



County Offices
Newland
Lincoln
LN1 1YL

20 November 2019

Overview and Scrutiny Management Board

A meeting of the Overview and Scrutiny Management Board will be held on **Thursday, 28 November 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 cursive script that reads 'Debbie Barnes'.

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), B Adams, Mrs W Bowkett, Mrs J Brockway, Mrs K Cook, R J Kendrick, 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, 28 NOVEMBER 2019**

| Item | Title | Pages |
|------|--|-----------|
| 1 | Apologies for Absence/Replacement Members | |
| 2 | Declarations of Interest | |
| 3 | Minutes of the meeting held on 24 October 2019 | 5 - 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 | <p>CONSIDERATION OF EXEMPT INFORMATION (In accordance with Section 100 (A)(4) of the Local Government Act 1972, the following agenda item, agenda item 8, has not been circulated to the press and public on the grounds that it is considered to contain exempt information as defined in Paragraph 3 of part 1 of Schedule 12A of the Local Government Act 1972, as amended. The press and public may be excluded from the meeting for the consideration of this item of business)</p> | |
| 8 | <p>Crown Estate - Surrender of Lease <i>(To receive an exempt report from Kevin Kendall, Assistant Director – Corporate Property, which invites the Board to consider a report on Crown Estate - Surrender of Lease, which is being presented to the Leader of the Council between 2 December 2019 and 13 December 2019. The views of the Board will be reported to the Leader of the Council as part of his consideration of this item)</i></p> | 15 - 40 |
| 9 | <p>Business World ERP System Re-design <i>(To receive a report from Andrew Mclean, Interim Assistant Director – Corporate, which invites the Board to consider a report on the Business World ERP System Re-design, which is due to be considered by the Executive on the 17 December 2019. The views of the Board will be reported to the Executive as part of its consideration of this item)</i></p> | 41 - 74 |
| 10 | <p>Draft Corporate Plan <i>(To receive a report from Verity Druce, Commercial Manager, which invites the Board to consider the Draft Corporate Plan)</i></p> | To Follow |

- | | | |
|-----------|---|-----------|
| 11 | Performance Reporting against the Council Business Plan - Quarter 2 <i>(To receive a report from Jasmine Sodhi, Performance and Equalities Manager, which invites the Board to consider a report on the 2019/20 Council Business Plan Quarter 2 performance, which is due to be considered by the Executive on the 17 December 2019. The views of the Board will be presented to the Executive as part of its consideration of this item)</i> | 75 - 102 |
| 12 | Treasury Management Performance to Quarter 2 2019/20 <i>To receive a report from Karen Tonge, Treasury Manager, which details the activities and performance of treasury management activities for the first half of 2019/20 to September 2019, and compares these to the Treasury Management Strategy and Annual Investment Strategy 2019/20)</i> | 103 - 132 |
| 13 | Scrutiny Committee Work Programmes <i>(To receive a report which sets out the work programme of the Children and Young People Scrutiny Committee in accordance with the Board's agreed programme)</i> | 133 - 138 |
| 14 | Overview and Scrutiny Management Board Work Programme <i>(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)</i> | 139 - 154 |

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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.

All papers for council meetings are available on:
www.lincolnshire.gov.uk/committeerecords



**OVERVIEW AND SCRUTINY
MANAGEMENT BOARD
24 OCTOBER 2019**

PRESENT: COUNCILLOR R B PARKER (CHAIRMAN)

Councillors R Wootten (Vice-Chairman), B Adams, Mrs J Brockway, R J Kendrick, C S Macey, C E H Marfleet, N H Pepper, E W Strengiel, C J T H Brewis and C R Oxby

Added Members

Councillors: M A Whittington and B Young attended the meeting as observers

Officers in attendance:-

Andrew Crookham (Executive Director - Resources), Verity Druce (Commercial Manager), Tracy Johnson (Senior Scrutiny Officer), Sue Maycock (Head of Finance (Corporate)), Nigel West (Head of Democratic Services and Statutory Scrutiny Officer) and Emily Wilcox (Democratic Services Officer)

46 APOLOGIES FOR ABSENCE/REPLACEMENT MEMBERS

Apologies for absence were received from Councillor Mrs K Cook, Councillor Mrs W Bowkett, Patricia Barnett (Parent Governor Representative) and Stephen Rudman (Church Representative).

It was reported that, under the Local Government (Committee and Political Groups) Regulations 1990, Councillor C J T H Brewis had been appointed as a replacement member for Councillor Mrs K Cook; and Councillor C R Oxby had been appointed as a replacement member for Councillor Mrs W Bowkett, for this meeting only.

47 DECLARATIONS OF INTEREST

There were no declarations of interest.

48 MINUTES OF THE MEETING HELD ON 26 SEPTEMBER 2019

RESOLVED:

That the minutes of the meeting held on 26 September 2019 be approved as a correct record and signed by the Chairman.

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

OVERVIEW AND SCRUTINY MANAGEMENT BOARD 24 OCTOBER 2019

The Chairman reported that he had attended a meeting of the Executive on 1 October 2019, where he had presented the Board's comments on the Capital Budget Monitoring Report 2019/20 and the Revenue Budget Monitoring report 2019/20; highlighted the Adults and Community Wellbeing Scrutiny Committee's comments on the Housing Related Support Services; the Children and Young People Scrutiny Committee's comments on Commissioning of Supported Accommodation: Children's Services; and the Highways and Transport Scrutiny Committee's comments on Highways 2020 Contract Award Decision.

Members were advised that the Chairman of the Roundabout Sponsorship and Advertising Scrutiny Panel had also attended the Executive meeting to present the final report from Scrutiny Panel A on Roundabout Sponsorship and Advertising. The Executive had supported the idea of a countywide sponsorship scheme which had been proposed by the Panel.

Members were informed that the Chairman, the Executive Councillor for Community Safety and People Management, and 6 other members of Scrutiny Panel B had attended the East Midlands Councils Scrutiny Conference on 4 October 2019, which had included workshops on the new statutory scrutiny guidance, questioning skills and chairing skills. Scrutiny Panel B would be discussing the outcomes and lessons learned from the conference at its next meeting on 30 October 2019. An interim report from Scrutiny Panel B would be reported to the Board meeting scheduled for 19 December 2019.

50 CONSIDERATION OF CALL-INS

None were received.

51 CONSIDERATION OF COUNCILLOR CALLS FOR ACTION

None were received.

52 DRAFT CORPORATE PLAN

Consideration was given to a report by the Commercial Manager, which provided a timetable for the development and approval of the Corporate Plan, updated draft content and summarised the feedback from the first Overview and Scrutiny Management Board (OSMB) working group meeting.

Members were advised that the Council was in the process of creating a new Corporate Plan to outline Lincolnshire County Council's vision and strategic ambitions; what success for Lincolnshire means and what the Council intended to do to achieve success for Lincolnshire.

The Corporate Plan working group had met on the 30 September 2019. Feedback had been provided at Appendix A to the report.

Members received a presentation which detailed the following:

- The Background and Council decision to date

OVERVIEW AND SCRUTINY MANAGEMENT BOARD
24 OCTOBER 2019

- The Development and approval process
- The External Stakeholder Engagement activity
- The Council's proposed vision, remaining unchanged – working for a better future
- The Council's proposed ambitions – people and communities will have high aspirations; the opportunity to enjoy life to the full; thriving environments and good value Council services
- The next steps for forming the Plan.

Members were referred to the full draft Corporate Plan, which was set out at Appendix B to the report.

Members were invited to ask questions in which the following points were noted:

- Members were advised that officers had communicated with district councils via the Chief Executive/Leaders meetings that took place between Lincolnshire local government authorities. Feedback from district councils had been positive. A member requested that a copy of the agenda for the meeting of Chief Executives and Leaders be circulated if possible.
- Relationship managers had engaged with parish councils through a grouping system. It was felt that the set timescales did not allow officers to meet with each individual parish and town council to seek feedback on the Plan. A member requested that a copy of an agenda for the parish and town council group be circulated if possible and clarity be provided on who was represented, how often they met, how they were communicated with, and what the purpose was of the group.
- It was suggested that there was an opportunity for dual-hatted members to actively engage with the district councils regarding the Plan.
- Concerns were raised over the wording of some of the ambitions set out in the draft Corporate Plan being too definitive, with words such as 'must' and 'will' being used. It was questioned whether ambitions should be included if they weren't 100% achievable, and whether there could be legal challenges if ambitions were not achieved. Officers agreed to discuss this with the Chief Legal Officer and provide an answer to the Board.
- Officers advised that the ambitions set out in the draft Plan were seen to be aspirational and in line with the Corporate Plans of other local authorities.
- The Commercial Manager explained that the Council was engaging with the Lincolnshire's heritage services as a way of communicating with the voluntary and community sector, via face to face and electronic communication.
- One member suggested that the Council could make use of Lincolnshire's voluntary sector forum as a way to engage with a wider range of volunteer and community groups.
- It was suggested that the Council's Community Engagement team could be beneficial in seeking feedback from members of the public on the draft Plan.
- It was noted that there would be plans for each of the Council's directorates, which will set out measurable targets to be monitored.
- Officers hoped to receive further information about the Fairer Funding Deal before the end of 2019. Members were advised that officers would be looking

OVERVIEW AND SCRUTINY MANAGEMENT BOARD 24 OCTOBER 2019

to align the Council's finances with the key aspirations set out in the Corporate Plan, with an ambition to clearly define the Medium Term Financial Strategy alongside the delivery of the ambitions.

- The Executive Director – Resources confirmed that the One Public Estate group was still meeting and the recent peer review had suggested that the work had been successful. It was agreed that officers would request an update from the Executive Director – Commercial and provide feedback to the Board.
- It was confirmed that the ambition to 'Deliver 'clean growth' in the right place and at the right time' was in line with the Council's Growth Strategy.
- Concern was raised as to whether the Corporate Plan articulated all that the Council would do to achieve the full ambitions.
- It was suggested that examples should be added wherever possible throughout the document.

Members reviewed the four key ambitions set out in the draft Corporate Plan and were invited to comment on each ambition individually and suggest any changes or additions.

Ambition 1 – People and communities have high aspirations

- Members highlighted that some of the aspirations set out in the Plan were likely to raise the public expectations of what the Council could deliver. Members reiterated the need to ensure that the wording in the Plan reflected achievable aspirations.
- It was suggested that the Plan also looked to include an ambition to also help develop the skills of those over the age of 40.
- It was suggested that an additional point be included about needing more large businesses and more highly skilled roles.
- It was highlighted that the draft Plan did not cover the issue of educating parents as well, in terms of social education as opposed to academic education, to address issues such as five generations being unemployed.

Ambition 2 – People and communities will have the opportunity to enjoy life to the full

- Members proposed that more detail be included within the Plan as to how the Council sought to achieve the aspirations.
- Members emphasised the importance in working in partnership with the National Health Service in the development of children.
- Members were pleased to see that there was an emphasis on Children's Centres and supporting children.
- Members suggested that the Plan should include a point to recognise children with Special Educational Needs and Disabilities.

Ambition 3 – People and communities will have thriving environments

- Members emphasised the need for the Council to develop an eco-friendly approach wherever possible and supported an approach to reduce the Council's carbon footprint where possible.
- Members highlighted the importance of improving infrastructure and better public transport links in order to tackle rural isolation and poverty. It was suggested that an additional point in relation to improving cross-border public transport should be included as it was essential to allow the public to have access to wider environments.
- Members acknowledged the importance of sustainability in order to have thriving communities.
- It was recognised that due to changes within the Health Service, public transport would become essential for transporting people to surgeries and hospitals. Members acknowledged the need for partnership working to improve transport links.
- It was suggested that an additional point should be included regarding promoting investment in communities to resolve community based issues such as making the environment look good e.g. hedges as opposed to broken fences.
- It was suggested that more detail should be added to explain the bullet point 'Deliver 'clean growth' in the right place and at the right time', including being specific about climate change.
- It was questioned whether the statement in the narrative '...which will mean improving our infrastructure across the county...' was achievable.

People and communities will have good value council services

- Members suggested that there was a need to better understand what the most important issues were within communities and how these could be addressed. It was recommended that officers write to all County Councillors to help get a sense of what the biggest issues were within each community and what the public would like to see improved.
- Members recognised an opportunity to better use the Council's buildings for the benefit of local communities.
- It was suggested that more detail should be added to explain the bullet point 'Design our processes and services to meet customer's needs'.

RESOLVED:

1. That the feedback from the OSMB working group and the content of the draft Corporate Plan be noted;
2. That the comments made, as set out above, be considered in the development of the draft Corporate Plan.

53 REVIEW OF FINANCIAL RISK MANAGEMENT

Consideration was given to a report by the Head of Finance - Corporate, which provided an update on the Council's review of financial risk assessment for 2018/19, as well as an update on the risk assessment used to help determine an appropriate target level for the Council's general reserves for 2020/21.

Members were advised that the net total value of the Council's financial risks was £14.011m, which was the equivalent to 2.89% of the Council's budget. This was a slight increase in comparison to the last assessment which took place in October 2018.

It had been proposed that, given the financial uncertainties faced by the Council beyond April 2020, the Council agree a general reserve balance of £16.000m for 2020/21, which would be 3.3% of the 2020/21 budget requirement and within the target range of 2.5% to 3.5%.

Officers assured Members that they would continue to monitor the risks during the financial year and remedial action would be taken if risks began to materialise.

Members were referred to Appendix B to the report, which set out the Council's financial risk register for 2018/19.

The Executive Director – Resources referred members to paragraph 1.4 of the report, which set out the main changes that had led to the proposed value of the Council's risks. Members were advised that these changes would be contextualised in the budget report in February 2020.

Members were invited to highlight any comments that they wished to make to the Executive on the target level of general reserves for 2020/21, of which the following points were noted:

- Officers advised that they had tried to decrease the level of contingencies for next year's budget in order to achieve budget savings.
- It was clarified that the increase in general reserves was a result of the uncertainties in government funding. Officers expected to receive confirmation on funding in December 2019.
- Members were assured that any proposed level as a result of confirmation of further funding would be reflected in a verbal report to the Executive.
- It was suggested that any excess funds could be used to provide other essential council services.
- One member suggested that it would be beneficial for the reserves to amount to around 3.5% of the budget, rather than 2.5%. It was felt that it was important to be prudent due to uncertainties in funding.

RESOLVED:

1. That the report be noted;

OVERVIEW AND SCRUTINY MANAGEMENT BOARD
24 OCTOBER 2019

2. That a summary of the comments made, as set out above, be passed on to the Executive for its consideration in making budget proposals for consultation at its meeting on 17 December 2019.

54 SCRUTINY COMMITTEE WORK PROGRAMMES

Adults and Community Wellbeing Scrutiny Committee

The Chairman of the Adults and Community Wellbeing Scrutiny Committee referred Members to the Committee's prospective work programme. Members were advised that since publication of the report, the following changes had been made to the work programme:

- The item on Homes for Independence Strategy had been deferred from 27 November 2019 and provisionally listed for 26 February 2020.
- The item on Home Based Reablement Procurement had been brought forward from 26 February 2020 and was now listed for 15 January 2020, as a decision by the Executive on this was programmed for 4 February 2020.

Members were invited to ask questions on the Adults and Community Wellbeing Work Programme, in which the following points were noted:

- It was agreed that the presentation on One You Lincolnshire that was presented to the Adults and Community Wellbeing Scrutiny Committee on the 9 October 2019 be circulated to the Board.
- It was clarified that the One You Lincolnshire service focussed on providing support to those who wanted to make changes to their lifestyle, rather than seeking out those with complex needs and providing support to assist.
- It was noted that Lincolnshire was generally above the national averages for the amount of people smoking and being overweight.
- Members were informed that extra funding had been received to cope with winter pressures, and assurance had been given that there were plans in place to manage pressures as much as possible.
- Members were pleased that the Delayed Transfer of Care rates had dropped significantly.
- Members welcomed and supported the work on Team around the Adult.
- The Chairman of the Adults and Community Wellbeing Scrutiny Committee agreed to look into mortality and morbidity rates for Lincolnshire in relation to councils who have a lower percentage of people who were overweight and smoking.
- It was agreed that a report on preventing Alzheimer's be considered as a possible item for the work programme.

Health Scrutiny Committee for Lincolnshire

The Chairman of the Health Scrutiny Committee informed members of the following:

- The Committee had completed its programme of items as part of the local NHS's *Healthy Conversation 2019* engagement exercise, which was due to close on 31 October. The Committee would be considering the report on the outcome of the Healthy Conversation, in advance of the full consultation by the NHS in 2020.
- The Committee had received a report on the Community Pain Management Service – Connect Health, which had outlined the commissioners' reasons for the problems with the community pain management service. The commissioners had provided assurances that the contract was not like the non-emergency patient transport contract, where the performance of the contractor had been poor for over two years. The Committee had requested a further report in January 2020, to seek assurances that the patients were receiving better treatment for their pain.
- In relation to Urgent and Emergency Care, the Committee had received information which showed that the number of ambulance arrivals at Peterborough City Hospital from the NG31, NG32 and NG33 postcodes had doubled over the last five years. Data had also been requested from Nottingham and Leicester.
- On the 17 October 2019, the Care Quality Commission (CQC) published its inspection report on United Lincolnshire Hospitals NHS Trust, which leaves the Trust still in 'special measures' for its care. The Trust's response to this latest report would be considered on 13 November, alongside its action plans in response to earlier CQC reports.
- Members were advised of changes to the Committee's work programme for November 2019. It was noted that the work programme from January 2020 onwards was mostly clear. However, the Committee was looking to schedule items on the Lincoln Medical School, Louth County Hospital (Inpatient Services), Out of Hours Services, and Developer and Planning Contributions for NHS Provision.

Members were invited to ask questions, in which the following points were noted:

- Some Members expressed their concerns that the Clinical Commissioning Groups (CCG's) had not consulted widely enough. Members requested further information on the date that the formal consultation would begin. The Chairman of the Health Scrutiny Committee for Lincolnshire advised that the Committee had also expressed its concerns that the engagement had not been satisfactory, and that it had been proposed that the consultation would begin at the start of 2020.
- It was clarified that the Committee would respond to the Healthy Conversation Consultation as a statutory consultee. The final decision would lie with the NHS.

OVERVIEW AND SCRUTINY MANAGEMENT BOARD
24 OCTOBER 2019

- Members were advised that the NHS was looking to expand its use of rapid diagnosis centres for cancer patients, which would involve General Practices (GP's) working together across networks to improve quick diagnosis rates. The Committee was satisfied with the plans to progress these centres.
- Other than the announcement that the Pilgrim Hospital Boston would receive funding of £21m, there had been no other confirmation of any further funding to Lincolnshire's hospitals at this stage.
- Members were informed that patients could still receive pain management medication, but medication which had been proven to be successful had been offered.

RESOLVED:

That the Board was satisfied with the future work programmes of the Adults and Community Wellbeing Scrutiny Committee; and the Health Scrutiny Committee for Lincolnshire

55 OVERVIEW AND SCRUTINY MANAGEMENT BOARD WORK PROGRAMME

The Head of Democratic Services and Statutory Scrutiny Officer set out the Board's prospective work programme.

Members were advised that the Executive meeting scheduled for 3 December 2019 had been cancelled and the items listed for that meeting would now be considered at the meeting on the 17 December 2019.

It was agreed that the item on the Performance of the Corporate Support Services Contract would now be reported to the December meeting of the Board, and the Work Programmes of the Children and Young People; and Public Protection and Communities Scrutiny Committees be moved to the November meeting.

Members were informed that Scrutiny Panel A was actively seeking a new topic. It was suggested that a feasibility study into a Park and Ride facility in Lincoln be considered as a topic.

The Chairman advised that the next meeting of Scrutiny Panel B (Review of Overview and Scrutiny) was scheduled for 30 October 2019, which would review feedback from the East Midlands Councils Scrutiny Conference. The Chairman encouraged any Members who had attended the conference to submit feedback to be reviewed.

RESOLVED:

That the work programme, as discussed, be agreed.

The meeting closed at 12.00 pm

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Agenda Item 8

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

| | |
|------------|---|
| Report to: | Overview & Scrutiny Management Board |
| Date: | 28 November 2019 |
| Subject: | Business World ERP System Re-design |

Summary:

This report invites the Overview and Scrutiny Management Board (OSMB) to consider a report on the re-design of the Council's Business World ERP system which is being presented to the Executive on 17 December 2019. The views of the Board will be reported to the Executive as part of its consideration of this item.

Actions Required:

The Overview and Scrutiny Management Board is invited to:

- 1) Consider the attached report and to determine whether the Board supports the recommendation(s) to the Executive as set out in the report.
- 2) Agree any additional comments to be passed to the Executive in relation to this item.
- 3) Agree future reporting requirements into OSMB to monitor the progress of the re-design.

1. Background

The Executive is due to consider a report on the re-design of the Council's Business World ERP system at its meeting on 17 December 2019. The full report to the Executive is attached to this report.

2. Conclusion

Following consideration of the attached report, the Board is requested to consider whether it supports the recommendations in the report and whether it wishes to make any additional comments to the Executive. Comments from the Board will be reported to the Executive.

The Board is requested to consider how it would like progress of the re-design to be reported into OSMB. The successful completion of this project will be dependent upon the achievement of a number of milestones and it is recommended that future reporting into OSMB is aligned to the completion of key milestones, set out as follows:

| Milestone | Target Date of Completion | Report into OSMB |
|----------------------------|---------------------------|------------------|
| LCC BW build completed | 30 May 20 | 2 July 20 |
| UAT & payroll parallel run | 01 Jul 20 to 31 Dec 20 | 29 October 20 |
| Data dry run 1 | 01 Dec 20 | January 21 |

3. Consultation

a) Have Risks and Impact Analysis been carried out?

Yes

b) Risks and Impact Analysis

Attached as part of the Executive report.

4. Background Papers

Background papers have been provided as part of the Executive report.

5. Appendices

| | |
|---|---|
| These are listed below and attached at the back of the report | |
| Appendix A | Report to the Executive meeting on 17 December 2019 |

This report was written by Andrew McLean, who can be contacted on 01522 554079 or andrew.mclean@lincolnshire.gov.uk.

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

| | |
|---------------------|--|
| Report to: | Executive |
| Date: | 17 December 2019 |
| Subject: | Business World ERP System Re-design |
| Decision Reference: | I017371 |
| Key decision? | Yes |

Summary:

This report proposes an estimated investment of c£1.8m in order to re-design the Council's Business World ERP system, optimising its functionality in order to deliver the full benefits of which the system is capable.

The existing system design is creating a number of significant issues to the effective performance of the system, which is impacting on the efficiency and effectiveness of the departments of the Council and maintained schools which use this system.

The report sets out the options and recommends moving to the existing Hoople Ltd. Business World platform.

As part of the move to the Hoople platform, it is proposed that the Council take up part ownership of Hoople so that Hoople becomes a "Teckal" company of the Council, and the Council would award a direct contract for the services to Hoople utilising the appropriate procurement exception.

The re-build project is expected to take 15 months with a planned completion planned for April 2021.

Recommendation(s):

That the Executive:

1. Approves the undertaking of a re-design of the Business World system in order to rectify the issues that the Council and schools are facing.
2. Approves effecting such re-design by moving to the existing Business World platform operated by Hoople Limited.

3. Approves the Council becoming a member of Hoople Limited by the acquisition of shares in the company.
4. Appoints the Assistant Director - Corporate Transformation, Programmes and Performance as the Council's representative to exercise the Council's powers as member of the company.
5. Approves the entering into by the Council with Hoople Limited of a contract for the implementation and ongoing provision of services for making available to the Council Hoople Limited's Business World platform and the hosting of the Council's data on that platform.
6. Approves the commissioning of specialist external consultancy services to support the Council prepare the existing Business World system for migration to the Hoople platform.
7. Delegates to the Executive Director - Commercial in consultation with the Leader of the Council and the Executive Councillor for Highways, Transport and IT, authority to take all decisions necessary to ensure the entering into of the above arrangements to include the final form and entering into of all contracts and other legal documentation with Hoople Limited and other third parties.

Alternatives Considered:

1. Decide not to carry out the re-design of the system and to seek to maintain the existing build, making the necessary updates to meet legislative requirements. Failing to address the design, capability and configuration of the system will result in the Council being unable to reap the full benefits of its investment in an ERP system and will continue to present high risks to the organisation in terms of data assurance, payroll accuracy, accurate reporting and efficient operating practice.
2. That the Council carries out the re-design itself and undertakes a commissioning exercise to engage an appropriate system expert supplier to support the Council in the re-design of the Business World ERP system. The Council lacks the in-house expertise to carry out this work effectively. This would therefore require the Council to engage a third party to support the re-design and provide strong contract management through individuals with relevant system expertise and experience. An appraisal of this approach has indicated that this option would be c£0.556m more expensive and would not effectively manage the risk that the Council will deviate from a standard build approach and adopt local customisation. An analysis of the market, supported by previous experience, has identified that capacity to support a re-design is limited and a system re-design would not be in place until April 2022 at the earliest.

- 3 Seek to procure an alternative ERP system, or separate specialist HR and financial systems in order to replace Business World. This would require a specialist review of the options available in the marketplace in order to quantify the cost of any such move and any resulting savings. Indicative costs of investing in the move to another system would range extensively based upon the required level of customisation, flexibility, adapting ways of working to fit into the system and the preferred system(s) itself. It is estimated this could be anywhere between £2-5m plus. The Business World system is proven elsewhere in many other organisations, which contributed to the Council deciding to implement it in 2015. The issues the Council currently faces with the system are resolvable, which in turn will also create the capacity within the system to implement further system enhancements.

Reasons for Recommendation:

The Council and schools continue to experience issues in the functionality of Business World which is creating a range of issues impacting on day to day activity. Following reviews of the configuration, there is a recognition that the way in which the system has been implemented is contributing to the inability to address these issues and to take advantage of the full functionality of Business World as an ERP system.

The Business World system is proven elsewhere in many other organisations, which contributed to the Council deciding to implement it in 2015. The issues the Council currently faces with the system are resolvable, which in turn will also create the capacity within the system to implement further system enhancements.

The Council lacks the in-house expertise to carry out this work itself effectively. This would therefore require the Council to engage a third party to support the re-design and provide strong contract management through individuals with relevant system expertise and experience. This option would be c£0.556m more expensive and would not effectively manage the risk that the Council will deviate from a standard build approach and adopt local customisation. An analysis of the market, supported by previous experience, has identified that capacity to support a re-design is limited and a system re-design would not be in place until April 2022 at the earliest.

Hoople are an experienced provider of the Business World system and have successfully configured it to support multiple public sector organisations through their shared services approach. The solution is a cost effective option for the Council and engaging as a shareholder of Hoople provides the opportunity to shape the direction of the ongoing enhancement of the system.

1. Background

Context of the issue

- 1 Lincolnshire County Council implemented Agresso (now called Business World (BW)) in 2015 and there are c166 schools using the system. The implementation included the provision of HR, Payroll, General Ledger, Accounts Payable, Accounts Receivable, Income Manager, Planner (budgets & forecasts), Project Costing & Billing (financial management of projects), Bank Reconciliation and Fixed Assets. At that time, an assisted build approach was adopted (professional consultants supporting our own staff to build the system), with a high level of flexibility to accommodate local requirements, resulting in a bespoke configuration for the specific needs of the Council.
- 2 Since the original implementation, the Council has encountered a range of issues across the system which it has endeavoured to resolve. Following a number of reviews of the system configuration, including analysis by Unit4 (the BW developer), there is a recognition that the current set-up of the system is contributing to the inability to address a number of ongoing issues and is limiting the ability to take advantage of the full functionality of the system and as such, a system re-design is required.

Benefits of a system re-design

- 3 The key benefits that would be realised through a re-design of the system include:
 - To minimise expense and complexity in keeping the system up to date, and to have the latest developments available to the Council.
 - To avoid the operational problems the Council has experienced which have been traced to the customisation of the system configuration to Lincolnshire ways of doing things.
 - To provide an integrated finance and people management platform that allows the Council to operate more effectively and efficiently in a modern way of working, making full use of technology to support operational delivery of services.
 - To provide up-to-date financial and people management reporting to better inform day to day management decisions and provide improved access to relevant business intelligence.
 - To allow support staff to provide greater professional support to managers through the release from day to day routine tasks.
 - To provide a primary source of information on financial and HR records for statutory and management reporting. To be enabled by built-in validation to enforce business rules, with direct input to the system wherever possible.
 - To provide a flexible system that will allow for future development, in order to meet future business requirements using an iterative process building on existing functionality.

- To provide improved efficiencies in working practices through maximising the use of the technology available (e.g. electronic workflow) by maintaining management information systems and through the rationalisation of processing activities.
- 4 As part of the appraisal of the options available, consideration has been given to an option to limit updates to maintenance only, which is essentially a "do nothing" option. This would involve the Council retaining the system in its current form with the available functionality and undertaking the minimum maintenance work necessary to keep the current system functioning and maintain its future viability. However this would not deliver the benefits identified in paragraph 3 above. The Council recognises the need to improve the enabling tools used by the user community and to gain value from what should be a key strategic application for the Council. This option would deliver neither of these and so is not recommended at this time.
 - 5 Equally, a further possible option would be to cease using the BW system and go back out to the market to procure a different system. This option has been considered, however the Council has already invested significant time and costs into the BW system in order to make it stable, upon which opportunities are available to optimise its performance further in order to receive the full strategic benefits an ERP system should bring. Moving to a new system would require a significant financial investment, estimated to be anywhere between £2-5m plus, whilst impacting heavily upon existing resources.
 - 6 Given the need for a re-design to realise the benefits identified, the next section of this report considers in more detail the options for implementing such a re-design.

Options appraisal

- 7 A system specialist was commissioned to carry out an options appraisal in order to inform an appropriate route for re-designing the system. Leaving aside the "do nothing" and "new system" options discussed in paragraphs 4 and 5 above, the appraisal focussed on two main options:
 - Re-design and implement a template through the use of internal resource supported by specialist external expertise;
 - Implement the Hoople Ltd template and move to a shared service model

The following tests were applied to each option:

- What is the confidence level in the proposal for the delivery?
- Are the costs clearly understood?

Internal Led Re-design

- 8 Under this option the Council would carry out the re-design itself through its own in-house staff. This approach would realise a number of benefits as a specialist supplier would bring robust programme experience and strong methodology and provide long term ability to respond to change, along with the opportunity to take advantage of product benefits not part of the Hoople model.
- 9 This option was not recommended as the appraisal identified that the internal BW System Administration team has limited experience and expertise in delivering a programme of this size. In order to counter the risk to the timetable and the achievement of a successful outcome posed by this lack of experience and expertise it would be necessary to appoint a system expert to support and work alongside the in-house team.
- 10 An analysis of the market, supported by previous experience, has identified that the availability of suitably skilled and experienced external capacity to support a re-design is limited and a system re-design carried out under this model would not be in place until April 2022 at the earliest. Furthermore, the external input itself would require strong contract management through third party individuals with relevant system expertise and experience, thus doubling the amount of resource required. The contracting route which would be required to engage a suitable supplier would not likely provide a fixed price support approach, reiterating the requirement for strong contract management.
- 11 A further risk element identified was the potential for an internally led re-design process to more easily be susceptible to the kind of Lincolnshire customisation that characterised the initial implementation and which has contributed to the difficulties currently faced with the system. Experience shows that a high degree of standardisation is desirable in the implementation of such a system with local processes adapting themselves to the system standards rather than the other way around. An internal led approach has the potential to make this more difficult to achieve.
- 12 Finally, the cost of an internal-led process including the cost of external support has been estimated at c£2.356m. In addition to this would be the cost of the time required of internal staff to support an internal led re-design, known as opportunity costs, which have been estimated at c£2.148m.

Hoople Limited

- 13 Under this option the Council would contract with Hoople Limited to host the Council's data on their Business World platform. This platform is already used by Hoople to deliver services to Herefordshire Council, Rutland Council and other public bodies and so already has an established configuration that can meet the needs of a Council. By adopting this option the Council would be required to accept the Hoople standard build of the system and the scope for customisation to fit in with Council processes

would be limited. This is an advantage given the role customisation has played in the difficulties with the current system.

- 14 From both a technical and relationship perspective the Hoople option offers many positives. They have displayed technical competence and good partnering. The established nature of their build gives confidence that a 01 April 2021 implementation of the re-designed system is achievable, something confirmed by Hoople and supported by the external system expert who carried out the options appraisal. This will require the Council to fulfil its obligations in preparing the existing system for migration and ensure it is ready to adopt and adapt to the new business processes.
- 15 The Council would still need to engage external expertise to support its own management of its part in any implementation and to advise the Council on Hoople's implementation of its solution. However the extent of this requirement is assessed as being far less under this option than under the internally led re-design.
- 16 Although the Council carried out much due diligence in 2018 and more recently to establish Hoople's technical competence and the quality of their Business World solution, the Council has sought further reassurance on a number of issues relating to the commercial basis of any arrangement and the ability of Hoople Limited to implement a transfer on the scale of the County Council which is greater than their contracts with Herefordshire Council or other public bodies. These issues are addressed in the following paragraphs.

Solutions Design

- 17 Hoople have developed a comprehensive solution design document to identify how the key functions of the Hoople build will differ from the current Council configuration in order to identify any potential issues and prepare the business for the changes required. This will also act as the catalyst to analyse current processes and how they could be streamlined to make service efficiencies and free up capacity to focus on other priorities.
- 18 Analysis of the document has identified no significant issues or areas for concern and that what is described appears to be a sound, stable system which encourages good business practices. That said, the Hoople platform will require changes to current processes for teams across the Council, schools and Serco, which will be documented and communicated with staff, however fundamentally there is nothing in their proposal which the Council would not seek from an external supplier's standard build template and approach.

Scalability

- 19 Hoople have identified the key milestones for completion, confirmed actions they are taking to on-board a client the scale of the Council and have secured additional programme management resources – all with a focus for

go-live in April 2021. Whilst a go-live in April 2021 is achievable, it will be dependent upon the Council's ability to implement a number of developments to the existing system to ensure it is in a robust state prior to transfer, along with extensive data cleansing, hardening and alignment prior to migration. A key component of this is the review of the Chart of Accounts which has already begun and will require the Council to significantly rationalise its budget coding structure.

- 20 Additional planning has also commenced in sharing with Hoople a copy of the Council's system database, providing Information Assurance requirements and Unit 4 have been engaged to evaluate the use of Income Manager so that the Council can continue to use it within a Hoople build.

Payroll

- 21 Hoople have previously constructed their system to meet the needs of wide ranging public sector provision, however have not so far configured it for a fire and rescue service. Whilst there remains confidence in Hoople's capability to configure BW to support a fire and rescue payroll, this will still require development of Hoople's existing system and processes and extensive engagement from Lincolnshire Fire and Rescue (LFR) as we move away from existing established systems.

Schools

- 22 Hoople already support Herefordshire schools and academies and are experienced in understanding and meeting schools' needs. Hoople have developed a dedicated gateway for Herefordshire schools to access the system which is designed around how schools operate and the Council will look to see if this can be developed for Lincolnshire schools, either at go-live or at a point in the future, with Lincolnshire schools going live on the standard system.

Hoople Ltd and Procurement Solution

- 23 Hoople is a private limited company with public sector shareholders which is jointly owned by Herefordshire Council and Wye Valley NHS Trust. Established in 2011, Hoople has grown into a business that now delivers a wide range of services to strategic partners, customers and works with all schools and most of the academies in Herefordshire to provide a range of business services. These services include HR, Payroll, ICT and Finance.
- 24 Many of Hoople's employees were transferred from partnering organisations, providing a wealth of experience and proven delivery. Hoople now provides services not only to their shareholders but also to a diverse range of private sector firms from SMEs through charities to large companies.
- 25 Lincolnshire County Council and Herefordshire Council agree that an appropriate procurement route is that the Council take up part ownership of

Hoople by becoming a shareholder of Hoople. As a shareholder jointly with Herefordshire Council and Wye Valley NHS Trust, the Council will be able to bring itself within Regulation 12 of the Public Contracts Regulations 2015 under which the Council can directly award a contract to an entity over which it either solely or jointly with other public bodies exercises a sufficient degree of control.

- 26 This approach provides the Council with direct influence over the direction of the BW system, but will need formalising into a Shareholder Agreement which will identify certain reserved matters which will require approval by the Shareholders in general meeting rather than by the Board of Directors. The Board of Directors oversees the day to day business of the company. This covers all of services which Hoople provides (ICT services, payroll, HR support, finance, BW) which is much wider than the services provided to the Council. As such it is proposed that two Directors to the Board will be appointed by Herefordshire and one Director will be jointly appointed by Wye Valley and the Council. In addition, Lincolnshire will have the right to appoint a representative to attend as an observer at each meeting of the Board.
- 27 In addition to its direct influence over the company, there is a separate governance group which oversees the roadmap for the development of the BW system, which informs and makes recommendations to the Board. The Council will be an ongoing member of this group and will meet regularly to help shape the direction for the ongoing enhancement of the system.

Commercial Terms

- 28 Hoople are seeking a seven year agreement with the option to extend for a further two years. Both parties have also acknowledged the need for an 18 months' notice period to end any agreement in order to ensure the Council has capacity to re-build and enhance expertise in such an event.
- 29 In discussions with Hoople and Herefordshire, it has been made clear that they will price the services on an open-book basis with a mark-up. In the event of their failure the Council would receive minimal financial compensation, any cost overruns would be passed back to the Council and we expect them to limit their liability so in the event of the Council incurring cost as a result of a faulty system we may not be able to pass that loss back to Hoople. This is because Hoople see the arrangement primarily as a partnership rather than a commercial relationship and because they have not priced risk into their costs. Their position is not unreasonable given their nature as a company but it is very different from the Council's relationship with other suppliers which are more commercial in their business model.

Costs

- 30 The estimated cost to on-board the Council onto Hoople's platform is c£1.8m (£1.1m Hoople costs plus £0.7m third party), which is c£0.556m less than the estimate for the Council to re-build the system (c£2.356m). In addition to this, opportunity costs of existing staff time are estimated to be c£2.096m.
- 31 The overall ongoing revenue costs of a move to Hoople are estimated to be c£0.2m p/a less when compared to the estimated current cost of delivery. Should the Council choose to lead the re-design of the system itself, it is expected that the size and cost of the existing support team should reduce, however the extent of this would be dependent upon the final design and level of customisation. Initial calculations have identified that should the Council optimize the system itself, then the ongoing revenue cost would be marginally higher than Hoople, at c£0.035m p/a.
- 32 In addition, Hoople have previously advised that the Council must cover any costs Hoople may incur as a result of redundancy payments for staff transferring to them under TUPE. At this stage this figure is impossible to calculate given the varying T&C's staff (including those that transferred from Serco) are on, how many staff would want to transfer into Hoople under TUPE and which staff would remain with the Council as part of the local system support function. It is believed that there will be time and scope to manage this situation within the Performance and Systems departments of the Commercial directorate in order to mitigate against this.

Service delivery

- 33 Although the system will be managed in Herefordshire, there will be the requirement to maintain a condensed system admin team in Lincolnshire, to oversee day-to-day system management and helpdesk queries.

Risk Management

- 34 Extensive due diligence activity has been carried out on Hoople which has not identified any issues to warrant significant concerns regarding Hoople's ability to deliver an effective ERP system. A risk register has also been developed to monitor and manage the risks of a potential move which is currently overseen by the re-design project manager, but ownership will be transferred to the Re-design Project Board, due to be re-established in December.
- 35 There is presently a weekly steering group and governance board in place to oversee the development of the system and a joint programme board will be established from December 19 to oversee the transition to the new system. The board will be accountable for the successful delivery of the project and have oversight of all risks and issues. The board will have representation from key stakeholders, including; Finance, HR, Business Support, Audit, ICT, Serco, BW team and the supplier.

36 Strategic risks include:

- I. *Agreement* – becoming a shareholder of the supplier will be a different relationship to what the Council is familiar with, transitioning from a commercial approach to one of partnership. A partnership manager will be appointed to oversee the agreement and relationship with Hoople, Herefordshire and Wye Valley. Being a shareholder also introduces an element of financial risk, however this will be clearly set out in the shareholder agreement.
- II. *Cost* – the re-design programme board will oversee and monitor the costs of this proposal to ensure they are managed effectively. The potential impact of TUPE costs will form part of the ongoing monitoring and there will be close working with the Assistant Director - Corporate Transformation, Programmes and Performance to ensure that this is mitigated as part of the wider Systems and Performance function and that jobs are protected as far as possible.
- III. *Solutions Design* – a critical success factor is that the Council must be prepared to change its current practices and drive the agenda for change throughout the organisation. Dedicated change management expertise will be commissioned to support this, along with a programme of business process mapping in order to clearly identify how procedures and ways of working must change.
- IV. *ERP & Payroll/Exchequer Services* – the change in having Serco provide payroll and exchequer services (Accounts Payable and Receivable) whilst the ERP is being hosted by Hoople will present an additional degree of fragmentation which may from time to time increase the contract management required. Technically delivering the service, the risk is low; at the point of failure the risk is heightened as the Council will need to determine whether the failure was a system fault or a people fault, with Hoople being responsible for the former and Serco the latter. In the event that Serco and/or Hoople don't accept that any liability falls on them then the Council could be left having to seek a remedy through formal action.
- V. *Sovereignty of the System* – despite previous concerns, recent testing of the assumptions made and issues raised have not identified any significant risks to a loss of sovereignty over the system. As a shareholder in Hoople, the Council will be able to help shape and influence the future direction of the system.
- VI. *Intelligent Client Capacity* – the Council would retain a condensed system admin team to oversee a helpdesk facility, to engage with the business to resolve local configuration matters and to drive system/service efficiencies and improvement. This team would act as the Council's intelligent client capacity and lead the operational and tactical relationship with Hoople. This may create issues in being able to retain existing staff to deliver business as

usual and support the transition to Hoople. This will be monitored closely so that the Council can proactively manage the situation.

- VII. *Service Disruption* – as with most services, there is the potential for there to be a level of disruption during the first 3-6 months of the service delivery from April 2021. Whilst this will be managed as far as possible within the lead-in period, there is a strong likelihood that there will be some issues initially, although these are expected to be insignificant in nature and more focussed around conforming to processes, system intricacies and ongoing training requirements. Extensive testing will be carried out and should the Council choose to, it will have the ability to continue to use the existing system and defer any go-live to the Hoople platform.
- VIII. *Payroll* – early engagement will be carried out with LFR and development of the system to manage the LFR payroll will be a priority. Payroll test runs will be carried out well in advance and it is expected that by October/November 2020, the on-boarding programme board should be able to determine if there are any likely significant issues for an April 2021 go-live.
- 37 As already referred to in this report it is considered by Hoople and the external consultant advising the Council on the options appraisal that an implementation date of 1 April 2021 is achievable for the transfer to Hoople. However this is dependent on the Council as well as Hoople complying with various responsibilities within the timeframes set out in the programme timetable.
- 38 The Council will be in a position to form a judgment as to whether Go-Live is appropriate in 1 April 2019 as early as the previous December. Ultimately, should the need arise; the Council will still be able to continue with its existing system and delay any go-live to the Hoople system to a suitable time. This could be part way through the financial year 2021/22 if this makes sense for the Council and Hoople at that time.

Benefits Realisation

- 39 If it is decided to proceed with a re-design then the high-level benefits identified in paragraph 3 of this report will be expanded upon and formed into a benefits realisation plan to identify the specific individual benefits which the Council and users of the system should experience. The identification of the benefits and the clear and effective communication of them to all stakeholders is critical to ensuring the success of this project. Stakeholders at all levels across the Council need to understand the benefits that changes to the way they currently work will bring, if they are to proactively engage in new approaches to working.
- 40 The approach for testing the realisation of each benefit will be specific according to each benefit identified. Such monitoring will be ongoing throughout the implementation of the re-design, through to six to twelve months after completion. The re-design project will be required to report into

the Corporate Leadership Team (CLT) on the planned benefits and how these have been realised throughout the delivery of the project.

2. Legal Issues:

Public Services Social Value Act

- 41 Under the Public Services (Social Value) Act the Council must consider how what is proposed to be procured under a contract for services might improve the economic social and environmental wellbeing of its area. It must also consider how, in conducting the process of procuring the contract, it might act with a view to securing that improvement.
- 42 Consideration has been given to ways in which social value may be secured but the circumstances of this case are not considered to give rise to opportunities to secure social value. In particular the type of partnership arrangement envisaged which does not have the same commercial character as the Council's usual contracts does not give scope to Hoople to recover the cost of building social value into its offer.
- 43 Under section 1(7) of the Act the Council must consider whether to undertake any consultation as to the matters referred to above. The service and the value it delivers is well understood. This and the market and other stakeholder engagement that has been carried out is considered to be sufficient to inform the approach. It is unlikely that any wider consultation would be proportionate to the scope of the arrangements.

Equality Act 2010

- 44 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.
- 45 The relevant protected characteristics are age; disability; gender reassignment; pregnancy and maternity; race; religion or belief; sex; and sexual orientation.
- 46 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.
- 47 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.
- 48 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.
- 49 Compliance with the duties in section 149 may involve treating some persons more favourably than others.
- 50 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.

An Equality Impact Analysis is attached at Appendix One and identifies any potential impact on persons with a protected characteristic. The mitigating factors are set out in the impact analysis. The analysis results in a number of actions for the Council as set out in Appendix One. The Impact Analysis will act as a live document throughout the project and the conclusions drawn from it will be kept under review so that as issues arise, any potential for differential impact can be mitigated wherever possible.

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

- 51 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.

There is not an immediate direct connection between the Business World ERP system and the themes of the JSNA and JHWS; however, developing an effective system will result in more efficient processes for how staff engage with the system, which should allow resources to be focussed on operational service delivery directly relevant to the achievement of the strategy.

Crime and Disorder

- 52 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 specific nature of the service is not of direct relevance to Crime and Disorder, however developing an effective system will result in more efficient processes for how staff engage with the system, which should allow resources to be focussed on operational service delivery including those aimed at reducing crime and disorder.

3. Conclusion

- 53 Not addressing the current capability and configuration of the Business World system will result in the Council failing to reap the full benefits of its investment in an ERP system and will continue to present high risks to the organisation in terms of data assurance, payroll accuracy, accurate reporting and efficient operating practice.
- 54 Maintaining the system as it is currently configured could create significant reputational risk for the Council through the failure to be able to implement system updates, the requirement for ongoing manual workarounds and through inefficient practice as a result of not being able to on-board new technologies such as robotics and mobile applications.
- 55 Whilst the investment in the reconstruction of the system is significant, the system is not sustainable in its current state and a re-design will remove duplicated and inefficient processes which will be analysed to determine the efficiencies gained. This is supported by an estimated £0.2m recurrent saving in the maintenance of and support to the system.
- 56 Hoople have provided sufficient information and have demonstrable experience to provide the Council with a robust and stable platform, upon which the system can be optimized to provide an enhanced offer.

4. Legal Comments:

The Council has the power to enter into the arrangement proposed. The procurement law implications are dealt with in detail within the Report.

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

5. Resource Comments:

Undertaking a rebuild of the councils BW system will enable the council to benefit from the improved system functionality, and therefore improve the effectiveness of the system.

Accepting the recommendation within the report will provide the greatest amount of confidence in achieving this outcome within the costs specified in the report.

To fully benefit from the Business World rebuild, a change management programme will also need to be implemented.

The council has earmarked reserves identified for the delivery of support services, which will be drawn down for the purpose of rebuilding the Business World system, so these costs and any change management costs will be funded from these approved reserves.

6. Consultation

a) Has Local Member Been Consulted?

n/a

b) Has Executive Councillor Been Consulted?

Yes

c) Scrutiny Comments

This report is due to be considered by the Overview and Scrutiny Management Board on 28 November 2019. Any comments by the Board will be presented 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 1 | Equality Impact Analysis (EIA) |
|------------|--------------------------------|

8. Background Papers

Corporate Support Services Re-provision; Executive 1st May 2018

<http://lincolnshire.moderngov.co.uk/ieListDocuments.aspx?CId=121&MId=4968&Ver=4>

Corporate Support Services Re-provision; Executive 2nd October 2018

<http://lincolnshire.moderngov.co.uk/ieListDocuments.aspx?CId=121&MId=4972&Ver=4>

This report was written by Andrew McLean, who can be contacted on 01522 554079 or andrew.mclean@lincolnshire.gov.uk.

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Equality Impact Analysis to enable informed decisions

The purpose of this document is to:-

- I. help decision makers fulfil their duties under the Equality Act 2010 and
- II. for you to evidence the positive and adverse impacts of the proposed change on people with protected characteristics and ways to mitigate or eliminate any adverse impacts.

Using this form

This form must be updated and reviewed as your evidence on a proposal for a project/service change/policy/commissioning of a service or decommissioning of a service evolves taking into account any consultation feedback, significant changes to the proposals and data to support impacts of proposed changes. The key findings of the most up to date version of the Equality Impact Analysis must be explained in the report to the decision maker and the Equality Impact Analysis must be attached to the decision making report.

****Please make sure you read the information below so that you understand what is required under the Equality Act 2010****

Equality Act 2010

The Equality Act 2010 applies to both our workforce and our customers. Under the Equality Act 2010, decision makers are under a personal duty, to have due (that is proportionate) regard to the need to protect and promote the interests of persons with protected characteristics.

Protected characteristics

The protected characteristics under the Act are: age; disability; gender reassignment; marriage and civil partnership; pregnancy and maternity; race; religion or belief; sex; sexual orientation.

Section 149 of the Equality Act 2010

Section 149 requires a public authority to 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 relevant protected characteristics and persons who do not share those characteristics
- Foster good relations between persons who share a relevant protected characteristic and persons who do not share it.

The purpose of Section 149 is to get decision makers to consider the impact their decisions may or will have on those with protected characteristics and by evidencing the impacts on people with protected characteristics decision makers should be able to demonstrate 'due regard'.

Decision makers duty under the Act

Having had careful regard to the Equality Impact Analysis, and also the consultation responses, decision makers are under a personal duty to have due regard to the need to protect and promote the interests of persons with protected characteristics (see above) and to:-

- (i) consider and analyse how the decision is likely to affect those with protected characteristics, in practical terms,
- (ii) remove any unlawful discrimination, harassment, victimisation and other prohibited conduct,
- (iii) consider whether practical steps should be taken to mitigate or avoid any adverse consequences that the decision is likely to have, for persons with protected characteristics and, indeed, to consider whether the decision should not be taken at all, in the interests of persons with protected characteristics,
- (iv) consider whether steps should be taken to advance equality, foster good relations and generally promote the interests of persons with protected characteristics, either by varying the recommended decision or by taking some other decision.

Conducting an Impact Analysis

The Equality Impact Analysis is a process to identify the impact or likely impact a project, proposed service change, commissioning, decommissioning or policy will have on people with protected characteristics listed above. It should be considered at the beginning of the decision making process.

The Lead Officer responsibility

This is the person writing the report for the decision maker. It is the responsibility of the Lead Officer to make sure that the Equality Impact Analysis is robust and proportionate to the decision being taken.

Summary of findings

You must provide a clear and concise summary of the key findings of this Equality Impact Analysis in the decision making report and attach this Equality Impact Analysis to the report.

Impact – definition

An impact is an intentional or unintentional lasting consequence or significant change to people's lives brought about by an action or series of actions.

How much detail to include?

The Equality Impact Analysis should be proportionate to the impact of proposed change. In deciding this asking simple questions “Who might be affected by this decision?” “Which protected characteristics might be affected?” and “How might they be affected?” will help you consider the extent to which you already have evidence, information and data, and where there are gaps that you will need to explore. Ensure the source and date of any existing data is referenced.

You must consider both obvious and any less obvious impacts. Engaging with people with the protected characteristics will help you to identify less obvious impacts as these groups share their perspectives with you.

A given proposal may have a positive impact on one or more protected characteristics and have an adverse impact on others. You must capture these differences in this form to help decision makers to arrive at a view as to where the balance of advantage or disadvantage lies. If an adverse impact is unavoidable then it must be clearly justified and recorded as such, with an explanation as to why no steps can be taken to avoid the impact. Consequences must be included.

Page 63

Proposals for more than one option If more than one option is being proposed you must ensure that the Equality Impact Analysis covers all options. Depending on the circumstances, it may be more appropriate to complete an Equality Impact Analysis for each option.

The information you provide in this form must be sufficient to allow the decision maker to fulfil their role as above. You must include the latest version of the Equality Impact Analysis with the report to the decision maker. Please be aware that the information in this form must be able to stand up to legal challenge.

Background Information

| | | | |
|--|--|--|--|
| Title of the policy / project / service being considered | Business World Re-design Project | Person / people completing analysis | Charlotte Horn – Corporate Project Officer Sadie Rossington – Project Manager |
| Service Area | Corporate Services | Lead Officer | James Drury – Executive Director - Commercial |
| Who is the decision maker? | LCC Executive | How was the Equality Impact Analysis undertaken? | Desktop analysis in conjunction with consultation of staff groups (BME/DSEG) |
| Date of meeting when decision will be made | 17/12/2019 | Version control | Version 1.0 |
| Is this proposed change to an existing policy/service/project or is it new? | Existing policy/service/project | LCC directly delivered, commissioned, re-commissioned or de-commissioned? | Directly delivered |
| Describe the proposed change | Delivery of ERP rebuild utilising a standard "Value Accelerator" implementation methodology or moving to the Hoople platform; for use by all current users of Business World, including corporate staff, Lincolnshire Fire and Rescue, and Schools. The council will be working with a supplier to be appointed to support the software build. | | |

Evidencing the impacts

In this section you will explain the difference that proposed changes are likely to make on people with protected characteristics. To help you do this first consider the impacts the proposed changes may have on people without protected characteristics before then considering the impacts the proposed changes may have on people with protected characteristics.

You must evidence here who will benefit and how they will benefit. If there are no benefits that you can identify please state 'No perceived benefit' under the relevant protected characteristic. You can add sub categories under the protected characteristics to make clear the impacts. For example under Age you may have considered the impact on 0-5 year olds or people aged 65 and over, under Race you may have considered Eastern European migrants, under Sex you may have considered specific impacts on men.

Data to support impacts of proposed changes

When considering the equality impact of a decision it is important to know who the people are that will be affected by any change.

Population data and the Joint Strategic Needs Assessment

The Lincolnshire Research Observatory (LRO) holds a range of population data by the protected characteristics. This can help put a decision into context. Visit the LRO website and its population theme page by following this link: <http://www.research-lincs.org.uk> If you cannot find what you are looking for, or need more information, please contact the LRO team. You will also find information about the Joint Strategic Needs Assessment on the LRO website.

Workforce profiles

You can obtain information by many of the protected characteristics for the Council's workforce and comparisons with the labour market on the [Council's website](#). As of 1st April 2015, managers can obtain workforce profile data by the protected characteristics for their specific areas using Agresso.

Positive impacts

The proposed change may have the following positive impacts on persons with protected characteristics – If no positive impact, please state 'no positive impact'.

| | |
|---------------------------------------|---|
| Age | No positive impact |
| Disability | No positive impact |
| Gender reassignment | Potential positive impact if changes made to gender categorisation within the system. |
| Marriage and civil partnership | No positive impact |
| Pregnancy and maternity | No positive impact |
| Race | No positive impact |
| Religion or belief | No positive impact |

| | |
|---------------------------|--|
| Sex | Potential positive impact if more encompassing changes made to gender categorisation within the system |
| Sexual orientation | Potential positive impact if more encompassing changes made to sexual categorisation within the system |

If you have identified positive impacts for other groups not specifically covered by the protected characteristics in the Equality Act 2010 you can include them here if it will help the decision maker to make an informed decision.

Changes to business processes and streamlining of system processes may initially provide some difficulties across groups however the streamlining on business processes should bring an overall positive change to all groups in form of easier processes, shorter time using the system and therefore a potential increase in other productivity.

Adverse/negative impacts

You must evidence how people with protected characteristics will be adversely impacted and any proposed mitigation to reduce or eliminate adverse impacts. An adverse impact causes disadvantage or exclusion. If such an impact is identified please state how, as far as possible, it is justified; eliminated; minimised or counter balanced by other measures.

If there are no adverse impacts that you can identify please state 'No perceived adverse impact' under the relevant protected characteristic.

Negative impacts of the proposed change and practical steps to mitigate or avoid any adverse consequences on people with protected characteristics are detailed below. If you have not identified any mitigating action to reduce an adverse impact please state 'No mitigating action identified'.

| | |
|----------------------------|--|
| Age | Of the possible TUPE implications and internal service reduction, should there be redundancies, not all affected employees will be able to draw on an early pension so may need to continue to seek alternative employment. It is unlikely that there will be similar roles available in nearby other local authorities and a change in role may be necessary. The employee will be afforded 'at risk' status and will therefore be entitled to priority interviews for posts up to and including their current grade for any vacancy where they meet the necessary minimum skill and experience requirement. Employees will be able to access the Council's advisory service which can support with skills for interviews, CV writing and finding employment. |
| Disability | Visual impairment – visual disabilities may be impacted by changes to screen and processes however this could be mitigated by the simplification of data input screens. Should be working with dragon speak and/or the Councils screen reader software Able to access the system with adapted keyboards and key strokes Sickness recording may be impacted by change of processes, which may have an impact on disability (In order to mitigate these changes, disabled users could be invited to testing and group will be engaged in rebuild process). |
| Gender reassignment | Staff are able to choose their own gender however current options are very limited and are not representative of the differing groups people may identify themselves within. Engagement with the relevant staff group is planned to discuss possible options. |

| | |
|---------------------------------------|--|
| Marriage and civil partnership | No perceived adverse impact |
| Pregnancy and maternity | Staff absent from work may feel adversely affected by the changes to the system in their absence. Regular communication to these staff members regarding changes may help to mitigate this issue. |
| Race | No perceived adverse impact |
| Religion or belief | No perceived adverse impact |
| Sex | Currently staff are able to choose their own gender however the current options are very limited and do not represent the full spectrum of genders by which staff may identify. Engagement with the relevant staff group is planned to discuss possible options. |
| Sexual orientation | No perceived adverse impact |

If you have identified negative impacts for other groups not specifically covered by the protected characteristics under the Equality Act 2010 you can include them here if it will help the decision maker to make an informed decision.



Stakeholders

Stake holders are people or groups who may be directly affected (primary stakeholders) and indirectly affected (secondary stakeholders)

You must evidence here who you involved in gathering your evidence about benefits, adverse impacts and practical steps to mitigate or avoid any adverse consequences. You must be confident that any engagement was meaningful. The Community engagement team can help you to do this and you can contact them at consultation@lincolnshire.gov.uk

State clearly what (if any) consultation or engagement activity took place by stating who you involved when compiling this EIA under the protected characteristics. Include organisations you invited and organisations who attended, the date(s) they were involved and method of involvement i.e. Equality Impact Analysis workshop/email/telephone conversation/meeting/consultation. State clearly the objectives of the EIA consultation and findings from the EIA consultation under each of the protected characteristics. If you have not covered any of the protected characteristics please state the reasons why they were not consulted/engaged.

Objective(s) of the EIA consultation/engagement activity

No specific stakeholder engagement as yet however engagement with relevant staff groups (BME, LGBTQ, Disability) and the Corporate Diversity Steering Group will be undertaken.

Affected LCC staff will be engaged as part of the re-design.

Serco staff involved in delivery of payroll and finance functions as part of the LCC contract.

Who was involved in the EIA consultation/engagement activity? Detail any findings identified by the protected characteristic

| | |
|---------------------------------------|----------------|
| Age | |
| Disability | DSEG and CDSG. |
| Gender reassignment | LGBTQ+ group |
| Marriage and civil partnership | |
| Pregnancy and maternity | |
| Race | BAME group |
| Religion or belief | |

| | |
|--|---|
| Sex | LGBTQ+ group |
| Sexual orientation | LGBTQ+ group |
| <p>Are you confident that everyone who should have been involved in producing this version of the Equality Impact Analysis has been involved in a meaningful way?</p> <p>The purpose is to make sure you have got the perspective of all the protected characteristics.</p> | <p>Going forward the programme will seek to identify the potential impacts and any mitigating actions required.</p> <p>Engagement exercises will be undertaken at the appropriate stage, if any changes to employment and working practices are considered, comments from staff will be taken into account.</p> |
| <p>Once the changes have been implemented how will you undertake evaluation of the benefits and how effective the actions to reduce adverse impacts have been?</p> | <p>As part of the communication and engagement work stream a benefits realisation will be conducted. This will include an understanding of the effectiveness of any actions taken to reduce adverse impact.</p> |

Further Details

Are you handling personal data?

Yes

If yes, please give details.

As the project is rebuilding the Business World system, the project will be handling the personal data of suppliers and employees.

Page 74

| Actions required | Action | Lead officer | Timescale |
|---|--|----------------|--|
| Include any actions identified in this analysis for on-going monitoring of impacts. | Further engagement with identified groups as set out in the analysis | Charlotte Horn | Ongoing throughout Jan 2020 – Oct 2021 |

| Version | Description | Created/amended by | Date created/amended | Approved by | Date approved |
|---------|---------------|--------------------|----------------------|---------------|---------------|
| V1.0 | Initial draft | Charlotte Horn | 04.11.2019 | Andrew McLean | 12.11.19 |

Examples of a Description:

'Version issued as part of procurement documentation'
 'Issued following discussion with community groups'
 'Issued following requirement for a service change; Issued following discussion with supplier'

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

| | |
|------------|--|
| Report to: | Overview and Scrutiny Management Board |
| Date: | 28 November 2019 |
| Subject: | Performance Reporting against the Council Business Plan - Quarter 2 |

Summary:

This report invites the Overview and Scrutiny Management Board (OSMB) to consider a report on the 2019/2020 Council Business Plan Quarter 2 performance, which will be presented to the Executive on 17 December. The views of the Board will be reported to the Executive as part of its consideration of this item.

This report also presents the Council Business Plan performance indicators that fall within the remit of the Board.

Actions Required:

The Overview and Scrutiny Management Board is invited to:-

- 1) Consider the attached report, note areas that are performing well and scrutinise all performance indicators in the Council Business Plan that are not meeting the target 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.
- 2) Consider the attached report and to determine whether the Board supports the recommendation(s) to the Executive as set out in the report.
- 3) Agree any additional comments to be passed to the Executive in relation to this item.
- 4) Comment on the Council Business Plan performance indicators that fall within the remit of the Board.

1. Background

The Executive is due to consider a report on the 2019/2020 Council Business Plan Quarter 2 (Q2) at its meeting on 17 December. The full report to the Executive is attached at Appendix 1 to this report.

There are a number of measures that fall within the remit of this Board that can be reported in Q2 within the [How we effectively target our resources](#) (Combination of 3 commissioning strategies). These are set out in Appendix 2 to this report. All of those measures where it is appropriate to compare with a target achieved the target in Q2.

2. Conclusion

Following consideration of the attached report to the Executive, the Board is requested to consider whether it supports the recommendation(s) in the report and whether it wishes to make any additional comments to the Executive. Comments from the Board will be reported to the Executive.

3. Consultation

a) Have Risks and Impact Analysis been carried out?

No

b) Risks and Impact Analysis

Any changes to services, policies and projects are subject to an Equality Impact Analysis. The considerations of the contents and subsequent decisions are all taken with regard to existing policies.

4. Appendices

| | |
|---|---|
| These are listed below and attached at the back of the report | |
| Appendix 1 | Report on 2019/2020 Council Business Plan Quarter 2 to be presented to the Executive at its meeting on 17 December 2019 |
| Appendix 2 | OSMB Council Business Plan Measures |

5. Background Papers

| Document title | Where the document can be viewed |
|--|---|
| Report to the Executive on 03/09/19 Council Business Plan 2019 - 2020 Performance Report, Quarter One | http://lincolnshire.moderngov.co.uk/documents/s29553/Performance%20Reporting%20against%20the%20Council%20Business%20Plan%20Quarter%201.pdf |
| Report to Overview and Scrutiny Management Board on 29/08/19 - Performance Reporting against the Council Business Plan - Quarter 1 | http://lincolnshire.moderngov.co.uk/documents/s29572/7.0%20Performance%20Reporting%20against%20the%20Council%20Business%20Plan%20-%20Quarter%201%20-%20Scrutiny%20Covering%20Report.pdf |
| Report to Public Protection and Communities Committee on 29/10/19 - Performance Review: Adults Reoffending | http://lincolnshire.moderngov.co.uk/documents/s30340/7.0%20Reducing%20Offending%20Scrutiny%20Committee%20Paper%20Oct%202019.pdf |

This report was written by Jasmine Sodhi, who can be contacted on 01522 552124 or jasmine.sodhi@lincolnshire.gov.uk.

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

| | |
|---------------------|--|
| Report to: | Executive |
| Date: | 17 December 2019 |
| Subject: | Council Business Plan 2019 - 2020 Performance Report, Quarter Two |
| Decision Reference: | I018579 |
| Key decision? | No |

Summary:

This report presents an overview of performance for Q2 against the Council Business Plan.

Executive can view performance on the web using this [link](#).

Recommendation(s):

That Executive:-

1. Note and consider 2019/2020 Quarter 2 performance.

Alternatives Considered:

No alternatives have been considered to recommendation 1 as it reflects factual information presented for noting and consideration.

Reasons for Recommendation:

To provide the Executive with information about Quarter 2 performance against the Council Business Plan 2019/2020.

1. Background

The Council Business Plan 2019/2020 was approved by Council on 22nd February 2019. This report provides the Executive with highlights of Q2 performance. The full range of performance is hosted on the Lincolnshire Research Observatory (LRO) available to view on this [link](#).

Changes to reporting performance against the Council Business Plan to scrutiny committees has removed the duplication between Overview and Scrutiny Management Board (OSMB) and scrutiny committees. This means that:-

- Quarterly Performance against the Council Business Plan is no longer reported to all scrutiny committees as a matter of course.
- OSMB 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.
- The individual scrutiny committees discuss these specific performance measures and report back to OSMB, ideally at the next OSMB meeting considering the Council Business Plan measures.
- OSMB report back to the Executive.
- Commentary explaining performance is provided where measures are underperforming and where services want to comment on success.

2. Headlines Quarter 2 performance

Of the 14 commissioning strategies reported in Q2:-

- 8 performed really well (all measures reported this quarter achieved the target);
- 5 performed well (all but 1 measure reported this quarter achieved the target); and
- 1 had mixed performance (some measures achieved and some measures did not achieve the target this quarter).

These 14 commissioning strategies include 56 measures that can be compared with a target this quarter. 84% (47), achieved the target with only 9 measures not meeting the target. Of these 9, 1 improved compared with previous performance [Visits to core libraries and mobile libraries](#) (M36) and the following 4 are expected to achieve the end of year target:-

[High risk premises inspected by trading standards](#) (M3);

[Carers who have received a review of their needs](#) (M121);

[The number of staff and volunteers trained in Making Every Contact Count](#) (M109)

[People successfully supported to quit smoking](#) (M111);

The following 3 commissioning strategies are reported annually in Q4:-

- [Learn and achieve](#)
- [Readiness for school](#)
- [Sustaining and developing prosperity through infrastructure](#)

The good news

The following 8 commissioning strategies have performed really well (all measures reported this quarter achieved the target):-

- [Adult Frailty, long term conditions and physical disability](#)
- [How we effectively target our resources](#) (Combination of 3 commissioning strategies)
- [Readiness for Adult Life](#)
- [Safeguarding Adults](#)
- [Specialist Adult Services](#)
- [Sustaining and growing business and the economy](#)

There are several areas where services have highlighted success and these are detailed in Appendix A:-

- Reduction in the number of young people committing a crime;
- Reduction in fires and their consequences;
- Large seizure of illicit alcohol and tobacco products;
- Continue to compare well with other Councils and the national average for time taken to move a child from care to an adoptive family; and for matching a child to an adoptive family;
- People supported to maximise their independence;
- Heritage sites remain high on Trip Advisor's recommended things to do in Lincolnshire; excellent customer experience and increased interactions;
- This quarter 30 new jobs were created, 231 businesses supported, 374 adults gained qualifications and we attracted over £3.4m external funding;
- Reduction in Co2 emissions from County Council activity and street lighting.

In Q1, it was not possible to report performance for [Co2 emissions from County Council activity](#) (Measure 74) and [Adults aged 18-64 with a mental health problems living independently](#) (Measure 117). Both related to data from third parties. We are able to report performance this quarter for both these measures. Both measures have achieved the target.

The following 5 commissioning strategies performed well (all but 1 measure reported in Q2 achieved the target):-

- [Carers](#)
- [Children are safe and healthy](#)
- 1. [Community resilience and assets](#)
- 2. [Protecting the public](#)
- 3. [Protecting and sustaining the environment](#)

The Carers commissioning strategy performed really well in Q1, the measure [Carers who received a review of their needs](#) (M121) is the only measure that did not achieve the target this quarter. Performance is expected to improve over the next quarter, to again meet or exceed the target by year end.

The only measure in the Community resilience and assets Commissioning Strategy that did not achieve the target was [Visits to Core Libraries and Mobile Library services](#) (M36) but performance improved compared with last Quarter.

The Protecting the public commissioning strategy improved performance compared with Q1 with [Illicit alcohol and tobacco products seized](#) (M1) and [Adults Reoffending](#) (M14) both achieving the target in Q2

The [Wellbeing](#) commissioning strategy had mixed performance (some measures achieved and some measures did not achieve the target). It is worth noting that: -

- [Alcohol users that left specialist treatment successfully](#) (M31), only 0.9% of all those completing alcohol treatment re-present to services – amongst the best re-presentation rate in the country.

- Although performance for [Chlamydia diagnosis](#) (M34) did not achieve the target Lincolnshire performance is only slightly below that of our comparator local authority areas. The target was met in Q1.

Appendix B provides a summary of the measures that did not achieve the target in Q1.

5. 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 Report presents performance against the outcomes and measures that are the Council Business Plan many of which relate to people with a protected characteristic including young people, older people and people with a disability. It is the responsibility of each service when it is considering making a change, stopping, or starting a new service to make sure equality considerations are taken into account and an equality impact analysis completed.

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 Report presents performance against the outcomes and measures that are the Council Business Plan many of which relate directly to achievement of health and wellbeing objectives.

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 Report presents performance against the outcomes and measures that are the Council Business Plan some of which relate to crime and disorder issues.

6. Conclusion

This report presents an overview of performance for Quarter 2 against the Council Business Plan 2018/2019 and proposed changes to reporting to assist the Executive in monitoring that performance in future. Executive is invited to consider performance and consider and approve the proposed changes to reporting.

7. Legal Comments:

The Executive is responsible for ensuring that the Executive functions are discharged in accordance with the Budget and Policy Framework of which the Business Plan is a part. This report will assist the Executive in discharging this function.

The recommendation is lawful and within the remit of the Executive.

8. Resource Comments:

Acceptance of the recommendation in this report has no direct financial consequences for the Council.

9. Consultation

a) Has Local Member Been Consulted?

N/A

b) Has Executive Councillor Been Consulted?

N/A

c) Scrutiny Comments

The Overview and Scrutiny Management Board (OSMB) is scheduled to consider this report at its meeting on 28 November 2019. Any comments of the Board will be presented to the Executive.

The Overview and Scrutiny Management Board considered Q1 performance against the Council Business Plan on 29th August and referred the Adult reoffending performance measure to the Public Protection and Communities Scrutiny Committee. Committee received an update on this measure from Chief Inspector Pat Coates on 29th October including an update on the prevalence and composition of offending in Lincolnshire and the key actions currently being undertaken to address offending in the county. Members were informed that the reoffending rate for adult offenders in Lincolnshire had remained around 29.6% on average for the last two years and that the Assisting Rehabilitation through Collaboration (ARC) scheme had seen a significant reduction in reoffending rates.

It was acknowledged that there were some gaps in the pathways to service that needed to be addressed and that Lincolnshire police were looking to bridge those gaps and were working with a number of partners to improve the pathways for people leaving prison and ensure that all the relevant services were available to them. The Committee agreed that a report would be scheduled for mid-2020 to review the progress on this work and further review the progress of adult reoffending.

d) Have Risks and Impact Analysis been carried out

No

e) Risks and Impact Analysis

Any changes to services, policies and projects are subject to an Equality Impact Analysis. The considerations of the contents and subsequent decisions are all taken with regard to existing policies.

10. Appendices - These are listed below and attached to the report.

| | |
|------------|--|
| Appendix A | Summary of those measures where services have highlighted success |
| Appendix B | Summary of those measures that did not achieve the target this quarter |

11. Background Papers

| Document title | Where the document can be viewed |
|--|---|
| Report to the Executive on 03/09/19 Council Business Plan 2019 - 2020 Performance Report, Quarter One | http://lincolnshire.moderngov.co.uk/documents/s29553/Performance%20Reporting%20against%20the%20Council%20Business%20Plan%20Quarter%201.pdf |
| Report to Overview and Scrutiny Management Board on 29/08/19 - Performance Reporting against the Council Business Plan - Quarter 1 | http://lincolnshire.moderngov.co.uk/documents/s29572/7.0%20Performance%20Reporting%20against%20the%20Council%20Business%20Plan%20-%20Quarter%201%20-%20Scrutiny%20Covering%20Report.pdf |
| Report to Public Protection and Communities Committee on 29/10/19 - Performance Review: Adults Reoffending | http://lincolnshire.moderngov.co.uk/documents/s30340/7.0%20Reducing%20Offending%20Scrutiny%20Committee%20Paper%20Oct%202019.pdf |

This report was written by Jasmine Sodhi, who can be contacted on 01522 552124 or jasmine.sodhi@lincolnshire.gov.uk .

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Summary of those measures where services have highlighted success

Communities are safe and protected

The [Protecting the public commissioning strategy](#) comes within the remit of the Public Protection and Communities scrutiny committee. This commissioning strategy performed well in Q2 (all but 1 measure reported in Q2 achieved the target).

Reduce the number of young people committing a crime

- The rate of [Juvenile first time offenders](#) (M15) Lincolnshire's FTE (first time entrants) rate of 102 per 100,000 10-17 year olds which equates to 64 young people (2018/2019) is beginning to stabilise after a significant reduction over the past 6 years (86.9% reduction from 2012/13) and remains well below the current National (England) rate of 222 per 100,000. Lincolnshire also performs better than the regional (East Midlands) rate 226 and against our current Youth Offending Team 'YOT Family' benchmark of 228.
- [Juvenile reoffending](#) (M125) Although there has been an increase in Lincolnshire's reoffending rate this quarter, it continues to remain well below the target. As this metric looks at a 3-month cohort, it is calculating on comparatively small cohort numbers for Lincolnshire and therefore a minimal increase or decrease of a few young people can noticeably impact the percentage. For example, this quarter the cohort represents just 89 young people of whom 34 reoffended. The number of reoffenders has been relatively stable across the last four quarters, at an average of 37 young people.

Reduce fires and their consequences

- The number of [primary fires](#) (M19) continues to be lower than the target. Lincolnshire has also seen a 14% reduction in the number of primary fires compared to quarter 2 last year (down from 641 to 551). The majority of this reduction is due to farm-related fires, which saw an increase during the summer months last year (compared to the year before) due to the long period of hot and dry weather, as these have now returned to levels seen in previous years (56 at quarter 2 2017/18 up to 117 at quarter 2 last year, down to 73 this year). There has also been an 11% reduction in dwelling fires (down from 185 at quarter 2 last year to 164). The service has focussed Community Safety campaigns around key themes (cooking, smoking and heating appliances) which have been identified as the main contributory factors. Evaluation of these activities will confirm the impact of Community Fire Safety work.
- The number of [deliberate primary fires](#) (M21) continues to be lower than the target. Lincolnshire has also seen a 24% reduction in the number of deliberate primary fires compared to the same period last year (down from 127 to 97).

Deliberate fires involving vehicles and dwellings continue to account for the largest proportion of these incidents so it pleasing to have, once again, seen a reduction in both of these categories – deliberate vehicles fires down from 57 at quarter 2 last year to 36 this year (37% reduction), deliberate dwelling fires down from 22 to 12 (45.5% reduction). On-going proactive work in arson reduction over a sustained period is now embedding the reduction strategy within the Service.

- The number of [deliberate secondary fires](#) (M22) continues to be lower than the target. Lincolnshire has also seen a 14% reduction in the number of deliberate secondary fires compared to quarter 2 last year (down from 170 to 146). There have been small fluctuations across most secondary fire property types but the biggest reduction has been in deliberate fires involving grassland (down from 50 at quarter 2 last year to 34 this year). Refuse/refuse containers continues to account for the majority of deliberate secondary fires – 85 of the 146 (58%) so it is pleasing to see another reduction in these incidents, albeit smaller than previous years reductions (down from 124 to quarter 2 2017/18 to 90 at quarter 2 last year). This could, in part, be due to the inclement weather experienced this summer. On-going proactive work in arson reduction over a sustained period is now embedding the reduction strategy within the Service.

The public are protected from unsafe and dangerous goods

- [Illicit alcohol and tobacco products seized](#) (M1) Following a large seizure this quarter the annual target (7,000 products) has been surpassed. 8,095 packs of cigarettes (64,429 individual cigarettes), 674 packs (33.7kg) of tobacco and 50 cigars have been seized so far this year.
- [Unsafe products removed from the market](#) (M2) 1,679 unsafe products have been removed from the market so far this year compared with a target of 1,300. This includes unsafe and non-compliant nursery goods, toys, games consoles, sun glasses and make up.

[Children are safe and healthy commissioning strategy](#) comes within the remit of the Children and Young People scrutiny committee. This commissioning strategy performed well in Q2 (all but 1 measure reported in Q2 achieved the target).

Children are safe and healthy

- Although there has been a slight increase in the number of [children looked after](#) (M23) per 10,000 when compared to the last quarter (43.6 Q1, 43.7 Q2), Children's Services continue to robustly monitor the number of children coming into care through the support panel which is part of the gate keeping process (i.e. making sure all other options have been explored before bringing children into care). In addition, children who are looked after are actively reviewed in order to ensure that this remains the best plan for them.

- [Average time taken to move a child from care to an adoptive family](#) (M25) We continue to compare favourably with other authorities and the national average in terms of the time it takes from a child entering care to them moving in with their adoptive family. Our high performance in this area is achieved through being aware of the journey of each child and ensuring that the adoption team is able to engage in twin tracking (the method by which two plans, one of which being adoption, will run simultaneously for the child) at the earliest opportunity.
- [Average time taken to match a child to an adoptive family](#) (M26) We continue to perform highly in this area compared to the regional (East Midlands) and national average. The recruitment strategy for carers is very focussed on the needs of children who require families. Recruiting the right families for children reduces the need to identify independent adoptive placements, which in turn minimises potential delays.

Health and wellbeing is improved

[Readiness for Adult Life Commissioning Strategy](#) comes within the remit of the Children and Young People scrutiny committee. This commissioning strategy performed really well in Q2 (all measures reported this quarter achieved the target).

Young People are supported to reach their potential

- [16-17 year old Looked After Children participating in learning](#) (M45) At 68.2% Q2 performance is significantly higher than the target for the Quarter (60%). The Virtual School team works effectively with our social workers, carers, students and education providers to ensure that transitions from Year 11 into Year 12 are successful and that all students have an appropriate educational placement that meets their needs Post 16. Once the young people have accessed a place in Sixth Form or College LCC regularly monitors and reviews their progress to ensure they are appropriately supported to become confident learners. Q2 data is at the start of the academic year, when all information relating to young people's placements has yet to be received from all colleges and further education providers. The target has been profiled to reflect this and will show much higher participation in Q3 when this data has been received and processed.
- [Care leavers in suitable accommodation](#) (M46) The vast majority of Care Leavers are in suitable, safe and appropriate accommodation. There has been a small dip in performance in this area (94.1% in Q2 compared with 94.4% in Q1), this is reflective of a small increase in the number of young people receiving short custodial sentences. A range of accommodation has been developed and confirms the Council's commitment to ensure that all care leavers have somewhere that is safe and appropriate to stay. The

leaving care service have a clear overview of the young people in unsuitable accommodation and engage with each of these to ensure that they understand the full range of housing options available to them.

[Wellbeing commissioning strategy](#) comes within the remit of the Adults and Community Wellbeing scrutiny committee. This commissioning strategy had mixed performance in Q2 (some measures achieved and some measures did not achieve the target).

People are able to live life to the full and maximise their independence

- [People supported to improve their outcomes](#) (M110) This measure of overall improvement in customer outcomes has been consistently achieved since the new service model has been in operation, evidencing the positive impact provided for those who engage with the service.
- [People supported to maintain their accommodation](#) (M112) The Housing Related Support Services have exceeded the target. This means that 98% of service users that identified access to settled accommodation as a barrier to them living independently have been successfully supported to reduce this during this period.
- [Emergency and urgent deliveries and collections completed on time](#) (M113). The service has exceeded targets consistently over the last three months (Quarter 2). There was an increase in demand of approximately 900 deliveries and collections compared to Quarter 1.

[Community resilience and assets commissioning strategy](#) comes within the remit of the Public protection and communities scrutiny committee. This commissioning strategy performed well (all but 1 measure reported in Q2 achieved the target).

Enable and encourage people to participate in Lincolnshire's culture

- [Contact with the heritage service](#) (M35) The service has achieved its target for this quarter, with most sites greatly increasing their interactions compared to Quarter 1. As an example, the Collection Museum hosted a dinosaur exhibition which has increased visitors to the sites and to online platforms and has played a part in the museum more than doubling its interactions compared to Quarter 2 last year.
- [Traveller review ratings from Trip Advisor](#) (M128) Heritage sites have exceeded the target for traveller review ratings on Trip Advisor this quarter, consistently receiving positive feedback and remaining high on Trip Advisor's recommended things to do in Lincolnshire.
- [Overall visitor experience](#) (M129) of excellent and/or very good reviews measured by the visitor feedback forms for Heritage sites have exceeded the target this quarter, consistently delivering high quality service and receiving positive feedback as a result.

Businesses are supported to grow

[Sustaining and growing business and the economy](#) commissioning strategy comes within the remit of the Environment and Economy scrutiny committee. This commissioning strategy performed really well in Q2 (all measures reported this quarter achieved the target).

- The number of new [jobs created](#) (M68) has now increased to 144. This includes 30 which were added during this quarter, of which 10 were created as a result of new inward investment from a Norwegian owned company. 9 new jobs were created by companies based at our portfolio of business sites and a further 11 as a result of the LEADER programme.
- The number of [businesses directly supported](#) (M69) has increased to 534. This includes 231 which were added during this quarter, of which 194 were supported by the Growth Hub. £41,805 of grant funding was allocated this quarter to support business growth. 15 additional businesses have now joined the Team Lincolnshire Ambassador Programme, and the Foreign Account Management Programme directly supported 12 businesses, including 2 new inward investments. 10 companies were supported either in relation to MIPIM 2020, potential hotel developments, or through Mercury House, our managed business centre at Gainsborough.
- The number of [qualifications achieved by adults](#) (M70) has increased to 594, which includes 374 added during this quarter. A varied and wide range of qualifications were achieved amongst which were 103 ESOL, 40 IT qualifications and 105 English and maths (functional skills or GCSE). With a focus on supporting areas of greatest need, 200 (34%) of all qualifications achieved to date were delivered in the Skegness / Mablethorpe area.
- The value of [external funding attracted](#) (M71) has now increased to £5,382,952. This includes £3,420,633 added during this quarter. This additional funding was achieved through 2 European Regional Development Fund (ERDF) projects which have been approved for grants of £2,450,533, to be delivered by the University of Lincoln, and £900,000 for the Midlands Internationalisation Fund to be delivered by the Department of International Trade. This project will be delivered across 10 Local Enterprise Partnership areas to support SMEs in their export activities targeted at business with high growth potential.

[Protecting and sustaining the environment commissioning strategy](#) comes within the remit of the Environment and Economy scrutiny committee. This commissioning strategy performed well Q2 (all but 1 measure reported achieved the target).

Reduce carbon emissions

[CO2 emissions from County Council Activity](#) (Measure 74) There has been a large reduction in emissions from the 2016/17 baseline. Emissions from Street lighting has significantly reduced and there has been a 20% reduction in the carbon intensity of grid electricity due to the "greening of the grid" through renewable generation including wind and solar power.

[How we effectively target our resources commissioning strategy](#) comes within the remit of Overview and Scrutiny Management Board. This commissioning strategy performed really well in Q2 (all measures reported this quarter achieved the target).

Maximise the organisational strength, capacity, resilience and wellbeing to deliver the Council's strategic objectives through people

[Sickness absence](#) (M 92)

On-going application of our sickness absence policy helps to manage employee sickness rates. The Actual for July 2018 – June 2019 is 7.15 per FTE compared with a target of 7.5.

Summary of those measures that did not achieve the target this quarter

Communities are safe and protected

The [Protecting the public commissioning strategy](#) comes within the remit of the Public Protection and Communities scrutiny committee. This commissioning strategy performed well in Q2 with only one measure [High risk premises inspected by Trading Standards](#) (M3) not achieving the target this quarter. Although the number of planned inspections is behind the target this quarter, the service is confident that the end of year target (207 premises) will be achieved. 55 planned inspections have been carried out at identified high risk premises so far this year: 11 animal health inspections, 15 food premises and 29 feed premises. The measure achieved the target in Q1.

[Children are safe and healthy commissioning strategy](#) comes within the remit of the Children and Young People scrutiny committee. This commissioning strategy performed well, with only one measure [Children who are subject to a child protection plan](#) (M24) not achieving the target this quarter. The target was achieved in Q1. The number of children subject to a Child Protection Plan is 400 (27.5 per 10,000 children) at the end of September 2019 and the target is 330 (22.8 rate per 10,000). The number of children subject to a Child Protection Plan will fluctuate as the decision for a child to be subject to a plan is based on the individual risk to the child, however, this is a significant increase. An analysis is taking place of the last 100 children placed on a child protection plan to try and understand the increase. All the service managers have been tasked with reviewing the Child Protection cases in their team, and the managers will be reporting back to Assistant Directors.

Health and wellbeing is improved

The [Carers commissioning strategy](#) comes within the remit of the Adults and Community Wellbeing scrutiny committee. This commissioning strategy performed well, with only one measure [Carers who received a review of their needs](#) (M121) not achieving the target this quarter. The target was achieved in Q1 and the service expects performance to improve over the next quarter, to again meet or exceed the target by year end. Recent changes in delivery model, with more needs being met through networks and community assets (other support that does not need funding from Adult Care in order for the person to meet their needs for example dementia morning at a local café, or a carers group run by a church) has meant a reduction in direct payments and a larger proportion of carers having joint reviews alongside the

person for whom they care due to the respite support that they receive. Referrals pathways and performance are being monitored alongside specific targeting.

The [Community resilience and assets commissioning strategy](#) comes within the remit of the Public Protection and Communities Scrutiny Committee. This commissioning strategy performed well, with only one measure [Visits to Core Libraries and Mobile Library services](#) (M36) not achieving the target this quarter, however performance improved compared with Q1. The target was not achieved in Q1. There are 106,013 visits below the target in Q2 (July 37,890; August 25,083 and September 43,041). As previously reported the low number of visits is attributed to not being able to keep a pace with the changing IT requirements and therefore the expectations of our customers. It also needs to be recognised that this is against a national picture of declining library visits as well as there being more options for our customers within their local communities from the independent Community Hub provision. The Library Service is embarking on an IT refresh programme across all library sites; the investment in IT is expected to impact against visitor figures and attract more customers back to sites. Greenwich Leisure Limited (GLL) have a marketing plan to entice customers back to site once the IT transition has been completed. This is anticipated to be March 2020 but is dependent on Serco availability.

The [Wellbeing commissioning strategy](#) comes within the remit of the Adults and Community Wellbeing scrutiny committee. This commissioning strategy had mixed performance last quarter and this this quarter. The following four measures did not achieving the target this quarter:-

- [Percentage of alcohol users that left specialist treatment successfully](#) (M31) This measure is reported with a one quarter lag. Q1 data is the latest available data. Performance for Q1 was 34.9%, lower than the previous quarter (36.1% in Q4 2018/2019). The target is 40%. Performance in Q4 was an improvement on the previous quarter (Q3 32.4%). Recent work has identified that the service provides good value for money and that the re-presentation rate is among the best in the country, with only 0.9% of all those completing alcohol treatment re-presenting to services. This is a good indicator that long term recovery is being achieved, making relapse less likely.
- [Chlamydia diagnosis](#) (M34) Performance is reported with a two quarter lag. Q4 2018/2019 is the latest data available. Although performance of 1,809 per 100,000 15-24 year olds been missed the target of 2,045, Lincolnshire performance is only slightly below that of our comparator local authority areas. The target was achieved in Q3. The service continues to seek to improve performance through partnership work and in the way the service is delivered, for example online testing continues to be popular and achieves a high level

of successful diagnoses. The service is also working closely with Public Health England to clarify issues relating to data quality.

- [The number of staff and volunteers trained in Making Every Contact Count](#) MECC (M109)) has been planned to include changes in activity throughout the year. The target was exceeded in Q1 and in Q2 performance was 92 compared with a target of 100. The annual target of 400 is expected to be met, and cumulatively, activity is still exceeding target (170 against a target of 150). This quarter, time has been spent training and supporting a network of cascade trainers (within the NHS trusts and district councils) who will be responsible for the sustainability and delivery of MECC beyond 2019/2020. In addition extensive promotional activity has been undertaken, particularly within the NHS, and 120 MECC conversations with frontline staff have taken place.
- [People are supported to successfully quit smoking](#) (M111) Data for the number of people successfully supported to stop smoking has a three month time lag and so represents performance at the end of June 2019. The provider of stop smoking services changed on 1 July 2019 when the new integrated lifestyle service, One You Lincolnshire, began. Annual targets are expected to be met.

Businesses are supported to grow

[Protecting and sustaining the environment commissioning strategy](#) comes within the remit of the Public protection and communities scrutiny committee. This commissioning strategy performed well, with only one measure [Household waste recycled](#) (M78) not achieving the target this quarter. The target was not achieved in Q1. The contamination level is being addressed with the District Councils as part of the Joint Municipal Waste Strategy and the next MDR (Mixed Dry Recycling) contract. The national recycling rate is also reducing and is down from 45.1% in 2016/17 to 44.8% in 2017/18 with estimates for 2018/19 indicating this downward trend is set to continue. The national recycling rate for 2018/2019 is expected to be published in December. The National Resource and Waste Strategy includes commitment to review the current measurement metrics used to report recycling performance.

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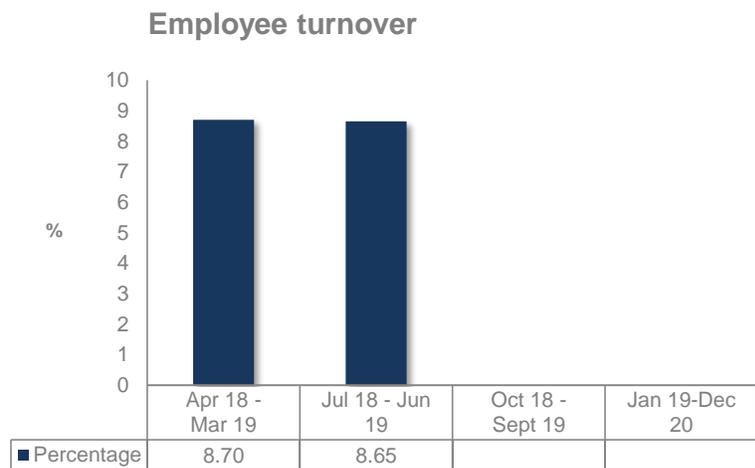
 We effectively target our resources

Maximise the organisational strength, capacity, resilience and wellbeing to deliver the Council's strategic objectives through people

Employee turnover

The number of voluntary leavers in a 12 month period as a percentage of the average headcount in the period.

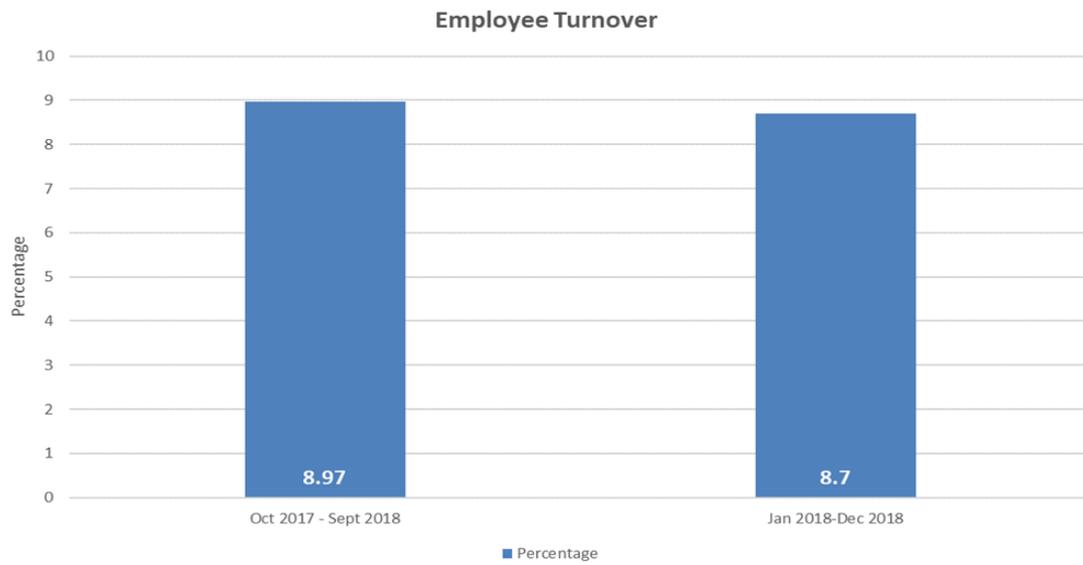
 Measured 



About the latest performance

This indicator measures the total number of voluntary leavers as a percentage of the average headcount over the 12 months between July 2018 and June 2019. This relates to 415 leavers of an average headcount of 4795 for the period. Overall turnover (inclusive of dismissals and redundancy) is 10.7% for the period.

Further details



About the target

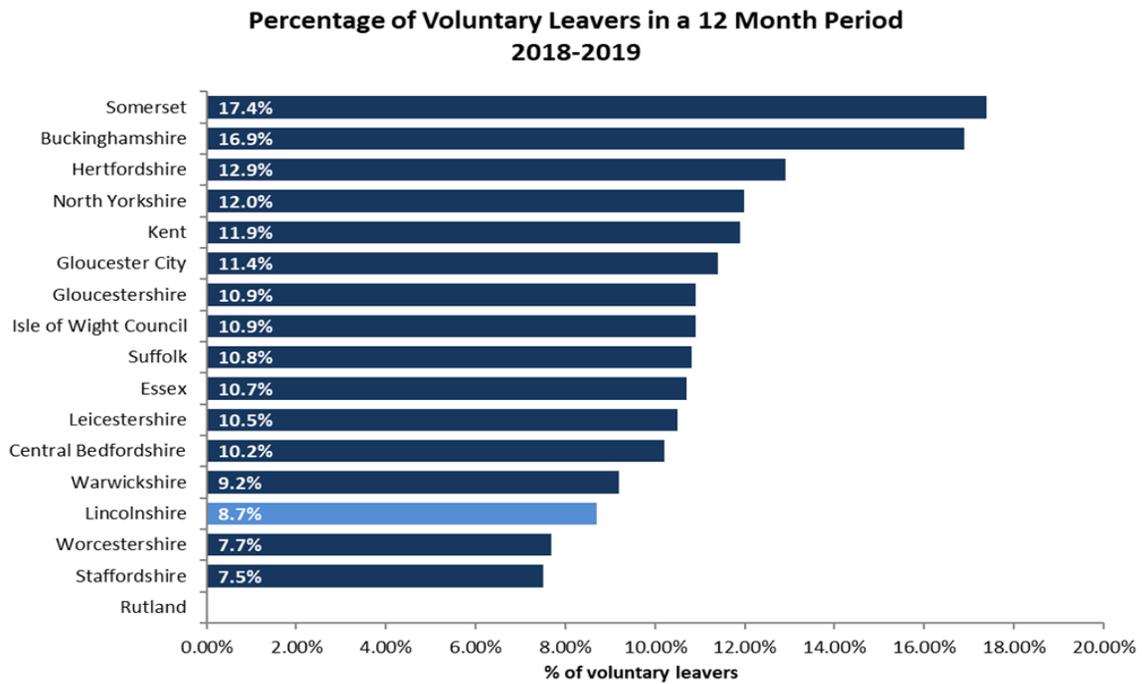
This measure is included for context and so a target is not applicable.

About the target range

A target range is not applicable to this measure.

About benchmarking

The benchmarking data is provided through the PPMA (Public Services People Managers Association) from a request to member Councils.





We effectively target our resources

Maximise the organisational strength, capacity, resilience and wellbeing to deliver the Council's strategic objectives through people

Sickness absence

The number of working days lost to the authority due to sickness absence per Full Time Equivalent (FTE). One FTE is equivalent to a 37 hour week. Two employees that work 18.5 hours per week (0.5FTE each) are the equivalent of 1 FTE.

Numerator = total number of working days lost due to sickness absence.

Denominator = average number of FTE employed for the rolling 12 months.

The total number of days lost are calculated by totalling an employee's total number of hours of sickness and dividing this by 7.4 (a standard working day). The report includes all permanent and Temporary (those on Fixed Term Contracts (FTC)) employees. This includes Fire and rescue Whole-time Firefighters. The report includes all days lost through sickness due to disability or long term sickness even if staff are not paid. The report excludes agency staff, contractors, Retained Firefighters and school employees.

Working days means days scheduled for work excluding holidays and leave. In the instance of an employee reporting sick part way through a working day, authorities should record the information to the nearest half-day shift.



Achieved

7.15

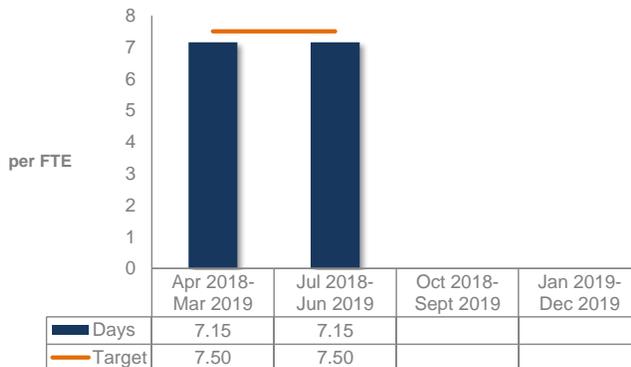
per FTE
July 2018 - June 2019



7.50

per FTE
Target for July 2018 - June 2019

Sickness Absence

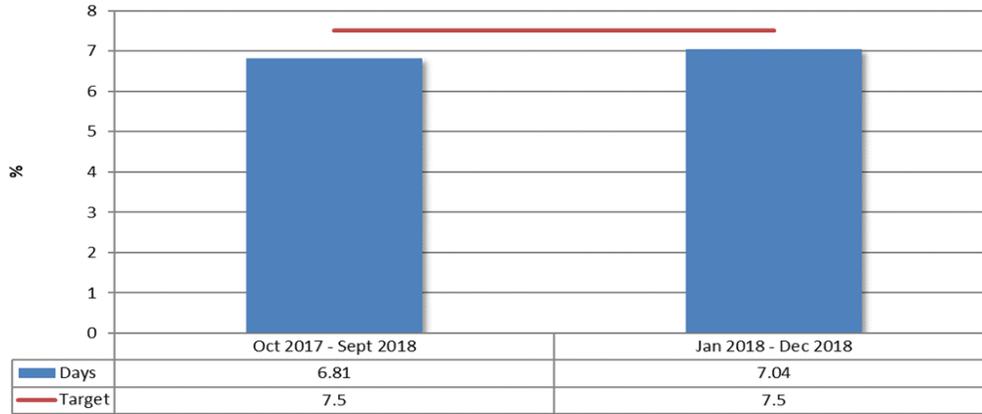


About the latest performance

This indicator shows the days lost per FTE for the 12 months between July 2018 and June 2019. We have achieved the target this quarter; on-going application of our sickness absence policy helps to manage employee sickness rates.

Further details

**Sickness Absence (per FTE)
October 2017 - December 2018**



About the target

The target has been set to 7.5 days to encourage continuing downwards trend in sickness.

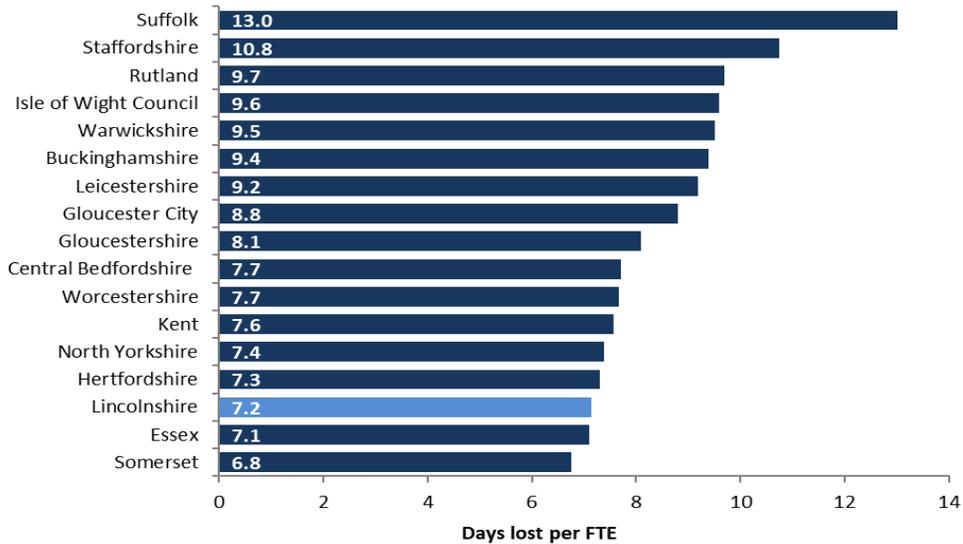
About the target range

A target range is not applicable to this measure.

About benchmarking

The benchmarking data is provided through the PPMA (Public Services People Managers Association) from a request to member Councils.

**Sickness Absence per FTE
2018-2019**





We effectively target our resources

New support services partnership contracts perform effectively and efficiently to allow the Council to achieve its commissioning outcomes

Achievement of KPIs - VINCI Facilities Partnership Limited contract

An overall score of over 75% is required for the contractor to benefit from financial incentives gained by performing lower than their target costs.

At the start of the next year the Employer reviews the targets and weightings for Key Performance Indicators. The Council reserves the right to suspend the application of any gain share which the Contractor may be entitled to in the event of any occurrence of an investigation of Regulatory Body e.g. Health and Safety Executive, Environment Agency, and in the event of a successful prosecution and/or claim disallow the application of the gain share.

Key performance indicators provide percentage scores against baseline performance for the overall service and for each individual service area of the VINCI Facilities Partnership Limited contract.

The contractor's performance is incentivised to stimulate continuous improvement in providing the service.

The contractor's score determines their access to any financial gain accrued through performing below their target costs submitted at tender.

Services measured and their percentage weighting are:-

Project services – 22.5%;

Managed services – 15%;

Hard FM Services – 22.5%;

Soft FM services – 22.5%;

Other property services – 12.5%; and

General service – 5%.

A higher percentage of KPIs achieved indicates a better performance.



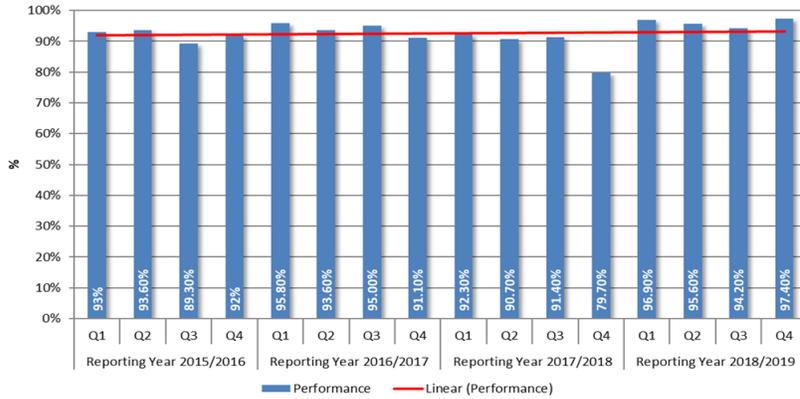
About the latest performance

The Quarter 2 quarterly performance has dropped by 2.4 percentage points over the previous quarter but is still comfortably within target.

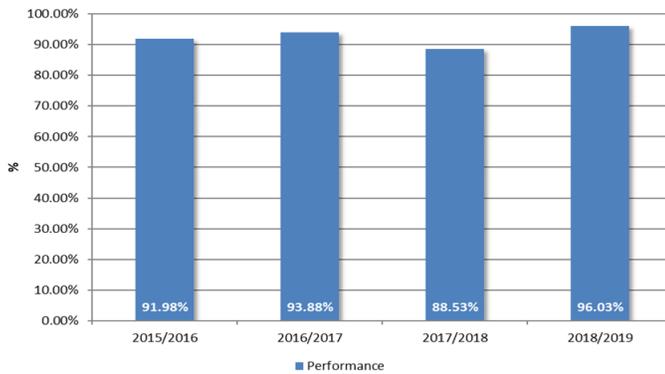
There was one more failure in reactive and non-statutory works completed within contractual timescales over Quarter 1 and a reduction in scores from key stakeholder satisfaction questionnaire feedback. Furthermore, there was a reduction in capital projects completed within key project stages which also negatively impacted on the score for Quarter 2 - however, performance has improved in customer satisfaction surveys.

Further details

Achievement of KPIs - VINCI Facilities Partnership



Average Annual Achievement of KPI's - VINCI Facilities Partnership



About the target

A score of 75% was set at tender stage. It is deemed to be commercially appealing whilst still ensuring high standards. In order for the Contractor to be eligible to any gain share they must achieve an overall performance of 75% and 75% for each Service Category. Lincolnshire County Council has set a aspirational internal target of 90% to influence target outcomes based on continuous improvement.

About the target range

No target range has been set for this measure.

About benchmarking

There is an aspiration to benchmark performance in the future.

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

| | |
|------------|---|
| Report to: | Overview and Scrutiny Management Board |
| Date: | 28 November 2019 |
| Subject: | Treasury Management Performance to Quarter 2 2019/20 |

Summary:

This report details the activities and performance of treasury management activities for the first half of 2019/20 to 30 September 2019, comparing this to the Treasury Management Strategy and Annual Investment Strategy 2019/20 that was approved by the Executive Councillor for Resources and Communication on 22 March 2019. This report meets the reporting requirements as detailed in the CIPFA Code of Practice for Treasury Management which we follow.

Actions Required:

That the report is noted and any comments be passed onto the Executive Councillor for Resources and Communication.

1. Background

- 1.1. The Treasury Management Strategy and Annual Investment Strategy 2019/20 sets the framework for how we manage the cashflow, borrowing and treasury investments of the Council and the risks involved.
- 1.2. Actual activity and performance compared to this strategy is reported quarterly, this report being the half year report for 2019/20 covering the period up to 30 September 2019.
- 1.3. Activity and performance up to 30 September compared to the strategy is detailed in the Conclusion in Section 2 below. Supporting information is detailed in the attached appendices.

2. Conclusion

Comparison of Activity and Performance to Strategy for Period up to 30 September 2019

Interest Rate Forecast:

Strategy:

At the time of writing the Strategy:

- *Short term and long term rates forecast to rise during 2019/20, but not significantly.*
- *Market uncertainties, predominantly caused by Brexit, may delay or reverse any forecast increases in rates.*

Activity & Performance to 30 September 2019:

| | |
|-------------------|---|
| Short term Rates. | No movement in rates to date, as uncertainties in market delay expected increases. |
| Long Term Rates. | Although very volatile, rates continued to fall by a further 0.40% by the quarter end, to record low levels, as markets sought a safe haven in an uncertain period by switching investments into gilts, pushing up gilt prices and hence reducing yields. |
| Economic Review. | Concerns over global economic growth and uncertainties with the outcome of Brexit may have a negative impact to the UK economy but it is difficult to predict what may happen. |

Appendix A shows graph of key interest rate movements over quarter 1 to 30 September 2019 and an economic background review and latest interest rate forecast from Link Asset Services (TM Advisor).

Investments:

Strategy:

- *Investment priority – security first, liquidity second and finally yield.*
- *Aim to invest in all periods up to 2 years to suit direction of interest rates, at rates in excess of market levels.*
- *Low risk counterparty strategy adopted: minimum long term rating for approved counterparties set at 'A' (from A+) for 2019/20 for any two from three credit rating agencies.*

Activity & Performance to 30 September 2019:

Investment Position and Performance. Investments outstanding at 30 September 2019 stood at £302m. Investment return has continued to exceed benchmark returns, for the level of risk taken. Achieved by making several 1 to 2 year investments, locking in fixed rates before falling. Weighted average maturity of investments was 176 days at end of period. For more detail see **Appendix B**.

Lending List Changes. No change to Lending List during period or to the Annual Investment Strategy that sets the Council's investment risk appetite. The Lending List as at 30 September 2019 is shown in **Appendix C**.

Appendix D shows a full list of investments held at 30 September 2019, combined with the creditworthiness list provided by Link Asset Services (TM Advisor).

Borrowing:**Strategy:**

- *Long term external borrowing at start of year was £465.9m, costing 3.965%.*
- *New borrowing requirement for 2019/20 to finance capital programme was set at £118.4m.*
- *It was agreed that internal borrowing would be maintained at around 15% of the capital financing requirement for 2019/20. (Internal borrowing is using the Councils own internal cash balance to meet borrowing requirement).*
- *Any external long term borrowing would be taken with the aim to reduce the overall cost of debt and for periods to ensure an even debt maturity profile.*

Activity & Performance to 30 September 2019:

Revised Borrowing Requirement. Taking into account carry forwards, internal borrowing and estimated rephasing/underspends, the borrowing requirement at 30 September 2019 was revised to £63.1m and projected internal borrowing revised to £110.0m by 31/3/2020.

Borrowing Position and Performance. During the quarter, a further £35m of new external long term borrowing was taken from the PWLB in periods to fill gaps in the Council's maturity profile. This borrowing was taken in tranches to hedge the cost as interest rates fell over the period. The average cost of this new debt in the quarter was 1.78%. After this activity the

balance of external debt at 30 September 2019 was £500.2m, costing 3.7837%.

Temporary Borrowing. £13m outstanding at quarter end taken to cover drops in liquidity during period. The cost of this debt was 0.6277%, below current money market rate levels and hence cost neutral.

Debt Rescheduling. No debt rescheduling was undertaken in the period.

Prudential Indicator Limits 2019/20. All prudential limits were met with no breaches during the period.

Appendix E shows borrowing detail and latest maturity profile at 30 September 2019.

Other Treasury Issues:

Revision to PWLB Borrowing Margins – 9 October 2019:

The PWLB increased the margin they charge on borrowing from 0.80% over gilt rates to 1.80% over, on 9 October 2019, making the cost of long term borrowing 1% dearer over all periods. This was done to try to curb overall Council borrowing undertaken from the PWLB (£82.7bn to date) at these record low levels. At the same time the Government's annual statutory limit for PWLB Council Borrowing was increased by £10bn to £95bn.

For reference, a 1% increase in borrowing cost on £1,000,000 is £10,000, so future borrowing from the PWLB will be more expensive by this factor. Long term borrowing is available from the market however and this may lead to increased levels in market debt being undertaken at lower levels than the PWLB in future.

3. Consultation

a) Have Risks and Impact Analysis been carried out?

Yes

b) Risks and Impact Analysis

Risk & impact analysis for treasury management forms TMP1 of the Treasury Management Practices that are required by the CIPFA Code of Practice 2017. A treasury management risk register details the main risks for treasury management and this is reviewed annually. Both the TMPs and the risk register are held in the Corporate Section of Financial Strategy at County Offices.

4. Appendices

| These are listed below and attached at the back of the report | |
|---|--|
| Appendix A | Movement of Key Interest Rates to 30 September 2019, Economic Background and Latest Interest Rate Forecast from Link Asset Services. |
| Appendix B | Investments: Activity & Performance at 30 September 2019. |
| Appendix C | Authorised Lending List at 30 September 2019 and Credit Rating Key. |
| Appendix D | Investment Analysis Review at September 2019 - Link Asset Services. |
| Appendix E | Borrowing: Activity & Performance and Long Term Maturity Profile at 30 September 2019. |

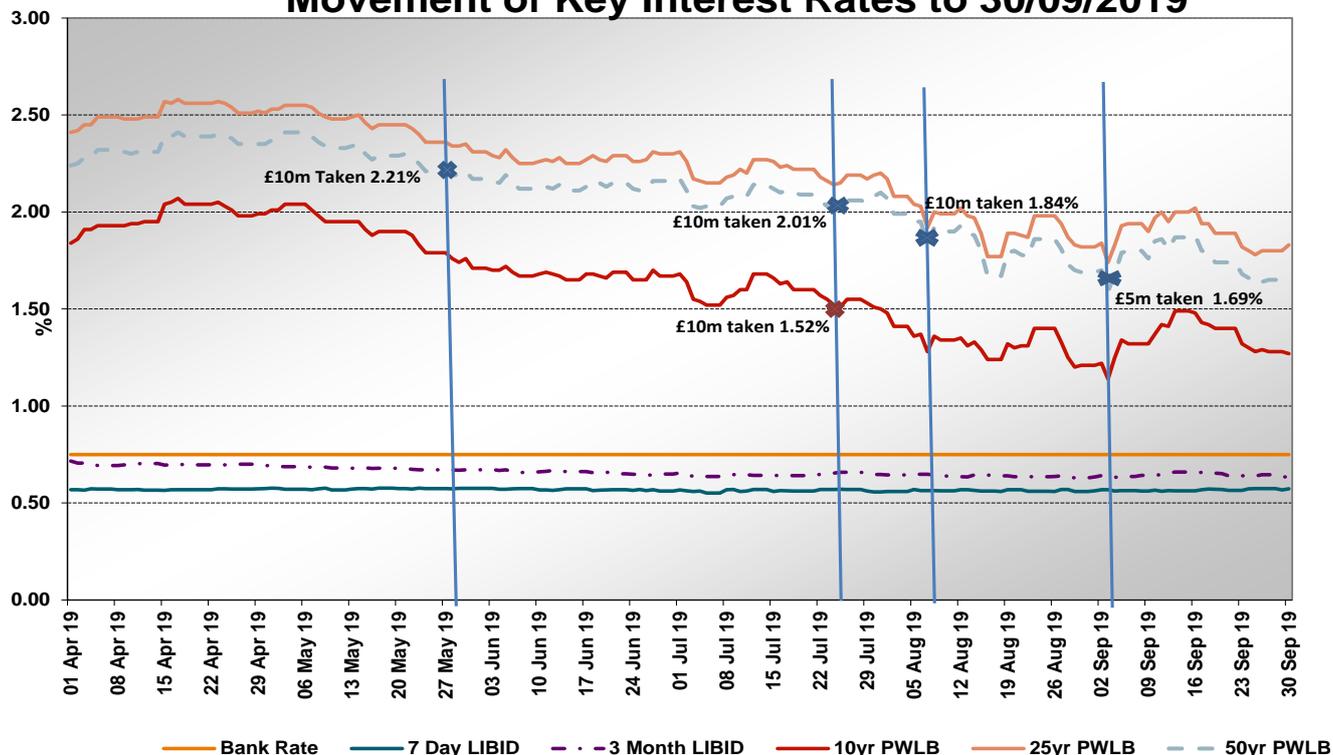
5. Background Papers

| Document title | Where the document can be viewed |
|---|---|
| Treasury Management Strategy Statement and Annual Investment Strategy 2019/20 - 21/3/2019 | http://lincolnshire.moderngov.co.uk/ieDecisionDetails.aspx?ID=496 |
| Council Budget 2019/20 - 22/2/2019 | http://lincolnshire.moderngov.co.uk/ieListDocuments.aspx?CID=120&MID=5273&Ver=4 |

This report was written by Karen Tonge, who can be contacted on 01522 553639 or karen.tonge@lincolnshire.gov.uk.

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Movement of Key Interest Rates to 30/09/2019



Interest Rate Forecast – Link Asset Services

| Link Asset Services Interest Rate View | | | | | | | | | | | |
|--|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|
| | Sep-19 | Dec-19 | Mar-20 | Jun-20 | Sep-20 | Dec-20 | Mar-21 | Jun-21 | Sep-21 | Dec-21 | Mar-22 |
| Bank Rate View | 0.75 | 0.75 | 0.75 | 0.75 | 0.75 | 1.00 | 1.00 | 1.00 | 1.00 | 1.00 | 1.25 |
| 3 Month LIBID | 0.70 | 0.70 | 0.70 | 0.70 | 0.80 | 0.90 | 1.00 | 1.00 | 1.00 | 1.10 | 1.20 |
| 6 Month LIBID | 0.80 | 0.80 | 0.80 | 0.80 | 0.90 | 1.00 | 1.10 | 1.10 | 1.20 | 1.30 | 1.40 |
| 12 Month LIBID | 1.00 | 1.00 | 1.00 | 1.00 | 1.10 | 1.20 | 1.30 | 1.30 | 1.40 | 1.50 | 1.60 |
| 5yr PWLB Rate | 2.20 | 2.30 | 2.50 | 2.60 | 2.70 | 2.70 | 2.80 | 2.90 | 3.00 | 3.00 | 3.10 |
| 10yr PWLB Rate | 2.50 | 2.60 | 2.80 | 2.90 | 3.00 | 3.00 | 3.10 | 3.20 | 3.30 | 3.30 | 3.40 |
| 25yr PWLB Rate | 3.10 | 3.30 | 3.40 | 3.50 | 3.60 | 3.70 | 3.70 | 3.80 | 3.90 | 4.00 | 4.00 |
| 50yr PWLB Rate | 3.00 | 3.20 | 3.30 | 3.40 | 3.50 | 3.60 | 3.60 | 3.70 | 3.80 | 3.90 | 3.90 |

Economic Background – Link Asset Services

UK. After only tepid annual **economic growth** of 1.4% in 2018, growth in quarter 1 was unexpectedly strong at 0.5%. However, this was boosted by stock building ahead of the original March Brexit deadline so quarter 2 was expected to be slightly negative and duly came in at -0.2% q/q, +1.3% y/y.

After the Monetary Policy Committee raised **Bank Rate** from 0.5% to 0.75% in August 2018, it is little surprise that they have abstained from any further increases since then. We are unlikely to see any further action from the MPC until the uncertainties over Brexit clear. If there were a no deal exit, it is likely that Bank Rate would be cut in order to support growth. Nevertheless, the MPC does have concerns over the trend in wage inflation which peaked at a new post financial crisis high of 3.9% in June before edging back to 3.8% in July, (excluding bonuses). Growth in employment fell to only 31,000 in the three months to July, well below the 2018 average, while the unemployment rate remained at 3.8 percent, its lowest rate since 1975.

As for **CPI inflation** itself, this fell to 1.7% in August and is likely to remain close to 2% over the next two years. If there was a no deal Brexit though, it could rise towards 4%, primarily as a result of imported inflation on the back of a weakening pound.

The rise in wage inflation and fall in CPI inflation is good news for **consumers** as their spending power is improving in this scenario as the difference between the two figures is now around 2.1%, i.e. a real terms increase. Given the UK economy is very much services sector driven, an increase in household spending power is likely to feed through into providing some support to the overall rate of economic growth in the coming months.

Brexit. New Prime Minister, Boris Johnson, was adamant that the UK would leave the EU on 31 October, even if there was no deal. However, Parliament carried a bill to delay Brexit until 31 January 2020 if there was no agreed deal by 31 October and this extension request was accepted by the EU. Focus has now turned to the possibility of holding a general election before the end of 2019; this could result in a potential loosening of monetary policy and therefore medium to longer dated gilt yields could rise on the expectation of a weak pound and concerns around inflation picking up.

USA. President Trump's massive easing of fiscal policy in 2018 fuelled a (temporary) boost in consumption in 2018 which generated an upturn in the rate of growth to 2.9% for 2018, just below his target of 3%. Growth in quarter 1 of 2019 was a strong 3.1% but growth fell back to 2.0% in quarter 2. The strong growth in employment numbers during 2018 has reversed into a falling trend during 2019, indicating that the economy is cooling, while inflationary pressures are also weakening. After the Fed increased rates by 0.25% in December 2018 to between 2.25% and 2.50%, it has taken decisive action to reverse monetary policy by cutting rates by 0.25% in each of July and September in order to counter the downturn in the outlook for US and world growth. There are expectations that it could cut again in December.

EUROZONE. The annual rate of growth for 2018 was 1.8% but is expected to fall to possibly around half that rate in 2019. The European Central Bank (ECB) ended its programme of quantitative easing purchases of debt in December 2018, which meant that the central banks

in the US, UK and EU had all ended the phase of post financial crisis expansion of liquidity supporting world financial markets by purchases of debt. However, the downturn in EZ growth in the second half of 2018 and into 2019, together with inflation falling well under the upper limit of its target range of 0 to 2%, (but it aims to keep it near to 2%), has prompted the ECB to take new measures to stimulate growth. At its March meeting it said that it expected to leave interest rates at their present levels “at least through the end of 2019”, but that was of little help to boosting growth in the near term. Consequently, it announced a third round of TLTROs; this provides banks with cheap borrowing every three months from September 2019 until March 2021 which means that, although they will have only a two-year maturity, the Bank is making funds available until 2023, two years later than under its previous policy. As with the last round, the new TLTROs will include an incentive to encourage bank lending, and they will be capped at 30% of a bank’s eligible loans. However, since then, the downturn in EZ and world growth has gathered momentum so at its meeting on 12 September, it cut its deposit rate further into negative territory, from -0.4% to -0.5% and announced a resumption of quantitative easing purchases of debt. It also increased the maturity of the third round of TLTROs from two to three years. However, it is doubtful whether this loosening of monetary policy will have much impact on growth and unsurprisingly, the ECB stated that governments will need to help stimulate growth by fiscal policy.

CHINA. Economic growth has been weakening over successive years, despite repeated rounds of central bank stimulus; medium term risks are increasing. The trade war with the US does not currently appear to be having a significant impact on growth. Major progress still needs to be made to eliminate excess industrial capacity and to switch investment from property construction and infrastructure to consumer goods production. It also needs to address the level of non-performing loans in the banking and credit systems.

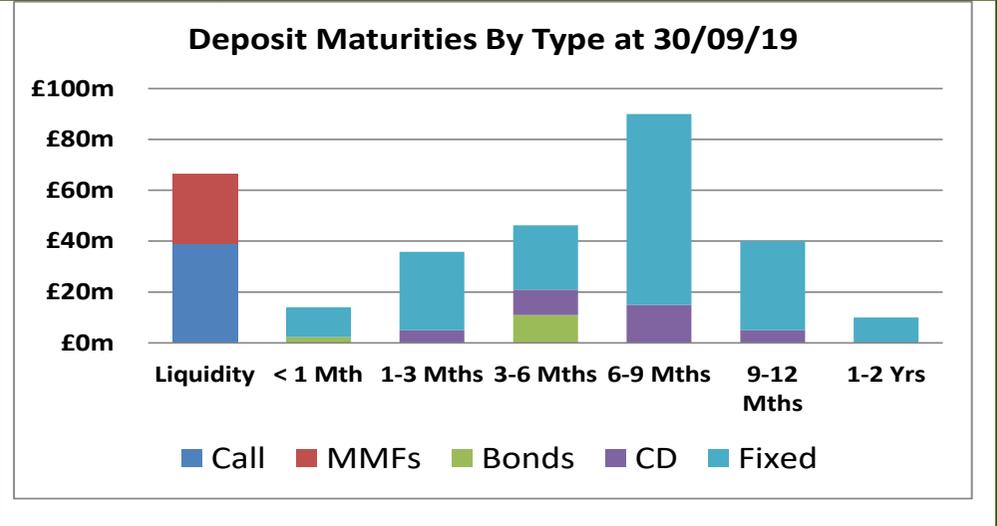
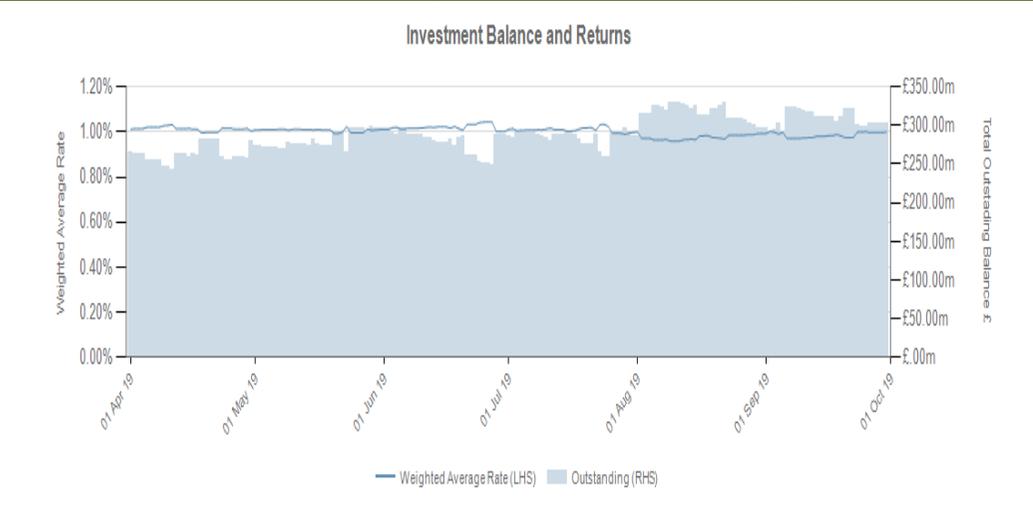
JAPAN. has been struggling to stimulate consistent significant GDP growth and to get inflation up to its target of 2%, despite huge monetary and fiscal stimulus. It is also making little progress on fundamental reform of the economy.

WORLD GROWTH. The trade war between the US and China on tariffs is a major concern to financial markets and is depressing worldwide growth, as any downturn in China will spill over into impacting countries supplying raw materials to China. Concerns are focused on the synchronised general weakening of growth in the major economies of the world compounded by fears that there could even be a recession looming up in the US, though this is probably overblown. These concerns have resulted in government bond yields in the developed world falling significantly during 2019. If there were a major worldwide downturn in growth, central banks in most of the major economies will have limited ammunition available, in terms of monetary policy measures, when rates are already very low in most countries, (apart from the US), and there are concerns about how much distortion of financial markets has already occurred with the current levels of quantitative easing purchases of debt by central banks. The latest PMI survey statistics of economic health for the US, UK, EU and China have all been sub 50 which gives a forward indication of a downturn in growth; this confirms investor sentiment that the outlook for growth during the rest of this financial year is weak.

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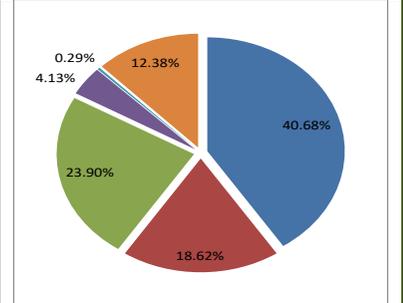
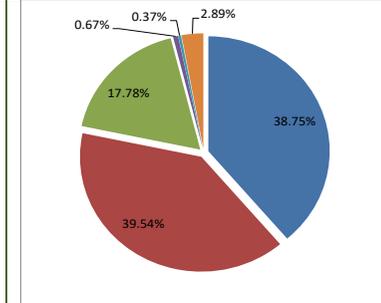
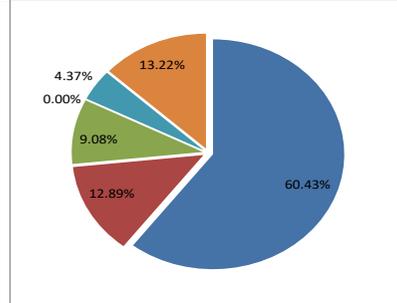
Investment Position at 30th September 2019

| Investments Outstanding 30.09.19 | Weighted Average Maturity (WAM) | Benchmark Return (7Day/3 Month LIBID) Annualised | Council Performance Annualised |
|----------------------------------|---------------------------------|--|--------------------------------|
| £302.475m | 176 Days | 0.65% | 1.00% |



Link Benchmarking Analysis of Investments at 30th September 2019

| | LCC | Benchmark Group (12) | English Counties(15) |
|--|----------------------|----------------------|----------------------|
| Return at 30.09.19 | 1.00% | 0.92% | 0.87% |
| WAM | 176 | 93 | 89 |
| Risk Weighted Score (Duration & Credit Quality) | 3.14 | 3.59 | 2.96 |
| Model Banding- Expected Return for Risk Taken | 0.89% - 0.98% | 0.84% - 0.93% | 0.82% - 0.92% |



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Definition of Credit Ratings and Credit Default Swap Spreads

Credit Ratings:

Long Term Rating (Fitch)

The Long Term rating assesses the borrowing characteristics of banks and the capacity for the timely repayment of debt obligations which apply to instruments of up to 5 years duration.

Long Term Ratings range from AAA, AA, A to DDD, DD, D. Only Institutions with Ratings of A+ and above are acceptable on the Councils Lending List as follows:

AAA - Highest Credit Quality - lowest expectation of credit risk. Exceptionally strong capacity for timely payment of financial commitments. Highly unlikely to be adversely affected by foreseeable events.

AA - Very High Credit Quality - Very low expectation of credit risk. Very strong capacity for timely payment of financial commitments. Not significantly vulnerable to foreseeable events.

A - High Credit Quality - Low expectation of credit risk. Strong capacity for timely payment of financial commitments. More vulnerable to adverse foreseeable events than the case for higher ratings.

“+” Or “-” may be appended to a rating to denote relative status within major rating categories.

Sovereign Ratings (Fitch)

The Sovereign (Governments of Countries) Rating measures a sovereign’s capacity and willingness to honour its existing and future obligations in full or on time. It looks at factors such as:

- Macroeconomic performance and prospects;
- Structural features of the economy that render it more or less vulnerable to shocks as well as political risk and governance factors;
- Public finances, including the structure and sustainability of public debt as well as fiscal financing;
- The soundness of the financial sector and banking system, in particular with respect to macroeconomic stability and contingent liability for the sovereign; and
- External finances, with a particular focus on the sustainability of international trade balances, current account funding and capital flows, as well as the level and structure of external debt (public and private).

Sovereign Ratings range from AAA, AA, A to DDD, DD, D. Only countries with a Sovereign Rating AA- are acceptable on the Councils Lending List.

Credit Rating Watches and Outlooks issued by Credit Rating Agencies

Rating Watches -indicate that there is a heightened probability of a rating change in the short term either in a positive or negative direction. A Rating Watch is typically event-driven and, as such, it is generally resolved over a relatively short period.

Rating Outlooks -indicate the direction a rating is likely to move over a one- to two-year period reflecting a position not yet reached but if trends continue will do so hence triggering a rating move.

Money Market Fund Rating (Moody's)

Aaa/MR1+ - this rating denotes the lowest expectation of default risk. It is assigned only in cases of exceptionally strong capacity for payment of financial commitments. This capacity is highly unlikely to be adversely affected by foreseeable events. Funds rated MR1+ are considered to have the lowest market risk.

Credit Default Swap (CDS) Spreads

A CDS is effectively a contract between two counterparties to 'insure' against default. The higher the CDS price of a counterparty, the higher the supposed risk of default. The CDS level therefore provides a perceived current market sentiment regarding the credit quality of a counterparty and generally the movement in the CDS market gives an early warning of the likely changes in credit ratings of a counterparty.

Link has employed a benchmark system which compares the CDS spread of a counterparty against a pre-determined benchmark rate (iTraxx Senior Financial Index) to produce a CDS status overlay of 'In Range', 'Monitoring' or 'Out of Range' and this status is used to further determine the creditworthiness of the counterparty.

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Lincolnshire County Council

Monthly Investment Analysis Review

September 2019

Monthly Economic Summary

General Economy

September's economic data began with the August Markit/CIPS Manufacturing PMI figure falling to 47.4, from 48.0 the previous month. The latest reading pointed to the steepest month of contraction in the manufacturing sector since July 2012 as new orders fell the most in over seven years, amid ongoing global trade tensions, slower world economic growth and Brexit uncertainty. The Construction PMI, meanwhile, fell by 0.3 points to 45.0. The latest reading pointed to the fourth consecutive month of contraction in the construction sector, led by the sharpest reduction in new work since March 2009. Rounding out the set of activity surveys for July, the Services PMI fell to 50.6 from July's figure of 51.4, leaving the Composite figure at 50.2, indicating the UK economy expanded slightly last month.

The UK posted a trade deficit of £0.22 billion in July compared to a downwardly revised £0.13 billion deficit in the prior month. Imports rose 2.7% while exports grew at a slower 2.5% rate. GDP data, meanwhile, showed that the UK economy stagnated in the three months to July, improving on the contraction in the three months to June. The stagnation reflected subdued growth in the services sector of just 0.2% and contraction in both the production and construction sectors of 0.5% and 0.8% respectively. However, year-on-year GDP growth remained steady at 1% during July.

The UK's unemployment rate fell to 3.8% in the three months to July, back at its joint lowest in the last 44 years, slightly below market expectations of 3.9%. Unemployment declined by 11,000 to 1.294 million and employment jumped by 31,000 to 32.777 million, below forecasts of a 53,000 increase. Average earnings excluding bonuses, meanwhile, rose by 3.8% in the three months to July, after a 3.9% increase in the previous period, which matched market expectations.

On an annual basis, CPI inflation fell to 1.7% y/y in 2019 from 2.1% y/y in July, below market expectation of 1.9% and the Bank of England's 2% target. This was the lowest inflation rate since December 2016, amid a slowdown in cost of transport and fall in clothing and footwear prices. The Core CPI figure (which strips out the more volatile components), decreased to 1.5% in August from 1.9% in July, the lowest figure since November 2016. Retail sales fell by 0.2% m/m in August, following an upwardly revised rise of 0.4% in the previous month and compared to market forecasts of no change. Much of the decline was attributable to a 3.2% fall in non-store (predominately online) sales. Year-on-year retail sales growth eased to 2.7%, down from 3.4% in July and below market forecasts of 2.9% growth.

The number of mortgages approved for house purchases in the UK dropped to 65,545 in August, from an 18-month high of 67,011 in July and below market expectations of 66,400. In addition, the number of approved loans secured on dwellings for remortgaging rose to 48,515 from 47,110 in July, while the number of loans for other purposes increased to 14,635 from 13,965. Net mortgage lending rose by £3.85 billion in August, missing the market's consensus of a £4.2 billion rise. The Confederation of British Industry's monthly retail sales balance jumped 33 points from a month earlier to -16 in September, recovering from a near 11-year low. It was also well above market expectations of -25. Still, the latest reading pointed to the fifth consecutive month of decline in retail sales, amid a weaker pound, concerns about potential tariffs and supply issues in the event of a no-deal Brexit. The GfK Consumer Confidence index, meanwhile, rose by 2 points to -12 last month, beating the market forecast of

-14, as all five sub-indices recorded gains.

Against the backdrop, the Bank of England's Monetary Policy Committee voted unanimously to hold the bank rate at 0.75% during its September policy meeting, as was widely expected. The bank also reaffirmed its pledge to enact gradual and limited rate rises, assuming a smooth Brexit and some recovery in global growth levels.

In the US, nonfarm payrolls increased by 130,000 in August, following a downwardly revised 159,000 in July and below market expectations of 158,000. Job gains were recorded in the public sector (largely reflecting the hiring of temporary workers for the 2020 Census), health care and financial activities. Average hourly earnings for all employees increased by 0.4% m/m and 3.2% y/y. The unemployment rate remained at the 3.7% rate recorded in July, which was expected by the market.

US CPI rose by 1.7% y/y in August, marginally below consensus forecasts of a 1.8% y/y rise, largely the result of a fall in energy prices. Excluding the more volatile items, such as food and energy prices, core inflation rose to 2.4% in August, the highest this year and above market expectation of a 2.3% gain. The US economy grew at a 2.3% annual rate in the second quarter, down from the 3.1% expansion recorded in the first quarter. The Euro Area unemployment rate reduced slightly to 7.4% in August, the lowest since May 2008 and slightly below market expectations of 7.5%, as the number of unemployed continued to decline. Compared with July, the number of people unemployed in the Euro Area decreased by 115,000 to 12.169 million.

Housing

The Halifax House Price Index in the UK increased 1.8 percent year-on-year in the three months to August of 2019, following a downwardly revised 1.5 percent rise in the previous month and below market expectations of 3.4 percent.

Currency

Over the month of September, the pound moved significantly against the dollar, increasing from \$1.213 to \$1.256 in mid-late September, but ultimately fell back to finish at \$1.231. Likewise against the Euro, the pound started the month at €1.105, peaked at €1.136 and ultimately ended the month at €1.125. The pound's volatility during the month resulted from the ever changing UK political and Brexit outlooks, as well as increasing signs of a global slowdown.

Forecast

The domestic economy remains unsettled in the run up to the Brexit deadline while the global economy follows suite (US economic figures have actually shown a decline in the past month). Link Asset Services do not expect a base rate rise until Q4 2020.

| Bank Rate | Now | Dec-19 | Mar-20 | Jun-20 | Sep-20 | Dec-20 | Mar-21 |
|---------------------|-------|--------|--------|--------|--------|--------|--------|
| Link Asset Services | 0.75% | 0.75% | 0.75% | 0.75% | 0.75% | 1.00% | 1.00% |
| Capital Economics | 0.75% | 0.75% | 0.75% | 0.75% | 1.00% | 1.00% | - |

Lincolnshire County Council

Current Investment List

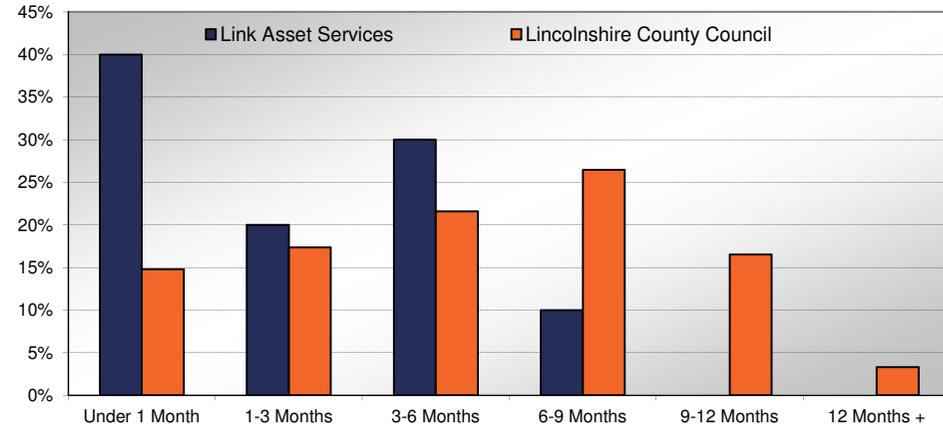
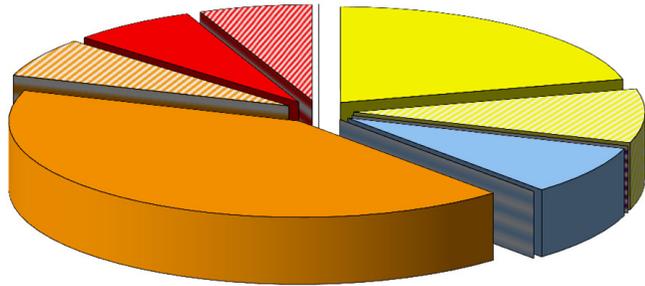
| Borrower | Principal (£) | Interest Rate | Start Date | Maturity Date | Lowest Long Term Rating | Historic Risk of Default |
|--|---------------|---------------|------------|---------------|-------------------------|--------------------------|
| MMF Deutsche | 7,470,000 | 0.73% | | MMF | AAA | 0.000% |
| MMF Aberdeen Standard Investments | 20,000,000 | 0.73% | | MMF | AAA | 0.000% |
| Westpac Banking Corporation | 2,230,960 | 0.89% | 12/06/2019 | 21/10/2019 | AA- | 0.001% |
| London Borough of Enfield | 5,000,000 | 1.05% | 22/10/2018 | 21/10/2019 | AA | 0.001% |
| HSBC UK Bank Plc (RFB) | 10,000,000 | 0.81% | | Call30 | AA- | 0.002% |
| Landesbank Hessen-Thueringen Girozentrale (Helaba) | 6,700,000 | 1.12% | 01/11/2018 | 01/11/2019 | A | 0.005% |
| Toronto Dominion Bank | 7,000,000 | 1.15% | 06/11/2018 | 06/11/2019 | AA- | 0.002% |
| Cooperatieve Rabobank U.A. | 5,000,000 | 1.14% | 12/11/2018 | 11/11/2019 | A+ | 0.006% |
| Toronto Dominion Bank | 7,000,000 | 1.16% | 13/11/2018 | 12/11/2019 | AA- | 0.003% |
| North Tyneside Metropolitan Borough Council | 3,800,000 | 1.15% | 10/12/2018 | 10/12/2019 | AA | 0.005% |
| North Tyneside Metropolitan Borough Council | 3,000,000 | 1.15% | 11/12/2018 | 10/12/2019 | AA | 0.005% |
| Canadian Imperial Bank of Commerce | 10,000,000 | 1.13% | 14/12/2018 | 13/12/2019 | A+ | 0.011% |
| HSBC UK Bank Plc (RFB) | 10,000,000 | 0.88% | | Call90 | AA- | 0.006% |
| Barclays Bank Plc (NRFB) | 15,000,000 | 0.95% | | Call95 | A | 0.014% |
| Cooperatieve Rabobank U.A. | 5,000,000 | 1.14% | 25/01/2019 | 24/01/2020 | A+ | 0.017% |
| Cooperatieve Rabobank U.A. | 5,000,000 | 1.14% | 25/01/2019 | 24/01/2020 | A+ | 0.017% |
| Standard Chartered Bank | 10,000,000 | 0.79% | 25/07/2019 | 27/01/2020 | A | 0.017% |
| Staffordshire Moorlands District Council | 2,000,000 | 1.10% | 01/02/2019 | 31/01/2020 | AA | 0.008% |
| Santander UK Plc | 502,483 | 1.37% | 20/02/2019 | 17/02/2020 | A | 0.020% |
| Santander UK Plc | 2,967,228 | 1.39% | 20/02/2019 | 17/02/2020 | A | 0.020% |
| Santander UK Plc | 1,507,696 | 1.35% | 21/02/2019 | 17/02/2020 | A | 0.020% |
| Santander UK Plc | 5,996,909 | 0.97% | 12/08/2019 | 17/02/2020 | A | 0.020% |
| DBS Bank Ltd | 5,000,000 | 0.91% | 17/06/2019 | 17/03/2020 | AA- | 0.011% |
| Landesbank Hessen-Thueringen Girozentrale (Helaba) | 8,300,000 | 1.10% | 21/03/2019 | 20/03/2020 | A | 0.025% |
| Santander UK Plc | 4,000,000 | 1.10% | | Call180 | A | 0.026% |
| Cheshire East Council | 5,000,000 | 1.15% | 15/03/2019 | 15/04/2020 | AA | 0.013% |
| Newry, Mourne and Down District Council | 5,000,000 | 0.85% | 23/07/2019 | 23/04/2020 | AA | 0.014% |
| National Westminster Bank Plc (RFB) | 5,000,000 | 1.09% | 30/04/2019 | 30/04/2020 | A | 0.031% |
| Commonwealth Bank of Australia | 5,000,000 | 0.97% | 10/05/2019 | 08/05/2020 | AA- | 0.015% |
| Bank of Scotland Plc (RFB) | 6,000,000 | 1.25% | 15/05/2019 | 15/05/2020 | A+ | 0.033% |
| Bank of Scotland Plc (RFB) | 6,000,000 | 1.25% | 22/05/2019 | 22/05/2020 | A+ | 0.034% |
| National Westminster Bank Plc (RFB) | 5,000,000 | 1.01% | 28/05/2019 | 28/05/2020 | A | 0.035% |
| Bank of Scotland Plc (RFB) | 8,000,000 | 1.25% | 28/05/2019 | 28/05/2020 | A+ | 0.035% |
| DBS Bank Ltd | 5,000,000 | 0.94% | 29/05/2019 | 29/05/2020 | AA- | 0.016% |
| Highland Council | 5,000,000 | 1.00% | 03/06/2019 | 01/06/2020 | AA | 0.016% |
| Plymouth City Council | 10,000,000 | 0.85% | 02/09/2019 | 02/06/2020 | AA | 0.016% |
| Rotherham Metropolitan Borough Council | 5,000,000 | 0.90% | 23/09/2019 | 23/06/2020 | AA | 0.018% |
| DBS Bank Ltd | 5,000,000 | 0.93% | 28/06/2019 | 26/06/2020 | AA- | 0.018% |
| Australia and New Zealand Banking Group Ltd | 5,000,000 | 1.08% | 28/06/2019 | 30/06/2020 | AA- | 0.018% |
| National Westminster Bank Plc (RFB) | 10,000,000 | 0.97% | 01/07/2019 | 01/07/2020 | A | 0.040% |

Lincolnshire County Council

Current Investment List

| Borrower | Principal (£) | Interest Rate | Start Date | Maturity Date | Lowest Long Term Rating | Historic Risk of Default |
|---|---------------------|---------------|------------|---------------|-------------------------|--------------------------|
| Australia and New Zealand Banking Group Ltd | 5,000,000 | 1.07% | 12/07/2019 | 10/07/2020 | AA- | 0.019% |
| Australia and New Zealand Banking Group Ltd | 5,000,000 | 1.02% | 02/08/2019 | 31/07/2020 | AA- | 0.020% |
| Australia and New Zealand Banking Group Ltd | 5,000,000 | 1.00% | 20/08/2019 | 18/08/2020 | AA- | 0.021% |
| Landesbank Hessen-Thuringen Girozentrale (Helaba) | 5,000,000 | 0.85% | 05/09/2019 | 04/09/2020 | A | 0.049% |
| National Westminster Bank Plc (RFB) | 5,000,000 | 0.92% | 16/09/2019 | 15/09/2020 | A | 0.051% |
| South Ayrshire Council | 5,000,000 | 0.90% | 23/09/2019 | 21/09/2020 | AA | 0.024% |
| West Dunbartonshire Council | 5,000,000 | 0.90% | 30/09/2019 | 28/09/2020 | AA | 0.024% |
| DBS Bank Ltd | 5,000,000 | 0.93% | 30/09/2019 | 28/09/2020 | AA- | 0.024% |
| Wokingham Borough Council | 5,000,000 | 1.42% | 27/03/2019 | 26/03/2021 | AA | 0.033% |
| Doncaster Metropolitan Borough Council | 5,000,000 | 1.10% | 16/08/2019 | 02/07/2021 | AA | 0.038% |
| Total Investments | £302,475,276 | 1.00% | | | | 0.017% |

Portfolio Composition by Link Asset Services' Suggested Lending Criteria



Portfolios weighted average risk number = **3.14**

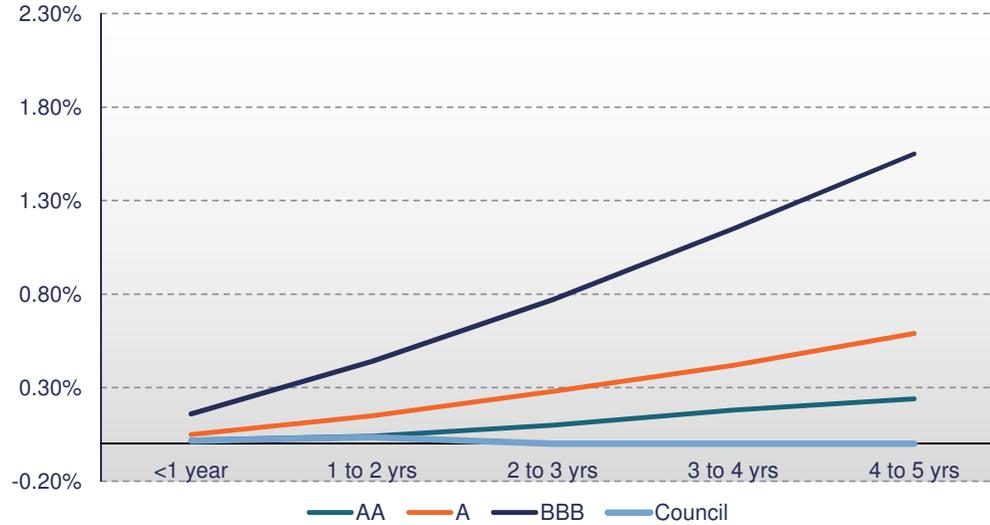
WARoR = Weighted Average Rate of Return
WAM = Weighted Average Time to Maturity

| | % of Portfolio | Amount | % of Colour in Calls | Amount of Colour in Calls | % of Call in Portfolio | WARoR | WAM | WAM at Execution | Excluding Calls/MMFs/USDBFs | |
|------------------|----------------|---------------------|----------------------|---------------------------|------------------------|--------------|------------|------------------|-----------------------------|------------------|
| | | | | | | | | | WAM | WAM at Execution |
| Yellow | 30.17% | £91,270,000 | 30.10% | £27,470,000 | 9.08% | 0.93% | 191 | 274 | 273 | 392 |
| Pink1 | 0.00% | £0 | 0.00% | £0 | 0.00% | 0.00% | 0 | 0 | 0 | 0 |
| Pink2 | 0.00% | £0 | 0.00% | £0 | 0.00% | 0.00% | 0 | 0 | 0 | 0 |
| Purple | 0.00% | £0 | 0.00% | £0 | 0.00% | 0.00% | 0 | 0 | 0 | 0 |
| Blue | 8.27% | £25,000,000 | 0.00% | £0 | 0.00% | 0.99% | 271 | 366 | 271 | 366 |
| Orange | 48.34% | £146,230,960 | 13.68% | £20,000,000 | 6.61% | 1.05% | 166 | 316 | 182 | 357 |
| Red | 13.22% | £39,974,316 | 47.53% | £19,000,000 | 6.28% | 0.98% | 122 | 174 | 130 | 229 |
| Green | 0.00% | £0 | 0.00% | £0 | 0.00% | 0.00% | 0 | 0 | 0 | 0 |
| No Colour | 0.00% | £0 | 0.00% | £0 | 0.00% | 0.00% | 0 | 0 | 0 | 0 |
| | 100.00% | £302,475,276 | 21.98% | £66,470,000 | 21.98% | 1.00% | 176 | 289 | 212 | 356 |

Lincolnshire County Council

Investment Risk and Rating Exposure

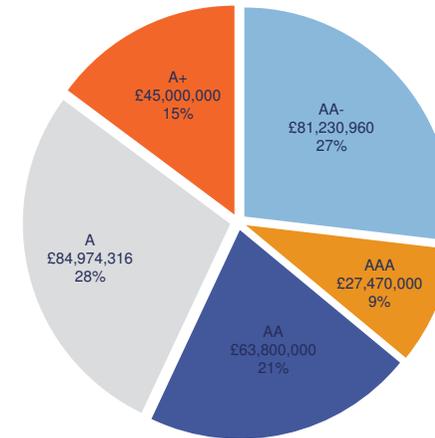
Investment Risk Vs. Rating Categories



Historic Risk of Default

| Rating/Years | <1 year | 1 to 2 yrs | 2 to 3 yrs | 3 to 4 yrs | 4 to 5 yrs |
|--------------|---------|------------|------------|------------|------------|
| AA | 0.02% | 0.04% | 0.10% | 0.18% | 0.24% |
| A | 0.05% | 0.15% | 0.28% | 0.42% | 0.59% |
| BBB | 0.16% | 0.44% | 0.77% | 1.15% | 1.55% |
| Council | 0.017% | 0.035% | 0.000% | 0.000% | 0.000% |

Rating Exposure



Historic Risk of Default

This is a proxy for the average % risk for each investment based on over 30 years of data provided by Fitch, Moody's and S&P. It simply provides a calculation of the possibility of average default against the historical default rates, adjusted for the time period within each year according to the maturity of the investment.

Chart Relative Risk

This is the authority's risk weightings compared to the average % risk of default for "AA", "A" and "BBB" rated investments.

Rating Exposures

This pie chart provides a clear view of your investment exposures to particular ratings.

Lincolnshire County Council

Monthly Credit Rating Changes
FITCH

| Date | Update Number | Institution | Country | Rating Action |
|------------|---------------|----------------|---------|---|
| 06/09/2019 | 1693 | Commerzbank AG | Germany | The Short Term Rating was upgraded to 'F1' from 'F2'. |

Lincolnshire County Council

Monthly Credit Rating Changes
MOODY'S

| Date | Update Number | Institution | Country | Rating Action |
|------------|---------------|---|---------|---|
| 20/09/2019 | 1696 | Credit Agricole Corporate and Investment Bank | France | The Long Term Rating was upgraded to 'Aa3' from 'A1' and the Outlook was changed to Stable from Positive. |
| 22/08/1904 | 1696 | Credit Agricole S.A. | France | The Long Term Rating was upgraded to 'Aa3' from 'A1' and the Outlook was changed to Stable from Positive. |

Lincolnshire County Council

Monthly Credit Rating Changes S&P

| Date | Update Number | Institution | Country | Rating Action |
|------------|---------------|---|---------|---|
| 16/09/2019 | 1694 | NRW.BANK | Germany | The Long Term Rating was upgraded to 'AA' from 'AA-' and the Outlook was changed to Stable from Positive. |
| 18/09/2019 | 1695 | DZ Bank AG Deutsche Zentral Genossenschaftsbank | Germany | The Outlook on the Long Term Rating was changed to Negative from Stable. |
| 27/09/2019 | 1697 | Swedbank AB | Sweden | The Long Term Rating was removed from Negative Watch and placed on Negative Outlook. |

Whilst Link Asset Services makes every effort to ensure that all the information it provides is accurate and complete, it does not guarantee the correctness or the due receipt of such information and will not be held responsible for any errors therein or omissions arising there from. All information supplied by Link Asset Services should only be used as a factor to assist in the making of a business decision and should not be used as a sole basis for any decision. The Client should not regard the advice or information as a substitute for the exercise by the Client of its own judgement.

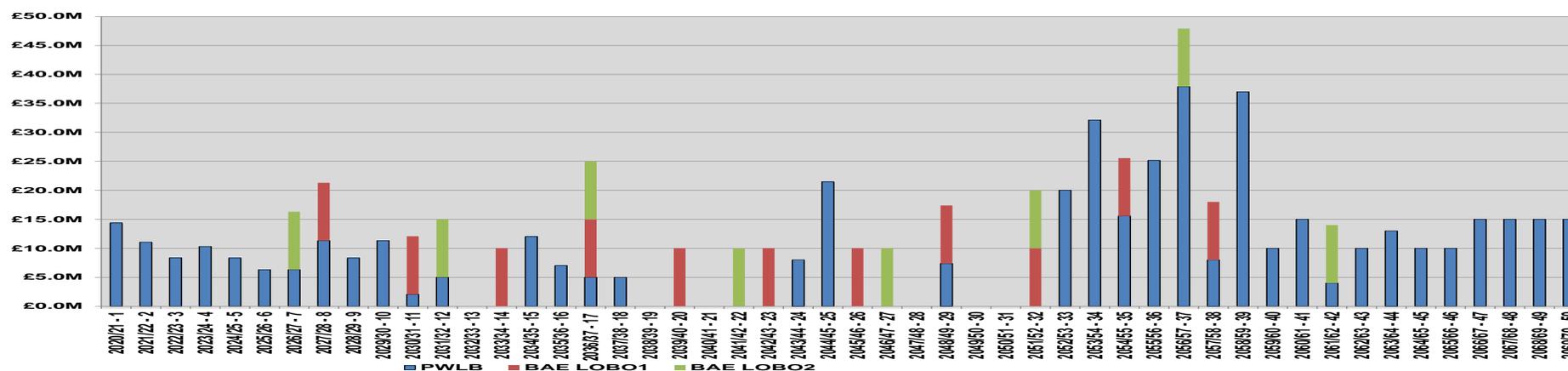
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Borrowing: Activity & Performance and Long Term Maturity Profile at 30th September 2019

| Long Term Borrowing Position at 30 th September 2019 | | | Borrowing Requirement Position at 30/09/2019 | |
|--|------------------|--------------|--|--------------------|
| External Borrowing Position 30/09/2019 and Forecast for 2019/20 | | | Borrowing Requirement Position at 30/09/2019 | |
| Borrowing Position 1/4/2019 | £465.894m | 3.97% | Capital Programme after Rephasing | £118.953m |
| New Borrowing Taken to 30/9/19 | £45.000m | 1.87% | Funded By: | |
| Debt Repaid to 30/9/19 | -£10.677m | | Borrowing Requirement 2019/20 | £118.353m |
| | | | Plus Carry Forward from 2018/19 | <u>£50.108m</u> |
| | | | | £168.461m |
| Borrowing Position 30/09/2019 | £500.217m | 3.78% | Less adjustment for Internal Borrowing & Projected Underspends/Rephasing | <u>(£105.384m)</u> |
| Further action required in 2019/20: | | | | £63.077m |
| Remaining Borrowing Requirement 2019/20 | £18.077m | | Less Borrowing Taken- to 30/9/19 | <u>(£45.000m)</u> |
| Further Debt Repayments | -£3.677m | | Remaining Borrowing Requirement 2019/20 At 30.9.2019 | £18.077m |
| Projected Borrowing at 31/3/2020 | £514.617m | | | |

Long Term Borrowing Maturity Profile At 30th September 2019 (External Borrowing)



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

| | |
|------------|--|
| Report to: | Overview and Scrutiny Management Board |
| Date: | 28 November 2019 |
| Subject: | Scrutiny Committee Work Programmes: - <ul style="list-style-type: none">• Children and Young People Scrutiny Committee |

Summary:

As set out in the Council's constitution, a key role for this Board is monitoring and guiding the future work programmes of the other scrutiny committees. This usually takes place on a quarterly basis, and at the same time the Board considers the previous work undertaken by the scrutiny committee since its last report. This report focuses on the Children and Young People Scrutiny Committee.

Actions Required:

To consider if the Board is satisfied with the previous activity and the content of the planned future work programme of the Children and Young People Scrutiny Committee.

1. Background

Role of the Board

The Council's constitution includes in this Board's terms of reference the following two clauses: -

- To agree and monitor the ongoing overview and scrutiny work programme, in particular holding the chairmen and/or vice chairmen to account for their committee's work programme on a quarterly basis.
- To monitor and guide the activities of the other overview and scrutiny committees.

Reporting Timetable

The table below sets out the proposed reporting timetable until September 2020: -

| Scrutiny Committee | Monitoring Date | Monitoring Date | Monitoring Date |
|-----------------------------------|-----------------|-----------------|-----------------|
| Adults and Community Wellbeing | 24 Oct 2019 | 26 Mar 2020 | 02 July 2020 |
| Health | | | |
| Children and Young People | 28 Nov 2019 | 30 Apr 2020 | 27 Aug 2020 |
| Public Protection and Communities | 19 Dec 2019 | | |
| Environment and Economy | 27 Feb 2020 | 28 May 2020 | 24 Sept 2020 |
| Highways and Transport | | | |
| Flood and Water Management | | | |

The work programmes of two committees are normally considered at each meeting, except when the Flood and Water Management Scrutiny Committee is due for consideration.

The highlights of previous activity and the future work programme of the Children and Young People Scrutiny Committee are attached at Appendix A.

2. Conclusion

The Board is asked to consider whether it is satisfied with the previous activity and the planned work programme of the Children and Young People Scrutiny Committee.

3. Appendices - These are listed below and attached at the back of the report

| | |
|------------|---|
| Appendix A | Children and Young People Scrutiny Committee - Highlights of Activity and Future Work Programme |
|------------|---|

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 Tracy Johnson, Senior Scrutiny Officer, who can be contacted on 01522 552164 or by e-mail at Tracy.Johnson@lincolnshire.gov.uk

**CHILDREN AND YOUNG PEOPLE SCRUTINY COMMITTEE
HIGHLIGHTS OF ACTIVITY AND FUTURE WORK PROGRAMME**

Activity Highlights Since Last Report to the Board on 26 September 2019

The Children and Young People Scrutiny Committee met on 24 October 2019 and considered a number of reports including the following items:

Children's Services Inspection by Ofsted – Report and Action Plan

The Ofsted inspection conducted in April 2019 resulted in an overall judgement of 'Outstanding' being awarded in relation to the services Lincolnshire Children's Services provided for children and families in Lincolnshire. There were two areas highlighted as needing to improve which were:

- The quality and consistency of support and advice to children and vulnerable adolescents who might go missing, present as homeless and who were at risk of exploitation.
- The quality and consistency of pathway plans for care leavers.

An action plan was presented to the Committee which addressed the areas identified through the Ofsted inspection that Children's Services had accepted were areas for further development. The two areas identified had been agreed as priority areas for Children's Services and the action plan had clear actions and timescales to address these areas. Work was well underway to ensure that the required developments were progressing. The Committee agreed to send a letter to all Children's Services staff to congratulate them for their efforts in delivering the service and contributing to this Ofsted rating.

Update on the Building Communities of Specialist Provision Strategy

In March 2017, the Department for Education announced the High Needs Strategic Review, which instructed all Local Authorities to review provision for pupils with Special Educational Needs and Disabilities (SEND) in order to ensure that there were sufficient good school places which met the changing needs of pupils with SEND. With a commitment to developing a sustainable, inclusive and localised special education system, Special School Leaders, Lincolnshire Parent Carer Forum and the Local Authority co-produced the Building Communities of Specialist Provision Strategy, which was approved by the Executive in November 2018.

Implementation of this Strategy commenced in January 2019 and will take place over the next five years with the final school changes being made in September 2024. All fourteen Special Schools will be able to meet "all needs" once implementation is complete. The report provided an update on the first ten months of delivery of the capital programme. Significant progress has been made with eight out of fourteen schools actively engaged in feasibility and design of their planned development. In accordance with the outlined programme, six schools will be all needs operational by the Autumn term 2021 with at least two more schools coming on line in 2022. The Committee will continue to monitor the implementation of the Strategy and the delivery of the capital programme across the fourteen Special Schools.

The Children and Young People Scrutiny Committee will next meet on 22 November 2019, where members will consider the following two reports:

Progress Report on Transitions Scrutiny Review Recommendations

A review of the individual experiences of young people with Special Educational Needs and Disability (SEND) transitioning into Adult Services was undertaken by the Transitions Scrutiny Panel which concluded in April 2019. Three recommendations were presented to the Executive and instructions were given to Local Authority Officers to respond to these recommendations in order to improve the already good practices currently in place. The Transitions Scrutiny Panel identified the need to undertake improvements in the following areas of transition:

1. Information and advice through the Local Offer,
2. Improve Health Outcomes, and
3. Review Pathway Plans for Care Leavers.

Each recommendation has been accepted and allocated to the relevant service area to progress. The report to the Committee provides an update on activity to date and sets out the Executive's response in the action plan.

Child in Employment and Entertainment Prosecution Policy

The Child in Employment and Entertainment function (CEE) is part of the Council's Inclusion & Attendance team, Children's Services. The service area is responsible for the licensing of all Lincolnshire children from birth until they cease to be of compulsory school age who appear in a performance either on the stage or on television, take part in certain sporting activities, work as models, or engage in part time work. It is also responsible for issuing Chaperone Licences to adults who support, safeguard and oversee performances and activities. The power to licence the employment of children rests with the Executive Director of Children's Services with the power to authorise, in writing, any named officer or officers of the Council to carry out a specific or general function on their behalf. It is important that these functions are exercised against a published policy and the draft Policy will be considered by the Committee on 22 November 2019 and then presented to the Executive Director of Children's Services for approval.

A verbal update on the 22 November meeting will be presented to the Board on 28 November 2019.

Future Meetings

The future work programme of the Committee is set out below.

| 22 November 2019 | | |
|--|--|--|
| Item | Contributor | Purpose |
| Progress Report on Transitions Scrutiny Review Recommendations | Councillor Mrs P A Bradwell OBE, Executive Councillor for Adult Care, Health and Children's Services Sheridan Dodsworth, Head of Special Educational Needs and Disability Justin Hackney, Assistant Director for Specialist Adult Services | Scrutiny Review Activity |
| Child in Employment and Entertainment Prosecution Policy | Jill Chandar-Nair, Inclusion and Attendance Manager | Policy Development (Executive Director Decision) |

| 17 January 2020 | | |
|---|---|---|
| Item | Contributor | Purpose |
| Revenue and Capital Budget Proposals 2020/21 | Heather Sandy, Interim Director for Education Janice Spencer OBE, Interim Director for Children's Services | Budget Scrutiny |
| Proposed Expansion of The Lincoln St Christopher's School | Matthew Clayton, Admissions and Education Provision Manager | Pre-Decision Scrutiny (Executive Decision on 4 February 2020) |
| Inclusive Lincolnshire Strategy Progress Report | Mary Meredith, Head of Inclusion | Policy Review |
| Children Missing Out of Education Annual Report 2018/19 | Jill Chandar-Nair, Inclusion and Attendance Manager | Policy Review |

| 6 March 2020 | | |
|--|--|----------------------|
| Item | Contributor | Purpose |
| Lincolnshire Local Authority School Performance 2018-19 | Martin Smith, Interim Assistant Director of Education | Performance Scrutiny |
| Lincolnshire Learning Partnership Strategic Review Outcome | Martin Smith, Interim Assistant Director of Education | Policy Review |
| Local Area Special Educational Needs and Disability Inspection by Ofsted and Care Quality Commission – Action Plan Progress Report | Sheridan Dodsworth, Head of Special Educational Needs and Disability | Performance Scrutiny |

| 24 April 2020 | | |
|----------------------|--------------------|----------------|
| Item | Contributor | Purpose |
| | | |

Items to be Scheduled

- Restorative Practice - Lincolnshire Joint Diversionary Panels (JDP) – Position Report and Evaluation Report from University of Lincoln (4 September 2020)
- Sustainable Modes of Transport to School (SMOTS) Strategy (Pre-Decision Scrutiny (Executive Councillor Decision))

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

| | |
|------------|--|
| Report to: | Overview and Scrutiny Management Board |
| Date: | 28 November 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 Board's consideration to ensure that all key decisions are scrutinised by the relevant scrutiny committee.

2. Conclusion

The Board is invited to review, consider and comment on its proposed work programme for the coming year, which is attached at Appendix A to this report. The Board may 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)

| 28 November 2019 | | |
|--|--|--|
| Item | Contributor | Purpose |
| Crown Estate - Surrender of Lease (EXEMPT) | Kevin Kendall, Assistant Director – Corporate Property | Pre-Decision Scrutiny (Leader decision between 2 December 2019 and 13 December 2019) |
| Reconfiguration of the Council's ERP system | Andrew McLean, Interim Assistant Director, Corporate Services | Pre-Decision Scrutiny (Executive decision on 17 December 2019) |
| Draft Corporate Plan | Verity Druce, Commercial Manager | Policy Development (Council decision on 11 December 2019) |
| Performance Reporting against the Council Business Plan 2019/20 - Quarter 2 | Jasmine Sodhi, Performance and Equalities Manager | Pre-Decision Scrutiny (Executive decision on 17 December 2019) |
| Treasury Management Performance Quarter 2 (1 July to 30 September 2019) | Karen Tonge, Treasury Manager | Performance Scrutiny |
| Overview and Scrutiny Work Programmes <ul style="list-style-type: none"> • Children and Young People Scrutiny Committee | Cllr Robert Kendrick, Chairman of Children and Young People Scrutiny Committee | Performance Scrutiny |

| 19 December 2019 | | |
|-----------------------------|------------------------------------|--|
| Item | Contributor | Purpose |
| Legal Services Lincolnshire | David Coleman, Chief Legal Officer | Pre-Decision Scrutiny (Executive decision on 7 January 2020) |

| 19 December 2019 | | |
|--|--|--------------------------|
| Item | Contributor | Purpose |
| Scrutiny Panel B: <i>Review of Overview and Scrutiny</i> – Interim Update | Cllr Angela Newton, Chairman of Scrutiny Panel B | Scrutiny Review Activity |
| Performance of the Corporate Support Services Contract | Sophie Reeve, Assistant Director Commercial Arnd Hobohm, Serco Contract Manager John Wickens, Interim Assistant Director ICT | Performance Scrutiny |
| Property Services Contract Update | Kevin Kendall, Assistant Director – Corporate Property Stuart Wright, Contract Manager | Performance Scrutiny |
| Update on the Council People Management and Workforce Plan | Fiona Thompson, Head of Human Resources | Performance Scrutiny |
| Overview and Scrutiny Work Programmes <ul style="list-style-type: none"> Public Protection and Communities Scrutiny Committee | Cllr Nigel Pepper Chairman of Public Protection and Communities Scrutiny Committee | Performance Scrutiny |

| 30 January 2020 | | |
|--|--|---|
| Item | Contributor | Purpose |
| Revenue Budget Monitoring Report 2019/20 | Michelle Grady, Assistant Director for Strategic Finance | Pre Decision Scrutiny (Executive decision on 4 February 2020) |
| Capital Budget Monitoring Report 2019/20 | Michelle Grady, Assistant Director for Strategic Finance | Pre Decision Scrutiny (Executive decision on 4 February 2020) |
| Service Budget Proposals 2020/21 | Keith Noyland, Head of Finance - Communities | Budget Scrutiny (Council Decision on 21 February 2020) |

| 30 January 2020 | | |
|---|--|--|
| Item | Contributor | Purpose |
| Capital Strategy 2020/21 | Sue Maycock, Head of Finance - Corporate Michelle Grady, Assistant Director for Strategic Finance | Pre-Decision Scrutiny (Executive decision on 4 February 2020) |
| Medium Term Financial Strategy and Council Budget 2020/21 | Michelle Grady, Assistant Director for Strategic Finance | Pre-Decision / Budget Scrutiny (Executive decision on 4 February 2020) (Council Decision on 21 February 2020) |

| 27 February 2020 | | |
|--|--|--|
| Item | Contributor | Purpose |
| Performance Reporting against the Council Business Plan 2019/20 - Quarter 3 | Jasmine Sodhi Performance and Equalities Manager | Pre-Decision Scrutiny (Executive decision on 3 March 2020) |
| Treasury Management Performance Quarter 3 (1 October 2019 to 31 December 2019) | Karen Tonge Treasury Manager | Performance Scrutiny |
| Treasury Management Strategy Statement and Annual Investment Strategy 2020/21 | Karen Tonge Treasury Manager Chris Scott, Link Asset Services | Pre-Decision Scrutiny (Executive Councillor Decision TBC) |
| Performance of the Corporate Support Services Contract | Sophie Reeve, Assistant Director Commercial Arnd Hobohm, Serco Contract Manager John Wickens, Interim Assistant Director ICT | Performance Scrutiny |
| Overview and Scrutiny Work Programmes <ul style="list-style-type: none"> Environment and Economy Scrutiny Committee | Cllr Wendy Bowkett, Chairman of Environment and Economy Scrutiny Committee | Performance Scrutiny |

| 27 February 2020 | | |
|--|--|----------------|
| Item | Contributor | Purpose |
| <ul style="list-style-type: none"> • Highways and Transport Scrutiny Committee • Flood and Water Management Scrutiny Committee | <p>Cllr Bob Adams, Chairman of Highways and Transport Scrutiny Committee</p> <p>Cllr Paul Skinner, Chairman of the Flood and Water Management Scrutiny Committee</p> | |

| 26 March 2020 | | |
|---|--|----------------------|
| Item | Contributor | Purpose |
| <p>Overview and Scrutiny Work Programmes</p> <ul style="list-style-type: none"> • Adults and Community Wellbeing Scrutiny Committee • Health Scrutiny Committee | <p>Cllr Hugo Marfleet, Chairman of Adults and Community Wellbeing Scrutiny Committee</p> <p>Cllr Carl Macey, Chairman of Health Scrutiny Committee</p> | Performance Scrutiny |

| 30 April 2020 | | |
|---|--|----------------------|
| Item | Contributor | Purpose |
| Overview and Scrutiny Annual Report | Nigel West, Head of Democratic Services and Statutory Scrutiny Officer | Performance Scrutiny |
| <p>Overview and Scrutiny Work Programmes</p> <ul style="list-style-type: none"> • Children and Young People Scrutiny Committee • Public Protection and Communities Scrutiny Committee | <p>Cllr Robert Kendrick, Chairman of Children and Young People Scrutiny Committee</p> <p>Cllr Nigel Pepper, Chairman of Public Protection and Communities Scrutiny Committee</p> | Performance Scrutiny |

| 28 May 2020 | | |
|---|---|----------------------|
| Item | Contributor | Purpose |
| Performance of the Corporate Support Services Contract | Sophie Reeve, Assistant Director Commercial Arnd Hobohm, Serco Contract Manager John Wickens, Interim Assistant Director ICT | Performance Scrutiny |
| Updates on the Council People Management and Workforce Plan and the Employee Survey | Fiona Thompson, Head of Human Resources | Performance Scrutiny |
| Overview and Scrutiny Work Programmes <ul style="list-style-type: none"> Environment and Economy Scrutiny Committee Highways and Transport Scrutiny Committee | Cllr Wendy Bowkett, Chairman of Environment and Economy Scrutiny Committee Cllr Bob Adams, Chairman of Highways and Transport Scrutiny Committee | Performance Scrutiny |

| 02 July 2020 | | |
|---|---|---|
| Item | Contributor | Purpose |
| Review of Financial Performance 2019/20 | Dave Simpson, Head of Finance - Technical and Development | Pre-Decision Scrutiny (Executive decision on 7 July 2020) |
| Treasury Management Annual Report 2019/20 | Karen Tonge, Treasury Manager Chris Scott, Link Asset Services | Performance Scrutiny |
| Performance Reporting against the Council Business Plan 2019/20 - Quarter 4 | Jasmine Sodhi, Performance and Equalities Manager | Pre-Decision Scrutiny (Executive decision on 7 July 2020) |

| 02 July 2020 | | |
|--|---|----------------------|
| Item | Contributor | Purpose |
| 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 |

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 20 November 2019)

Current Reviews

| Scrutiny Panel A | Membership | Completion Date |
|------------------|--|-----------------|
| | Councillors L Wootten (Chairman), S R Parkin (Vice Chairman) | |

| Scrutiny Panel B | Membership | Completion Date |
|---------------------------------|--|---|
| Review of Overview and Scrutiny | Councillors Mrs A Newton (Chairman), A H Turner (Vice Chairman), B Adams, C Matthews, R B Parker, S P Roe, M A Whittington and R Wootten Councillor B Young (Executive Non-Voting Added Member) | Overview and Scrutiny Management Board – 19 December 2019 (Interim Report) Overview and Scrutiny Management Board – 26 March 2020 (Final Report) Executive – 5 May 2020 |

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 November 2019)

| Committee | Working Group | Membership |
|--|-----------------------------------|--|
| 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 N Stokes and Mrs C A Talbot; and added member: Mr S Rudman |
| Overview and Scrutiny Management Board | Draft Corporate Plan | Councillors Mrs W Bowkett, Mrs J Brockway, R B Parker, S P Roe and R Wootten |

FORWARD PLAN OF KEY DECISIONS FROM 02 DECEMBER 2019

PUBLISHED ON 1 NOVEMBER 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 |
|---------|---|---------------|--|--|----------------------------|---|---|
| I018689 | Re-commissioning of the Multi-Purpose Block Bed Provision | Open | Executive Councillor: Adult Care, Health and Children's Services Between 2 Dec 2019 and 9 Dec 2019 | Adults and Community Wellbeing Scrutiny Committee | Reports | Senior Commercial and Procurement Officer Tel: 01522 554087 Email: marie.kaempfe-rice@lincolnshire.gov.uk | All Divisions |
| I018631 | Re-commissioning of the Lincolnshire Advocacy Services | Open | Executive Councillor: Adult Care, Health and Children's Services Between 2 Dec 2019 and 9 Dec 2019 | Adults and Community Wellbeing Scrutiny Committee | Reports | Senior Commercial and Procurement Officer Tel: 01522 554087 Email: marie.kaempfe-rice@lincolnshire.gov.uk | All Divisions |
| I018150 | Direct Payment Support Service | Open | Executive Councillor: Adult Care, Health and Children's Services Between 2 Dec 2019 and 3 Dec 2019 | Senior Strategic Commissioning Support Manager - People Services; Assistant Director - Specialist Adult Services; Assistant Director – Adult Frailty and Long Term Conditions. | Reports | Commercial & Procurement Officer – People Services Tel: 0777615987 Email: reena.fehnert@lincolnshire.gov.uk | All |
| I018907 | Crown Estate - Surrender of Lease | Exempt | Executive Councillor: Resources and Communications Between 2 Dec 2019 and 13 Dec 2019 | Overview and scrutiny | Reports | Assistant Director - Corporate Property Tel: 01522 553726 Email: kevin.kendall@lincolnshire.gov.uk | Holbeach; Holbeach Rural; Spalding East; The Suttons |

| 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 |
|---------|---|---------------|--|--|----------------------------|--|--------------------|
| I018949 | A607 Carlton Scroop Primary Route Network | Open | Executive Councillor: Resources and Communications Between 9 Dec 2019 and 13 Dec 2019 | Highways colleagues and utility companies | Reports | Senior Project Leader Tel: 01522 552940 Email: steve.brooks@lincolnshire.gov.uk | Hough |
| I018948 | A52 Huttoft Primary Route Network | Open | Executive Councillor: Resources and Communications Between 9 Dec 2019 and 13 Dec 2019 | Highways colleagues and utility companies | Reports | Senior Project Leader Tel: 01522 552940 Email: steve.brooks@lincolnshire.gov.uk | Alford and Sutton |
| I018630 | Draft Joint Lincolnshire Flood Risk & Water Management Strategy 2019-2050 | Open | Executive 17 Dec 2019 | Flood and Water Management Scrutiny Committee; Environment and Economy Scrutiny Committee; Departmental Leadership Team; Corporate Leadership Team; Executive Councillor for Economy & Place; Executive Councillor for Commercial & Environmental Management; Lincolnshire Flood Risk & Water Management Group; Lincolnshire Flood Risk & Water Management Strategy Group; Greater Lincolnshire Leaders & Chief Executives' Group; Public and Stakeholder Consultation | Reports | Head of Environment Tel: 01522 554809 Email: david.hickman@lincolnshire.gov.uk | All Divisions |

| 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 |
|---------|--|---------------|---|---|----------------------------|---|--------------------|
| I018573 | New LPFT Mental Health S75 Partnership Agreement | Exempt | Executive 17 Dec 2019 | Adults and Community Wellbeing Scrutiny Committee | Reports | Interim Head of Mental Health Services Tel: 01522 553836 Email: lorraine.graves@lincolnshire.gov.uk | All Divisions |
| I018713 | Medium Term Financial Strategy and Council Budget 2020/21 | Open | Executive 17 Dec 2019 | | Reports | Assistant Director - Strategic Finance Tel: 01522 553235 Email: michelle.grady@lincolnshire.gov.uk | All Divisions |
| I017371 | Reconfiguration of the Council's ERP system - Business World | Open | Executive 7 Jan 2019 | Overview and Scrutiny Management Board | Reports | Transformation Programme Manager Tel: 01522 554079 Email: andrew.mclean@lincolnshire.gov.uk | |
| I017458 | Spalding Western Relief Road | Open | Executive 7 Jan 2020 | 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 | |
| I018966 | Lincolnshire Residents Parking Policy and Parking Review in Grantham | Open | Executive Councillor: Highways, Transport and IT Between 23 Jan 2020 and 30 Jan 2020 | Highways and Transport Scrutiny Committee | Reports | Network Management Commissioner Tel: 01522 552105 Email: mick.phoenix@lincolnshire.gov.uk | All Divisions |
| I018714 | Medium Term Financial Strategy and Council Budget 2020/21 | Open | Executive 4 Feb 2020 | Overview and Scrutiny | Reports | Assistant Director - Strategic Finance Tel: 01522 553235 Email: michelle.grady@lincolnshire.gov.uk | All Divisions |
| I018998 | Home Based Reablement Service procurement | Open | Executive 4 Feb 2020 | Adults and Community Wellbeing Scrutiny Committee | Reports | Senior Commercial and Procurement Officer Tel: 01522 550744 Email: helen.johnston@lincolnshire.gov.uk | All Divisions |

| | | | | | | | |
|---------|---|------|-------------------------|---|---------|--|--|
| I019057 | Proposal to expand capacity at The Lincoln St Christopher's School (Final Decision) | Open | Executive 4 Feb 2020 | Interested parties as DfE guidance including parents, school staff, neighbouring schools, County, Parish and District Councils, MPs, Trade Unions and Diocese | Reports | Education Provision Planning Officer Tel: 01522 553392 Email: jessica.stevens@lincolnshire.gov.uk | Birchwood; Boultham; Carholme; Ermine and Cathedral; Hartsholme; Park; St Giles; Swallow Beck and Witham |
|---------|---|------|-------------------------|---|---------|--|--|

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