in writing, where each Eligible Director has signed one or more copies of it, or to which each Eligible Director has otherwise indicated agreement in writing.
- 3.3 References in the Articles to **Eligible Directors** are to directors who would have been entitled to vote on the matter had it been proposed as a resolution at a directors' meeting (but excluding any director whose vote is not to be counted in respect of that particular matter).
- 3.4 A decision may not be taken in accordance with this article if the Eligible Directors would not have formed a quorum at such a meeting.

4 CALLING A DIRECTORS' MEETING

- 4.1 Any director may call a directors' meeting by giving not less than [three Business Days'] notice of the meeting (or such lesser notice as all the directors may agree) to the directors.

5 QUORUM FOR DIRECTORS' MEETINGS

- 5.1 At a directors' meeting, unless a quorum is participating, no proposal is to be voted on except a proposal to call another meeting.

- 5.2 The quorum for directors' meetings may be fixed from time to time by a decision of the directors and unless otherwise fixed it is two provided that:

5.2.1 if and so long as there is only one director the quorum shall be one; and

5.2.2 for the purposes of any meeting held pursuant to article 8 to authorise a director's conflict, if there is only one director besides the director concerned and directors with a similar interest, the quorum shall be one.

- 5.3 If the total number of directors for the time being is less than the quorum required, the directors must not take any decision other than a decision:

5.3.1 to appoint further directors; or

5.3.2 to call a general meeting so as to enable the members to appoint further directors.

6 CASTING VOTE

- 6.1 If the numbers of votes for and against a proposal at a meeting of directors are equal, the chairman or other director chairing the meeting shall not have a casting vote.

7 DIRECTORS' INTERESTS ²

- 7.1 Except to the extent that article 8 applies or the terms of any authority given under that article otherwise provide, and without prejudice to such disclosure as is required under the Act, a director may be party to, or otherwise interested in, any existing or proposed transaction or arrangement with the company and shall be entitled to participate in the decision-making process for quorum and voting purposes on any resolution concerning a matter in which he has, directly or indirectly, an interest or duty that conflicts or may conflict with the interest of the company.

8 DIRECTORS' CONFLICTS OF INTEREST ³

- 8.1 Subject to the provisions of the Act and provided that he has disclosed to the other directors the nature and extent of any material interest of his, a director may, notwithstanding his office or that, without the authorisation conferred by this article 8.1, he would or might be in breach of his duty under the Act to avoid conflicts of interest, be a director or other officer of, or employed by, or a party to any transaction or arrangement with, or otherwise interested in, any undertaking in the same group as the company, or promoted by the company or by any undertaking in the same group as the company, or in which the company or any undertaking in the same group as the company is otherwise interested.

² This article deals with "transactional conflicts" by providing that the directors are entitled to vote and count in the quorum on matters in which they are interested, subject to the director making the appropriate disclosure under article 8.

³ This article confers a standing authority for directors to be directors of other group companies. In the absence of this provision, the dual loyalty of a director would be a "situational conflict" and require authorisation to enable the director to continue.

- 8.2 No director shall:
- 8.2.1 by reason of his office be accountable to the company for any benefit which he derives from any office or employment, or from any transaction or arrangement, or from any interest in any undertaking, that is authorised under article 8.1 (and no such benefit shall constitute a breach of the duty under the Act not to accept benefits from third parties, and no such transaction or arrangement shall be liable to be avoided on the ground of any such interest or benefit);
 - 8.2.2 be in breach of his duties as a director by reason only of his excluding himself from the receipt of information, or from participation in decision-making or discussion (whether at meetings of the directors or otherwise), that will or may relate to any office, employment, transaction, arrangement or interest that is authorised under article 8.1; or
 - 8.2.3 be required to disclose to the company, or use in relation to the company's affairs, any confidential information obtained by him in connection with any office, employment, transaction, arrangement or interest that is authorised under article 8.1 if his doing so would result in a breach of a duty or obligation of confidence owed by him in that connection.
- 8.3 A general notice given to the directors that a director is to be regarded as having an interest of the nature and extent specified in the notice in any transaction or arrangement in which a specified person or class of persons is interested shall be deemed to be a disclosure that the director has an interest in any such transaction of the nature and extent so specified, and an interest of which a director has no knowledge and of which it is unreasonable to expect him to have knowledge shall not be treated as an interest of his.
- 8.4 The directors may, if the quorum and voting requirements set out below are satisfied, authorise any matter that would otherwise involve a director breaching his duty under the Act to avoid conflicts of interest, and any director (including the director concerned) may propose that the director concerned be authorised in relation to any matter the subject of such a conflict provided that:
- 8.4.1 such proposal and any authority given by the directors shall be effected in the same way that any other matter may be proposed to and resolved upon by the directors under the provisions of the Articles, except that the director concerned and any other director with a similar interest:
 - (a) shall not be counted for quorum purposes as participating in the decision-making process while the conflict is under consideration;
 - (b) may, if the other directors so decide, be excluded from participating in the decision-making process while the conflict is under consideration; and
 - (c) shall not vote on any resolution authorising the conflict except that, if any such director does vote, the resolution will still be valid if it would have been agreed to if his votes had not been counted; and
 - 8.4.2 where the directors give authority in relation to such a conflict:
 - (a) they may (whether at the time of giving the authority or at any time or times subsequently) impose such terms upon the director concerned and any other director with a similar interest as they may determine, including, without limitation, the exclusion of that director and any other director with a similar interest from the receipt of information, or participation in any decision-making or discussion (whether at meetings of the directors or otherwise) related to the conflict;
 - (b) the director concerned and any other director with a similar interest will be obliged to conduct himself in accordance with any terms imposed from time to time by the directors in relation to the conflict but will not be in breach of his duties as a director by reason of his doing so;

- (c) the authority may provide that, where the director concerned and any other director with a similar interest obtains information that is confidential to a third party, the director will not be obliged to disclose that information to the company, or to use the information in relation to the company's affairs, where to do so would amount to a breach of that confidence;
- (d) the authority may also provide that the director concerned or any other director with a similar interest shall not be accountable to the company for any benefit that he receives as a result of the conflict;
- (e) the receipt by the director concerned or any other director with a similar interest of any remuneration or benefit as a result of the conflict shall not constitute a breach of the duty under the Act not to accept benefits from third parties;
- (f) the terms of the authority shall be recorded in writing (but the authority shall be effective whether or not the terms are so recorded); and
- (g) the directors may withdraw such authority at any time.

8.5 Subject to article 8.6, if a question arises at a meeting of directors or of a committee of directors as to the right of a director to participate in the meeting (or part of the meeting) for voting or quorum purposes, the question may, before the conclusion of the meeting, be referred to the chairman, whose ruling in relation to any director other than the chairman is to be final and conclusive.

8.6 If any question as to the right to participate in the meeting (or part of the meeting) should arise in respect of the chairman, the question is to be decided by a decision of the directors at that meeting, for which purpose the chairman is not to be counted as participating in the meeting (or that part of the meeting) for voting or quorum purposes.

9 RECORDS OF DECISIONS TO BE KEPT

9.1 The directors must ensure that the company keeps a record in writing, for at least 10 years from the date of the decision recorded, of every unanimous or majority decision taken by the directors.

9.2 Where decisions of the directors are taken by electronic means, such decisions shall be recorded by the directors in permanent form, so that they may be read with the naked eye.

10 NUMBER OF DIRECTORS

10.1 Unless otherwise determined by ordinary resolution, the number of directors (other than alternate directors) shall not be subject to any maximum but shall not be less than two.

11 APPOINTMENT AND REMOVAL OF DIRECTORS

11.1 A Controlling Member may at any time by notice in writing to the company:

11.1.1 appoint any person or persons as a director or directors of the company; and

11.1.2 remove any director or directors from office.⁴

11.2 Any appointment or removal pursuant to article 11.1 shall take effect when it is delivered to the registered office of the company or, if it is produced at a meeting of the directors, when it is so produced or, if sent by electronic means to an address generally used by the company, when it is sent such removal shall be without prejudice to any claim that a director may have under any contract between him and the company. If the company has no directors and, by virtue of death or

⁴ This article enables the Council as a controlling member to appoint or remove from office a director by written notice.

bankruptcy, no member is capable of acting, the transmittee of the last member to have died or to have had a bankruptcy order made against him has the right, by notice in writing, to appoint a person to be a director.

12 TERMINATION OF A DIRECTOR'S APPOINTMENT

12.1 A person ceases to be a director as soon as:

12.1.1 that person ceases to be a director by virtue of any provision of the Act or is prohibited from being a director by law;

12.1.2 a bankruptcy order is made against that person;

12.1.3 a composition is made with that person's creditors generally in satisfaction of that person's debts;

12.1.4 a registered medical practitioner who is treating that person gives a written opinion to the company stating that that person has become physically or mentally incapable of acting as a director and may remain so for more than three months;

12.1.5 notification is received by the company from the director that the director is resigning from office, and such resignation has taken effect in accordance with its terms;

12.1.6 notification of the director's removal is received by the company from a Controlling Member pursuant to article 11.1; or

12.1.7 he is otherwise duly removed from office.

13 APPOINTMENT AND REMOVAL OF ALTERNATE DIRECTORS ⁵

13.1 Subject to shareholder approval, any director (**Appointor**) may appoint as an alternate any other director, or any other person approved by resolution of the directors, to

13.1.1 exercise that director's powers; and

13.1.2 carry out that director's responsibilities,

in relation to the taking of decisions by the directors, in the absence of the alternate's Appointor.

13.2 Any appointment or removal of an alternate must be effected by notice in writing to the company signed by the Appointor, or in any other manner approved by the directors.

13.3 The notice must:

13.3.1 identify the proposed alternate; and

13.3.2 in the case of a notice of appointment, contain a statement signed by the proposed alternate that the proposed alternate is willing to act as the alternate of the director giving the notice.

14 RIGHTS AND RESPONSIBILITIES OF ALTERNATE DIRECTORS

14.1 Subject to shareholder approval, an alternate director may act as alternate director to more than one director and has the same rights in relation to any decision of the directors as the alternate's Appointor.

⁵ For further consideration

- 14.2 Except as the Articles specify otherwise, alternate directors:
- 14.2.1 are deemed for all purposes to be directors;
 - 14.2.2 are liable for their own acts and omissions;
 - 14.2.3 are subject to the same restrictions as their Appointors; and
 - 14.2.4 are not deemed to be agents of or for their Appointors.

In particular (without limitation), each alternate director shall be entitled to receive notice of all meetings of directors and of all meetings of committees of directors of which his Appointor is a member.

- 14.3 A person who is an alternate director but not a director:
- 14.3.1 may be counted as participating for the purposes of determining whether a quorum is present (but only if that person's Appointor is not participating);
 - 14.3.2 may participate in a unanimous decision of the directors (but only if his Appointor is an Eligible Director in relation to that decision, but does not participate); and
 - 14.3.3 shall not be counted as more than one director for the purposes of article 14.3.1 and article 14.3.2.
- 14.4 A director who is also an alternate director is entitled, in the absence of his Appointor, to a separate vote on behalf of his Appointor, in addition to his own vote on any decision of the directors (provided that his Appointor is an Eligible Director in relation to that decision).
- 14.5 An alternate director may be paid expenses and may be indemnified by the company to the same extent as his Appointor but shall not be entitled to receive any remuneration from the company for serving as an alternate director except such part of the alternate's Appointor's remuneration as the Appointor may direct by notice in writing made to the company.

15 TERMINATION OF ALTERNATE DIRECTORSHIP

- 15.1 An alternate director's appointment as an alternate terminates:
- 15.1.1 when the alternate's Appointor revokes the appointment by notice to the company in writing specifying when it is to terminate; or
 - 15.1.2 on the occurrence, in relation to the alternate, of any event which, if it occurred in relation to the alternate's Appointor, would result in the termination of the Appointor's appointment as a director; or
 - 15.1.3 on the death of the alternate's Appointor; or
 - 15.1.4 when the alternate's Appointor's appointment as a director terminates; or
 - 15.1.5 when the shareholder withdraws its approval to the alternate acting as alternate director.

SHARES

DECISION MAKING BY SHAREHOLDERS

16 POLL VOTES

- 16.1 A poll may be demanded at any general meeting by any qualifying person (as defined in section 318 of the Act) present and entitled to vote at the meeting.

- 16.2 Article 44(3) of the Model Articles shall be amended by the insertion of the words "A demand so withdrawn shall not invalidate the result of a show of hands declared before the demand was made" as a new paragraph at the end of that article.

17 PROXIES

- 17.1 Article 45(1)(d) of the Model Articles shall be deleted and replaced with the words "is delivered to the company in accordance with the Articles not less than 48 hours before the time appointed for holding the meeting or adjourned meeting at which the right to vote is to be exercised and in accordance with any instructions contained in the notice of the general meeting (or adjourned meeting) to which they relate".
- 17.2 Article 45(1) of the Model Articles shall be amended by the insertion of the following words as a new paragraph at the end of that article "and a proxy notice which is not delivered in such manner shall be invalid, unless the directors, in their discretion, accept the notice at any time before the meeting".

ADMINISTRATIVE ARRANGEMENTS

18 MEANS OF COMMUNICATION TO BE USED

- 18.1 Subject to article 18.2, any notice, document or other information shall be deemed served on, or delivered to, the intended recipient:
- 18.1.1 if delivered by hand, on signature of a delivery receipt or at the time the notice, document or other information is left at the address; or
 - 18.1.2 if sent by pre-paid United Kingdom first class post, recorded delivery or special delivery to an address in the United Kingdom, at 9.00 am on the second Business Day after posting; or
 - 18.1.3 if sent by pre-paid airmail to an address outside the country from which it is sent, at 9.00 am on the fifth Business Day after posting; or
 - 18.1.4 if sent by reputable international overnight courier to an address outside the country from which it is sent, on signature of a delivery receipt or at the time the notice, document or other information is left at the address; or
 - 18.1.5 if sent or supplied by email, one hour after the notice, document or information was sent or supplied; or
 - 18.1.6 if sent or supplied by means of a website, when the material is first made available on the website or (if later) when the recipient receives (or is deemed to have received) notice of the fact that the material is available on the website; or
 - 18.1.7 if deemed receipt under the previous paragraphs of this article 18.1 would occur outside business hours (meaning 9.00 am to 5.30 pm Monday to Friday on a day that is not a public holiday in the place of deemed receipt), at 9.00 am on the day when business next starts in the place of deemed receipt For the purposes of this article, all references to time are to local time in the place of deemed receipt.
- 18.2 To prove service, it is sufficient to prove that:
- 18.2.1 if delivered by hand or by reputable international overnight courier, the notice was delivered to the correct address; or
 - 18.2.2 if sent by post or by airmail, the envelope containing the notice was properly addressed, paid for and posted; or

18.2.3 if sent by email, the notice was properly addressed and sent to the email address of the recipient.

19 INDEMNITY

19.1 Subject to article 19.2 and shareholder approval, but without prejudice to any indemnity to which a relevant officer is otherwise entitled:

19.1.1 each relevant officer shall be indemnified out of the company's assets against all costs, charges, losses, expenses and liabilities incurred by him as a relevant officer:

- (a) in the actual or purported execution and/or discharge of his duties, or in relation to them; and
- (b) in relation to the company's (or any associated company's) activities as trustee of an occupational pension scheme (as defined in section 235(6) of the Act),

including (in each case) any liability incurred by him in defending any civil or criminal proceedings, in which judgment is given in his favour or in which he is acquitted or the proceedings are otherwise disposed of without any finding or admission of any material breach of duty on his part or in connection with any application in which the court grants him, in his capacity as a relevant officer, relief from liability for negligence, default, breach of duty or breach of trust in relation to the company's (or any associated company's) affairs, and

19.1.2 the company may provide any relevant officer with funds to meet expenditure incurred or to be incurred by him in connection with any proceedings or application referred to in article 19.1.1 and otherwise may take any action to enable any such relevant officer to avoid incurring such expenditure.

19.2 This article does not authorise any indemnity which:

19.2.1 would be prohibited or rendered void by any provision of the Companies Acts or by any other provision of law; and/or

19.2.2 relates to loss or damage or other legal expenses arising from:

- (a) fraud, dishonesty or a criminal offence, or other deliberate wrongdoing or recklessness on the part of the relevant officer;
- (b) liability in respect of losses certified by the company's external auditor as caused by wilful misconduct on the part of the relevant officer or where unlawful expenditure has been knowingly or recklessly authorised by the relevant officer, and/or
- (c) circumstances in which the relevant officer has not acted in good faith.

19.3 In this article:

19.3.1 companies are **associated** if one is a subsidiary of the other or both are subsidiaries of the same body corporate, and

19.3.2 a **relevant officer** means any director or other officer or former director or other officer of the company or an associated company (including any company which is a trustee of an occupational pension scheme (as defined by section 235(6) of the Act), but excluding in each case any person engaged by the company (or associated company) as auditor (whether or not he is also a director or other officer), to the extent he acts in his capacity as auditor).

20 INSURANCE

- 20.1 Subject to member approval, the directors may decide to purchase and maintain insurance, at the expense of the company, for the benefit of any relevant officer in respect of any relevant loss.
- 20.2 In this article:
- 20.2.1 a **relevant officer** means any director or other officer or former director or other officer of the company or an associated company (including any company which is a trustee of an occupational pension scheme (as defined by section 235(6) of the Act), but excluding in each case any person engaged by the company (or associated company) as auditor (whether or not he is also a director or other officer), to the extent he acts in his capacity as auditor);
- 20.2.2 a **relevant loss** means any loss or liability which has been or may be incurred by a relevant officer in connection with that relevant officer's duties or powers in relation to the company, any associated company or any pension fund or employees' share scheme of the company or associated company, provided always that the relevant officer has acted in good faith and/or such loss has not arisen as a result of fraud, dishonesty or a criminal offence, or other deliberate wrongdoing or recklessness on the part of the relevant officer; and
- 20.2.3 companies are **associated** if one is a subsidiary of the other or both are subsidiaries of the same body corporate.

APPENDIX B

Ref	Matter
A	Financial and Business Plan
A1	The approval of the Business Plan and agreeing or approving any material amendments to the Business Plan including any in-year material changes to the Business Plan.
A2	The increase in any Indebtedness of the Company other than in accordance with the Business Plan.
A3	The commencement by the Company of any new business not being ancillary to or in connection with the Business or making any material change to the nature of the Business.
A4	The approval of the annual accounts once signed off by the auditors.
A5	The payment of any dividend to the shareholders
A6	The approval of any expenditure above the value of £[100,000] that is not already approved in the Business Plan (excluding client disbursements)
A7	The approval of indemnities for relevant officers and any insurances in relation to the liabilities of officers
B	Share/ loan capital and constitutional
B1	Any amendment to the Articles.
B2	Any variation of any rights, including class rights, attaching to any shares or loan notes of the Company.
B3	The admission of further shareholders to the Company or agreeing any rights or restrictions attaching to any shares allocated to such new shareholders.
B4	The capitalisation of profits or reserves of the Company.
C	Officers of the Company
C1	The devolution or transfer of management control of the Company to persons outside the Board and, if approved, the terms of such devolution.
C2	The appointment (including the terms and conditions of appointment where such terms depart from Schedule 3) or removal of any Director (including alternate Directors)

Ref	Matter
D	Future direction and development of the Company
D1	Forming any subsidiary or acquiring shares in any other company or participating in any partnership or incorporated joint venture vehicle
D2	Amalgamating or merging with any other company or business undertaking
D3	Acquiring the business and assets of any other company or business undertaking
D4	Selling or disposing of any part of the business of the Company
D5	The commencement of any winding-up or dissolution or of the appointment of any liquidator, administrator or administrative receiver of the Company or any of its assets unless it shall have become insolvent, and no party shall present or cause to be presented or allow any act which would result in the winding up or the presentation of any petition for the winding up of the Company.
E	Management of the business of the Company
E1	A change of name of the Company.
E2	A change of the Company's registered office
E3	Creating or agreeing to create a charge, security or encumbrance over the Company's assets, shares or income
E4	Any matter that is reasonably likely to have an adverse effect on the reputation of LCC
E5	Changing the nature of the business or commencing any new business which is not ancillary or incidental to the business of the Company
E6	Agreeing to enter into or entering into any acquisition or disposal of any material assets by the Company the total value of which the Board reasonably expects will exceed £[20,000]
E7	Giving notice of termination of any arrangements, contracts or transactions the total value of which the Board reasonably expects will exceed £[20,000] per annum or materially varying any such arrangements, contracts or transactions and such termination or variation is likely to have an adverse impact on the financial status of a Company

Ref	Matter
E8	Making any borrowing in excess of £[10,000]
E9	Agree to make or making any loan (otherwise than by way of a deposit with a bank or other institution, the normal business of which includes the acceptance of deposits or in the ordinary course of business) or granting any credit (other than in the normal course of trading or the granting of trade credit to a Company which has been approved under the Business Plan) or giving any guarantee or indemnity (other than in the normal course of trading)
E10	Changing the financial year of the Company
E11	Appointing or removing bankers of the Company.
E12	Appointing or removing auditors of the Company.
E13	Increasing or reduce the amount of its issued share capital, grant any option over or in its share capital, redeem or purchase any of its own shares or otherwise alter, or effect any reorganisation of, its share capital (where applicable)
E14	Entering into any arrangement for the provision of legal services to any person other than a public body

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Open Report on behalf of James Drury, Executive Director - Commercial
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Report to:	Overview and Scrutiny Management Board
Date:	25 April 2019
Subject:	Procurement Strategy 2019-2022

Summary:

This item invites the Overview and Scrutiny Management Board to consider the proposed Procurement Strategy 2019-2022 as a replacement for the Council's current Procurement Strategy which expires in April 2019.

This report is due to be considered by the Executive on 08 May 2019. The views of the board will be reported to the Executive as part of the consideration of this item.

Actions Required:

- (1) To consider the attached report and to determine whether the board supports the recommendation to for the Executive to approve the Procurement Strategy 2019-2022.
- (2) To agree any additional comments to be passed to the Executive in relation to this item.

1. Background

This report seeks Executive approval for the Procurement Strategy 2019-2022, to replace the Council's current Procurement Strategy which expires in April 2019.

The full Executive report is attached at Appendix 1 to this report.

2. Conclusion

Following consideration of the report, the Overview and Scrutiny Management Board is requested to consider whether it supports the recommendations in the report and highlight any additional comments to be considered by the Executive.

3. Appendices

These are listed below and attached at the back of the report	
Appendix 1	Procurement Partnership Strategy 2019-2022

4. 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 Sophie Reeve who can be contacted on 01522 552578 or Sophie.Reeve@lincolnshire.gov.uk and Alex Botten who can be contacted on 01522 554258 or Alex.Botten@lincolnshire.gov.uk.

Open Report on behalf of James Drury, Executive Director - Commercial

Report to:	Executive
Date:	08 May 2019
Subject:	Procurement Strategy
Decision Reference:	I017669
Key decision?	Yes

Summary:

The Report seeks Executive approval for the Procurement Strategy 2019-2022, as attached at Appendix A, to replace the Council's current Procurement Strategy which expires in April 2019.

Recommendation(s):

That the Executive approves the Procurement Strategy 2019 -2022, as attached at Appendix A to this report, with immediate effect.

Alternatives Considered:

1. Do nothing.

The current strategy would lapse and there would be no formally agreed overarching strategy setting out the Council's approach to using procurement not only to secure value for money but to drive the achievement of the Council's wider objectives. This could result in significantly reduced value for money.

2. Adopt the Procurement Strategy with amendments.

Reasons for Recommendation:

The strategy sets out a robust and comprehensive approach to procurement related activity, is consistent with the Council's commissioning and commercialisation approach, has been developed in the context of the Council's requirements, local markets, and local needs whilst having regard to the National Procurement Strategy for Local Government in England 2018.

1. Background

Introduction

1. The Council's current Procurement Strategy expires in April 2019 and consequently a new Strategy has been developed and is set out at Appendix A covering the period 2019-2022. The Council is part of a shared procurement service with North Kesteven District Council and West Lindsey District Council and although the Strategy has been developed for the County Council many of the principles and approaches included in it are of general application and the Strategy may be adopted in similar or like form by those authorities.

The Strategy

2. Public procurement is often viewed from the standpoint of the Council's legal obligations and the desire to achieve good value. This is an important perspective and the draft Strategy recognises this. It deals, for instance, with legal compliance, efficient practices and category management. This is a strategic approach which organises procurement resources to focus on specific areas of spends. This enables category managers to carry out in depth market analysis and acquire detailed knowledge and understanding of the market so as to make better procurement related decisions.
3. At the same time as befits a commissioning council the Strategy recognises that the way the Council conducts its procurement can impact on a range of other issues from the sufficiency of markets through the achievement of the Council's own objectives and outcomes to the delivery of wider social and community benefits.
4. This is reflected in the place based approach set out in the key principles on page 1 of the Strategy. This approach has two elements. The first is the commitment to collaborative procurement where this is appropriate with other public bodies. This is at its most developed in the area of health and social care where the Council has led on a number of joint or collaborative procurements for services such as re-ablement. It has the potential, however, to be applicable in other areas such as waste. This is reflected in the Strategy's references to partnerships, collaboration and relationship management
5. The second important place based element is the local market. The Strategy recognises that the Council contracts with a range of providers from multi-national companies to SMEs but the way in which the Council procures has an important role to play in fostering a vibrant local market and thereby contributing to the economic wellbeing of the local area. That local area and market are characterised by a high proportion of SME businesses and therefore the way in which the Council structures its procurement by reference to the involvement of SMEs is an important element.

6. Again this is an area where the Council has already done considerable work for example when letting the new home care contracts it was a requirement that 10% of the providers capacity came from SME's, specialist support was also made available so SMEs could collaborate to create strong supply chains, SMEs were offered some similar protection on the SEND school transport redesign and many of the Council services such as residential care and pharmacy services are delivered in large part by SMEs. The Strategy commits the Council to further work in this respect, particularly so that tender processes are easier to engage with for SMEs and so that SMEs continue to get the support they need to produce the tenders and submissions that can be competitive in the Council's tender processes.
7. The aim of this is to develop a vibrant and sustainable marketplace. As a commissioning Council this is central to the achievement of the Council's corporate plan objectives. That market needs also to be diverse with large sections of the Council's needs in the area of adults and children's care being met from third sector and charitable organisations.
8. The aim of any procurement is the conclusion of a contract under which the provider undertakes to provide services to the Council in return for payment. There is a hard edged commercial element to this fully recognised in the Strategy. It is important that the Council negotiates robust commercial terms with the necessary protections for the Council. It is also important that those contracts are properly managed and providers are held to account for the promises they have made.
9. At the same time the Strategy recognise that both parties have legitimate interests to protect through the contract and the indiscriminate passing of risk to a provider is likely to lead to less value for money as well as poor supplier relationships. The Strategy commits the Council to good supplier management through the development of relationships in which both parties can commit to quality outcomes.

National Context

10. The Strategy has been developed with due regard to the National Procurement Strategy which was issued in 2018 and which has focused on three key themes:
 - showing leadership
 - behaving commercially
 - achieving community benefits
11. Showing Leadership requires the engagement of councillors in the leadership and governance of council procurement and commercial activity setting the Council vision and strategy and making the key procurement decisions that aim to deliver on that vision and strategy.
12. The draft Strategy at Appendix A sets out the framework in which procurement will support the delivery of the Corporate Plan. It will continue to be supported by robust decision making through the Council's

constitutional procedures for major procurement processes supported by prior scrutiny.

13. Behaving commercially relates to the way in which councils seek to extract value from their procurements, engaging with markets and potential suppliers and encouraging innovation and managing contracts and suppliers. As has been seen the draft Strategy accommodates these requirements in particular in relation to supplier management and the fostering of a vibrant market

14. Achieving community benefits addresses the wider value that can be achieved through attention to social value in designing and carrying out procurements. The Strategy addresses this through the section on Social and Community Benefits

2. Legal Issues:

Equality Act 2010

Under section 149 of the Equality Act 2010, the Council must, in the exercise of its functions, have due regard to the need to:

* Eliminate discrimination, harassment, victimisation and any other conduct that is prohibited by or under the Act

* Advance equality of opportunity between persons who share a relevant protected characteristic and persons who do not share it

* Foster good relations between persons who share a relevant protected characteristic and persons who do not share it.

The relevant protected characteristics are age; disability; gender reassignment; pregnancy and maternity; race; religion or belief; sex; and sexual orientation

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

* Remove or minimise disadvantages suffered by persons who share a relevant protected characteristic that are connected to that characteristic

* 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

* 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

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

Compliance with the duties in section 149 may involve treating some persons more favourably than others

The duty cannot be delegated and must be discharged by the decision-maker. To discharge the statutory duty the decision-maker must analyse all the relevant material with the specific statutory obligations in mind. If a risk of adverse impact is identified consideration must be given to measures to avoid that impact as part of the decision making process

The Equality Act requirements have been considered but there are not considered to be any equality impacts of the proposed decision on the Strategy. Each individual procurement exercise may raise specific equality issues on the basis of their subject matter and these will be taken into account in the design and carrying out of those procurements

Joint Strategic Needs Analysis (JSNA) and the Joint Health and Wellbeing Strategy (JHWS)

The Council must have regard to the Joint Strategic Needs Assessment (JSNA) and the Joint Health & Well Being Strategy (JHWS) in coming to a decision

The JSNA and JHWS requirements have been considered but there are not considered to be any direct impacts of the proposed decision of the Strategy itself. The Council's procurement approach has the potential to support a vibrant economy and the success of local businesses which can impact on the health and wellbeing of the community.

Each individual procurement exercise may raise specific wellbeing issues on the basis of their subject matter and these will be taken into account in the design and carrying out of those procurements

Crime and Disorder

Under section 17 of the Crime and Disorder Act 1998, the Council must exercise its various functions with due regard to the likely effect of the exercise of those functions on, and the need to do all that it reasonably can to prevent crime and disorder in its area (including anti-social and other behaviour adversely affecting the local environment), the misuse of drugs, alcohol and other substances in its area and re-offending in its area

Section 17 of the Crime and Disorder Act 1998 requirements have been considered but there are not considered to be any direct impacts of the proposed decision on the Strategy itself.

Each individual procurement exercise may raise specific crime and disorder issues on the basis of their subject matter and these will be taken into account in the design and carrying out of those procurements

3. Conclusion

The revised strategy provides the Council with a clear and comprehensive approach to its procurement activity which has been developed through an appraisal of best practice approaches, national guidance and local issues.

4. Legal Comments:

The proposed Strategy is consistent with the Council's legal obligations.

It is consistent with the Policy Framework and within the remit of the Executive.

5. Resource Comments:

There are no financial implications arising directly from the recommendation in this report, i.e. to approve the Procurement Strategy 2019/22. However, its adoption will enable the Council to continue to work efficiently and effectively in securing value for money, maximising the benefits from expenditure and delivering cost effective services.

6. Consultation

a) Has Local Member Been Consulted?

N/A

b) Has Executive Councillor Been Consulted?

Yes

c) Scrutiny Comments

This matter is to be considered by the Overview and Scrutiny Management Board at its meeting on 25 April 2019 and the Board's comments will be reported to the Executive prior to the taking of the decision.

d) Have Risks and Impact Analysis been carried out?

Yes

e) Risks and Impact Analysis

See the body of the Report

7. Appendices

These are listed below and attached at the back of the report

Appendix A	Draft Procurement Partnership Strategy 2019-2022
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8. Background Papers

The following Background Papers within the meaning of Section 100D of the Local Government Act 1972 were used in the preparation of this Report

Document title	Where the document can be viewed
National Procurement Strategy	https://local.gov.uk/national-procurement-strategy

This report was written by Sophie Reeve who can be contacted on 01522 552578 or Sophie.Reeve@lincolnshire.gov.uk and Alex Botten who can be contacted on 01522 554258 or Alex.Botten@lincolnshire.gov.uk .

Procurement Partnership Strategy 2019-2022

NB Lincolnshire County Council is part of a procurement partnership Procurement Lincolnshire with North Kesteven District Council and West Lindsey District Council

Vision

To secure value for money and maximise the benefits from spend with suppliers, supporting delivery of fit for purpose, cost effective and quality services for the people of Lincolnshire, working effectively, efficiently and collaboratively with our partners and suppliers to high standards of practice.

What we will do and key principles

This strategy is based on the key principles that:

- We are clear on how our public funds are spent, and how this offers value for money for the residents of Lincolnshire.
- We take a Lincolnshire place based approach to procurement by working closely with other public bodies where possible.
- We will actively manage the performance of suppliers to ensure that commitments are delivered.
- We will better understand our markets and the challenges they our suppliers face and manage our supplier relationships so as to maximise the availability of a functioning and sustainable market for Council services across Lincolnshire.

- We will seek appropriate Social and Community benefits through procurement, and we will pay regard to the obligations of the Equality Act and the Social Value Act.
- We will seek to engage small medium enterprises (SMEs) in our procurement where opportunities arise.

Key Challenges

Financial pressures

- The Council is facing a period of sustained financial pressure, with an increasing demand for services and a reduction of funding.
- We recognise that competition through procurement helps maximise value from spend with providers.
- We will explore revenue generating and cost avoidance opportunities but without putting public funds and services at risk.

Safeguarding the vulnerable

- The Council has a duty to safeguard vulnerable citizens who are eligible for a variety of social care and other health related services. The complexity of needs and demand for services is escalating within a strained market.
- We shall ensure that we have effective monitoring of service suppliers, and service quality controls within our contracts to manage risks, and protect vulnerable service users from harm.
- We will provide proactive support to those suppliers who need it, identifying how they can improve their service and make clear our concerns so that they can be addressed.

Service quality

- The Council will procure the quality of services necessary to deliver the outcomes identified within the Corporate Plan.
- We will use an evidence based approach whenever possible when deciding between solutions to procure. We will define our requirements clearly so that they are easy for suppliers to understand, and we will ensure that our contracts include contract and performance management arrangements so that we can monitor the quality of the services we contract for.

Market sufficiency

- The breadth and diversity of suppliers that form part of the Council's supply chain is extensive, ranging from large multinational companies through to local charities, with some finding it difficult to remain sustainable in the current financial climate.
- We will work with suppliers and service users to help shape a vibrant, competitive marketplace encouraging participation from SMEs while providing stability of provision. This will be supported through effective contingency and continuity planning to ensure that where possible the effects of supplier failure on the people of Lincolnshire are minimised.

Sustainability

- Climate change, plastic pollution, and the utilisation of natural resources are important issues that the Council has a duty to consider through its own operations, and those of its suppliers.
- Where relevant we will ensure that service suppliers consider how they can minimise their impact on the environment, adopt sustainable business practices, whilst also delivering social and economic benefits for Lincolnshire.

Commercial management

- We shall strike a balance between commercial terms that hold suppliers to account but which are not onerous and therefore costly to the Council.
- We shall ensure that our contracts include mechanisms to protect the interests of the Council while providing sustainable commercial opportunities for suppliers. Performance controls will hold suppliers to account for good performance, without being overly punitive we will we will favour open book arrangements. Our contract terms will reflect the size and value of the contract and the market place making them accessible to SMEs and charities as appropriate.

- Our procurement processes will be efficient and we will work with commissioning colleagues to reduce the time between identifying a need and letting a contract.

Legal compliance

- The Council operates within a regulated environment where the consequences for getting things wrong is costly.
- We will ensure that we have the skills, management practices and capability to effectively and proportionately manage risk when making commercial and procurement decisions.

How we will deliver

Compliance and transparency

- We shall operate efficient and effective governance arrangements that will be transparent so our citizens know what decisions have been made, and why.
- We will ensure that our internal procedures and processes for conducting procurements are aligned with our regulatory duties.
- We will manage the quality of our procurement practices through Quality Assurance, Gateways, Peer and Scrutiny reviews, and a dedicated governance board.
- We will manage risk in a proportionate manner.

Value for money

Specifications and contracting terms

- We will use market intelligence when developing specifications and agreeing contractual obligations. We will identify outcomes that are important to Lincolnshire and ensure that suppliers are held to account for delivering those outcomes.
- We will build suitable payment mechanisms, such as milestone payments or payment by results, to incentivise and reward good performance.
- We will introduce a set of light touch terms and conditions for lower value procurements.

Category Management

- Key areas of spend will identify areas where performance needs to improve, identifying initiatives and contracting strategies including management to optimise performance and ultimately deliver the outcomes identified within the service commissioning strategies.
- This will ensure that future contracts provide the most effective use of resources and demonstrate value for money.
- Our key areas of spend are:
 - Adult Care and Community Wellbeing
 - Children's Social Care
 - Education
 - Information Technology (IT)
 - Environmental Services (incl. Waste)
 - Highways (incl. Grounds maintenance)
 - Property Services (incl. Construction)
 - Transport and Vehicles
 - Employment Services, Agency Workers, and Consultancy

Supplier Relationship Management

- We will identify strategic suppliers (current and potential) and engage with them to improve performance, reduce cost, mitigate risk, benefit from innovation, and share benefit as appropriate.
- The Council will take a considered and collaborative approach to managing relationships with our strategic suppliers.

Contract Management

- Our contracts will be regularly reviewed to monitor service delivery, contract compliance, transparency and actual spend versus planned spend. Opportunities for additional value from specification and performance reviews will be assessed on an ongoing basis.
- Where contract changes are agreed they will be written down.
- We will pursue all benefits/savings promised by contractors.
- Where our suppliers are experiencing difficulty we will do our best to support them to succeed.

Partnerships, Collaboration and Relationship Management

- We will work collaboratively and develop relationships with other public sector organisations in Lincolnshire such as the NHS, Schools, the Lincolnshire Police, District Councils, the University of Lincoln, and other public bodies. We will collaborate with our partners where our requirements are similar and can be delivered within a single procurement activity.
- We will adopt a 'one Lincolnshire' approach to our contracts endeavouring to ensure that they complement other related services that are contracted by our public sector partners.
- We will contribute to regional and national working groups, sharing best practice and guidance for the benefit of the public sector.
- We will adopt a commercial mind-set when engaging all of our partners and suppliers to secure additional value whilst having regard to the strength of the market place.

Efficient practices

- We will utilise existing Frameworks awarded by Public Buying Organisations such as Crown Commercial Services, Eastern Shires Purchasing Organisation, North Eastern Purchasing Organisation and Yorkshire Purchasing Organisation where they meet our requirements as this will harness the purchasing power of the public sector whilst reducing the resources required to put a contract in place, and save time.
- We will follow the Council's Contract and Procurement Procedure Rules and will make use of the exception process provided in those rules particularly for Social and other specific services (Section 7 PCR2015) where appropriate.
- Where practicable we will adopt tried and tested solutions and will not favour bespoke solutions.
- For routine contracts we will use standard documents and contract terms to simplify and speed up the process.
- We will invest in skills development and capacity building to ensure that the Council has a well skilled and experienced procurement team.

Social and Community Benefits

- When developing our requirements we will consider whether additional social and community benefits could be delivered without materially increasing costs.
- We shall investigate opportunities for our large suppliers to provide apprenticeships, particularly for young people who are leaving care, while delivering our contracted services.
- Our specifications will have regard to the environment.
- We will be sensitive to energy efficiency, the reduction of waste, and the consumption of natural resources.
- We will provide "always-on" digital tendering support for suppliers, so that SMEs can access the support that they need to write tenders and bid for contracts, when they most need it.

Open Report on behalf of Sophie Reeve, Chief Commercial Officer

Report to:	Overview and Scrutiny Management Board
Date:	25 April 2019
Subject:	Office Supplies

Summary:

This item invites the Overview and Scrutiny Management Board to consider a report regarding Office Supplies. This report is due to be considered by the Executive Director of Finance and Public Protection between the 07 May and 03 June 2019. The views of the board will be reported to the Executive Director as part of the consideration of this item.

Actions Required:

- (1) To consider the attached report and to determine whether the board supports the recommendation to the Executive Director of Finance and Public Protection to procure a new contract for office supplies.
- (2) To agree any additional comments to be passed to the Executive Councillor in relation to this item.

1. Background

This report seeks approval from the Executive Director of Finance and Public Protection to procure a new contract for office supplies. The full report is attached at Appendix 1 to this report.

2. Conclusion

Following consideration of the report, the Overview and Scrutiny Management Board is requested to consider whether it supports the recommendations in the report and highlight any additional comments to be considered by the Executive Director of Finance and Public Protection.

3. Appendices

These are listed below and attached at the back of the report	
Appendix 1	I017888 - Office Supplies

4. 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 Alex Botten, who can be contacted on 01522 554258 or alex.botten@lincolnshire.gov.uk.

Open Report on behalf of Sophie Reeve, Chief Commercial Officer

Report to:	Pete Moore, Executive Director of Finance and Public Protection
Date:	7 May – 3 June 2019
Subject:	Office Supplies
Decision Reference:	I017888
Key decision?	Yes

Summary:

The Council currently has two contracts covering the purchase of office supplies – a contract for paper with Office Depot, and a contract for general office supplies with Banner. The contracts were originally let in 2011 via ESPO and Crown Commercial Services (CCS) frameworks. The contracts have continued on an annual rolling basis with original pricing still in place. Both requirements need to be re-procured and a review has been undertaken to assess options and recommend a way forward, as below.

This report seeks approval from the Executive Director of Finance and Public Protection to procure a new contract for office supplies.

Recommendation(s):

The Executive Director approves:

- (1) that the contracts for paper and general office supplies are amalgamated, and re-procured as one contract with a 4+2 years duration and the Council awards a contract to Banner through Lot 1 of the Dartford Framework;
- (2) that next day delivery is only used by exception, and the majority of orders are placed on a weekly schedule;
- (3) that the Council continues to purchase the Steinbeis recycled paper;
- (4) that pictures are loaded into BWOn! for the 75 most commonly used items;
- (5) that the need for a punch-out is considered as a requirement within the BWOn! rebuild project.

Alternatives Considered:

1. A benchmarking exercise has been undertaken with a sample of suppliers on various frameworks available to the Council, and against the ESPO catalogue pricing offer. Note that ESPO no longer offer an office supplies framework.
2. Historic volume information of purchases against the core list was used for the exercise to give an accurate reflection of the estimated total cost. This showed that pricing is fairly consistent across all of the frameworks; and that Banner is the most competitive supplier through a framework setup by Dartford Council. The exercise showed that cashable savings (approx. £20,000 p.a.) could be achieved based on a weekly delivery schedule to the Council's current delivery locations.

Reasons for Recommendation:

The framework offered by Dartford Council meets the Council's requirements, is compliant with the Council's procurement obligations, and provides the best value for money for the Council.

1. Background

- 1.1 The Council currently has two contracts covering the purchase of office supplies – a contract for paper with Office Depot, and a contract for general office supplies with Banner. The contracts were originally let in 2011 via ESPO and Crown Commercial Services (CCS) frameworks. The contracts have continued on an annual rolling basis with original pricing still in place. Both requirements need to be re-procured and a review has been undertaken to assess options and recommend a way forward, as below.
- 1.2 At the time of the original procurement the paper price available through the Banner office supplies contract was not competitive, and a better price was achieved through the separate Office Depot contract resulting in savings of £30k - £40k each year. This is why there are 2 contracts in place. Notable contract savings were not expected this time around, with any cost reductions coming through demand management strategies such as reduced deliveries to Council premises.
- 1.3 The total spend for 17/18 across the two contracts was £107,650 (office supplies) and £65,315 (paper). The current spend on office supplies for April 2018 – February 2019 is £89,700, and for the same period the spend on paper is £40,700, the extrapolated full aggregated year spend is £142,255 which is fairly consistent with the previous year spend. Both contracts operate through the use of a core list with requests for items that are "off core" going through a technical product approval process in BWOn! currently administered by the Commercial Team. This reduces the ordering variability for similar items and helps the Council to realise the benefits of ordering increased volumes of lower cost items.

BENCHMARKING

- 1.4A benchmarking exercise has been undertaken with a sample of suppliers on the various frameworks available to the Council, and against the ESPO catalogue pricing offer. Note that ESPO no longer offer an office supplies framework.
- 1.5 Historic volume information of purchases against the core list was used for the exercise to give an accurate reflection of the estimated total cost. This showed that pricing is fairly consistent across all of the frameworks; and that Banner is the most competitive supplier through a framework setup by Dartford Council. The exercise showed that cashable savings (approx. £20,000 p.a.) could be achieved based on a weekly delivery schedule to the Council's current delivery locations.

ESPO

- 1.6 As a founding member of ESPO the Council receives a rebate from spend passed through their catalogue and their top 10 frameworks. ESPO no longer have an office supplies framework so any potential rebate for office suppliers would be calculated in respect of sales against their catalogue.
- 1.7 Whilst it has not been possible to calculate the exact figure, discussions with ESPO have shown that putting the Council's office supplies spend through the catalogue would have a minimal impact on the overall rebate received (c. £1-2K), but due to the pricing strategy of the ESPO catalogue would cost the Council c. £60K more a year than the Dartford Council framework.

CONTRACT STRATEGY

- 1.8 As stated previously, the contracts were originally separated to ensure that maximum savings were achieved. However, the pricing of paper has become more competitive within the office supplies framework which now makes amalgamation of the contracts a realistic proposition. Having the contracts with two separate suppliers creates a duplication of work for requisitioners and an additional contract management overhead. Procuring a single contract will therefore create a small operational benefit. Given that this will be a volume based contract, the Council's requirement for office supplies is unlikely to reduce over the medium term, and prices are fairly static for the Council's requirements, it is recommended that the contract is for a duration of 4+2 years.
- 1.9 Using the Dartford Framework would meet all of the Council's procurement obligations, and is in alignment with the Council's procurement strategy which is to make good use of existing framework arrangements which lever local authority purchasing power to the Council's advantage whilst avoiding the cost of bespoke procurement. The Dartford Framework Lot for office supplies allows a compliant direct award to a single supplier meaning no procurement process is necessary. Fortunately the supplier is Banner, the

Council's incumbent for office supplies, which means any transition arrangements would be minimal.

ORDERING AND DELIVERY

Orders are currently placed by requisitioners through BWOOn! using a product catalogue. Feedback from requisitioners show that this is not the ideal solution as descriptions on the catalogue can be misleading and there are no pictures to confirm what is being ordered. Punch-out is the Agresso Finance Team's preferred option but due to the upgrades to BWOOn! there is no internal resource to implement this until September 2020. As an interim solution it is recommended that approx. 75 pictures are added to the product catalogue for the most commonly ordered items to aid with the ordering process.

- 1.10 Delivery efficiency is also a concern and anecdotal evidence shows that deliveries are made to the same towns on a daily basis to different operational units incurring additional cost. Currently both suppliers operate a next day delivery service but they have both stated that a reduced delivery schedule would reduce costs and Banner has been asked to price on a weekly delivery basis. In order to secure these benefits it is recommended that a weekly delivery schedule is implemented, and enforced. This can be accommodated by the supplier, who can hold and batch orders until a pre-agreed weekly release date. The Business Support Team will be responsible for the management of the new contract, and will also be responsible for working with the supplier to enforce the recommended weekly delivery schedule which they believe is adequate and less resource intensive for them to manage.

PAPER

- 1.11 The Council currently uses Steinbeis unbleached paper with no virgin fibres which is accredited to EcoLabel standards. This paper, while not brilliant white in appearance, saves 7.5kg of wood pulp, 19.3kwh of energy, 107.8 litres of water and 1.6kg of CO2 emissions per 1 ream of paper (500 sheets). As this paper is manufactured from 100% recovered paper it is also one of the lowest cost options and is used by DWP, DofE, and HMRC. Due to the sustainability credentials and low cost it is recommended that the Council continues to buy this paper.

SCHOOLS

- 1.12 Whilst schools have a requirement for office supplies, the order volumes are minimal and many schools combine their office supplies orders with their requirements for classroom resources (such as scissors, glue, paint, etc.) where they have significant spend through the ESPO catalogue. This spend is out of scope of this procurement as schools will continue to use the ESPO catalogue for their school supplies as these are not available through any other frameworks, and it is easier for them to add a few items of office supplies to those orders when needed.

2. Legal Issues:

Equality Act 2010

Under section 149 of the Equality Act 2010, the Council must, in the exercise of its functions, have due regard to the need to:

- * Eliminate discrimination, harassment, victimisation and any other conduct that is prohibited by or under the Act
- * Advance equality of opportunity between persons who share a relevant protected characteristic and persons who do not share it
- * Foster good relations between persons who share a relevant protected characteristic and persons who do not share it.

The relevant protected characteristics are age; disability; gender reassignment; pregnancy and maternity; race; religion or belief; sex; and sexual orientation

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

- * Remove or minimise disadvantages suffered by persons who share a relevant protected characteristic that are connected to that characteristic
- * 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
- * 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

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

Compliance with the duties in section 149 may involve treating some persons more favourably than others

The duty cannot be delegated and must be discharged by the decision-maker. To discharge the statutory duty the decision-maker must analyse all the relevant material with the specific statutory obligations in mind. If a risk of adverse impact is identified consideration must be given to measures to avoid that impact as part of the decision making process

The Equality Act requirements have been considered but there are not considered to be any equality impacts of the proposed decision.

Joint Strategic Needs Analysis (JSNA and the Joint Health and Wellbeing Strategy (JHWS)

The Council must have regard to the Joint Strategic Needs Assessment (JSNA) and the Joint Health & Well Being Strategy (JHWS) in coming to a decision

The JSNA requirements have been considered but there are not considered to be any impacts of the proposed decision.

Crime and Disorder

Under section 17 of the Crime and Disorder Act 1998, the Council must exercise its various functions with due regard to the likely effect of the exercise of those functions on, and the need to do all that it reasonably can to prevent crime and disorder in its area (including anti-social and other behaviour adversely affecting the local environment), the misuse of drugs, alcohol and other substances in its area and re-offending in its area

Section 17 of the Crime and Disorder Act 1998 requirements have been considered but there are not considered to be any impacts of the proposed decision.

3. Conclusion

The framework offered by Dartford Council meets the Council's requirements, is compliant with the Council's procurement obligations, and provides the best value for money for the Council.

4. Legal Comments:

The Council has power to enter into the contract proposed. The recommendation is consistent with the Council's procurement obligations as set out in the Report. The decision is consistent with the Policy Framework and within the remit of the Executive Director.

5. Resource Comments:

The recommendations in the report will secure the best value for money and lead to more efficient procurement and ordering processes. The cost of office supplies will continue to be met from services' existing revenue budgets.

6. Consultation

a) Has Local Member Been Consulted?

N/A

b) Has Executive Councillor Been Consulted?

N/A

c) Scrutiny Comments

This report is due to be considered by the Overview and Scrutiny Management Board at its meeting on 25 April 2019. Any comments of the Board will be reported to the Executive Director of Finance and Public Protection prior to the taking of the decisions.

d) Have Risks and Impact Analysis been carried out?

Yes

e) Risks and Impact Analysis

See the body of the report.

7. Background Papers

No Background papers within the meaning of section 100D of the Local Government Act 1972 were used in the preparation of this Report.

This report was written by Alex Botten, who can be contacted on 01522 554258 or alex.botten@lincolnshire.gov.uk.

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Open Report on behalf of Sophie Reeve, Chief Commercial Officer

Report to:	Overview and Scrutiny Management Board
Date:	25 April 2019
Subject:	Performance of the Corporate Support Services Contract

Summary:

This report provides an update of Serco's performance against contractual Key Performance Indicators specified in the Corporate Support Services Contract between October 2018 and February 2019.

Actions Required:

The Overview and Scrutiny Management Board is asked to seek reassurance about the performance of the Corporate Support Services Contract and provide feedback and challenge as required.

1. Abbreviations

CSS	Corporate Support Services	F	Finance (Exchequer)
KPI	Key Performance Indicator	ACF	Adult Care Finance
TSL	Target Service Level	CSC	Customer Services Centre
MSL	Minimum Service Level	RAG	Red/ Amber/ Green
IMT	Information Management and Technology	CMDB	Configuration Management Database (list of IMT assets)
LRSP	Lincolnshire Road Safety Partnership		

2. Background

This report provides an update on Serco's performance against the contract KPIs between October 2018 and February 2019 (months 43 to 47 since the service commencement date 1 April 2015). The performance report is presented in the shortened format previously agreed by the Board.

3. Performance

Table 1 below provides summary Red/ Amber/ Green (RAG) status of the Key Performance Indicator (KPI) results for the six months of service delivery from October 2018 to February 2019.

Red status indicates that Serco's performance against the KPI has failed to meet the Minimum Service Level (MSL). Amber indicates a failure to meet the Target Service Level (TSL) but has achieved MSL. Green indicates that Serco's performance as measured against the KPI has either met or exceeded the TSL as set out under the Corporate Support Services Contract.

Table 1: Overall KPI Summary Performance

Overall (All Services) Contract Performance	Number of KPIs					
	Sep-18	Oct-18	Nov-18	Dec-18	Jan-19	Feb-19
TSL achieved	39	38	37	37	39	38
MSL achieved	0	0	0	1	0	0
Below MSL	0	0	0	1	0	0
Mitigation Agreed	2	3	4	2	2	3
TOTAL	41	41	41	41	41	41

4. Exceptions

Table 2 sets out the KPIs which failed to meet the MSL (Red status) during the review period together with commentary.

Table 2: KPIs which failed to meet MSL, October 2018 - February 2019:

KPI Ref No	Short Description	MSL	Actual	Comment, impact, resolution
IMT_KPI_01 (Dec)	% Users able to raise Incidents and make Service Requests (Service Availability) during Service Desk Hours	99.30%	98.16%	This KPI has not failed MSL since contract start.

Table 3 sets out the KPIs which failed to meet the TSL (Amber status) during the review period together with commentary.

Table 3: KPIs which failed to meet TSL, October 2018 - February 2019:

KPI Ref No	Short Description	TSL	Actual	Comment, impact, resolution
IMT_KPI_10 (Dec)	% of CMDDB Changes applied within 14 Core Support Hours of the move or change	100%	98.00%	Some historical errors came to light – unusual situation – this KPI not failed since Dec 16.

Table 4 shows the background and rationale for the Council granting mitigation where a dependency outside Serco's control (e.g. implementation of Mosaic) prevents agreed targets from being fully met. Granting mitigation relieves Serco from the application of Service Credits (deductions).

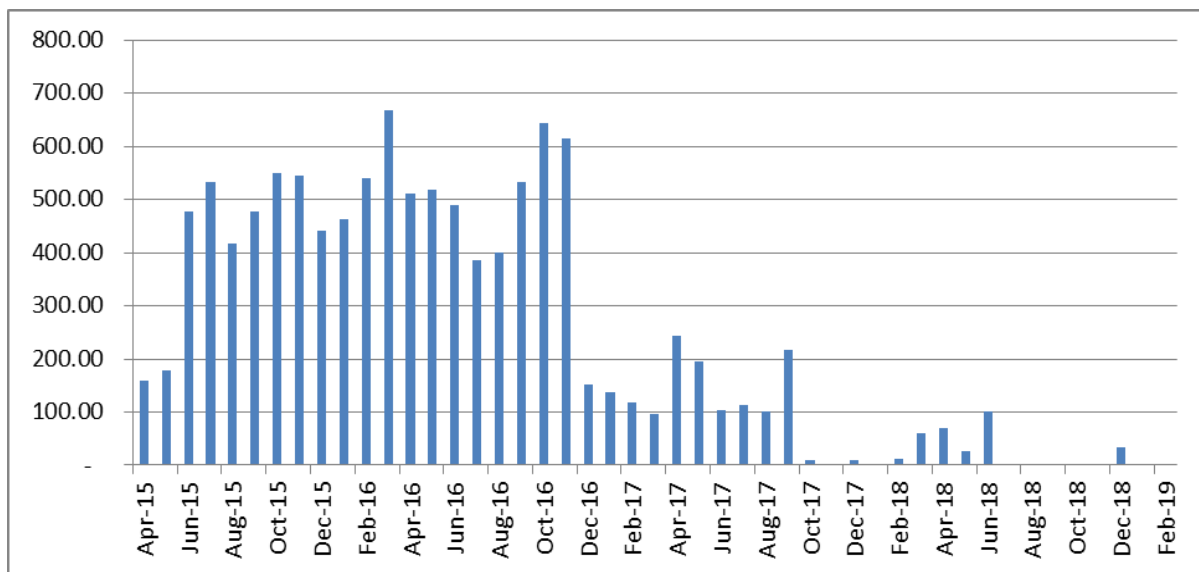
Table 4: Details of KPI Mitigation Relief, October 2018 - February 2019:

KPI Ref No	Short Description	Reason for the granting of Mitigation Relief
ACF_KPI_03 (Nov – Feb)	% of new, and change of circumstance, financial assessments for <i>non-res</i> care completed within 15 Business Days of referral from the Council	Mosaic Implementation - Mosaic was implemented on 12 December 2016 across Adult Care, Children's Services and Serco. There remain a number of process issues which impact on the effective delivery of this function:
ACF_KPI_04 (Oct - Nov)	% of new, and change of circumstance, financial assessments for <i>residential</i> care completed within 15 Business Days of referral from the Council	Mosaic finance is due to launch in May 2019, with a rolling plan to bring services on line throughout the remainder of 2019/20. There are also a number of other activities on-going that will impact on these KPIs including a review of the Adult Care Contributions Policy, implementation of a self-service financial assessment, and improved quality of data.
ACF_KPI_10 (Oct - Feb)	% of the total Adult Care Service Users in any month in receipt of a chargeable service who have an up to date and accurate financial assessment in place which is being used to collect their Adult Care Service User Contribution	Mosaic Implementation - this measure requires a single point of reporting. Previously agreed will not be reported against until completion of full integration of system/ data into Mosaic + 3 months.
CSC_KPI_09 (Oct – Nov, Feb)	% of carers assessments (reviews and new), as completed by the CSC, completed accurately and within 20 Business Days	Long term sickness issue. Two new recruits being trained. Commissioner for Carers agreed to prioritise service over recording hence mitigation.

5. Abatement Points

Table 5 shows the total number of abatement points the Serco CSS Contract has attracted in each month since contract start. A total of 1000 points is distributed amongst the KPIs, with each KPI generally attracting between 10-50 points. For each KPI a multiplier is applied to any consecutive months where targets are not achieved. For two consecutive months the multiplier is 1.50 and for three or more months it is 2.00. Abatement Points are used to calculate Service Credits (deductions) from the monthly contract payment. The maximum service credits payable by each service is capped at 10% of the financial volume for that month.

Table 5: Total monthly abatement points since contract start to February 2019



6. KPI Performance Summary October 2018 to February 2019

KPI performance across all of the service areas has remained strong, with failures mostly being marginal as might be expected from time to time – this serves to demonstrate that the KPIs remain meaningful measures.

7. Highlights from the review period October 2018 to February 2019

Payment performance (invoices processed by Serco for LCC within the required payment period) between December 2018 and February 2019 has further improved by 3.5 % compared to the previous year, with December being the highest level seen so far during the Contract (c19,000 transactions at 95% compliance). Performance is now materially better than under Mouchel where it was 90% against a 28 day payment period a much softer target.

Historic Clinical Commissioning Group debt has been reduced from £6.7 million in March 2018 to £115,000 in December 2018 delivered in large part because of the continued efforts of Serco. Work continues to reduce this further.

In Adult Social Care, Residential Assessments are reaching steady state and progress has also been made on Non-Residential Assessments which are more difficult because of frequently changing circumstances. In Non-Residential Assessments the age profile of Non-Residential Financial Assessments has substantially improved, with 21.4% of cases over 3 months old in September 2018 falling to 0.0% by mid-March 2019. Serco have deployed an Operational Excellence Team which is currently reviewing the whole process cycle in order to recommend further improvements.

The transition of staff and service in;

- Professional People Management;
- Mosaic system support;
- FOI, Subject Access Requests, and complaints;
- BWO system support.

went very well led by the Transition Board which oversaw a smooth and successful insourcing of c 50 Serco staff at the end of February 2019. Serco were represented on the Board and worked well with the Council to ensure that the transfer of services was seamless. This included providing a bespoke ticketing solution for the insourced Mosaic social care system.

Serco has now delivered a single complaints system in Lagan combining both corporate and statutory complaints processes into a workflow that is auditable and provides extensive reporting.

8. Background Papers

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

This main body of this report was produced by Arnd Hobohm and Sophie Reeve who can be contacted on 01522 552563 or 01522 552578 respectively. Alternatively, via email at arnd.hobohm@lincolnshire.gov.uk or sophie.reeve@lincolnshire.gov.uk.

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**Open report on behalf of Pete Moore,
Executive Director of Finance and Public Protection**

Report to:	Overview and Scrutiny Management Board
Date:	25 April 2019
Subject:	Energy Procurement

Summary:

This item invites the Overview and Scrutiny Management Board to consider a report regarding the Council's arrangements for purchasing electricity. This report is due to be considered by the Leader of the Council between the 06 and 30 May 2019. The views of the board will be reported to the Leader of the Council as part of his consideration of this item.

Actions Required:

- (1) To consider the attached report and to determine whether the board supports the recommendation for the Leader of Council to approve the Council procuring electricity through the recently established ESPO electricity framework October 2020 – September 2024.
- (2) To agree any additional comments to be passed to the Leader of Council in relation to this item.

1. Background

This report identifies that the Council's arrangements for purchasing electricity are up for renewal and recommends that the Leader of the Council approves the Council procuring electricity through the recently established ESPO electricity framework October 2020 – September 2024.

The full Executive Councillor report is attached at Appendix 1 to this report.

2. Conclusion

Following consideration of the report, the Overview and Scrutiny Management Board is requested to consider whether it supports the recommendations in the report and highlight any additional comments to be considered by the Leader of Council.

3. Appendices

These are listed below and attached at the back of the report	
Appendix 1	Energy Procurement

4. 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 Sophie Reeve who can be contacted on 01522 552578 or Sophie.Reeve@lincolnshire.gov.uk and Andrew Househam who can be contacted on Andrew.Househam@lincolnshire.gov.uk or 01522 552327

Open report on behalf of Pete Moore, Executive Director of Finance and Public Protection

Report to:	Councillor M J Hill OBE, Leader of the Council and Executive Councillor for Resources and Communications
Date:	07 – 30 May 2019
Subject:	Energy Procurement
Decision Reference:	I017893
Key decision?	Yes

Summary:

The report identifies that the Council's arrangements for purchasing electricity are up for renewal. The report provides an overview of the electricity market, sets out the Council's current arrangements and the alternatives, and proposes a way forward.

Recommendation(s):

That the Leader of the Council approves the Council procuring electricity through the recently established ESPO electricity framework October 2020 – September 2024.

Alternatives Considered:

The Council delivers in-house

Pros

The Council has full control and pays no administrative fee

Cons

No Specialist staffing resource, trading software, or track record, no aggregated spend and only minimal quantities purchased.

Independent Energy Broker

Pros

- Dedicated specialist resource
- Trading software solution already in place

Cons

- Profit making organisation
- Reliant on brokers' knowledge and expertise
- No rebate
- No transparency around past or anticipated future performance
- Uncertainty re scale of any aggregated spend and cost of service

Reasons for Recommendation:**Alternative Public Buying Organisation****Pros**

- Aggregated spend – attractive to market
- Dedicated specialist resource
- Trading software solution already in place
- Not for Profit Organisation

Cons

- Unable to benchmark framework performance
- No influence in decision making at governance level
- Management fee

ESPO**Pros**

- Aggregated spend - attractive to the market
- Framework has previously performed well
- Rebate received on spend throughput
- Dedicated specialist resource
- Trading software solution already in place
- Ability to influence decision making at governance level
- Strong customer service
- Dedicated professional resource
- Not for Profit Organisation
- No transition costs/activity

Cons

- Management Fee
- Unable to benchmark against other PBO's

Background

1. Since 2007, Lincolnshire County Council (LCC) has procured its electricity supply for street lighting and property through the ESPO Energy Access Agreement (Framework). This framework is accessed by over 100 Local Authorities, Housing Associations and Charities.

2. The Council has made the decision to purchase brown electricity as opposed to green. Brown energy is energy that comes from conventional fossil fuels, such as oil or coal. The combustion from these fuels releases harmful emissions into the environment. Renewable or “green” energy all comes from clean sources that are more sustainable and are perceived to be better for the environment e.g. solar, wind, geothermal, biogas, eligible biomass, and low-impact small hydroelectric sources. In fact 47% of the Total Gas and Power brown electricity already comes from renewable sources compared to the 29% average on UK standard electricity.
3. The ESPO framework has the flexibility to buy green or brown energy for individual large customers such as LCC. Previous discussions between Property, Highways and the Sustainability Team were that there were better ways of reducing the Council's carbon emissions for example by reducing consumption than absorbing a budgetary increase for green electricity. The additional cost of buying all green rather than brown energy will be £11,500 p.a. based on current consumption from 1 October 2019-30 September 2020. This is reviewed annually so ESPO will not know the costs from October 2020 until early next year. We can mix green and brown energy through the 4 years subject to a minimum commitment of 12 months for either.
4. It should be noted that the total delivered costs for electricity are currently forecasted to increase by around 8% from 1 October 2019 regardless of whether the Council decides to take green or brown energy.

Current Arrangements

5. Under the current Framework (Oct 16- Sept 20) the Council signed over delegated authority to ESPO to conduct the commodity trading of brown electricity on the council's behalf. Trading on the commodity market through its internal trading software.
6. As part of the framework agreement, the supply (non-commodity) of electricity is currently contracted to Total Gas & Power whose responsibility is to correctly charge and invoice the Council for its consumption.
7. In 17/18, the Council's electricity consumption was around 23,000,000 kWh, equating to around £3,300,000 (excluding vat) to meet the Council's electricity supply demands. Had the level of demand remained the same as in 15/16 the cost on 17/18 prices would have been £5,205,000 (excluding vat) so the cost avoidance has been considerable.

Supply Type		15/16(Oct-Sept)	16/17(Oct-Sept)	17/18(Oct-Sept)
		Consumption (kWh)	Consumption (kWh)	Consumption kWh
Street and Signals	Lighting Traffic	24,400,000	13,800,000	11,315,000
Property		12,000,000	11,445,000	12,050,000
Total		36,400,000	25,245,000	23,365,000

8. The Council's consumption has been significantly reduced by the turning off of street lights and LED traffic signal and street lighting replacement initiatives.
9. ESPO has provided dedicated professional resource to meet the Council's needs including.
 - Contract Support Officer
 - Billing Manager
 - 2 Trade and Risk Managers
 - Customer Relationship Manager
10. The dedicated resource has provided the Council with energy market briefings and data reports to meet FOI's as well as managing Total Gas and Power on our behalf. In addition, Total Gas and Power have dedicated resource that only manages the ESPO Framework portfolio.

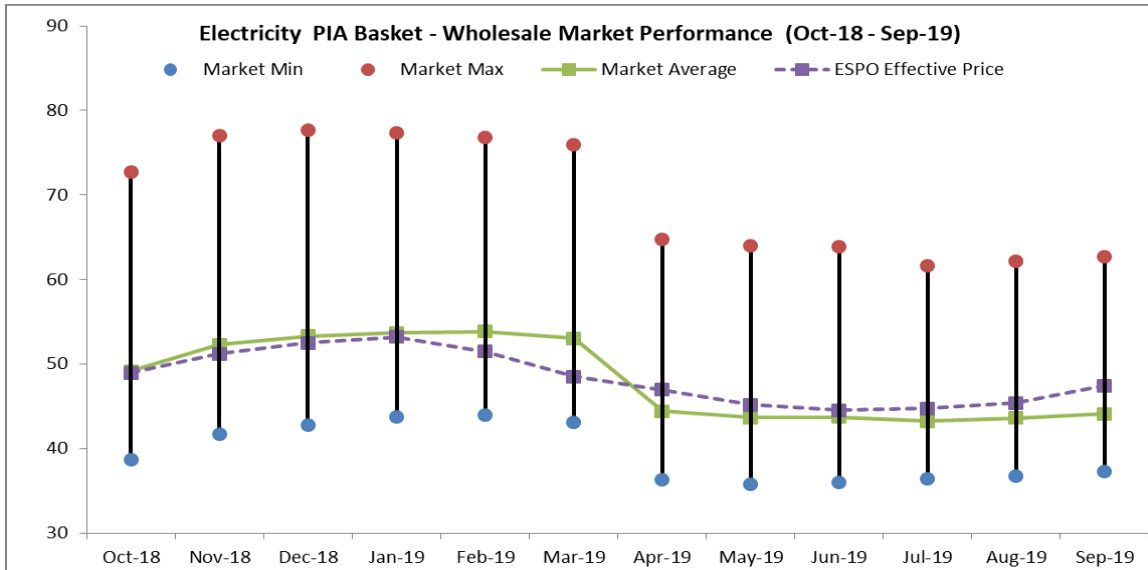
How it Works

11. Electricity Commodity Costs – This is the cost for the purchase of the electricity and is often known as the trading price. This element currently equates to about 45% of the cost per unit that is supplied and is slowly reducing as decarbonisation and network and system costs continue to rise both of which are non-negotiable. They currently make up 52% of the unit price with the suppliers margin making up the remaining 3%.
12. The existing framework allows ESPO to operate in a flexible manner adopting a hedging strategy which allows for varying volumes to be purchased periodically dependent upon market trends, in accordance with the agreed cover plan levels of the total ESPO portfolio. This is currently under a Purchase in Advance (PiA) strategy.
13. PiA – is where all of the electricity is purchased before the start of the supply period (this can often be 18 months ahead). This strategy is reasonably conservative allowing the Council to know the fixed price it will pay for the next 12 months and guarantees that the prices achieved are not subject to future market price movements. This creates budgetary certainty.

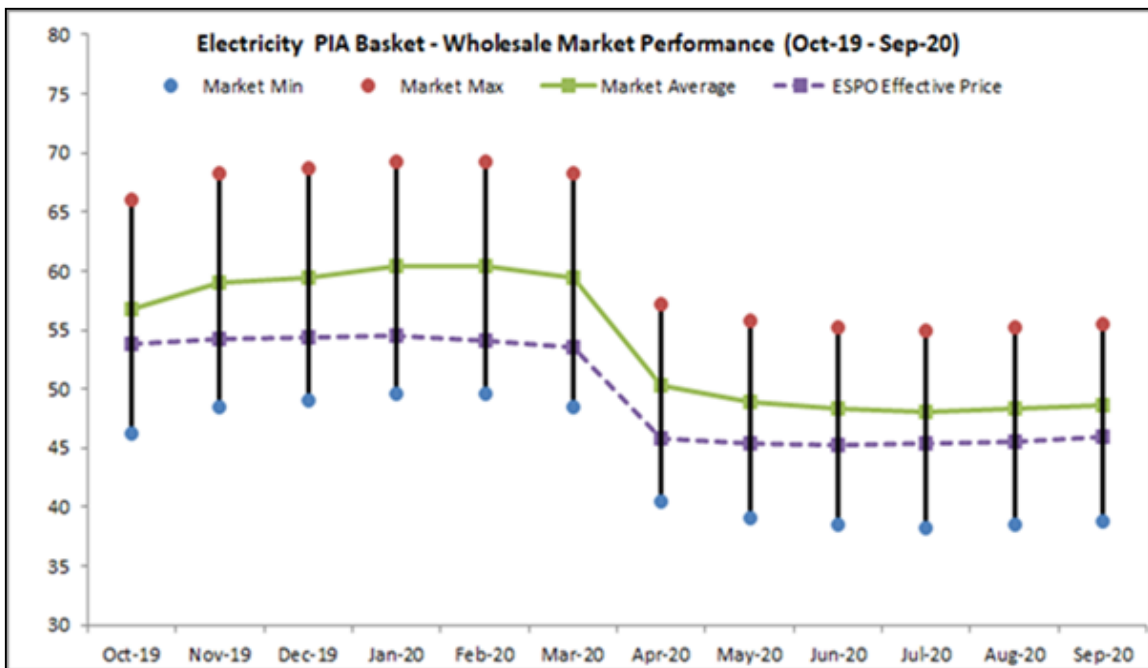
Framework Performance

14. Under the existing framework from October 2016 ESPO have generated £275,000 of cost avoidance relative to the market up to 18/19 with an estimated further cost avoidance of £172,000 forecast for 19/20.

15. The table below shows ESPO's trading performance for 18/19 where it performed just below the market average, trying to achieve budget certainty ahead of time can make outperforming the market more difficult.



The table below shows a more positive ESPO trading forecast for 19/20 against the market average, although there are still up to 6 months of trading time which could impact upon this.



Governance

16. As a member of ESPO, Lincolnshire County Council has representation on the Energy Governance Panel which oversees buying. The Panel is made up of other partner authorities (County Councils) along with the ESPO Energy Team. This gives the Council the opportunity to influence the strategy and coverplan.
17. ESPO's role is to track the market and react quickly to market behaviours acting in the best interest of their customers (LCC) on a not for profit basis. In addition, to this ESPO have a proven track record of responsive customer service on administration, account changes, invoice validation and tackling FOI's because they have direct access and priority status with their suppliers. The Council is aware that a number of organisations have returned to the ESPO framework having tried the Crown Commercial Service framework and experiencing poor performance.
18. The service provided by ESPO is funded by the management fee charged through the utility bills which is passed back to ESPO by TGP. The total cost for LCC's portfolio, based upon current meters and/or supply is currently £14,300 per annum (fixed).
19. The Council received a rebate from ESPO last year of £74,000 based upon its expenditure placed through ESPO's top ten frameworks, £25,300 of that was due to the utilisation of the electricity framework.

Benchmarking

20. On previous occasions the Council have tried to benchmark the ESPO framework against similar framework agreements. This presented a number of issues, framework owners declined to share their frameworks performance figures for the following reasons;
 - i. Trading periods differ
 - ii. Buying strategies and risk profiling will differ
 - iii. Coverplans differ
21. This has been recognised by the Local Government Association and whilst discussions have taken place between them and purchasing organisations in relation to publishing performance figures, the Public Buying Organisation's (PBO's) have still not shared any information. In addition, the complexities of the market and the un-influence able factors that impact on commodity pricing means that whilst a framework's buying strategy may perform well one year, it may not perform as well the following year.
22. With any switching of utility contracts there is always the issue of data migration to a new provider and the setting up of a billing system, this can be resource intensive.

Proposal

23. The proposal is to sign up to the recently established ESPO Electricity framework Oct 2020 – Sept 2024, thus allowing ESPO to continue with the commodity trading with Total Gas and Power again being the preferred supplier to manage the non-commodity provision.

24. The proposed approach is aligned with recommendations set out in the National Procurement Strategy in that Council's should look to utilise PBO's for their energy provision. In addition, the Council will receive a rebate based upon the throughput of this framework.

Legal Issues

Equality Act 2010

Under section 149 of the Equality Act 2010, the Council must, in the exercise of its functions, have due regard to the need to:

- * Eliminate discrimination, harassment, victimisation and any other conduct that is prohibited by or under the Act
- * Advance equality of opportunity between persons who share a relevant protected characteristic and persons who do not share it
- * Foster good relations between persons who share a relevant protected characteristic and persons who do not share it.

The relevant protected characteristics are age; disability; gender reassignment; pregnancy and maternity; race; religion or belief; sex; and sexual orientation

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

- * Remove or minimise disadvantages suffered by persons who share a relevant protected characteristic that are connected to that characteristic
- * 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
- * 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

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

Compliance with the duties in Section 149 may involve treating some persons more favourably than others

The duty cannot be delegated and must be discharged by the decision-maker. To discharge the statutory duty the decision-maker must analyse all the relevant material with the specific statutory obligations in mind. If a risk of adverse impact is identified consideration must be given to measures to avoid that impact as part of the decision making process

Equality issues have been considered and there are not considered to be any issues arising out of this decision.

Joint Strategic Needs Analysis (JSNA and the Joint Health and Wellbeing Strategy (JHWS)

The Council must have regard to the Joint Strategic Needs Assessment (JSNA) and the Joint Health & Well Being Strategy (JHWS) in coming to a decision

The Joint Health & Well Being Strategy (JHWS) has been considered and there are not considered to be any direct impacts of this decision.

Crime and Disorder

Under section 17 of the Crime and Disorder Act 1998, the Council must exercise its various functions with due regard to the likely effect of the exercise of those functions on, and the need to do all that it reasonably can to prevent crime and disorder in its area (including anti-social and other behaviour adversely affecting the local environment), the misuse of drugs, alcohol and other substances in its area and re-offending in its area

Crime and disorder issues have been considered and there are not considered to be any issues arising out of this decision.

Conclusion

It is recommended that the Council sign up to the recently established ESPO Electricity framework October 2020 – September 2024 for the purchase of electricity.

Legal Comments:

The Council has the power to enter in to the framework proposed which is compliant with the Council's procurement obligations.

The decision is consistent with the Policy Framework and within the remit of the Leader of the Council.

Resource Comments:

The recommendation in this report should secure best value by providing competitive pricing, while reducing procurement, management and administrative costs. Electricity costs will continue to be funded from services' revenue budgets.

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

N/A

b) Has Executive Councillor Been Consulted?

Yes

c) Scrutiny Comments

The decision will be considered by the Overview and Scrutiny Management Board at its meeting on 25 April 2019 and the comments of the Board will be reported to the Leader of the Council before the decision is taken.

d) Have Risks and Impact Analysis been carried out?

Yes

e) Risks and Impact Analysis

See the body of the report

Background Papers

No Background Papers within the meaning of section 100D of the Local Government Act 1972 have been used in the preparation of this Report.

This report was written by Sophie Reeve who can be contacted on 01522 552578 or Sophie.Reeve@lincolnshire.gov.uk and Andrew Househam who can be contacted on Andrew.Househam@lincolnshire.gov.uk or 01522 552327.

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Open Report on behalf of Debbie Barnes, Head of Paid Service and David Coleman, Chief Legal Officer

Report to:	Overview and Scrutiny Management Board
Date:	25 April 2019
Subject:	Performance Reporting to Scrutiny Committees

Summary:

This report sets out a proposed new arrangement of reporting performance against the Council Business Plan to scrutiny committees. The proposal will remove the duplication that currently happens between Overview and Scrutiny Management Board and scrutiny committees, and addresses the concerns raised regarding the order of reporting. It also builds upon the lessons learned from the Northamptonshire County Council (NCC) Best Value Inspection report regarding the need for more budget and capital programme monitoring by the scrutiny committees.

Actions Required:

The Overview and Scrutiny Management Board is asked to:

1. approve Option 3, with the addition of relevant officers attending meetings of the relevant scrutiny committee as and when required to answer questions, as the new arrangement of reporting performance against the Council Business Plan to scrutiny committees, to be implemented from Quarter 1 2019/20 Council Business Plan in August 2019.
2. invite officers, in conjunction with scrutiny committee chairs to explore the future content of performance and budget monitoring reports to scrutiny committees.

1. Background

Order of reporting and timing of scrutiny committees

At its meeting on 28 February 2019, the Overview and Scrutiny Management Board (OSMB) raised concern regarding the order of reporting of the Council Business Plan. For Quarter 3, two scrutiny committees (Children and Young People Scrutiny Committee, and Public Protection and Communities Scrutiny Committee) had not met to consider the performance measures relating to their

remit before the Board's meeting on 28 February and Executive on 5 March. All the measures that had underperformed this quarter related to issues outside of the Board's remit.

The Board noted however that if the Quarter 3 (Q3) report had been put back to the 28 March meeting for the Board and the 2 April meeting for the Executive, then the data would have been out of date. It was suggested that a potential way forward was to ask officers for commentary only on the performance measures that were underperforming which may allow reports to be produced quicker and therefore potentially be provided to earlier meetings. However, this would depend on the calendar of meetings as scrutiny committees meet every six weeks, and the Board and the Executive meet monthly. Officers agreed to look into options for how the order of reporting and the timing of scrutiny committees could be resolved going forward.

Options for changing reporting of performance against the Council Business Plan.

Officers have met since the meeting of the Board and identified five options for changing the reporting of performance against the Council Business Plan. Officers have ruled out the option of adjusting the timing of scrutiny committees due to the impact this would have on the timetabling of other committees, including the Executive, and the different meeting schedules of OSMB and Executive to the other scrutiny committees.

The five options identified are:

Option 1

Do nothing – leave the reporting dates and sequence as they currently are.

- **Benefits** – This option would mean a continuation of the current process which all officers and councillors involved are familiar with.
- **Implications** – This option would not address the concerns raised by OSMB that not all scrutiny committees meet before OSMB and Executive, which occurs for every quarterly performance report. This means that some Chairmen are unable to provide feedback from their scrutiny committee of any areas of concern that were raised in relation to the performance indicators within their remit. There would continue to be duplication of the underperforming performance indicators being scrutinised by OSMB and the individual scrutiny committee.

Option 2

All scrutiny committees receive quarterly performance reports against the Council Business Plan prior to OSMB and once OSMB has discussed performance it is then reported to the Executive.

- **Benefits** – This option would allow the Council Business Plan quarterly reports to be discussed by all the scrutiny committees before OSMB and Executive, permitting the chairmen of individual scrutiny committees to provide feedback regarding any concerns relating to the performance of the measures within their remit to OSMB and Executive.
- **Implications** – This option would result in OSMB and the Executive not seeing Q1, Q2 and Q3 performance until approximately three months after the period the performance relates to and Q4 performance five months after the period the performance relates to. In addition, there would still be duplication of those performance indicators not meeting their target being scrutinised and reported to the individual scrutiny committee and OSMB.

Option 3

Quarterly Performance against the Council Business Plan is no longer reported to all scrutiny committees as a matter of course. OSMB would scrutinise all performance indicators in the Council Business Plan that are not meeting the target or show a downward trend, and recommend to the relevant scrutiny committee to look at any areas of serious concern or where the explanation for underperformance given by the service requires further explanation or detail (e.g. the Reasons Why and the impact – the so what?). The individual scrutiny committee(s) would then discuss these specific performance measures and report back to OSMB, ideally at the next OSMB meeting considering the Council Business Plan measures, e.g. for Q1 any issues recommended by OSMB to the individual scrutiny committee(s) would be reported back to OSMB by the scrutiny committee(s) in Q2. OSMB would then report back to the Executive.

- **Benefits** – This option would avoid duplication of performance indicators being considered by individual scrutiny committees and OSMB. This option would also allow for more drilling down by scrutiny committees of specific performance indicators that are of serious concern which currently does not happen as a matter of course. It would also allow for timely monitoring of the Council Business Plan by OSMB and Executive.
- **Implications** – This option would allow scrutiny committees to have the opportunity to continue to receive performance reports but with a different emphasis such as monitoring underperforming contracts or be widened to include budget and capital programme monitoring. Scrutiny committees may

also be recommended by OSMB to have an in-depth report on specific performance measures in the Council Business Plan if there are any areas of serious concern or where the explanation for underperformance given by the service requires further explanation or detail.

Option 4

Quarterly performance against the Council Business Plan is reported to individual scrutiny committees including OSMB. OSMB would only scrutinise those performance indicators that specifically fall within their remit e.g. Information Governance, People Management and any comments from each of the scrutiny committees is reported back to the Executive. OSMB would not discuss overall performance against the Council Business Plan.

- **Benefits** – This option would place the onus on each scrutiny committee to provide comments to the Executive rather than it just being OSMB's comments reported to the Executive as it currently is.
- **Implications** – This option would result in the Executive not seeing Q1, Q2 and Q3 performance until approximately three months after the period the performance relates to and Q4 performance five months after the period the performance relates to. OSMB would not have quarterly oversight of all the Council Business Plan performance indicators not meeting their target. There is a risk that there may be no comments from some of the scrutiny committees to the Executive due to all of their performance indicators being on target, which may mean they are not discussed in detail, if at all, by the scrutiny committee.

Option 5

Quarterly performance against the Council Business Plan is reported to OSMB and relevant officers attend OSMB to answer any questions for those measures that have not met the target in that quarter.

- **Benefits** – This option would result in OSMB providing comments to the Executive without individual scrutiny committees having to meet before OSMB which would delay performance reporting to OSMB and the Executive. It would avoid duplication of performance indicators being considered by individual scrutiny committees and OSMB. This option would also allow for more drilling down by scrutiny committees of specific performance indicators that are of concern which currently does not happen as a matter of course.

- **Implications** – This option would result in the relevant Officers time in attending OSMB for those measures that did not achieve the target to answer any questions. It would result in no scrutiny of the performance indicators in the Council Business Plan by individual scrutiny committees unless requested to do so by OSMB and/or the Executive.

Proposals for Future Performance Reporting

These options were presented to the Group Leaders at their meeting on 5 March 2019. The Group Leaders have recommended Option 3, with the addition of having relevant officers in attendance to answer any questions for those measures that have not met the target in that quarter.

Subject to approval, the Board would receive for pre-decision scrutiny the Executive report on the quarterly performance against the Council Business Plan. This report would include those measures which are underperforming, and as proposed at the last meeting of the Board on 28 February 2019, those which are currently on target but starting to show a downward trend in performance. In addition, as suggested at the last Board meeting, commentary would only be required for those measures which are underperforming, showing a downward trend or where managers wish to highlight areas of success. Those measures which are performing well will be summarised within the report to the Executive.

If there is a measure causing serious concern to the Board, such as a measure which is currently on target but has shown a downward trend, the Board may recommend to the relevant scrutiny committee that it examines the measure in-depth on its next available agenda. To avoid inefficient use of officer time, the appropriate officer would be invited to attend the relevant scrutiny committee to answer questions. The scrutiny committee would then provide a report back to the Board, ideally when it considers the next quarterly performance report to be presented to the Executive. OSMB would then report back to the Executive.

Under this proposal the scrutiny committees would not receive the Council Business Plan measures as they do now. This would avoid the duplication that currently exists between OSMB and individual scrutiny committees discussing the same performance measures and at times both requesting additional information on the same measure. It would also allow for thorough scrutiny by an individual scrutiny committee of a measure causing serious concern to find out in more detail what the issues are and the implications for the Council and/or service users. Depending on the nature of the concerns and the implications, it may warrant a scrutiny review of that measure/service area to examine the issues in more detail.

If Option 3 is approved, this would remove the Council Business Plan measures from the quarterly performance reports to the scrutiny committees. Currently the

only other performance information that is presented to all the scrutiny committees is the customer satisfaction data, and in addition, some scrutiny committees receive other performance data and contract performance information in relation to the service area within their remit. Officers will explore how this practice will be implemented consistently to reflect the individual needs of each scrutiny committee and report back within the next six months. In doing so they will consider the following items:

- Customer satisfaction data (which the scrutiny committees currently receive)
- performance monitoring of contracts and internally delivered services, which would include underperforming contracts, services and contracts of high cost and post-delivery impact
- budget and capital programme monitoring

Scrutiny has an important role to play in monitoring the Council's budget and capital programme. The report on Lessons Learned from Northamptonshire County Council, which was considered by the Board on 28 February 2019, highlighted the need for more monitoring of the budget and capital programme by scrutiny committees. It highlighted as an area for improvement that detailed quarterly budget reports should be provided to each individual scrutiny committee to provide more detailed scrutiny of each element of the budget.

In addition, the scrutiny committees could receive service specific performance or budget information as part of the performance and budget monitoring report such as

- Ofsted School Status Report to the Children and Young People Scrutiny Committee
- Major Highway Schemes, Lincolnshire Highways Alliance Performance, National Road Condition Indicators to the Highways and Transport Scrutiny Committee

It is acknowledged that some information may only be available at certain intervals, such as on an annual basis, or may not vary enough to warrant quarterly reporting. It would therefore be for the individual scrutiny committees to determine the frequency and timeliness of those items.

2. Conclusion

The proposed new arrangement for the reporting of performance against the Council Business Plan in Option 3 would address the Board's concerns of the order of reporting to scrutiny committees and remove the duplication of underperforming measures being considered by both the Board and individual scrutiny committees. The addition of budget and capital programme monitoring within the performance

report will address the area of improvement highlighted in the Lessons Learned from Northamptonshire County Council report to the Board's February meeting. The Board is asked to approve Option 3 and invite officers to explore the future content of performance and budget monitoring reports.

3. Consultation

a) Have Risks and Impact Analysis been carried out?

Yes

b) Risks and Impact Analysis

An analysis of the benefits and implications for each of the options was undertaken, which is detailed above under each option.

4. Background Papers

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

This joint report was written by Nigel West, who can be contacted on 01522 552840 or nigel.west@lincolnshire.gov.uk and Jasmine Sodhi, who can be contacted on 01522 552124 or jasmine.sodhi@lincolnshire.gov.uk

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**Open Report on behalf of David Coleman,
Chief Legal Officer**

Report to:	Overview and Scrutiny Management Board
Date:	25 April 2019
Subject:	Overview and Scrutiny Annual Report 2018-19

Summary:

This item enables the Overview and Scrutiny Management Board to consider a draft of the Overview and Scrutiny Annual Report for 2018-19.

A draft Overview and Scrutiny Annual Report will be circulated for consideration by the Board.

Actions Required:

The Overview and Scrutiny Management Board is invited to

1. consider and comment on the draft Overview and Scrutiny Annual Report for 2018-19.
2. agree the submission of the Overview and Scrutiny Annual Report 2018-19, with or without amendment, to the meeting of the County Council on 17 May 2019 for final approval.

1. Background

Every year a report is prepared outlining the work of the Overview and Scrutiny function over the last year and highlighting key areas of scrutiny for the year ahead. The report is considered in draft form by the Overview and Scrutiny Management Board before a final version is put before the Annual Meeting of the Council for approval.

Each section of the annual report focuses on a particular committee and is being compiled in consultation with the relevant chairman and vice-chairman. The draft report will be circulated to the Board for consideration prior to the meeting.

2. Conclusion

That consideration is given to the content of this report.

3. Consultation

a) Have Risks and Impact Analysis been carried out?

Not Applicable

b) Risks and Impact Analysis

Not Applicable

4. Appendices

These are listed below and attached at the back of the report	
Appendix A	Draft Overview and Scrutiny Annual Report 2018-19 TO FOLLOW

5. 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 Nigel West, Head of Democratic Services and Statutory Scrutiny Officer, who can be contacted on 01522 552840 or by e-mail at nigel.west@lincolnshire.gov.uk

Policy and Scrutiny

Open Report on behalf of David Coleman, Chief Legal Officer

Report to:	Overview and Scrutiny Management Board
Date:	25 April 2019
Subject:	Overview and Scrutiny Management Board Work Programme

Summary:

This item enables the Board to consider and comment on the content of its work programme for the coming year to ensure that scrutiny activity is focused where it can be of greatest benefit. Members are encouraged to highlight items that could be included for consideration in the work programme.

The work programme will be reviewed at each meeting of the Board to ensure that its contents are still relevant and will add value to the work of the Council and partners.

Actions Required:

Members of the Board are invited to:

- 1) Review and agree the Board's work programme as set out in Appendix A to this report.
- 2) Highlight for discussion any additional scrutiny activity which could be included for consideration in the work programme.

1. Background

Overview and Scrutiny should be positive, constructive, independent, fair and open. The scrutiny process should be challenging, as its aim is to identify areas for improvement. Scrutiny activity should be targeted, focused and timely and include issues of corporate and local importance, where scrutiny activity can influence and add value.

Overview and scrutiny committees should not, as a general rule, involve themselves in relatively minor matters or individual cases, particularly where there are other processes, which can handle these issues more effectively.

All members of overview and scrutiny committees are encouraged to bring forward important items of community interest to the Board whilst recognising that not all items will be taken up depending on available resource and assessment against the prioritisation toolkit.

Scrutiny Panel Activity

Where a topic requires more in-depth consideration, the Board may commission a Scrutiny Panel to undertake a Scrutiny Review, subject to the availability of resources and approval of the Board. Details of Scrutiny Panel activity is set out in Appendix B.

The Board may also establish a maximum of two working groups at any one time, comprising a group of members from the Board.

Committee Working Group Activity

Scrutiny Committees may establish informal working groups, which can meet a maximum of three times, usually to consider matters in greater detail, and then to put their proposals to Committee. Details of Working Group activity is set out at Appendix C.

Executive Forward Plan

The Executive Forward Plan of key decisions is set out at Appendix D. This is background information for the Committee's consideration to ensure that all key decisions are scrutinised by the relevant scrutiny committee.

2. Conclusion

The Board's work programme for the coming year is attached at Appendix A to this report.

Members of the Board are invited to review, consider and comment on the work programme as set out in Appendix A and highlight for discussion any additional scrutiny activity which could be included for consideration in the work programme.

Consideration should be given to the items included in the work programme as well as any 'items to be programmed' listed.

3. Consultation

a) Have Risks and Impact Analysis been carried out?

Not Applicable

b) Risks and Impact Analysis

Not Applicable

4. Appendices

These are listed below and attached at the back of the report	
Appendix A	Overview and Scrutiny Management Board – Work Programme
Appendix B	Scrutiny Panel Activity
Appendix C	Working Group Activity
Appendix D	Forward Plan of Decisions

5. 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 Nigel West, Head of Democratic Services, who can be contacted on 01522 552840 or by e-mail at nigel.west@lincolnshire.gov.uk

OVERVIEW AND SCRUTINY MANAGEMENT BOARD

Each agenda includes the following standard items:

- Call-in (if required)
- Councillor Call for Action (if required)

25 April 2019		
Item	Contributor	Purpose
IMT Strategy Document	John Wickens, Chief Digital Officer	Pre-Decision Scrutiny <i>(Executive Councillor Decision – 07 and 10 May 2019)</i>
Procurement Strategy	Alex Botten, Strategic Commercial and Procurement Manager	Pre-Decision Scrutiny <i>(Executive Decision on 8 May 2019)</i>
Office Supplies Contract Renewal	Alex Botten, Strategic Commercial and Procurement Manager	Pre-Decision Scrutiny <i>(Executive Director of Finance and Public Protection Between 7 May and 3 Jun 2019)</i>
Formation of a Company for Legal Services	David Coleman, Chief Legal Officer	Pre-Decision Scrutiny <i>(Executive Decision on 8 May 2019)</i>
Electricity Agreement	Sophie Reeve, Chief Commercial Officer	Pre-Decision Scrutiny <i>(Executive Councillor Decision 7 May 2019 and 31 May 2019)</i>
Performance of the Corporate Support Services Contract	Sophie Reeve, Chief Commercial Officer	Performance Scrutiny
Performance Reporting to Scrutiny Committees	Nigel West, Head of Democratic Services and Statutory Scrutiny Officer	Policy Review
Overview and Scrutiny Annual Report	Nigel West, Head of Democratic Services and Statutory Scrutiny Officer	Annual Report

30 May 2019		
Item	Contributor	Purpose
Commissioning Strategies	George Spiteri, Commissioning Performance and Assurance Manager	Pre-Decision Scrutiny (Executive Decision 4 June 2019)
Update on the Council People Management and Workforce Plan	Fiona Thompson, Service Manager – People Management	Performance Scrutiny
Scrutiny Panel B – Transitions Review Final Report	Cllr Angela Newton, Chairman of Scrutiny Panel B	Scrutiny Review Activity
Overview and Scrutiny Work Programmes <ul style="list-style-type: none"> Adults and Community Wellbeing Scrutiny Committee Health Scrutiny Committee 	Cllr Hugo Marfleet, Chairman of Adults and Community Wellbeing Scrutiny Committee Cllr Carl Macey, Chairman of Health Scrutiny Committee	Performance Scrutiny
1.30pm - Workshop for OSMB and Audit Committee Members Lessons Learned from Northamptonshire County Council - Culture and Accountability		

27 June 2019		
Item	Contributor	Purpose
Review of Financial Performance 2018/19	Dave Simpson, Technical and Development Finance Manager	Pre-Decision Scrutiny (Executive decision 9 July 2019)
Treasury Management Annual Report 2018/19	Karen Tonge, Treasury Manager Chris Scott, Link Asset Services	Performance Scrutiny
Performance Reporting against the Council Business Plan - Quarter 4	Jasmine Sodhi, Performance and Equalities Manager	Pre-Decision Scrutiny (Executive decision on 9 July 2019)

27 June 2019		
Item	Contributor	Purpose
Corporate Support Services Contract – Six Monthly Overview Report	Sophie Reeve, Chief Commercial Officer John Wickens, Chief Digital Officer	Performance Scrutiny
Overview and Scrutiny Work Programmes <ul style="list-style-type: none"> Children and Young People Scrutiny Committee Public Protection and Communities Scrutiny Committee 	Cllr Robert Foulkes Chairman of Children and Young People Scrutiny Committee Cllr Nigel Pepper Chairman of Public Protection and Communities Scrutiny Committee	Performance Scrutiny

29 August 2019		
Item	Contributor	Purpose
Performance Reporting against the Council Business Plan - Quarter 1	Jasmine Sodhi, Performance and Equalities Manager	Pre-Decision Scrutiny (Executive decision on 3 September 2019)
Corporate Support Services Contract – IMT Progress Report	John Wickens, Chief Digital Officer	Performance Scrutiny
Overview and Scrutiny Work Programmes <ul style="list-style-type: none"> Environment and Economy Scrutiny Committee Highways and Transport Scrutiny Committee 	Cllr Barry Dobson Chairman of Environment and Economy Scrutiny Committee Cllr Mike Brookes Chairman of Highways and Transport Scrutiny Committee	Performance Scrutiny
Overview and Scrutiny Work Programmes <ul style="list-style-type: none"> Adults and Community Wellbeing Scrutiny Committee Health Scrutiny Committee 	Cllr Hugo Marfleet, Chairman of Adults and Community Wellbeing Scrutiny Committee Cllr Carl Macey, Chairman of Health Scrutiny Committee	Performance Scrutiny

26 September 2019		
Item	Contributor	Purpose
Revenue and Capital Budget Monitoring Report 2019/20	Dave Simpson, Technical and Development Finance Manager	Pre Decision Scrutiny (Executive decision on 1 October 2019)
Treasury Management Performance Quarter 1 (1 April to 30 June 2019)	Karen Tonge, Treasury Manager Chris Scott, Link Asset Services	Performance Scrutiny
Corporate Support Services Contract – Housekeeping Progress Report	Sophie Reeve, Chief Commercial Officer	Performance Scrutiny
Overview and Scrutiny Work Programmes <ul style="list-style-type: none"> • Children and Young People Scrutiny Committee • Public Protection and Communities Scrutiny Committee 	Cllr Robert Foulkes Chairman of Children and Young People Scrutiny Committee Cllr Nigel Pepper Chairman of Public Protection and Communities Scrutiny Committee	Performance Scrutiny

24 October 2019		
Item	Contributor	Purpose
Review of Financial Risk Assessment	Dave Simpson, Technical and Development Finance Manager	Budget Scrutiny
Update on the Council People Management and Workforce Plan	Fiona Thompson, Service Manager – People Management	Performance Scrutiny
Overview and Scrutiny Work Programmes <ul style="list-style-type: none"> • Environment and Economy Scrutiny Committee • Highways and Transport Scrutiny Committee • Flood and Water Management Scrutiny Committee 	Cllr Barry Dobson Chairman of Environment and Economy Scrutiny Committee Cllr Mike Brookes Chairman of Highways and Transport Scrutiny Committee Cllr Bob Adams Chairman of the Flood and Water Management Scrutiny Committee	Performance Scrutiny

28 November 2019		
Item	Contributor	Purpose
Performance Reporting against the Council Business Plan - Quarter 2	Jasmine Sodhi, Performance and Equalities Manager	Pre-Decision Scrutiny (Executive decision on 3 December 2019)
Treasury Management Performance Quarter 2 (1 July to 30 September 2019)	Karen Tonge, Treasury Manager Chris Scott, Link Asset Services	Performance Scrutiny
Corporate Support Services Contract – Six Monthly Overview Report	Sophie Reeve, Chief Commercial Officer John Wickens, Chief Digital Officer	Performance Scrutiny
Overview and Scrutiny Work Programmes <ul style="list-style-type: none"> • Adults and Community Wellbeing Scrutiny Committee • Health Scrutiny Committee 	Cllr Hugo Marfleet, Chairman of Adults and Community Wellbeing Scrutiny Committee Cllr Carl Macey, Chairman of Health Scrutiny Committee	Performance Scrutiny

19 December 2019		
Item	Contributor	Purpose
Corporate Support Services Contract – IMT Progress Report	John Wickens, Chief Digital Officer	Performance Scrutiny
Overview and Scrutiny Work Programmes <ul style="list-style-type: none"> • Children and Young People Scrutiny Committee • Public Protection and Communities Scrutiny Committee 	Cllr Robert Foulkes Chairman of Children and Young People Scrutiny Committee Cllr Nigel Pepper Chairman of Public Protection and Communities Scrutiny Committee	Performance Scrutiny

For more information about the work of the Overview and Scrutiny Management Board please contact Tracy Johnson, Senior Scrutiny Officer, on 01522 552164 or by e-mail at Tracy.Johnson@lincolnshire.gov.uk

Scrutiny Panel Activity

(as at 15 April 2019)

Current Reviews

Scrutiny Panel A	Membership	Completion Date
Roundabout Sponsorship and Advertising	Councillors L Wootten (Chairman), S R Parkin (Vice Chairman), W J Aron, Mrs A M Austin, Mrs P Cooper, P Coupland, A G Hagues and N Pepper	Highways and Transport Scrutiny Committee -

Scrutiny Panel B	Membership	Completion Date
Transitions	Councillors Mrs A Newton (Chairman), A H Turner (Vice Chairman), R L Foulkes, A G Hagues, C Matthews, S R Parkin, R H Trollope-Bellew and M A Whittington	Overview and Scrutiny Management Board – 30 May 2019

All completed review reports to be approved by relevant scrutiny committee before consideration at a meeting of the County Council's Executive.

Working Group Activity

(as at 20 March 2019)

Committee	Working Group	Membership
Adults and Community Wellbeing Scrutiny Committee	Government Green Paper – Care and Support for Older People (<i>On hold until publication of Green Paper</i>)	Councillors C E H Marfleet, R J Kendrick, Mrs J E Killey, A P Maughan, Mrs E J Sneath and M A Whittington
Overview and Scrutiny Management Board	UK's Exit from the European Union	Councillors Mrs A Austin, T Bridges, M Brookes, M T Fido, R L Foulkes, C E H Marfleet, Mrs M J Overton MBE, R B Parker, A M Stokes and Mrs C A Talbot; and added member: Mr S Rudman
Environment and Economy	Waste Consultations	Councillors B Dobson, W Bowkett, C Matthews and A Hagues

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FORWARD PLAN OF KEY DECISIONS FROM 01 MAY 2019

DEC REF	MATTERS FOR DECISION	REPORT STATUS	DECISION MAKER AND DATE OF DECISION	PEOPLE/GROUPS CONSULTED PRIOR TO DECISION	DOCUMENTS TO BE CONSIDERED	OFFICER(S) FROM WHOM FURTHER INFORMATION CAN BE OBTAINED AND REPRESENTATIONS MADE (All officers are based at County Offices, Newland, Lincoln LN1 1YL unless otherwise stated)	DIVISIONS AFFECTED
I017458	Spalding Western Relief Road	Open	Executive 8 May 2019	Spalding Western Relief Road Executive Management Board; Public & Businesses in Spalding/ South Holland District Council; and Highways and Transport Scrutiny Committee	Reports	Senior Project Leader (Major Schemes) Tel: 01522 555587 Email: Teresa.james@lincolnshire.gov.uk	
I017669 New!	Procurement Strategy	Open	Executive 8 May 2019	Overview and Scrutiny Management Board	Reports	Strategic Commercial and Procurement Manager Tel: 01522 554258 Email: alex.botten@lincolnshire.gov.uk	
I017371	Reconfiguration of the Council's ERP system - Business World	Open	Executive 4 Jun 2019	Overview and Scrutiny Management Board	Reports	Transformation Programme Manager Tel: 01522 554079 Email: andrew.mclean@lincolnshire.gov.uk	
I017803 New!	Draft Joint Lincolnshire Flood Risk & Water Management Strategy 2019-2050	Open	Executive 8 May 2019		Reports	Senior Commissioning Officer - Flood Risk Tel: 01522 555172 Email: matthew.harrison@lincolnshire.gov.uk	All Divisions
I017822 New!	PRN Resurfacing - A15/A158 Lincoln Wragby Road	Open	Executive Councillor: Resources and Communications Between 13 May 2019 and 17 May 2019	Highways colleagues and utility companies	Reports	Senior Project Leader Tel: 01522 552940 Email: steve.brooks@lincolnshire.gov.uk	Bardney and Cherry Willingham; Nettleham and Saxilby; St Giles

FORWARD PLAN OF KEY DECISIONS FROM 01 MAY 2019

DEC REF	MATTERS FOR DECISION	REPORT STATUS	DECISION MAKER AND DATE OF DECISION	PEOPLE/GROUPS CONSULTED PRIOR TO DECISION	DOCUMENTS TO BE CONSIDERED	OFFICER(S) FROM WHOM FURTHER INFORMATION CAN BE OBTAINED AND REPRESENTATIONS MADE (All officers are based at County Offices, Newland, Lincoln LN1 1YL unless otherwise stated)	DIVISIONS AFFECTED
I017821 New!	A1500 Tillbridge Lane, Sturton by Stow PRN	Open	Executive Councillor: Resources and Communications Between 13 May 2019 and 17 May 2019	Highways colleagues and utility companies	Reports	Senior Project Leader Tel: 01522 552940 Email: steve.brooks@lincolnshire.gov.uk	Gainsborough Rural South
I017422	Fostering Allowances	Open	Executive Councillor: Adult Care, Health and Children's Services 17 May 2019	Children and Young People Scrutiny Committee	Reports	Children's Services Manager - Regulated Tel: 01522 554109 Email: john.harris@lincolnshire.gov.uk	All Divisions
I017423	Short Breaks Provision in Lincolnshire	Open	Executive Councillor: Adult Care, Health and Children's Services Between 27 May 2019 and 29 May 2019	Commercial Team - People Services; Adult and Community Wellbeing Departmental Management Team; Adults and Community Wellbeing Scrutiny Committee	Reports	Commercial and Procurement Manager Tel: 01522 553673 Email: carl.miller@lincolnshire.gov.uk	
I017457	Commissioning Strategies	Open	Executive 4 Jun 2019	Overview and Scrutiny Management Board	Reports	Strategic Commercial and Procurement Manager Tel: 01522 552120 Email: george.spiteri@lincolnshire.gov.uk	All Divisions

FORWARD PLAN OF KEY DECISIONS FROM 01 MAY 2019

DEC REF	MATTERS FOR DECISION	REPORT STATUS	DECISION MAKER AND DATE OF DECISION	PEOPLE/GROUPS CONSULTED PRIOR TO DECISION	DOCUMENTS TO BE CONSIDERED	OFFICER(S) FROM WHOM FURTHER INFORMATION CAN BE OBTAINED AND REPRESENTATIONS MADE (All officers are based at County Offices, Newland, Lincoln LN1 1YL unless otherwise stated)	DIVISIONS AFFECTED
I017762 New!	Extra Care Housing	Open	Executive 4 Jun 2019		Reports	County Property Officer Tel: 01522 553726 Email: kevin.kendall@lincolnshire.gov.uk	All Divisions
I017849 New!	Proposal to change the age range at Market Deeping Community Primary School from 3 to 11 to 4 to 11 (Final Decision)	Open	Executive Councillor: Adult Care, Health and Children's Services 21 Jun 2019	Interested parties as DfE guidance including parents, school staff, neighbouring schools, County, Parish and District Councils, MPs, Trade Unions and Diocese and Children and Young People Scrutiny Committee	Reports	Admissions and Education Provision Manager Tel: 01522 553535 Email: matthew.clayton@lincolnshire.gov.uk	Deepings West and Rural
I013959	Future Model of the Heritage Service	Open	Executive 9 Jul 2019	Public Protection and Communities Scrutiny Committee	Reports	Chief Community Engagement Officer Tel: 01522 553831 Email: nicole.hilton@lincolnshire.gov.uk	All Divisions
I017768 New!	Review of Financial Performance 2018/19	Open	Executive 9 Jul 2019	Overview and Scrutiny Management Board	Reports	Technical and Development Finance Manager Tel: 01522 553008 Email: dave.simpson@lincolnshire.gov.uk	All Divisions

FORWARD PLAN OF KEY DECISIONS FROM 01 MAY 2019

DEC REF	MATTERS FOR DECISION	REPORT STATUS	DECISION MAKER AND DATE OF DECISION	PEOPLE/GROUPS CONSULTED PRIOR TO DECISION	DOCUMENTS TO BE CONSIDERED	OFFICER(S) FROM WHOM FURTHER INFORMATION CAN BE OBTAINED AND REPRESENTATIONS MADE (All officers are based at County Offices, Newland, Lincoln LN1 1YL unless otherwise stated)	DIVISIONS AFFECTED
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EXECUTIVE MEMBERS

Councillor Name	Portfolio
Councillor M J Hill OBE (Leader of the Council)	Resources and Communications
Councillor Mrs P A Bradwell OBE (Deputy Leader)	Adult Care, Health and Children's Services
Councillor C J Davie	Economy and Place
Councillor R G Davies	Highways, Transport and IT
Councillor E J Poll	Commercial and Environmental Management
Councillor Mrs S Woolley	NHS Liaison and Community Engagement
Councillor C N Worth	Culture and Emergency Services <i>(Libraries, Heritage, Culture, Registration and Coroners Service, Fire and Rescue and Emergency Planning)</i>
Councillor B Young	Community Safety and People Management <i>(Crime Reduction, Trading Standards, Equality and Diversity People Management and Legal)</i>