



County Offices
Newland
Lincoln
LN1 1YL

11 December 2019

Overview and Scrutiny Management Board

A meeting of the Overview and Scrutiny Management Board will be held on **Thursday, 19 December 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, 19 DECEMBER 2019**

Item	Title	Pages
1	Apologies for Absence/Replacement Members	
2	Declarations of Interest	
3	Minutes of the meeting held on 28 November 2019	5 - 16
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	Legal Services Lincolnshire <i>(To receive a report by David Coleman (Chief Legal Officer), which invites the Board to consider a report on Legal Services Lincolnshire, which is being presented to the Executive on the 7 January 2020. The views of the Board will be reported to the Executive as part of its consideration of this item)</i>	17 - 60
8	Progress Report by Scrutiny Panel B of its Review of Overview and Scrutiny <i>(To receive a report by Councillor Angela Newton (Chairman of Scrutiny Panel B), which provides an update of the work undertaken by Scrutiny Panel B so far, and the work planned prior to the conclusion of the review)</i>	61 - 64
9	HR Management Information and Workforce Plan Update Report <i>(To receive a report by Fiona Thompson (Head of Human Resources), which provides an update on the HR Management information and corporate HR projects)</i>	65 - 74
10	Scrutiny Committee Work Programmes <i>(To receive a report which sets out the work programme of the Public Protection and Communities Scrutiny Committee in accordance with the Board's agreed programme)</i>	75 - 80
11	Azure Migration <i>(To receive a report from John Wickens (Assistant Director – IMT), which invites the Board to consider a report on Azure Migration which is being presented to the Executive Councillor for Highways, Transport and IT between 07 and 21 January 2020. The views of the Board will be reported to the Executive Councillor as part of his consideration of this item)</i>	81 - 104

- 12 Performance of the Corporate Support Services Contract** 105 - 134
(To receive a report by Sophie Reeve (Assistant Director – Commercial) and John Wickens (Assistant Director – IMT), which provides an update on Serco's performance against contractual Key Performance Indicators specified in the Corporate Support Services Contract between July and October 2019, and provides an update on the progress made against key IMT-related transformation and transactional projects being undertaken by Serco and other third party suppliers)
- 13 Overview and Scrutiny Management Board Work Programme** 135 - 148
(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)

Democratic Services Officer Contact Details

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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 28 NOVEMBER 2019

PRESENT: COUNCILLOR R B PARKER (CHAIRMAN)

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

Added Members

Parent Governor Representative: Miss A E I Sayer.

Councillors: R D Butroid (Executive Support Councillor Community Safety and People Management), M J Hill OBE (Leader of the Council and Executive Councillor for Resources and Communications) and M A Whittington (Executive Support Councillor Resources and Communications) attended the meeting as observers.

Officers in attendance:-

Debbie Barnes OBE (Head of Paid Service), David Coleman (Chief Legal Officer), Katrina Cope (Senior Democratic Services Officer), Verity Druce (Commercial Manager), James Drury (Executive Director Commercial), Helen Edwards (Strategic Finance Manager - Business World), Michelle Grady (Assistant Director for Strategic Finance), Tracy Johnson (Senior Scrutiny Officer), Kevin Kendall (Assistant Director - Corporate Property), Andrew McLean (Interim Assistant Director, Transformation), Jasmine Sodhi (Performance and Equalities Manager), Karen Spencer (Head of Communications), Fiona Thompson (Head of Human Resources), Karen Tonge (Treasury Manager), Nigel West (Head of Democratic Services and Statutory Scrutiny Officer), Sadie Rossington (Business World Project Manager) and Sarah Wells (Business Manager, Corporate Property Team).

56 APOLOGIES FOR ABSENCE/REPLACEMENT MEMBERS

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

It was reported that, under Regulation 13 of the Local Government (Committee and Political Groups) Regulations 1990, Councillor C J T H Brewis had been appointed as the replacement member for Councillor Mrs K Cook, for this meeting only.

An apology for absence was also received from Councillor B Young (Executive Councillor for Community Safety and People Management).

57 DECLARATIONS OF INTEREST

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

58 MINUTES OF THE MEETING HELD ON 24 OCTOBER 2019**RESOLVED**

That the minutes of the Overview and Scrutiny Management Board meeting held on 24 October 2019 be approved as a correct record and signed by the Chairman.

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

The Chairman advised that he and Councillor C R Oxby (Vice-Chairman of Environment and Economy Scrutiny Committee) had attended a meeting of the Executive on 5 November 2019, at which the Board's comments on the County Mixed Dry Recyclables had been presented.

Members were informed that Councillors S P Roe and C Matthews were to attend the Centre for Public Scrutiny's Annual Conference on 3 December 2019; as were Tracy Johnson, (Senior Scrutiny Officer) and Daniel Steel, (Scrutiny Officer). Feedback from the Conference would be shared with Scrutiny Panel B at its next meeting on 10 January 2020. It was highlighted that the Board would be receiving a report on the progress of Scrutiny Panel B at its next meeting on 19 December 2019.

The Leader of the Council, Councillor M J Hill OBE advised that Andrew McLean had been appointed to the Assistant Director, Transformation post. The Board extended its congratulations to Andrew, and wished him well in his new role.

The Board also noted that interviews for the post of Chief Executive would be taking place week commencing 2nd December 2019.

Debbie Barnes, Head of Paid Service advised that a full written report and recommendations from the Local Government Association's Corporate Peer Challenge, which had taken place in September 2019, would be circulated to all Councillors. The Board was advised that the report had been very encouraging, highlighting the Council's strengths and achievements. It was highlighted that the report supported the emerging "One Council" approach.

60 CONSIDERATION OF CALL-INS

None were received.

61 CONSIDERATION OF COUNCILLOR CALLS FOR ACTION

None were received.

62 CONSIDERATION OF EXEMPT INFORMATION

RESOLVED

That, in accordance with Section 100(A)(4) of the Local Government Act 1972, the press and public be excluded from the meeting for agenda item 8 on the grounds that if they were present there could be disclosure of exempt information as defined in Paragraph 3 of Part 1 of Schedule 12A of the Local Government Act 1972, as amended.

63 CROWN ESTATE - SURRENDER OF LEASE

Consideration was given to an exempt report from Kevin Kendall, Assistant Director – Corporate Property, which invited the Board to consider an item on Crown Estate – Surrender of Lease, which was being presented to the Leader of the Council for a decision between 2 December 2019 and 13 December 2019.

Officers responded to questions raised.

It was agreed that the revised County Farm Strategy would be brought to a future meeting of the Overview and Scrutiny Management Board once it had been developed.

In conclusion, the Overview and Scrutiny Management Board supported the recommendations as detailed in the exempt report; and requested that comments from the Overview and Scrutiny Management Board drawn from the discussion should be passed onto the Leader of the Council in relation to this item.

RESOLVED

1. That support be given by the Overview and Scrutiny Management Board to the recommendations as detailed in the (exempt) Appendix 1 to the report presented; and that comments from the Overview and Scrutiny Management Board be passed onto the Leader of the Council in relation to this item.
2. That a copy of the revised County Farm Strategy be presented to a future meeting of the Overview and Scrutiny Management Board.

On completion of the exempt item the remainder of the meeting was held in public.

64 BUSINESS WORLD ERP SYSTEM RE-DESIGN

The Board gave consideration to a report from Andrew McLean, Interim Assistant Director – Transformation, which invited consideration on the re-design of the Council's Business World ERP system, which was being presented to the Executive on 17 December 2019 for a decision.

Detailed at Appendix A was a copy of the Executive report and associated Appendix for the Board to consider.

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The Board was advised that the report proposed an estimated investment of c£1.8m in order to re-design the Council's Business World Enterprise Resource Planning (ERP) system. It was noted that the existing system was creating a number of significant issues to the effective performance of the system, which was impacting on the efficiency and effectiveness of the departments of the Council and maintained schools which used the system.

It was noted further that the intention was to move to the existing Hoople Ltd., Business World Platform. It was reported that as part of the move, it was proposed that the Council took up part ownership of Hoople so that Hoople became a "Teckal" company of the Council; and then the Council would award a direct contract for the services to Hoople, utilising the appropriate procurement exception.

Details of the alternatives considered and more detailed reasons for the recommendations were shown on pages 44 and 45 of the report. It was reported that, in the absence of relevant in-house expertise to carry out the work itself effectively, the Council would as a result have to employ a third party to support the re-design and provide strong contract management through individuals with relevant system expertise and experience. It was reported further that the Business World System was proven elsewhere in many other organisations and that the issues the Council currently faced with the system were resolvable.

In conclusion, the Board was advised that not addressing the capability issue would result in the Council failing to reap the full benefits of its investment in an ERP system; that maintaining the system as it was currently configured would create significant reputational risk for the Council through the failure to be able to implement system updates; that the current system was not sustainable in its current state; and that a re-design would remove duplicated and inefficient processes. Reassurance was given that Hoople had provided sufficient information and had demonstrated experience to provide the Council with a robust and stable platform, upon which the system could be optimised to provide an enhanced offer.

During discussion, comments confirmed by the Board were as follows:-

- Capacity of Hoople – The Board was advised that Hoople had identified additional resources to ensure that it had capacity to take on the Council's system re-design and the on-going provision of services to the Council;
- Assurance – It was noted that assurance on the Hoople platform and the proposed move over to the platform had been provided by independent consultants;
- Provision for schools – It was reported that a dedicated gateway for Lincolnshire schools would look to be developed once the system re-design and move over to the Hoople platform had been completed for April 2021;
- Costs - It was confirmed that the future recurrent costs would show a saving of around £200,000 per annum, including reduced costs from third party providers as Hoople would provide these services in future instead. It was confirmed further that additional system development costs would only be incurred if Lincolnshire wanted to implement something different to the

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standard build. In relation to TUPE, costs would be on a one off basis and these were already starting to be managed through staff turnover and vacancies;

- Concerns were expressed regarding bringing in the Hoople platform - Confirmation was provided that the system was stable elsewhere and worked for multiple clients so there was no reason why it should not work for Lincolnshire. Lincolnshire would need to ensure it embraced changes to the way it needed to operate in order to get the best out of the system;
- Security – The Board was advised that due diligence was being undertaken to ensure that the platform would be secure and that security would be up to date. It was confirmed that if any issues arose, there would be the option to stall implementation, and if required, return to the old system. It was proposed to embed an 18 month notice period for both sides in case there were any issues;
- Penalties – Officers advised that financial penalties would not be part of the agreement as there was a different approach with Hoople. Governance arrangements would be monitored to ensure that the agreement was being delivered;
- Culture change – The Board noted that a change in culture and mind-set was required in how staff use the current system and the new platform would be designed to prevent staff from using workarounds. The Board highlighted that the consequence of workarounds being used from the beginning was that the costs of the new contract were higher. It was confirmed that there would be more corporate oversight in future and the default position would be to not customise systems for staff;
- The Board noted that there were limited options for a HR and finance system, but as the finance side of the system was operating well, Hoople was seen to be the best option as it also used the current system; and
- Contract options - The Board was advised the same options would still be available when the contract ended in 2026, but there might be alternative systems offered in the market place that the Council could look into.

RESOLVED

1. That the Overview and Scrutiny Management Board supported the recommendations as presented in the Executive report.
2. That the comments as detailed above be passed to the Executive in relation to this item.
3. That the proposed dates on page 42 of the report for further reports to the Overview and Scrutiny Management Board to monitor the progress of the re-design be agreed.

65 DRAFT CORPORATE PLAN

The Board gave consideration to a report from Verity Druce, Commercial Manager, which invited consideration of the Draft Corporate Plan.

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A copy of the 'To Follow' report had been circulated electronically to members of the Board prior to the meeting.

The following Appendices were attached to the report:-

- Appendix A – latest feedback from the OSMB working group;
- Appendix B – Stakeholder engagement feedback; and
- Appendix C – Lincolnshire County Council Draft Corporate Plan 2020/30.

Debbie Barnes, Head of Paid Service introduced the report and provided some background information behind the draft new Corporate Plan as detailed on pages 2 and 3 of the report.

It was highlighted that the draft new Corporate Plan as detailed at Appendix C outlined the Council's vision, approach, key strategic ambitions and the strategic developments needed to fulfil the aspirations and expectations for communities of Lincolnshire.

It was highlighted that performance measures would be developed throughout the next phase of organisational planning to develop Directorate Plans, linked to the ambitions in the Corporate Plan.

During consideration of the feedback from the Overview and Scrutiny Management Board working group (Appendix A), stakeholder engagement feedback (Appendix B); and the draft new Corporate Plan as presented by Karen Spencer, Head of Communications, the Board made the following recommendations to the County Council on 11 December 2019:-

- For all four ambitions, delete the word 'must' from the first line "This means that we must;"
- Amend the following bullet points under the "enable everyone to enjoy life to the full" ambition;
 - "Make sure housing feels like home" to "Promote safe and secure homes"
 - "Support all children to have a loving home" to "Aspire for all children to have a caring home"
- Amend the following bullet point under the "create thriving environments" ambition;
 - "Make sure families can live safely" to "Assist everyone to live safely"
- Amend the following bullet point under the "we will lead the way with others to..." section of the "provide good value council services" ambition;
 - "Be serious about innovation and making best use of our assets" to "Continue to innovate and make best use of our assets"

The Board also made the following comments on the design of the draft Corporate Plan to the Head of Communications for consideration:-

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- It was questioned whether the photos used were representative of the wider population of Lincolnshire;
- It was questioned whether the photos represented all areas of Lincolnshire. It was highlighted that there were no pictures of Grantham or Boston included in the draft document;
- Consideration should be given to the use of recycled paper when printing copies of the Corporate Plan and how many copies need to be printed. The Head of Communications confirmed that the printing of the Corporate Plan would be funded from the existing budget; and
- It was also questioned whether some of the lozenges were in the correct positions.

A general comment raised by the Board was:-

- That the draft Corporate Plan made no reference to working with district councils. Officers advised that the Council worked in partnership with numerous agencies and to highlight one section of the Council's highly valued partnerships would not be reflective of the wider strategic relationships which the Council has.

RESOLVED

That the comments raised by the Overview and Scrutiny Management Board at the meeting held on 28 November 2019 be forwarded on to the County Council for consideration at the meeting to be held on 11 December 2019.

66 PERFORMANCE REPORTING AGAINST THE COUNCIL BUSINESS PLAN - QUARTER 2

The Board gave consideration to a report from Jasmine Sodhi, Performance and Equalities Manager, which invited the Board to consider the 2019/20 Council Business Plan for Quarter 2 performance, which was due to be considered by the Executive on the 17 December 2019.

Attached at Appendix 1 was a copy of the Executive report and associated Appendices.

The Board was advised that overall, performance for Quarter 2 had been good, of the 14 commissioning strategies, eight had performed well; five had performed well with all but one measure reported achieving the target, and one had mixed performance, some measures being achieved, some measures not being achieved. Details of the headlines relating to performance were shown on pages 78 to 80 of the report.

Appendix B to the report provided a summary of the measures that had not achieved the target in Quarter 2.

During discussion the Board raised the following comments:-

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- Page 85 – A question was asked as to whether this performance indicator took into consideration the restorative justice practice. The Board was advised that the restorative justice practice was separate to this indicator. The Board was reminded of the action taken at its meeting of 29 August, details of which were shown on page 82 of the report; and
- One member extended congratulations to the 'Magical' work being done at Children's Centres. The Board agreed to send a letter to staff in Children's Services to congratulate them on the fantastic work being undertaken in Early Years and Children's Centres to support children in getting the best start in life; and
- Wellbeing Commissioning Strategy - In relation to "alcohol users that left specialist treatment successfully" (Measure 31), the Board commended the excellent result of only 0.9% of all those completing alcohol treatment re-presenting to services.

The Board also agreed that from the Children are Safe and Healthy Commissioning Strategy, the performance measure "children who are subject to a child protection plan" (Measure 24) which had achieved target in Quarter 1, but had not in Quarter 2 would be referred for further consideration to the Children and Young People Scrutiny Committee. The Committee would consider the analysis that was being undertaken on the 100 children placed on a child protection plan and receive an explanation as to why the number of children subject to a children protection plan had increased in Quarter 2.

RESOLVED

1. That the Children and Young People Scrutiny Committee give consideration to the performance measure "Children who are subject to a child protection plan" to obtain further details relating to the underperformance.
2. That the Board support the recommendations to the Executive as set out in the report.
3. That the comments as detailed above be passed to the Executive in relation to this item.
4. That a letter be sent to staff in Children's Services to congratulate them on the fantastic work being undertaken in Early Years and Children's Centres to support children in getting the best start in life.

67 TREASURY MANAGEMENT PERFORMANCE TO QUARTER 2 2019/20

Consideration was given to a report from Karen Tonge, Treasury Manager, which provided details of the activities and performance of treasury management activities for the first half of 2019/20 to 30 September 2019.

In guiding the Board through the report, reference was made to the background behind the Treasury Management Strategy and Annual Investment Strategy 2019/20;

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Interest Rate Forecast - (Appendix A provided the Board with a graph of key interest rate movements over quarter 1 to 30 September 2019 and an economic background and latest interest rate forecast from Link Asset Services); Investments – (Appendix D provided the Board with a full list of investments held at 30 September 2019); Borrowing – (Appendix E provided the Board with borrowing details and latest maturity profile as at 30 September 2019).

Confirmation was given that the impact on the Council of the forthcoming Parliamentary Election and Brexit was still uncertain.

RESOLVED

That the Treasury Management Performance Report to Quarter 2 2019/20 be received.

68 SCRUTINY COMMITTEE WORK PROGRAMMES

The Board gave consideration to a report which advised of the work that been undertaken by the Children and Young People Scrutiny Committee.

Appendix A to the report provided the Board with highlights of activity conducted and provided details of future work planned up to 6 March 2020.

The Chairman of the Children and Young People Scrutiny Committee advised that at the last meeting of the Children and Young People Scrutiny Committee, consideration had been given to two reports, the first being an update on the implementation of the Transitions scrutiny review, at which there had been discussion relating to the use of the term "Local Offer", which was the Department of Education's language to describe the services available for children and young people with special educational needs and disabilities (SEND). The Committee had highlighted the need to ensure that the "Local Offer" was easy to find on the Council's website. The Committee had agreed to a further update being received at the 5 June 2020 meeting and that a representative from the Clinical Commissioning Group should be invited to attend the said meeting, to provide an update on the recommendation relating to improved health outcomes.

The Board was advised that the second report related to the draft Child in Employment and Entertainment Policy. The Committee had raised concerns regarding the outdated legislation and to the fact that it did not cover self-employment or internet usage. The Committee had also highlighted that the document was not clear on when the Council would prosecute. Officers had confirmed that there was discretion for the Executive Director of Children's Services to decide when or when not, to prosecute. It was highlighted that prosecution would take place when a child was being exploited or missing school. The Board was advised that comments raised from the Committee were being passed on to the Executive Director of Children's Services for her consideration before approving the policy.

The Chairman of the Children and Young People Scrutiny Committee advised that the Inclusive Lincolnshire Strategy had been deferred from 17 January 2020 to the 24

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April 2020 meeting. It was noted that in its place the Committee would be considering two pre-decision scrutiny reports entitled "Schools Funding Changes 2020/21" and "School Admission Policies and Co-ordinated Schemes for 2021 Intake".

Also, the Chairman of the Children and Young People Scrutiny Committee reminded the Board that the Committee would also be looking at the performance indicator 'Children who are subject to a child protection plan', as agreed by the Board in the earlier performance item on the agenda.

The "outstanding" judgement from the recent Ofsted inspection of Children's Services was highlighted to the Board and it was agreed to send a letter from the Board to Children's Services to congratulate staff on the outcome.

It was questioned whether the Committee had seen a response to the national SEND funding review. The Head of Paid Service confirmed that a response had been submitted to the national review which could be circulated to the Children and Young People Scrutiny Committee.

RESOLVED

1. That the previous activity and the content of the planned future work programmes of the Children and Young People Scrutiny Committee be received by the Board, subject to the changes as detailed above.
2. That a letter from the Board be sent to staff in Children's Services to congratulate them on the recent Ofsted inspection outcome.
3. That the response to the national SEND funding review be circulated to the Children and Young People Scrutiny Committee.

**69 OVERVIEW AND SCRUTINY MANAGEMENT BOARD WORK
PROGRAMME**

The Head of Democratic Services and Statutory Scrutiny Officer presented the Board's prospective work programme as detailed in Appendix A on pages 142 to 147 of the report.

Appendix B to the report provided details of Scrutiny Panel Activity as at 20 November 2019. Appendices C and D provided details of working group activity as at 20 November 2019 and a copy of the Forward Plan of Key Decisions from 2 December 2019 for the Board to consider.

The Board was advised that there was one change to the work programme presented. It was reported that the report on Property Services Contract had been deferred from the 19 December 2019 meeting to the 27 February 2020 meeting.

It was highlighted that the 30 January 2020 meeting would be focussing on the Council's budget and that the Board would be receiving five reports in relation to this

ahead of the Executive on 4 February 2020 and the County Council on 21 February 2020.

RESOLVED

That the Work Programme as presented in Appendix A be agreed subject to the amendment as detailed above.

The meeting closed at 1.05 pm

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

Report to:	Overview and Scrutiny Management Board
Date:	19 December 2019
Subject:	Legal Services Lincolnshire

Summary:

This report invites the Overview and Scrutiny Management Board to consider a report on Legal Services Lincolnshire which is being presented to the Executive on 7 January 2020. 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.

1. Background

The Executive is due to consider a report on Legal Services Lincolnshire on 7 January 2020. The report is attached at Appendix 1.

2. Conclusion

Following consideration of the attached report, 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?

See attached report.

b) Risks and Impact Analysis

See attached report.

4. Appendices

These are listed below and attached at the back of the report	
Appendix 1	Report on Legal Services Lincolnshire to be presented to the Executive on 7 January 2020.

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

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

Report to:	Executive
Date:	07 January 2020
Subject:	Formation of a Company for Legal Services
Decision Reference:	I018865
Key decision?	No

Summary:

This report seeks approval for the final form and constitution of a company wholly owned by the County Council with the object of the company being licensed by the Solicitors Regulation Authority for the purpose of providing legal advice and services.

The report appends and seeks approval for the accompanying legal documentation; the provision of financial support to the company; the nomination of directors of the company and the appointment of a representative to exercise the Council's powers as owner of the company.

Recommendation(s):

That the Executive:-

- 1) approves the Articles of Association and Shareholders Agreement attached at Appendix A as the constitution and legal documentation relating to the establishment of a company wholly owned by the County Council with the object of the company being licensed by the Solicitors Regulation Authority for the purpose of providing legal advice and services;
- 2) appoints David Coleman Chief Legal Officer; Andrew Crookham, Executive Director - Resources and James Drury, Executive Director - Commercial as Directors of the company;
- 3) appoints Cllr B Young, Executive Councillor for Community Safety and People Management as the member representative of the company and delegates to Councillor Young, authority to take decisions in exercise of the Council's powers in relation to the company;

- 4) approves the making available of a cash flow facility of £30,000 to the company; and
- 5) delegates to the Chief Legal Officer in consultation with the Executive Councillor for Community Safety and People Management authority to take all necessary procedural steps to establish the company to include amendments to the documentation to the extent necessary to meet Solicitors Regulation Authority requirements and to determine the final terms and the entering into of the cash flow facility.

Alternatives Considered:

- | | |
|----|--|
| 1. | <p>Not to approve the constitutional documents or the proposed appointments.</p> <p>The company could not proceed at this stage and revised proposals would need to be brought forward. This would impact on the ability of the in-house legal team to carry out work for its partner's companies and other third parties.</p> |
|----|--|

Reasons for Recommendation:

The proposal will allow the Council to proceed to establish an Alternative Business Structure. This will in turn allow Legal Services Lincolnshire to continue to provide services to its partner Councils when they deliver services through new structures such as companies without risk of it acting contrary to the requirements of the Solicitors Regulation Authority as our professional regulator.

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

1. Background

Introduction

- 1 Legal Services Lincolnshire (LSL) is a shared service between the County Council, Boston Borough Council, East Lindsey District Council, North Kesteven District Council, South Holland District Council and West Lindsey District Council. It was created in 2008 and has been operating on a trading basis since 2010. The service is hosted by the County Council and all staff within the service are employees of the County Council.

- 2 The vast majority of LSL's work is carried out for the County Council and District Partners although some work, worth approximately £150,000 per annum, is carried out for other external public bodies. Any surplus achieved over and above the costs of the service is distributed back to the partners. There may be opportunities to pursue other external work in future.
- 3 Solicitors are regulated by the Solicitors Regulation Authority (SRA) and that regulation can impact at two levels. At the level of the individual, all solicitors are required to comply with professional codes of conduct. In addition an entity which provides legal services to the public or a section of the public is required to be authorised by the SRA and is regulated by the SRA as an entity.
- 4 As partner councils explore different ways of delivering services, especially through companies, LSL must have regard to the regulatory framework governing it and its solicitors. Guidance issued by the SRA concerning when an in-house team may be required to be licensed as an entity suggests there may be limits to LSL's ability to continue providing services to our partners when they act through other entities such as companies.
- 5 As a result of these considerations the Executive received at its meeting on 8 May 2019 a proposal for the creation of an alternative business structure (ABS) which would overcome these regulatory concerns and allow LSL to follow its partners work regardless of how they choose to deliver it and to pursue other external work as it arises within a robust regulatory framework.
- 6 An ABS is a solicitor's firm, generally organised as a limited company, licensed by the SRA, to provide legal services to the public where the owners of the business include individuals or entities that are not themselves qualified solicitors. Under the proposal the Council would establish a wholly owned Council company which would seek a licence to provide legal services to the public.
- 7 The report to Executive on 8 May 2019 set out the drivers for the proposal, the options and a proposed model for the operation of the company. A copy of the report is referred to in the background papers section of this report, but the substance of the report is summarised in paragraphs 8 and 9 below.
- 8 The principal driver was the need to manage regulatory risks and enable the Council's in-house teams to continue to provide services to their existing customers as those customers find new ways of delivering their services, especially through companies that LSL cannot readily act for because of regulatory restrictions. At the same time an ABS would allow LSL to provide their service to a wider range of clients which may enable it to increase the income it achieves to support the budget positions of the partner councils.

- 9 On the basis of an options appraisal it was recommended that the Council pursue the establishment of an ABS alongside the in-house trading unit to act for non-partner clients. Staff would be made available to the ABS where necessary to work for clients who can only be provided with services through the ABS. It was identified that this would provide a solution to the regulatory risks of acting for other partner-created entities and enable LSL to manage the wider regulatory risks around existing partners pursuing their activities through new structures and ways of working. This would secure existing income and potentially enable the attraction of additional income from partners. The solution was also seen as scalable, forming a basis on which the Council could pursue wider trading activity where appropriate.
- 10 The Executive approved in principle the formation of a company but reserved to itself following further consideration by the Overview and Scrutiny Management Board approval of the constitution and legal documentation relating to the company, any financial contribution required by the company and the appointment of directors of the company.

Establishing a Company

- 11 Although the Council will be the sole owner of the proposed ABS, it is not the Council but the company which must apply to the ABS for a licence to provide legal services. The establishment of a company is therefore the first stage in progressing this matter.
- 12 Attached at Appendix A is a draft of Articles of Association of the Company. These are fairly standard Articles with few issues of principle involved. They have been developed with a view to addressing the issues that are likely to be of concern to the SRA.
- 13 Following feedback from both the Overview and Scrutiny Management Board and the Executive in May 2019 three Directors of the company are proposed.
- 14 Further provisions of note include:-
- Decision-making by the Directors is either by majority vote or by consensus. Although the day to day running of the company under the Articles sits with the Directors this is subject to the requirement for the Council's consent to decisions concerning reserved matters discussed below under the Shareholders Agreement;
 - The Council has the right to appoint and remove Directors
 - A Director can appoint an alternate Director to exercise their powers as Director in their absence but only with approval of the Council as shareholder

15 Attached at Appendix B is a draft Shareholders Agreement which regulates the relationship between the Council as sole owner and the company itself. The following points should be noted:-

- The business of the company will be to carry on business as a legal services provider, providing services to the wider public sector. Any change to this definition of the business of the company is a reserved matter under the Shareholders Agreement and therefore cannot happen without the consent of the County Council as the owner of the company
- The County Council can nominate and appoint any person as Director of the company and require the removal of any such person by the giving of notice to the Board of Directors
- Management of the company's affairs will be by reference to an annual Business Plan which must be approved by the Council as owner of the company. The Business Plan includes an approved budget. As long as the Directors are acting in accordance with the Business Plan in the day to day running of the company they do not require the Council's consent to individual decisions.
- Other decisions are reserved to the Council as owner of the company and the Directors cannot take any such decision or take any steps to implement any such matter without the prior written consent of the Council.
- The list of reserved matters is contained within Schedule 6 of the Shareholder's Agreement. This is the same list as was appended to the Report to Executive dated 8 May 2019.
- The Council is required to appoint a representative to act in the name of the Council for all purposes connected with the company. That individual will be responsible for deciding whether to consent to any of the matters referred to as a reserved matter. This is the role that it is proposed be fulfilled by Cllr Young under recommendation 3 of the Report
- The company is required to provide information to the Council including the audited accounts of the company, quarterly performance reports, cash flow statements and cash flow forecasts and such reasonable other financial and management information or reports relating to the company as the Council may request from time to time. The company will report to the appropriate Scrutiny Committee (currently Overview and Scrutiny Management Board) on an annual basis.

16 Although the Council has had discussions with the SRA concerning the granting of a licence to provide legal services the detailed application and vetting process cannot commence until the company is formed. There may, during that process, be a need to amend either the Articles of Association or Shareholders Agreement to meet SRA requirements. These will be a matter for Councillor Barry Young as the Council's representative in relation to the company.

- 17 As set out above it is proposed that there will be three Directors of the company. To meet regulatory requirements one of these will also be the Compliance Officer for Legal Practice (COLP). It is proposed that this be the Chief Legal Officer. One of the other Directors will need to be a suitable person with the necessary financial background to act as the Compliance Officer for Finance and Administration (COFA). It is proposed that this be Andrew Crookham, the Executive Director for Resources. Following discussions with LSL's District Council partners the third Director will also be a County Council appointment and it is proposed that this be James Drury, Executive Councillor - Commercial.
- 18 The County Council will exercise its powers as owner of the company including in respect of the reserved matters referred to in paragraph 15 above through a representative to which it will delegate authority to make decisions in exercise of powers it has as owner of the company. This is an important role as far the SRA are concerned who will need to approve the individual given the influence they will exercise over the company. It is proposed that this is Councillor Barry Young, the Executive Councillor for Public Protection and People Management.
- 19 Given that the County Council will be the sole owner of the company it will be a regulated company within the meaning of the Local Authorities (Companies) Order 1995 and Part V of the Local Government and Housing Act 1989. This requires such companies to comply with certain administrative responsibilities relating, for example to the identification of the County Council as owner of the company on its letter head, the provision of information, the appointment of auditors and the remuneration of directors. These requirements will be complied with.
- 20 Financially, the ABS is expected to require very little funding from the Council. This is because the ABS itself is envisaged as having no employment costs although it will need to arrange its own professional indemnity insurance cover and will need to pay its way in relation to any property or support services costs to ensure that there is no State Aid. The initial costs of set up which are estimated to be in the region of £20,000, will be met out of the shared service reserve.
- 21 The principal ongoing funding issue for the ABS is likely to be cash flow caused by any issues with recovery of fees from its clients. Liaison with another County Council that has established an ABS on a similar basis to that proposed by the Council suggests that they would have benefitted from the provision of a cash flow facility to manage the difference between expenditure by the ABS and receipt of income. While this can be managed to some extent by aligning the timings of payments in and out there are some payments, particularly of VAT, which have to be made at specified times and which can cause cash flow issues.
- 22 An assessment has been carried out into the amount required and it is considered that a cash flow facility of £30,000 would be sufficient to support the company in the early stages.

2. Legal Issues:

Equality Act 2010

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

- * eliminate discrimination, harassment, victimisation and any other conduct that is prohibited by or under the Act;
- * advance equality of opportunity between persons who share a relevant protected characteristic and persons who do not share it; and
- * 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; and
- * encourage persons who share a relevant protected characteristic to participate in public life or in any other activity in which participation by such persons is disproportionately low.

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

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

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

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

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

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

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

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

Crime and Disorder

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

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

3. Conclusion

At its meeting on 8 May 2019 the Executive approved in principle the establishment of a legal services company with a view to it being licensed by the Solicitors Regulation Authority to provide legal services.

This report seeks final approval to the form of the company the appointment of Directors and a council representative and the approval of financial support to the company in the form of a cash flow facility.

4. Legal Comments:

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

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

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

5. Resource Comments:

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

Costs of set up estimated at £20,000 and a cash flow facility of £30,000 can be met from the legal shared services reserve

Implications for financial administration and accounting of the company will need to be kept under review as implementation progresses in accordance with SRA licence requirements.

6. Consultation

a) Has Local Member Been Consulted?

N/A

b) Has Executive Councillor Been Consulted?

Yes

c) Scrutiny Comments

The decision will be considered by the Overview and Scrutiny Management Board at its meeting on 19 December 2019 and the comments of the Board will be reported to the Executive.

d) Have Risks and Impact Analysis been carried out?

Yes

e) Risks and Impact Analysis

See the body of the report

7. Appendices

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

8. Background Papers

Background Paper	Where it can be viewed
Report to Executive dated 8 May 2019 entitled "Formation of a Company for Legal Services"	Democratic Services

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

THE COMPANIES ACT 2006

PRIVATE COMPANY LIMITED BY SHARES

ARTICLES OF ASSOCIATION

OF

[[] LIMITED]

INTRODUCTION

1. INTERPRETATION

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

Act means the Companies Act 2006

Appointor has the meaning given in article 0

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

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

Controlling Member means Lincolnshire County Council

Eligible Director has the meaning given in article 0

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

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

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

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

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

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

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

1.8 Where the context permits, **other** and **otherwise** are illustrative and shall not limit the sense of the words preceding them.

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

DIRECTORS

2 DIRECTORS TO TAKE DECISIONS COLLECTIVELY

- 2.1 The general rule about decision-making by directors is that any decision of the directors must be either a majority decision at a meeting or a decision taken in accordance with article 0.
- 2.2 If:
 - 2.2.1 the company only has one director for the time being; and
 - 2.2.2 no provision of the Articles requires it to have more than one director,

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

3 UNANIMOUS DECISIONS

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

4 CALLING A DIRECTORS' MEETING

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

5 QUORUM FOR DIRECTORS' MEETINGS

- 5.1 At a directors' meeting, unless a quorum is participating, no proposal is to be voted on except a proposal to call another meeting.
- 5.2 The quorum for directors' meetings may be fixed from time to time by a decision of the directors and unless otherwise fixed it is two provided that:
- 5.2.1 if and so long as there is only one director the quorum shall be one; and
- 5.2.2 for the purposes of any meeting held pursuant to article 0 to authorise a director's conflict, if there is only one director besides the director concerned and directors with a similar interest, the quorum shall be one.
- 5.3 If the total number of directors for the time being is less than the quorum required, the directors must not take any decision other than a decision:
- 5.3.1 to appoint further directors; or
- 5.3.2 to call a general meeting so as to enable the members to appoint further directors.

6 CASTING VOTE

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

7 DIRECTORS' CONFLICTS OF INTEREST

- 7.1 A general notice given to the directors that a director is to be regarded as having an interest of the nature and extent specified in the notice in any transaction or arrangement in which a specified person or class of persons is interested shall be deemed to be a disclosure that the director has an interest in any such transaction of the nature and extent so specified, and an interest of which a director has no knowledge and of which it is unreasonable to expect him to have knowledge shall not be treated as an interest of his.
- 7.2 The directors may, if the quorum and voting requirements set out below are satisfied, authorise any matter that would otherwise involve a director breaching his duty under the Act to avoid conflicts of interest, and any director (including the director concerned) may propose that the director concerned be authorised in relation to any matter the subject of such a conflict provided that:
- 7.2.1 such proposal and any authority given by the directors shall be effected in the same way that any other matter may be proposed to and resolved upon by the directors under the provisions of the Articles, except that the director concerned and any other director with a similar interest:
- (a) shall not be counted for quorum purposes as participating in the decision-making process while the conflict is under consideration;
- (b) may, if the other directors so decide, be excluded from participating in the decision-making process while the conflict is under consideration; and
- (c) shall not vote on any resolution authorising the conflict except that, if any such director does vote, the resolution will still be valid if it would have been agreed to if his votes had not been counted; and
- 7.2.2 where the directors give authority in relation to such a conflict:
- (a) they may (whether at the time of giving the authority or at any time or times subsequently) impose such terms upon the director concerned and any other

director with a similar interest as they may determine, including, without limitation, the exclusion of that director and any other director with a similar interest from the receipt of information, or participation in any decision-making or discussion (whether at meetings of the directors or otherwise) related to the conflict;

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

7.3 Subject to article 7.4, if a question arises at a meeting of directors or of a committee of directors as to the right of a director to participate in the meeting (or part of the meeting) for voting or quorum purposes, the question may, before the conclusion of the meeting, be referred to the chairman, whose ruling in relation to any director other than the chairman is to be final and conclusive.

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

8 RECORDS OF DECISIONS TO BE KEPT

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

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

9 NUMBER OF DIRECTORS

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

10 APPOINTMENT AND REMOVAL OF DIRECTORS

10.1 The Controlling Member may at any time by notice in writing to the company:

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

10.1.2 remove any director or directors from office.

- 10.2 Any appointment or removal pursuant to article 0 shall take effect when it is delivered to the registered office of the company or, if it is produced at a meeting of the directors, when it is so produced or, if sent by electronic means to an address generally used by the company, when it is sent such removal shall be without prejudice to any claim that a director may have under any contract between him and the company. If the company has no directors and, by virtue of death or bankruptcy, no member is capable of acting, the transmittee of the last member to have died or to have had a bankruptcy order made against him has the right, by notice in writing, to appoint a person to be a director.

11 TERMINATION OF A DIRECTOR'S APPOINTMENT

- 11.1 A person ceases to be a director as soon as:
- 11.1.1 that person ceases to be a director by virtue of any provision of the Act or is prohibited from being a director by law;
 - 11.1.2 a bankruptcy order is made against that person;
 - 11.1.3 a composition is made with that person's creditors generally in satisfaction of that person's debts;
 - 11.1.4 a registered medical practitioner who is treating that person gives a written opinion to the company stating that that person has become physically or mentally incapable of acting as a director and may remain so for more than three months;
 - 11.1.5 notification is received by the company from the director that the director is resigning from office, and such resignation has taken effect in accordance with its terms;
 - 11.1.6 notification of the director's removal is received by the company from the Controlling Member pursuant to article 0; or
 - 11.1.7 he is otherwise duly removed from office.

12 APPOINTMENT AND REMOVAL OF ALTERNATE DIRECTORS

- 12.1 Subject to shareholder approval, any director (**Appointor**) may appoint as an alternate any other director, or any other person approved by resolution of the directors, to
- 12.1.1 exercise that director's powers; and
 - 12.1.2 carry out that director's responsibilities,
- in relation to the taking of decisions by the directors, in the absence of the alternate's Appointor.
- 12.2 Any appointment or removal of an alternate must be effected by notice in writing to the company signed by the Appointor, or in any other manner approved by the directors.
- 12.3 The notice must:
- 12.3.1 identify the proposed alternate; and
 - 12.3.2 in the case of a notice of appointment, contain a statement signed by the proposed alternate that the proposed alternate is willing to act as the alternate of the director giving the notice.

13 RIGHTS AND RESPONSIBILITIES OF ALTERNATE DIRECTORS

- 13.1 Subject to shareholder approval, an alternate director may act as alternate director to more than one director and has the same rights in relation to any decision of the directors as the alternate's Appointor.
- 13.2 Except as the Articles specify otherwise, alternate directors:
- 13.2.1 are deemed for all purposes to be directors;
 - 13.2.2 are liable for their own acts and omissions;
 - 13.2.3 are subject to the same restrictions as their Appointors; and
 - 13.2.4 are not deemed to be agents of or for their Appointors.

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

- 13.3 A person who is an alternate director but not a director:
- 13.3.1 may be counted as participating for the purposes of determining whether a quorum is present (but only if that person's Appointor is not participating);
 - 13.3.2 may participate in a unanimous decision of the directors (but only if his Appointor is an Eligible Director in relation to that decision, but does not participate); and
 - 13.3.3 shall not be counted as more than one director for the purposes of article 0 and article 0.
- 13.4 A director who is also an alternate director is entitled, in the absence of his Appointor, to a separate vote on behalf of his Appointor, in addition to his own vote on any decision of the directors (provided that his Appointor is an Eligible Director in relation to that decision).
- 13.5 An alternate director may be paid expenses and may be indemnified by the company to the same extent as his Appointor but shall not be entitled to receive any remuneration from the company for serving as an alternate director except such part of the alternate's Appointor's remuneration as the Appointor may direct by notice in writing made to the company.

14 TERMINATION OF ALTERNATE DIRECTORSHIP

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

SHARES

DECISION MAKING BY SHAREHOLDERS

15 POLL VOTES

- 15.1 A poll may be demanded at any general meeting by any qualifying person (as defined in section 318 of the Act) present and entitled to vote at the meeting.
- 15.2 Article 44(3) of the Model Articles shall be amended by the insertion of the words "A demand so withdrawn shall not invalidate the result of a show of hands declared before the demand was made" as a new paragraph at the end of that article.

16 PROXIES

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

ADMINISTRATIVE ARRANGEMENTS

17 MEANS OF COMMUNICATION TO BE USED

- 17.1 Subject to article 0, any notice, document or other information shall be deemed served on, or delivered to, the intended recipient:
- 17.1.1 if delivered by hand, on signature of a delivery receipt or at the time the notice, document or other information is left at the address; or
 - 17.1.2 if sent by pre-paid United Kingdom first class post, recorded delivery or special delivery to an address in the United Kingdom, at 9.00 am on the second Business Day after posting; or
 - 17.1.3 if sent by pre-paid airmail to an address outside the country from which it is sent, at 9.00 am on the fifth Business Day after posting; or
 - 17.1.4 if sent by reputable international overnight courier to an address outside the country from which it is sent, on signature of a delivery receipt or at the time the notice, document or other information is left at the address; or
 - 17.1.5 if sent or supplied by email, one hour after the notice, document or information was sent or supplied; or
 - 17.1.6 if sent or supplied by means of a website, when the material is first made available on the website or (if later) when the recipient receives (or is deemed to have received) notice of the fact that the material is available on the website; or
 - 17.1.7 if deemed receipt under the previous paragraphs of this article 0 would occur outside business hours (meaning 9.00 am to 5.30 pm Monday to Friday on a day that is not a public holiday in the place of deemed receipt), at 9.00 am on the day when business next starts in the place of deemed receipt For the purposes of this article, all references to time are to local time in the place of deemed receipt.
- 17.2 To prove service, it is sufficient to prove that:

- 17.2.1 if delivered by hand or by reputable international overnight courier, the notice was delivered to the correct address; or
- 17.2.2 if sent by post or by airmail, the envelope containing the notice was properly addressed, paid for and posted; or
- 17.2.3 if sent by email, the notice was properly addressed and sent to the email address of the recipient.

18 INDEMNITY

18.1 Subject to article 0 and shareholder approval, but without prejudice to any indemnity to which a relevant officer is otherwise entitled:

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

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

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

18.1.2 the company may provide any relevant officer with funds to meet expenditure incurred or to be incurred by him in connection with any proceedings or application referred to in article 0 and otherwise may take any action to enable any such relevant officer to avoid incurring such expenditure.

18.2 This article does not authorise any indemnity which:

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

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

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

18.3 In this article:

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

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

19 INSURANCE

19.1 Subject to member approval, the directors may decide to purchase and maintain insurance, at the expense of the company, for the benefit of any relevant officer in respect of any relevant loss.

19.2 In this article:

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

19.2.2 a **relevant loss** means any loss or liability which has been or may be incurred by a relevant officer in connection with that relevant officer's duties or powers in relation to the company, any associated company or any pension fund or employees' share scheme of the company or associated company, provided always that the relevant officer has acted in good faith and/or such loss has not arisen as a result of fraud, dishonesty or a criminal offence, or other deliberate wrongdoing or recklessness on the part of the relevant officer; and

19.2.3 companies are **associated** if one is a subsidiary of the other or both are subsidiaries of the same body corporate.



Dated

2019

LINCOLNSHIRE COUNTY COUNCIL

[[] LIMITED]

SHAREHOLDER'S AGREEMENT

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PARTIES

- (1) **LINCOLNSHIRE COUNTY COUNCIL** of County Offices, Newland, Lincoln, LN1 1YL (**LCC**)
- (2) **[[] LIMITED]**, a company registered in England, (Company No. *[insert number]*) whose registered office is at County Offices, Newland, Lincoln, LN1 1YL (the **Company**)

BACKGROUND

- (A) LCC has agreed to enter into this Agreement pursuant to its powers contained in section 1 of the Localism Act 2010 and section 111 of the Local Government Act 1972 in order to enable the Company to carry out the Business.
- (B) The parties have decided to enter into this Agreement to regulate the manner in which the Company is to be managed.

AGREED TERMS

1 DEFINITIONS AND INTERPRETATION

This Agreement shall be interpreted according to the provisions of Schedule 1 (*Definitions and Interpretation*).

2 COMPLETION

2.1 Completion shall take place immediately upon the execution of this Agreement by each of the parties when the parties shall take or procure to be taken the following steps either by themselves or at meetings of the Board or of the shareholder (as appropriate) to the extent not already taken:

2.1.1 the parties shall procure that the necessary Board and/or shareholder resolutions in respect of the Company are passed to adopt the Articles with immediate effect;

2.1.2 the following subscriptions have been made in the capital of the Company:

Party	Number of Ordinary Shares	Total Subscription
LCC	1	£1

whereupon the Company shall deliver the relevant definitive share certificate in relation to the allotment of the Shares pursuant to this clause 2.1.2 and shall insert the names of the allottees in the Company's register of members.

3 THE BUSINESS OF THE COMPANY

3.1 The business of the Company shall be:

3.1.1 To carry on business as a legal services provider regulated by the Solicitor's Regulation Authority to provide services to any public authority as defined in section 3 Freedom of Information Act 2000, any of the Lincolnshire District Councils and any corporate bodies in which those councils are involved as owner or at board level and any companies owned by the wider public sector as defined in section 6 Freedom of Information Act 2000; and

3.1.2 to do all such other things as are incidental to or conducive to the attainment of the above objects.

4 THE BOARD

Composition of the Board and the right to appoint Directors

- 4.1 LCC shall be entitled, in accordance with the Articles, to nominate and appoint (and the Company shall procure that such persons are appointed by Board resolution) any person or persons as Directors (including alternate Directors) and to require the removal of such persons from office by notice to the Board.
- 4.2 The persons nominated and appointed by the parties to act as the initial directors for the purposes of clause 4.1 are as set out in Schedule 2.
- 4.3 Any Director who is not an employee of the Company shall be appointed upon the terms and conditions set out in Schedule 3 or, subject to clause 5.2, upon such other terms as the Board may agree from time to time.
- 4.4 LCC shall in addition be entitled, in accordance with the Articles, to nominate and appoint persons as alternate Directors and to replace such persons as alternate Directors.

Removal of and changes to nominated Directors

- 4.5 If LCC elects to remove any person nominated by it as a Director (an **Outgoing Director**) then it shall procure that the Outgoing Director vacates office without claim to the Company for loss of office or otherwise and shall indemnify the Company against all losses, liabilities and costs which the Company may incur arising out of, or in connection with, any claim by the Outgoing Director for wrongful or unfair dismissal or redundancy or other loss arising out of such Director's removal or loss of office.
- 4.6 The indemnity under clause 4.5 shall not apply where such claim has arisen as a result of any actions directly taken by the Company or any actions that the Company omitted to take that it should reasonably have taken.

5 MANAGEMENT OF THE COMPANY'S AFFAIRS

The Company's Business

- 5.1 At all times during the term of this Agreement:
- 5.1.1 the business of the Company will consist exclusively of the Business;
- 5.1.2 with the exception of those matters requiring LCC consent pursuant to clause 5.2, all the business of the Company, other than routine day-to-day business, shall be the responsibility of the Directors;
- 5.1.3 the Directors may delegate in accordance with the Articles to such persons as they consider appropriate but they must properly monitor the conduct of such persons and ensure that they receive regular information from time to time in a form and at intervals as they may agree;
- 5.1.4 the Company will conduct its Business and affairs in a proper and efficient manner and in accordance with the current Business Plan as adapted from time to time;
- 5.1.5 the Company shall act in a way that does not knowingly create any employment-related liabilities for LCC;
- 5.1.6 the Company shall act in a way which is compatible with LCC's aims, objectives and statutory duties and shall not enter into agreements with third parties which could harm the commercial interests or reputation of LCC;

- 5.1.7 the Company shall not carry out any activity which would or could render the holding of Shares by LCC unlawful provided that where a proposed change of law would render such shareholding unlawful, LCC will use its reasonable endeavours to take such steps as are necessary to allow it to continue lawfully to hold its Shares;
 - 5.1.8 LCC will (subject to any legal obligation of disclosure under freedom of information legislation or otherwise) maintain strict confidentiality over the affairs of the Company, in particular its commercial affairs and trade secrets; and
 - 5.1.9 the Company will conduct its Business and affairs in a manner that does not involve sponsorship, advertisement or other direct involvement by any organisation, entity or person engaged, or with substantial interest in: the production or sale of products containing or derived from tobacco, alcohol, unhealthy foods and/or unhealthy beverages; or the manufacture or sale of arms and weapons; or religious, political or cultural groups; or the dissemination of nudity and body images.
- 5.2 Except as set out in clause 5.3, insofar as a matter is a LCC Consent Matter, the Company shall not make any decision in relation to or undertake any action to implement an LCC Consent Matter except with the prior written consent of LCC and LCC shall use its rights and powers to procure, so far as it is able, that no such matter is carried out unless the required consent has been given.
- 5.3 Clause 5.2 shall not apply in connection with any decision of action relating to a LCC Consent Matter:
- 5.3.1 provided for in the Business Plan from time to time; or
 - 5.3.2 which has been properly delegated in accordance with this Agreement or the Articles to the Board or to a particular person or committee; or
 - 5.3.3 to the extent the same decision has been taken by LCC in accordance with any other agreement between LCC and the Company.

Code of ethics

- 5.4 The parties acknowledge that the Company will be legally responsible for the delivery of services to bodies external to LCC which has the potential to impact on LCC's reputation and therefore the parties agree to abide by the principles set out in Schedule 4.

LCC Representative

- 5.5 LCC shall appoint the LCC Representative to act in the name of LCC for all purposes connected with this Agreement and confirm the identity of the LCC Representative to the Company by notice in writing.
- 5.6 In the event that LCC intends to replace any individual acting as an LCC Representative, it shall inform the Company in writing of its intention to do so together with the details of a new LCC Representative and when the replacement is to take effect.
- 5.7 Any notice, information, instruction or other communication given to the LCC Representative by the Company shall be deemed to have been given to LCC. Any notice, information, instruction or other communication given by the LCC Representative to the Company shall be deemed to have been duly authorised by the LCC.

6 BUDGETING, BUSINESS PLANNING AND FINANCIAL MATTERS

The Business Plan (including the Annual Budget)

- 6.1 No earlier than [four months] and no later than [two months] before the end of each year of the Company, the Company will prepare and circulate to LCC a draft of the proposed business plan for the next year (**Draft Business Plan**). The Draft Business Plan (with such amendments as are

agreed to it) will become the Business Plan following approval to it by the Board (**Business Plan**), which shall be updated on an annual basis with the approval of the Board, subject always to clause 5.2.

- 6.2 The Annual Budget for each financial year shall form part of the Business Plan. The Annual Budget shall be reviewed by the Board quarterly

Funding

- 6.3 LCC shall use all reasonable endeavours to procure that additional working capital requirements of the Company shall be satisfied as far as practicable from external sources on the most favourable terms reasonably obtainable but on the basis that:

6.3.1 such financing shall be obtained in accordance with the Business Plan or as otherwise determined by LCC; and

6.3.2 unless otherwise agreed by LCC, LCC shall not be obliged to give any guarantee or security in respect of such financing.

Dividends

- 6.4 The Company shall, subject to:

6.4.1 clause 5.2; and

6.4.2 the working capital and other financial requirements of the Company,

distribute such amounts lawfully available for distribution by the Company to LCC by way of dividend on the Shares, provided always that LCC may determine, in its sole discretion, that all or some of such sums shall be retained by the Company for investment purposes.

Provision of information to LCC

- 6.5

6.5.1 The Company shall supply LCC with the following information:

- (a) the audited accounts of the Company and its subsidiaries for each financial year as soon as practicable and, at the latest, by four months after the end of that financial year;
- (b) quarterly performance reports, cash flow statements and cash flow forecasts for the Company;
- (c) such reasonable other financial or management information or reports relating to the Company or its subsidiaries as any shareholder may reasonably request from time to time whether required by law or not;
- (d) an annual report to the appropriate LCC Scrutiny Committee on the business and activities of the Company; and
- (e) a report or such other reasonable notice in the event that the financial or other performance of the Company presents a significant risk to LCC.

6.5.2 Notwithstanding the provisions of clause 11.1:

- (a) LCC being a local authority may disclose information received from the Company, any of its subsidiaries or a Director, as is required by any law or internal rule or regulation of a shareholder; and

- (b) the Company shall permit all records referred to in clause 6.5 to be examined and copied from time to time by the LCC's auditor and its representatives and/or the Company's auditors.

7 POLICIES AND PROCEDURES

7.1 In respect of policies and procedures of the Company:

7.1.1 the Company shall so far as reasonably practicable adopt all best practice recommendations in regard to its market and adopt LCC's policies and procedures in relation to these matters having regard to the local conditions and the operation of LCC; and

7.1.2 such policies and procedures shall be approved by the Board.

7.2 The Board shall adopt and apply an agreed policy as to how conflicts of interest are to be dealt with both in recruitment and in carrying out its Business.

8 WARRANTIES

8.1 LCC warrants and represents to the Company at the date of execution that:

8.1.1 it has the power to enter into and to exercise its rights and perform its obligations under this Agreement and the Articles and each such document will when executed constitute, legal, binding and enforceable obligations on it;

8.1.2 it has taken all necessary action to authorise the execution of and the performance of its obligations under this Agreement and the Articles;

8.1.3 no claim is being asserted and no litigation, arbitration or administrative proceeding is presently in progress, or, to the best of its knowledge pending or threatened against it or any of its assets which will or might have a material adverse effect on its ability to perform its obligations under this Agreement and the Articles;

8.1.4 it is not subject to any contractual obligation, compliance with which will be likely to have a material adverse effect on its ability to perform its obligations under this Agreement and the Articles.

9 TERMINATION

9.1 Subject to clauses 9.2 and 9.3, this Agreement may be terminated by LCC serving no less than [six months'] written notice on the Company.

9.2 LCC may terminate this Agreement immediately where required in accordance with any applicable laws and regulations.

9.3 LCC shall, on the fifth anniversary of the date of this Agreement, or at such other times as determined by LCC, review the requirement for this Agreement.

9.4 Termination of this Agreement shall not affect any accrued rights or liabilities of any person or any liability or obligation arising under or pursuant to this Agreement or any other agreement or arrangement between any of the parties hereto or, except where this Agreement expressly provides to the contrary, affect the provisions of:

9.4.1 clause 1 (*Definitions and Interpretation*);

9.4.2 this clause 9 (*Termination*);

9.4.3 clause 11 (*Confidentiality*);

- 9.4.4 clause 12 (*Freedom of information*);
- 9.4.5 clause 14 (*Costs*);
- 9.4.6 clause 16 (*Assignment*);
- 9.4.7 clause 17 (*Entire agreement*);
- 9.4.8 clause 18 (*Notices*);
- 9.4.9 clause 20 (*Waiver*);
- 9.4.10 clause 21 (*Severability*);
- 9.4.11 clause 22 (*No partnership or agency*);
- 9.4.12 clause 23 (*Variation*);
- 9.4.13 clause 24 (*Conflict with the Articles*); and
- 9.4.14 clause 25 (*Governing law and jurisdiction*).

10 WINDING UP

- 10.1 If LCC passes a resolution pursuant to this Agreement or otherwise to wind up the Company by way of a members' voluntary winding-up it shall procure that the liquidator is a member of the Institute of Chartered Accountants in England and Wales.
- 10.2 Except to the extent each party has contractual obligations to the contrary, LCC shall prove in the winding-up of the Company to the maximum extent permitted by law for all sums due or to fall due to it from the Company and shall exercise all rights of set-off and generally do all such other acts and things as may be available to it in order to obtain the maximum receipts and recoveries.

11 CONFIDENTIALITY

- 11.1 During the term of this Agreement and after termination or expiry of the Agreement for any reason whatsoever, the Receiving Party (as defined in clause 11.5) shall:
 - 11.1.1 keep Confidential Information (as defined in clause 11.5) confidential;
 - 11.1.2 not disclose Confidential Information to any other person other than with the written consent of the Disclosing Party (as defined in clause 11.5) or in accordance with clauses 11.2 to 11.4; and
 - 11.1.3 not use Confidential Information for any purpose other than the performance of its obligations under this Agreement.
- 11.2 During the term of this Agreement, the Receiving Party may disclose Confidential Information to its employees, contractors, sub-contractors, agents and advisers under conditions of confidentiality in each case to the extent that it is reasonably necessary for the purposes of this Agreement, and may disclose Confidential Information to prospective shareholders of the Company or prospective purchasers of its assets under conditions of confidentiality. In each case the permitted recipient of such Confidential Information shall be known as a **Recipient**.
- 11.3 The Receiving Party shall so far as practicable procure that each Recipient is made aware of and complies with all the Receiving Party's obligations of confidentiality under this Agreement as if the Recipient were a party to this Agreement.

- 11.4 The obligations contained in clauses 11.2 to 11.3 shall not apply to any Confidential Information which:
- 11.4.1 is at the date of this Agreement in, or at any time after the date of this Agreement comes into, the public domain other than through a breach of this Agreement by the Receiving Party or any Recipient;
 - 11.4.2 can be shown by the Receiving Party to the reasonable satisfaction of the Disclosing Party to have been known by the Receiving Party before disclosure by the Disclosing Party to the Receiving Party;
 - 11.4.3 subsequently comes lawfully into the possession of the Receiving Party from a third party; or
 - 11.4.4 is required by law or a regulatory authority or body or any Government Department to be disclosed.
- 11.5 For the purposes of this clause 11, **Confidential Information** means all information of a confidential nature disclosed (whether in writing, verbally or by any other means and whether directly or indirectly) by one party (the **Disclosing Party**) to another party (**Receiving Party**) whether before or after the date of this Agreement including, without limitation, any information relating to the Disclosing Party's, operations, processes, plans or intentions, know-how, design rights, trade secrets, market opportunities and business affairs.

12 FREEDOM OF INFORMATION

- 12.1 The Company acknowledges that LCC is subject to the requirements of the FOIA and the Environmental Information Regulations and the Company shall facilitate LCC's compliance with its Information disclosure requirements pursuant to the same in the manner provided for in clauses 12.2 to 12.7 (inclusive) below. For the purpose of clauses 12.2 to 12.7 (inclusive) only, **Information** has the meaning given under Section 84 of the FOIA.
- 12.2 Where LCC receives a Request for Information in relation to Information that the Company is holding on its behalf LCC shall transfer to the Company such Request for Information that it receives as soon as practicable and in any event within two Business Days of receiving a Request for Information and the Company shall:
- 12.2.1 provide LCC with a copy of all such Information in the form that LCC requires within ten Business Days (or such other period as LCC may specify) of the request; and
 - 12.2.2 provide all necessary assistance as reasonably requested by LCC in connection with any such Information, to enable LCC to respond to a Request for Information within the time for compliance set out in section 10 of the FOIA or Regulation 5 of the Environmental Regulations.
- 12.3 LCC shall be responsible for determining at its absolute discretion:
- 12.3.1 whether the Information is exempt from disclosure under the FOIA and the Environmental Information Regulations;
 - 12.3.2 whether the Information is to be disclosed in response to a Request for Information,
 - 12.3.3 and in no event shall the Company respond directly to a Request for Information unless expressly authorised to do so by LCC.
- 12.4 The Company acknowledges that LCC may, acting in accordance with the Department of Constitutional Affairs' Code of Practice on the Discharge of Functions of Public Authorities under Part I of the Freedom of Information Act 2000, be obliged under the FOIA, or the Environmental Information Regulations to disclose Information:

12.4.1 without consulting with the Company; or

12.4.2 following consultation with the Company and having taken the Company's views into account.

12.5 The Company shall ensure that all Information held on behalf of LCC is retained for disclosure and shall permit LCC to inspect such Information as requested from time to time.

12.6 The Company shall transfer to LCC any Request for Information received by the Company as soon as practicable and in any event within two Business Days of receiving it.

12.7 The Company acknowledges that any lists provided by it listing or outlining Confidential Information, are of indicative value only and that LCC may nevertheless be obliged to disclose Confidential Information in accordance with clause 12.4 above.

13 FURTHER ASSURANCE

13.1 Each party will:

13.1.1 execute any document and do any thing; and

13.1.2 use all reasonable endeavours to procure that any third party (where necessary) executes any deed or document and does any thing,

reasonably necessary to implement the terms of this Agreement.

14 COSTS

14.1 Each party shall bear its own costs in relation to the drafting, negotiating and implementation of this Agreement.

15 INSURANCE

15.1 The Company shall take out and maintain with reputable insurers all insurances required to be maintained by law and such other prudent insurances against such risks as are normally insured against by businesses carrying on activities similar to those of the Company and (without prejudice to the generality of the foregoing) shall insure its assets of an insurable nature for their full replacement or reinstatement value.

15.2 The Company shall take out and maintain appropriate directors and officers liability insurance, subject always to clause 5.2.

16 ASSIGNMENT

16.1 This Agreement, shall be binding on, and shall enure to the benefit of, each of the parties and their respective successors.

16.2 No party shall assign, transfer, sub contract or otherwise dispose of any interest in this Agreement without the consent of the other party.

17 ENTIRE AGREEMENT

17.1 This Agreement and the documents referred to in it (including the Articles) constitute the entire agreement between the parties relating to its/their subject matter and supersede all previous agreements between the parties relating to such matters.

18 NOTICES

- 18.1 All notices under this Agreement shall be in writing and all certificates, notices or written instructions to be given under the terms of this Agreement shall be served by sending the same by first class post or by hand, leaving the same at the addresses set out at the start of the Agreement.
- 18.2 Any party to this Agreement may change its nominated address by prior notice to the other parties.
- 18.3 Notices given by post shall be effective upon the earlier of (i) actual receipt, and (ii) five (5) Business Days after mailing. Notices delivered by hand shall be effective upon delivery.

19 CONTRACTS (RIGHTS OF THIRD PARTIES) ACT 1999

- 19.1 It is agreed for the purposes of the Contracts (Rights of Third Parties) Act 1999 that this Agreement is not intended to, and does not, give to any person who is not a party to this Agreement any rights to enforce any provisions contained in this Agreement.

20 WAIVER

- 20.1 Any relaxation, forbearance, indulgence or delay (together indulgence) of any party in exercising any right shall not unless made in writing, be construed as a waiver of the right and shall not affect the ability of that party subsequently to exercise that right or to pursue any remedy, nor shall any indulgence constitute a waiver of any other right (whether against that party or any other person).

21 SEVERABILITY

- 21.1 If any provision of this Agreement shall be declared invalid, unenforceable or illegal by the courts of any jurisdiction to which it is subject, such provision may be severed and such invalidity, unenforceability or illegality shall not prejudice or affect the validity, enforceability or legality of the remaining provisions of this Agreement.

22 NO PARTNERSHIP OR AGENCY

- 22.1 Nothing in this Agreement shall be construed as creating a partnership.
- 22.2 No party shall be deemed to be, an agent of any other party and no party shall hold itself out as having authority or power to bind any other party in any way.

23 VARIATION

- 23.1 This Agreement may not be varied except by an agreement in writing signed by duly authorised representatives of the parties.

24 CONFLICT WITH THE ARTICLES

- 24.1 If any provision of this Agreement is inconsistent with a provision of the Articles, then the terms of this Agreement shall prevail and the parties agree to procure the making of any amendment to the Articles as soon as reasonably practicable which is required in order to make the Articles consistent with the provisions of this Agreement.

25 GOVERNING LAW AND JURISDICTION

- 25.1 This Agreement shall be considered as a contract made in England and Wales and shall be subject to the laws of England and Wales.
- 25.2 The parties agree that the courts of England and Wales shall have exclusive jurisdiction to hear and settle any action, suit, proceeding or dispute in connection with this Agreement and irrevocably submit to the jurisdiction of those courts.

Executed as a deed by the parties or their duly authorised representatives on the date of this Agreement

The common seal of)
Lincolnshire County Council)
was hereunto affixed in the presence)
of:)

Seal

.....
Authorised officer

Executed and delivered as a DEED by)
[LINCOLNSHIRE LEGAL SERVICES)
TRADING LIMITED])
acting by its duly authorised signatories:)

.....
.....

SCHEDULE 1 - DEFINITIONS AND INTERPRETATION

1 Definitions

1.1 In this Agreement, unless the context otherwise requires:

Annual Budget means the annual budget forming part of the Business Plan

Articles means the articles of association of the Company set out in Schedule 4 as amended from time to time

Board means the board of directors of the Company for the time being

Business means the business of the Company as described in clause 3 and all matters reasonably ancillary to any such matters

Business Day means a day other than a Saturday, Sunday or a bank holiday in England

Business Plan means the plan referred to in clause 6.1 as the same may be varied or updated from time to time in accordance with the provisions of clause 6

Confidential Information has the meaning given in clause 11.5

Director means a director of the Company for the time being

Disclosing Party has the meaning given in clause 11.5

Environmental Information Regulations means the Environmental Information Regulations 2004 and any subordinate legislation made under the Regulations from time to time, together with any guidance and/or codes of practice issued by the Information Commissioner or relevant government department in relation to such legislation

FOIA means the Freedom of Information Act 2000 and any subordinate legislation (as defined in Section 84 of the Freedom of Information Act 2000) made under the Freedom of Information Act 2000 from time to time together with any guidance and/or codes of practice issued by the Information Commissioner or relevant government department in relation to such ;legislation

Indebtedness means any obligation for the payment or repayment of money, whether joint or several, actual or contingent, in respect of:

- (a) moneys borrowed or raised (including the capitalised value of obligations under financial leases and hire purchase agreements and deposits), debit balances at bank accounts and interest and other charges thereon or in respect thereof;
- (b) any liability under any debenture, bond, note, loan stock, commercial paper or other security or under acceptance or documentary credit, bill discounting or note purchase facilities;
- (c) any liability in respect of the deferred acquisition cost of property, assets or services to the extent payable after the time of acquisition or possession thereof by the party liable;
- (d) any guarantee, indemnity or other assurance against financial loss in respect of any of the indebtedness specified in this definition;
- (e) any cost or liability under any interest rate or currency hedging agreement; and
- (f) any other transaction having the commercial effect of the borrowing or raising of money

LCC Consent Matter means the matters specified in Schedule 6

LCC Representative means the person appointed as LCC's representative in accordance with clause 5

Outgoing Director has the meaning given in clause 4.5

Receiving Party has the meaning given in clause 11.5

Recipient has the meaning given in clause 11.2

Request for Information shall have the meaning set out in the FOIA or any apparent request for information under the FOIA or the Environmental Information Regulations

Shares means issued shares in the capital of Company of any class

2 Interpretation

2.1 This Agreement shall be interpreted according to the following provisions, unless the context requires a different meaning:

2.1.1 Headings are included for convenience only and shall not affect the interpretation of this Agreement.

2.1.2 Except where the context expressly requires otherwise, references to clauses, paragraphs, sub paragraphs, parts and Schedules are references to clauses, paragraphs, sub paragraphs and parts of and Schedules to this Agreement and references to Sections, Appendices and Attachments (if any) are references to Sections, Appendices and Attachments to or contained in this Agreement.

2.1.3 The Schedules to this Agreement are an integral part of this Agreement and a reference to this Agreement includes a reference to the Schedules.

2.1.4 Words importing persons shall, where the context so requires or admits, include individuals, firms, partnerships, trusts, corporations, governments, governmental bodies, authorities, agencies, unincorporated bodies of persons or associations and any organisations having legal capacity.

2.1.5 Where the context so requires words importing the singular only also include the plural and vice versa and words importing the masculine shall be construed as including the feminine or the neuter or vice versa.

2.1.6 The language of this Agreement is English. All correspondence, notices, and information shall be in English.

2.1.7 References to any law are to be construed as references to that law as from time to time amended or to any law from time to time replacing, extending, consolidating or amending the same.

2.1.8 References to a public organisation shall be deemed to include a reference to any successor to such public organisation or any organisation or entity which has taken over either or both the functions and responsibilities of such public organisation.

2.1.9 The words in this Agreement shall bear their natural meaning. The parties have had the opportunity to take legal advice on this Agreement and no term shall, therefore, be construed contra proferentem.

2.1.10 Reference to **parties** means the parties to this Agreement and references to a **party** mean one of the parties to this Agreement.

- 2.1.11 In construing this Agreement, the rule known as the *ejusdem generis* rule shall not apply nor shall any similar rule or approach to the construction of this Agreement and accordingly general words introduced or followed by the word other or including or in particular shall not be given a restrictive meaning because they are followed or preceded (as the case may be) by particular examples intended to fall within the meaning of the general words.
- 2.1.12 Reference to a document being in **Agreed Form** is a reference to the form of the relevant document agreed between the parties and for the purpose of identification initialled by each of them or on their behalf.
- 2.1.13 Where this Agreement states that an obligation shall be performed **no later than** or **within** or **by** a stipulated date or event which is a prescribed number of Business Days after a stipulated date or event, the latest time for performance shall be noon on the last Business Day for performance of the obligations concerned.
- 2.1.14 A reference to a **subsidiary** or **holding company** is to be construed in accordance with section 1159 of the Companies Act 2006.
- 2.2 In the event of conflict between the terms of this Agreement and the Articles, the terms of this Agreement shall prevail and, in the event of such conflict, the parties shall procure such modification to the Articles as shall be necessary to remedy such conflict.

SCHEDULE 2- DETAILS OF THE COMPANY

Name: [LINCOLNSHIRE LEGAL SERVICES TRADING LIMITED]

Registered Office: County Offices, Newland, Lincoln, LN1 1YL

Registered Number: [insert number]

Shareholders:

Shareholdings	Number and Class of Share
Lincolnshire County Council	1 Ordinary

Directors: [insert name of director]
[insert name of director]

SCHEDULE 3 - LETTER OF APPOINTMENT OF A NOMINATED DIRECTOR¹

[on the headed notepaper of the Company]

[name and address of nominated Director]

[Date]

Dear

[LINCOLNSHIRE LEGAL SERVICES TRADING LIMITED] (the Company)

- 1 This letter contains the terms which we have discussed and agreed for your appointment as a director of the Company, as [a][the] nominated Director nominated by Lincolnshire County Council (**LCC**) (**Nominated Director**). Your appointment is made pursuant to and is subject to the terms and conditions set in the Shareholder's Agreement dated [DATE] and made between LCC and the Company (**Shareholder's Agreement**).
- 2 You are not entitled to fees or remuneration for fulfilling the role of Nominated Director other than as agreed in writing from time to time by the Board.
- 3 You will be expected to attend the Board Meetings and General Meetings of the Company. You will receive details of all such meetings in advance.
- 4 You will not, whether during the appointment or after its termination, except in the proper course of your duties or as required by law, use or divulge, and shall use all reasonable endeavours to prevent the use or disclosure of, any trade or business secrets or any information concerning the business or finances of the Company or of any dealings, transactions, or affairs of the Company or any client, customer or supplier of the Company which comes to your knowledge during the course of this appointment and will comply with the provisions of clause 11 (*Confidentiality*) of the Shareholder's Agreement as if it applied to you. You will, however, be entitled to disclose information to LCC as permitted under the Shareholder's Agreement and the articles of association of the Company (**Articles**).
- 5 The appointment will automatically cease in relation to the Company in the event that:
 - 5.1.1 you resign as a director; or
 - 5.1.2 upon the lodgement or delivery of a notice from LCC in accordance with Article 11 of the Articles removing you from office in relation to the Company.

Without limitation to paragraphs 5.1.1 and 5.1.2 above, in signing this letter, you acknowledge that your office is subject to the terms of the Shareholder's Agreement and the Articles and may be determined as permitted under the terms of the Shareholders' Agreement and such Articles and that upon such termination you will vacate office in relation to the Company forthwith without raising any claim whatsoever against the Company (including without limitation any claim for compensation).

- 6 On termination of your appointment, you agree that you will promptly return to the Company Secretary all papers and property of the Company which are in your possession or under your control.
- 7 Please indicate your acceptance and acknowledgement of these terms by signing the attached copy and returning it to me. I look forward to seeing you at our next Board meeting.

Yours sincerely

¹ Drafting note: to be confirmed if the terms in this template letter are acceptable to LCC

.....
Signatory, duly authorised
for and on behalf of the Company

I agree to and acknowledge the terms and conditions set out above relating to my appointment as director of
[Lincolnshire Legal Services Trading Limited].

Signed

Print name

Dated

SCHEDULE 4 - CODE OF ETHICS

- 1 Representatives of the Company will adhere to the Nolan Standards of Public Life as follows:
 - 1.1 **SELFLESSNESS:** I will act solely in terms of the public interest. I will not act in such a way as to gain financial or other material benefits for myself, my family or my friends.
 - 1.2 **INTEGRITY:** I will not place myself under any financial or other obligation to outside individuals or organisations that might seek to influence me in the performance of my official duties.
 - 1.3 **OBJECTIVITY:** I will make choices on merit, in carrying out public business, including when making public appointments, awarding contracts or recommending individuals for rewards and benefits
 - 1.4 **ACCOUNTABILITY:** I will be accountable for my decisions and actions to the public and to the Council and must submit myself to whatever scrutiny is appropriate to my office.
 - 1.5 **OPENNESS:** I will be as open as possible about all the decisions and actions I take. I will give reasons for my decisions and restrict information only when the wider public interest or the law clearly demands.
 - 1.6 **HONESTY:** I will declare any private interests relating to my public duties and take steps to resolve any conflicts arising in a way that protects the public interests.
 - 1.7 **LEADERSHIP:** I will promote and support these principles by leadership and example.
- 2 LCC's representatives will comply with the Council's conduct and other ethical framework policies in force.
- 3 The Company agrees that minutes of all Company meetings and accounts and records of all Company dealings will be kept in a manner acceptable to LCC and there shall be no presumption that all such information is confidential. Whilst Company related information may not be routinely published, LCC reserves the right to publish information in the public interest, taking account of the views of the Company and provided this does not give rise to an actionable breach of confidence.

SCHEDULE 5 - THE ARTICLES

SCHEDULE 6 – LCC CONSENT MATTERS²

Ref	Matter
A	Financial and Business Plan
A1	The approval of the Business Plan and agreeing or approving any material amendments to the Business Plan including any in-year material changes to the Business Plan.
A2	The increase in any Indebtedness of the Company other than in accordance with the Business Plan.
A3	The commencement by the Company of any new business not being ancillary to or in connection with the Business or making any material change to the nature of the Business.
A4	The approval of the annual accounts once signed off by the auditors.
A5	The payment of any dividend to the shareholders
A6	The approval of any expenditure above the value of £[100,000] ³ that is not already approved in the Business Plan (excluding client disbursements)
A7	The approval of indemnities for relevant officers and any insurances in relation to the liabilities of officers
B	Share/ loan capital and constitutional
B1	Any amendment to the Articles.
B2	Any variation of any rights, including class rights, attaching to any shares or loan notes of the Company.
B3	The admission of further shareholders to the Company or agreeing any rights or restrictions attaching to any shares allocated to such new shareholders.
B4	The capitalisation of profits or reserves of the Company.
C	Officers of the Company
C1	The devolution or transfer of management control of the Company to persons outside the Board and, if approved, the terms of such devolution.
C2	The appointment (including the terms and conditions of appointment where such terms depart from Schedule 3) or removal of any Director (including alternate Directors)
D	Future direction and development of the Company
D1	Forming any subsidiary or acquiring shares in any other company or participating in any partnership or incorporated joint venture vehicle
D2	Amalgamating or merging with any other company or business undertaking

² To be reviewed by LCC. These are the current WCC Consent Matters.

³ Appropriate threshold to be confirmed by LCC

Ref	Matter
D3	Acquiring the business and assets of any other company or business undertaking
D4	Selling or disposing of any part of the business of the Company
D5	The commencement of any winding-up or dissolution or of the appointment of any liquidator, administrator or administrative receiver of the Company or any of its assets unless it shall have become insolvent, and no party shall present or cause to be presented or allow any act which would result in the winding up or the presentation of any petition for the winding up of the Company.
E	Management of the business of the Company
E1	A change of name of the Company.
E2	A change of the Company's registered office
E3	Creating or agreeing to create a charge, security or encumbrance over the Company's assets, shares or income
E4	Any matter that is reasonably likely to have an adverse effect on the reputation of LCC
E5	Changing the nature of the business or commencing any new business which is not ancillary or incidental to the business of the Company
E6 ⁴	Agreeing to enter into or entering into any acquisition or disposal of any material assets by the Company the total value of which the Board reasonably expects will exceed £[20,000]
E7	Giving notice of termination of any arrangements, contracts or transactions the total value of which the Board reasonably expects will exceed £[20,000] per annum or materially varying any such arrangements, contracts or transactions and such termination or variation is likely to have an adverse impact on the financial status of a Company
E8	Making any borrowing in excess of £[10,000]
E9	Agree to make or making any loan (otherwise than by way of a deposit with a bank or other institution, the normal business of which includes the acceptance of deposits or in the ordinary course of business) or granting any credit (other than in the normal course of trading or the granting of trade credit to a Company which has been approved under the Business Plan) or giving any guarantee or indemnity (other than in the normal course of trading)
E10	Changing the financial year of the Company
E11	Appointing or removing bankers of the Company.
E12	Appointing or removing auditors of the Company.
E13	Increasing or reduce the amount of its issued share capital, grant any option over or in its share capital, redeem or purchase any of its own shares or otherwise alter, or effect any reorganisation of, its share capital (where applicable)

⁴ Drafting note: financial thresholds in E6 – E8 to be confirmed

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

Report to:	Overview and Scrutiny Management Board
Date:	19 December 2019
Subject:	Progress Report by Scrutiny Panel B of its <i>Review of Overview and Scrutiny</i>

Summary:

On 29 August 2019, the Board approved the terms of reference for Scrutiny Panel B's review of overview and scrutiny. This report provides the Board with an update of the work undertaken so far, and the work planned prior to the conclusion of the review.

Actions Required

- (1) To note that Scrutiny Panel B has so far considered: -
 - each chapter of the *Statutory Guidance on Overview and Scrutiny in Local and Combined Authorities (issued by the Ministry of Housing, Communities and Local Government in May 2019)*
 - the existing executive – scrutiny protocol, entitled *Developing Relationships Between the Executive and Overview and Scrutiny*;
 - the statutory scrutiny officer role and resourcing for overview and scrutiny in Democratic Services;
 - clarifications of two aspects of the legislation; and
 - analysis of activity of the overview and scrutiny function.
- (2) To note that Scrutiny Panel B is due to consider: -
 - the Peer Review of Lincolnshire County Council (September 2019) and any relevant findings for the review;
 - discussions with the Leader of the Council, the Head of Paid Service and the Head of Communications;
 - questioning skills and support and training for overview and scrutiny councillors;
 - questionnaire responses from chairmen of overview and scrutiny committees;
 - analysis of the outcomes of the overview and scrutiny function;
 - role of Scrutiny Panel A and Scrutiny Panel B in scrutiny review process; and
 - the role of the Safeguarding Boards Scrutiny Sub Group.
- (3) To note the initial findings of the review.

- (4) To note that Scrutiny Panel B's draft final report will be submitted to this Board on 26 March 2020, prior to its consideration by the Executive on 5 May 2020.
- (5) To consider providing feedback to Scrutiny Panel B, bearing in mind the Panel's remit as indicated in its previously approved terms of reference.

1. Background

Terms of Reference for Scrutiny Panel B

1.1 On 29 August 2019, this Board approved the following terms of reference for Scrutiny Panel B's review of overview and scrutiny:

- (1) *To examine the Statutory Guidance on Overview and Scrutiny in Local and Combined Authorities issued by the Ministry of Housing, Communities and Local Government on 7 May 2019 and its implications for Overview and Scrutiny at Lincolnshire County Council.*
- (2) *Subject to the exclusion below, to review the current Overview and Scrutiny arrangements, which have been in place since May 2017, to see whether any further improvements can be made.*

Membership of the Panel

1.2 For the review of overview and scrutiny, Scrutiny Panel B comprises Councillors Mrs Angela Newton (Chairman), Tony Turner MBE (Vice Chairman), Bob Adams, Colin Matthews, Robert Parker, Stephen Roe, Mark Whittington and Ray Wooten. Councillor Barry Young attends each panel meeting as a non-voting representative of the Executive.

2. Progress of the Review

2.1 Scrutiny Panel B has held three meetings to date (30 September, 30 October and 20 November 2019). The focus of the first two meetings was on clause (1) of the Panel's terms of reference, working through each chapter of the *Statutory Guidance on Overview and Scrutiny in Local and Combined Authorities*. In addition the Panel has also focused on:

- the statutory scrutiny officer role and resourcing for overview and scrutiny in Democratic Services;
- clarifications of two aspects of the legislation; and
- analysis of activity of the overview and scrutiny function.

Remaining Activity

2.2 Scrutiny Panel B's remaining work programme includes the following:

- the Peer Review of Lincolnshire County Council (September 2019) and any relevant findings for the review;
- discussions with the Leader of the Council, the Head of Paid Service and the Head of Communications;

- questioning skills and support and training for overview and scrutiny councillors;
- questionnaire responses from chairmen of overview and scrutiny committees;
- analysis of the outcomes of the overview and scrutiny function;
- role of Scrutiny Panel A and Scrutiny Panel B in scrutiny review process; and
- the role of the Safeguarding Boards Scrutiny Sub Group.

Initial Findings

2.3 As indicated in paragraph 2.2 above, the Panel is due to consider several issues, prior to concluding its review. However, at this stage some initial findings are being compiled and will be reported at the meeting.

Implementation of Recommendations

2.4 At this stage, as a progress report, there are no recommendations. However, some recommendations from the final report of this review could be implemented immediately, if they fall within the remit of this Board. Other recommendations may need the agreement of the Executive, for example any recommended changes to the Executive / Scrutiny Protocol.

2.5 However, any recommendations for changes to the Council's Constitution will require a decision from the County Council, following consideration by the Audit Committee (as required in the Council's Constitution), in either May or September 2020.

3. Conclusion

3.1 The Board is asked to note the progress made so far in the review, including the initial findings, and provide feedback to the Panel, bearing in mind the approved terms of reference of the review.

4. Consultation

4.1 This is not a direct consultation item, although the Board may provide feedback to the Panel, if necessary.

5. Appendices

These are listed below and attached at the back of the report	
Appendix A	Scrutiny Panel B – Terms of Reference

6. Background Papers

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

This report was written by Simon Evans, Health Scrutiny Officer, who can be contacted on 01522 553607 or by e-mail at Simon.Evans@lincolnshire.gov.uk

APPENDIX A

Scrutiny Panel B – Proposed Review on Overview and Scrutiny

Main Lines of Enquiry

- (1) To examine the *Statutory Guidance on Overview and Scrutiny in Local and Combined Authorities* and its implications for Overview and Scrutiny at Lincolnshire County Council, by evaluating how the Statutory Guidance relates to the current Overview and Scrutiny arrangements at Lincolnshire County Council and identifying how the existing arrangements comply with the provisions in the Statutory Guidance.
- (2) To examine the current Overview and Scrutiny arrangements, including the Scrutiny-Executive protocol, and identify any areas for potential improvement.

Exclusion from Review

This review will examine the "Statutory Guidance on Overview and Scrutiny in Local and Combined Authorities" and the current Overview and Scrutiny arrangements at Lincolnshire County Council. Only the relevant legislation and this statutory guidance will be considered during this review.

Completion Dates

Overview and Scrutiny Management Board – 26 March 2020

Executive – 5 May 2020

(Note: As stated in the main report, if any changes are proposed to the Council's Constitution, they would require a decision by the County Council, following consideration by the Audit Committee. This could mean consideration of changes by the County Council in May or September 2020.)

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

Report to:	Overview Scrutiny and Management Board
Date:	19 December 2019
Subject:	HR Management Information and Workforce Plan Update Report

Summary:

The purpose of this report is to provide an update on the HR Management information and corporate HR projects.

Actions Required:

The Overview and Scrutiny Management Board is asked to seek assurance on HR Management Information and the progress on corporate HR projects.

1. Background

The regular review and monitoring of HR Management data at both Director Leadership Team (DLT) level and by Corporate Leadership Team (CLT) is enabling effective oversight of workforce and HR performance at both a local level and for the organisation.

The HR Service provides quarterly updates of HR management information to DLT's. Annual reports are also reported to the CLT which provides workforce information to aid planning to address future corporate workforce priorities. The HR Service is also required to publish information on the internet about the workforce in an annual gender pay gap report and in the annual Workforce Report, summarising equality and diversity performance both in line with statutory requirements.

This report provides a summary of the most recent data available from the 2019/2020 Quarter 1 HR Management Information report (April to June 2019).

The HR structure information and reporting functions are currently being updated in the Business World ERP system. The next HR management information quarterly report will be produced following Quarter 3 and will not include a sickness days lost per FTE or an annual turnover percentage. The next full report will be based on Quarter 4 data. While data is not available in full, any concerns relating to significant changes in employee management including sickness and turnover will

be escalated through Directorate Leadership Team meetings, addressed appropriately, and reported.

The report also includes an update of three key corporate HR projects overseen by the HR Service including:

- review of employment policies
- apprenticeship strategy 2020 - 21
- 2019 employee survey

2. Corporate Workforce Management Information

Together with other organisational information, the data about the workforce informs the priorities for the Council's HR and Workforce projects and the solutions required to address current and future workforce challenges, in particular to attract, recruit and retain skills in high risk areas.

The following summary highlights the key information gathered during Quarter 1 (Q1) of 2019/2020 (01/04/2019 - 30/06/2019). Illustrations of the data can be seen in Appendix A.

2.1. Number of employments

At the end of Q1 2019/2020 the Council had 4,517 employment contracts covering 3,999 full time equivalent (FTE) roles. The number of FTEs reached the lowest figure in March 2017 (3,429.) The following provides example reasons for the FTE variations over the previous years:

- Insourcing of Health Visitor teams and Children and Young People nurses totalling 211 full time equivalent roles from the NHS to Children's Services on 1 October 2017.
- Insourcing of 51 employees from Serco on 1 March 2019 to provide Human Resources, Customer support services and systems administration and development support for Mosaic and Business World.
- Additional funding to address specific workforce challenges (for example Better Care Funding for Adult Care).

Since the last report to this Board in June 2019, which covered data from Q3 2018 -19, the employments figure has risen by 105 FTE. This increase is also demonstrated by the continuation of successful recruitment campaigns to fill vacancies across the organisation including 12 residential care officers in Children's Services.

2.2. Agency spend

Services within the Council use agency workers to provide additional resources. Agency workers provide flexibility on a short-term basis, which may be to cover a role pending permanent recruitment, to cover a secondment, for peaks in demand, specialist skills or to cover absences such as paternity leave, holiday or sickness.

There are therefore circumstances where using agency workers is beneficial to the organisation as an effective way to fill short term absences or vacancies. Longer term and repeated use of agency workers can have a significant financial impact which we seek to avoid where possible.

There has been a reduction in the usage and cost of agency staffing through our agency contracts over the last three years when the figure reached £6 million in 2015/2016. The amount spent on agency workers in 2018-2019 under our current provider contracts was £4.48 million per annum. This reduction is partly due to the implementation of a number of effective recruitment and retention initiatives, reducing the need to cover vacancies with agency workers. Based on Q1 figures, it is estimated that the annual figure for 2019-2020 may increase on the 2018-2019 figures by 8.5%. This therefore remains an area to be monitored. Over the coming months all services will be required to review the use of agency workers and overtime for employees.

In Children's Services, government funding has been used to support the SEND reforms which has required agency resources which can only be fulfilled outside of the current contracts, for example Educational Psychologists. Following the SEND reforms implementation, the ongoing permanent staffing will be reviewed and it is planned that agency usage will reduce.

Legal Services continues to have high agency spend due, in particular, to the difficulties in appointing Childcare Lawyers as mentioned in the previous report. Work is continuing to find opportunities to improve the service's ability to attract and retain Childcare Lawyers.

Recent increases in agency usage have been for social workers in both Adult and Children's teams. As outlined above, the ongoing recruitment campaigns in both Directorates seek to fill all permanent vacancies to reduce any negative impact on service provision and employees in post.

2.3. Voluntary turnover

Voluntary turnover is currently 8.7% and has remained at a steady rate over the last two years, between 8% and 10% - this is considered a 'healthy' turnover rate. As part of the recruitment and retention focus, total turnover of new employees within their first 24 months of employment is also monitored to identify and address any areas of concern and as at Q1 stood at 4%. A benchmarking exercise undertaken across the PPMA Shire Counties Network (17 Councils) has shown that LCC has the third lowest voluntary turnover figure where the turnover levels ranged from 7.5% to 17.4%.

Induction arrangements are important to ensure that the appropriate development and support is identified for new employees. Some areas have recently reviewed their induction processes, an example of this is Business Support which has put in place arrangements to enable people who would otherwise be spread out in teams across the Council to come together and feel part of the Business Support service.

2.4. Days lost due to sickness absence

The Q1 days lost due to sickness absence is 7.15 days lost per FTE. This figure is based on the previous 12 months, therefore is not affected by seasonal variations seen particularly in the winter months. The data shows that although reported sickness absence had remained at a similar level between 2016 and 2018, over the last year the figure has shown an upward trend. It remains lower than the 7.5 sickness days per FTE target. This target was set in 2014-15 and continues to be used.

Information collected from a recent benchmarking exercise with the PPMA Shire Counties Network shows the LCC's sickness absence level is third lowest (out of 17) where the sickness days lost per FTE figures range from 6.75 days to 13.01 days.

The recent increases are most evident in Adult Care and Community Wellbeing, Children's Services and Uniformed Fire. These areas all include the delivery of front line services; however the fact that the levels have previously been lower suggests that there are still opportunities to reverse the recent increases.

The management of sickness absence continues to be a key priority for all Executive Directors and line managers and is reviewed on a quarterly basis at Director Leadership Team level. Any concerns are investigated and actions are put in place.

2.5. Reasons for sickness absence

Since the last report we have been tracking four groupings of sickness reasons:

- Cold/flu/virus (including respiratory, infections, headaches and migraines)
- Mental health (including stress, depression and mental illness)
- Musculoskeletal (including back and neck problems and other muscular issues)
- All other reasons (including surgery related, cancer and accidents)

It is clear to see the seasonal impact of short term absences in the cold, flu and virus category, however the long term absences (over 20 working days in length) have a greater impact on days lost to the organisation. In Q3 2018, the number of days attributed to mental health related absences had been showing a marked increase across the Council. Since December 2018, however, this has decreased from being the cause of 35% of all ongoing absences to 22%. This decrease has been evident across all director areas other than Children's Services where further support and guidance is planned. In other areas, the increases in absence have been due to employees having planned surgery and subsequent recovery time.

There are a number of initiatives planned as part of the Health and Wellbeing Strategy which focus on the mental health of the workforce with a current focus on the provision of mental health first aider training. In addition this winter all staff also

have the opportunity to receive free flu vaccinations which is being encouraged throughout the Council.

2.6. Equality data

Detailed analysis of the gender pay gap reporting and workforce equality data will take place later this year. The overall the gender balance across LCC remains at approximately 1/3 male (32.91%) and 2/3 female (67.09%).

2.7. Management of Employee Relations cases

The number of formal disciplinary and grievance cases open during Quarter 1 is 24 and 6 respectively. There have been minor rather than significant fluctuations in the number of cases over the last three years, however in this quarter there has been a marked increase in cases within Children's Services. These cases have been analysed and as no particular trends or causes can be identified, the Children's Leadership Team and HR Services will continue to monitor case numbers in this area.

The high risk cases are monitored by the Executive Director - Resources on a monthly basis and where appropriate, challenge is made on how cases are being managed. Formal lessons learned are conducted for the majority of high risk cases to make sure that the relevant services can make any changes to practice where appropriate and that employment policies, guidance and training are updated accordingly.

3. Projects Update

3.1. Review of all employment policies

A review of our employment policies is underway to ensure they are written in a user-friendly way, are easy to follow and that they support the Council in developing good working relations between managers and staff. As a result of this review, we will be making quite significant changes in terms of how our policies are written. We want to ensure they provide the information needed and reflect the culture we aspire to - fostering an environment of support and encouragement for our people, whilst delivering high performance across all our service areas. We are engaging with managers, trade unions, and other groups over the coming months to enable us to roll out updated versions of our policies in 2020, supported by communications and management training.

3.2. Apprenticeship Strategy 2020 – 21

As at the end of October, the total number of Lincolnshire County Council staff undertaking apprenticeships is 199, of which 52% are receiving training from local providers. A range of apprenticeships are being undertaken to support recognised areas of hard to recruit/retain or where there are national shortages.

As of 1 November 2019 levy paying organisations were able to transfer up to 25% of their levy to eligible employers directly. To date the Council has allocated

£130.5k into the Adult Care Sector to support 40 employees undertaking adult care apprenticeships in Lincolnshire.

From April 2020, the Council will be implementing a refreshed leadership and management development programme which will be aligned to the leadership apprenticeship standards, accredited by the Institute of Leadership and Management (ILM.) This will not only provide for a comprehensive corporate leadership programme tailored to meet the Council's needs, but will also enable the Council to further utilise the Apprenticeship Levy.

3.3. Employee Survey

An updated employee survey launched in November 2019, the results of which will be used to inform future organisational and workforce priorities. There are questions which enable comparison from the previous survey conducted in 2017 but also new questions have been incorporated to enable an assessment of employee engagement levels as well as seeking employee's ideas of how to embed the 'one council' culture. New questions have also been included to support the development of the Health and Wellbeing Strategy.

4. Conclusion

The regular review and monitoring of HR Management data at both DLT level and by CLT is enabling effective oversight of workforce and HR performance at both a local level and for the organisation. This is enabling CLT and Directors to identify priorities and solutions required to address current and future workforce challenges, at both local and corporate levels, in particular to attract, recruit and retain skills in high risk areas. It is planned that the next report to the Overview and Scrutiny Management Board will be provided in May 2020.

5. Consultation

a) Have Risks and Impact Analysis been carried out?

No

b) Risks and Impact Analysis

Not applicable

6. Appendices

These are listed below and attached at the back of the report	
Appendix A	Corporate Workforce Management Information illustrations Corporate Workforce Dashboard – Quarter 1 2019

7. Background Papers

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

This report was written by Lucy Shevill, who can be contacted on 01522 550422 or lucyk.shevill@lincolnshire.gov.uk.

LCC Corporate HRMI Data summary

Q1 2019/2020

LCC Corporate Establishment and Turnover

	2016/17				2017/18				2018/19				2019/20			
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4
Number of Employments (all posts)	4054	3965	3995	3940	4000	4042	4272	4225	4346	4361	4412	4513	4517			
Permanent	3794	3719	3725	3731	3793	3815	4014	3968	4096	4112	4156	4225	4240			
Temp / Fixed Term	260	246	270	209	207	227	258	257	250	249	256	288	277			
LCC FTE	3513	3435	3480	3429	3506	3543	3738	3701	3816	3841	3895	4000	3999			
FTE % increase	-3%	-2%	1%	-1%	2%	1%	6%	-1%	3%	1%	1%	3%	0%			
Agency Workers (On-contract)	119	115	133	136	122	107	121	104	107	125	104	128	134			
Agency (On-contract) usage rate	3%	3%	3%	3%	3.0%	2.6%	2.8%	2.4%	2.4%	2.8%	2.3%	2.8%	2.9%			

Narrative

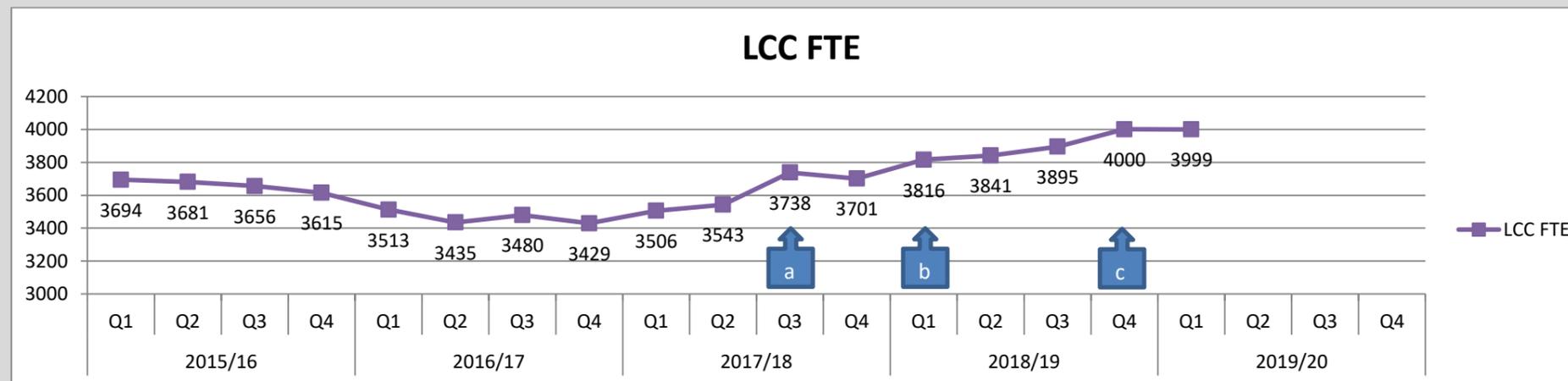
Gradual increase of FTE since 2016 including insourcing, recruitment to hard to fill vacancies with more permanent positions and fewer agency workers, fixed term and temporary positions. This upward trend has levelled in Q1

Permanent positions are more attractive to new recruits and help to provide a more stable workforce to support services.

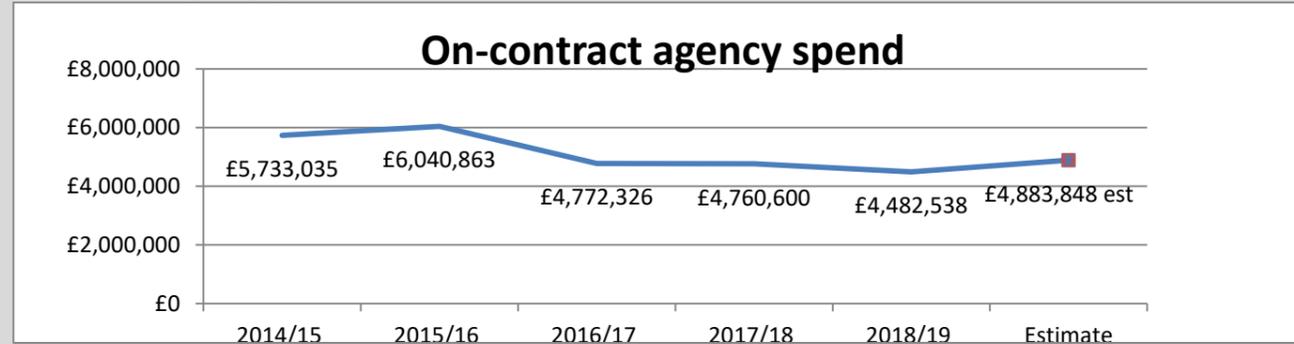
a. Insourcing of 211 Health visitors and Children & Young People nurses to Children's services

b. Data reporting improvements

c. Insourcing of 51 employees from Serco providing HR services, Customer information requests and Systems support: Mosaic and BWon.



On-contract Agency spend

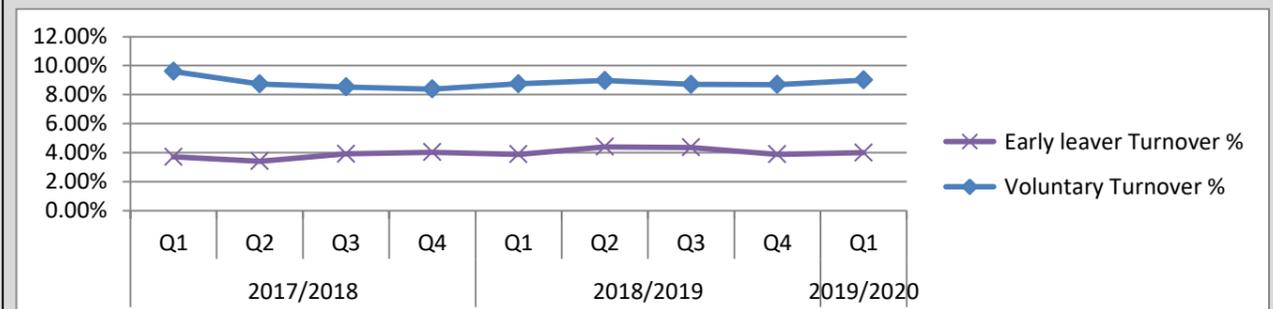


This reflects decreasing agency spend to reduce cost to the organisation, to improve stability for services and employed workers. This was evident up to the end of Q4 2018 – 2019. The agency worker figures in Q1 2019-2020 suggest that if agency worker numbers continue in the same volume, there will be a £400,000 increase in agency spend by the end of Q4, officers are being asked to review agency and overtime usage to ensure contracts of employment are in place wherever possible.

The increase in agency spend is mainly for Social workers for both Adults and Children and residential care officers. Recent recruitment campaigns have been successful which has included appointment of 12 Residential care officers

Turnover has remained stable and compares well nationally at a 'healthy' rate. Early leaver turnover has decreased since Q2 last year and additional efforts are being put in place to ensure positive local induction and support of new recruits particularly in Business Support.

Period	2017/2018				2018/2019				2019/2020
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1
Involuntary leavers	26	30	15	24	12	38	22	13	12
Voluntary leavers	86	100	88	92	97	111	73	88	103
Total leavers	112	130	103	116	109	149	95	101	115
Early leaver Turnover %	3.71%	3.42%	3.92%	4.03%	3.89%	4.40%	4.36%	3.89%	4.00%
Voluntary Turnover %	9.60%	8.74%	8.53%	8.38%	8.75%	8.97%	8.70%	8.70%	9.00%



LCC Corporate Sickness Absence

Trend against days lost per FTE target per quarter

Org Unit	2017 Q1	2017 Q2	2017 Q3	2017 Q4	2018 Q1	2018 Q2	2018 Q3	2018 Q4	2019 Q1
Adult Care and Community Wellbeing	9.36	9.07	8.29	7.52	7.54	7.85	8.13	8.37	8.46
Children's Services	7.38	7.12	6.64	7.06	7.23	7.69	8.11	7.89	8.04
Environment & Economy	3.93	3.70	4.16	4.79	5.14	5.56	5.56	4.45	5.31
Finance & Public Protection (Excl. LFR)	5.87	5.78	5.83	6.09	6.05	6.14	6.31	6.89	5.99
Commercial	2.38	2.35	1.94	2.49	2.69	2.46	2.46	3.06	2.92
LFR (Uniformed)	5.95	6.17	5.72	6.53	5.58	6.35	6.33	8.42	9.59
Totals:	6.46	6.31	6.10	6.37	6.45	6.81	7.04	7.06	7.15
Finance & Public Protection (Inc. LFR)	5.89	5.86	5.81	6.18	5.96	6.19	6.31	7.19	6.63

Narrative:

Days lost to sickness absence

Days lost to Sickness absence is below the 7.5 days target corporately. This compares well with the average public sector figures.

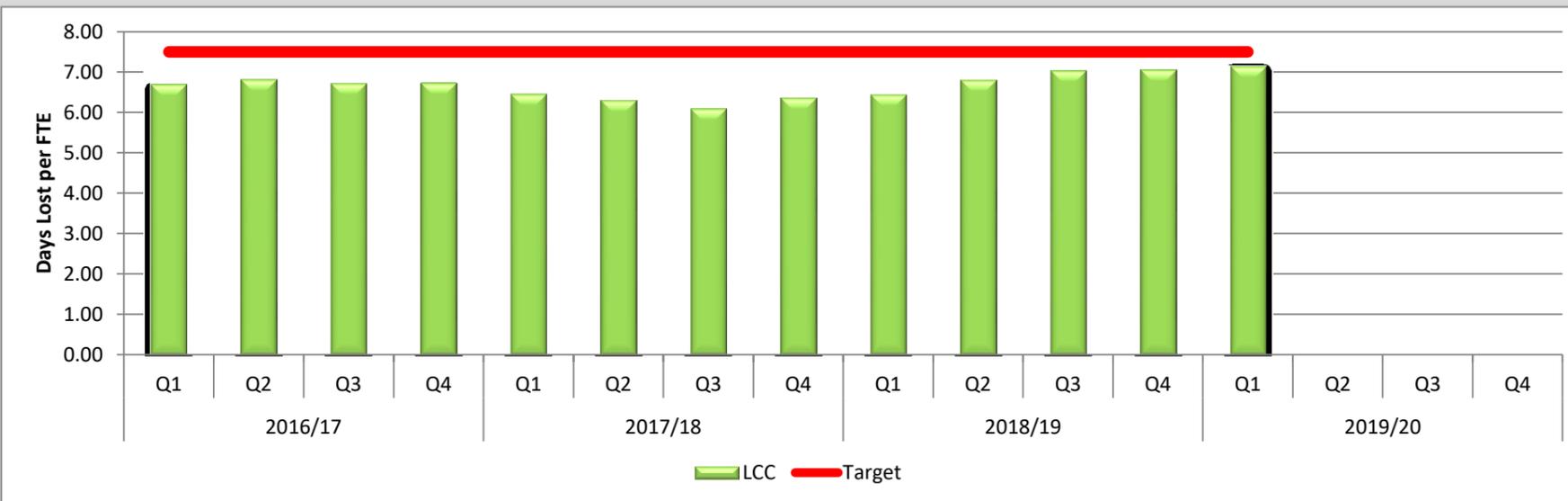
Increases can be seen in Q1 2019 particularly in the areas which are already above the 7.5 days target in Adult Care and Community Wellbeing, Children's Services and Uniformed Fire (the data is a rolling year figure so is not affected by seasonal variations).

Sickness reasons

The reasons for sickness absence are recorded against 29 separate reasons which are grouped into:

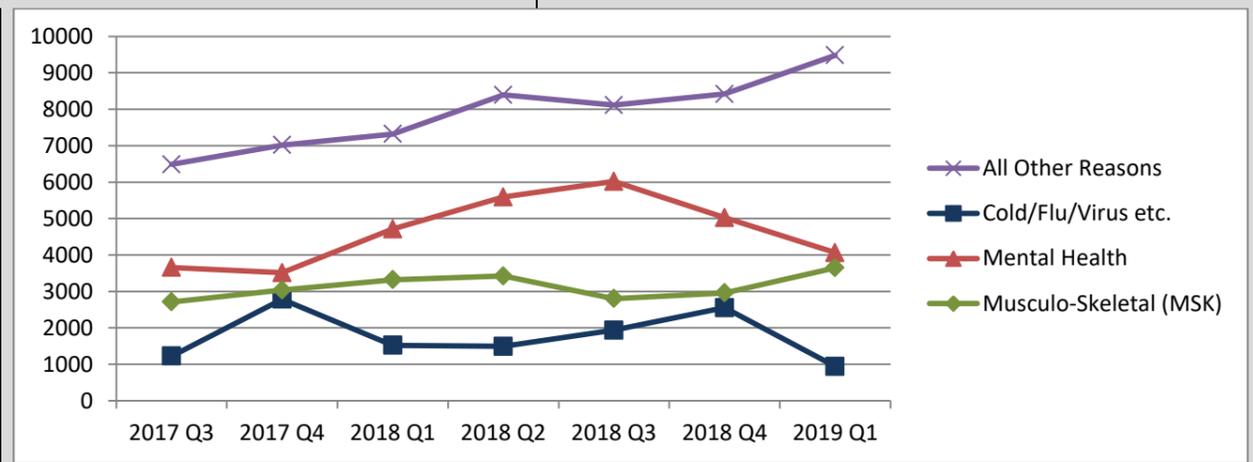
- Mental Health
- Musculo-skeletal
- Cold/flu/Virus
- All other reasons (incl surgery related)

The number of days lost shows the impact that the absences have on the organisation and although absences for cold and flu are common, peaking in Q4. The Q3 peak in Mental Health related absence has reduced in the last two quarters. Where there have been increases in absence these have been mainly due to long term periods of absence due to surgery recovery. Awareness of and openness about mental health issues remains a priority as part of the health and wellbeing strategy.



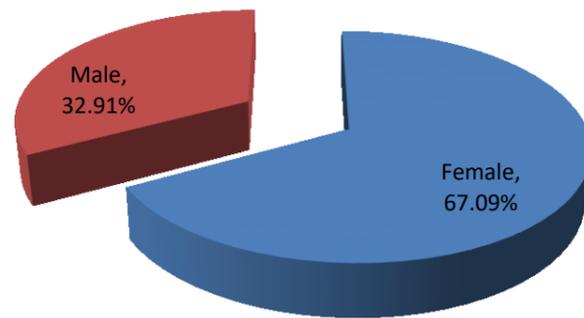
Sickness reasons - counted in days lost due to current absences within the quarter.

Sickness reason group	2018 Q1	2018 Q2	2018 Q3	2018 Q4	2019 Q1	2018 Q1 days - 2019 Q1 days	% increase	2018 Q1 % of total	2019 Q1 % of total
All Other Reasons	7322	8394	8115	8418	9480	2158	29%	43%	52%
Cold/Flu/Virus etc.	1523	1492	1938	2553	941	-582	-38%	9%	5%
Mental Health	4712	5593	6019	5023	4062	-650	-14%	28%	22%
Musculo-Skeletal (MSK)	3321	3421	2803	2958	3647	326	10%	20%	20%
Total days lost	16878	18900	18875	18952	18130	1252	7%		



Workforce data

Gender Profile



Gender profile and pay

The gender profile of the organisation is typical for public sector organisations.

The median gender pay gap is 2.1% considerably below the public sector level of 14.2%.

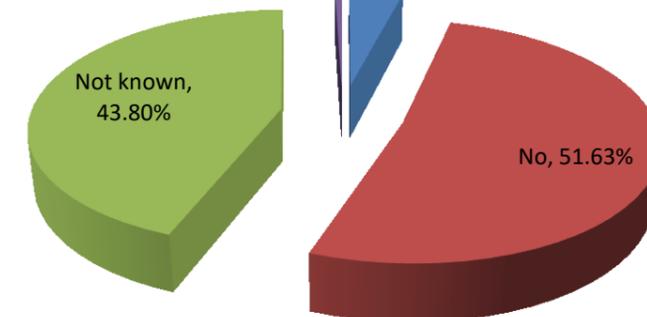
Disability status

The proportion of staff declaring that they have a disability has increased from 2.31% in 2017 to 3.28% in 2018 to the current figure of 4.07%. This remains below the local labour market figure.

Employees with disabilities are supported to attend work and adaptations to their working arrangements and equipment are put in place where necessary.

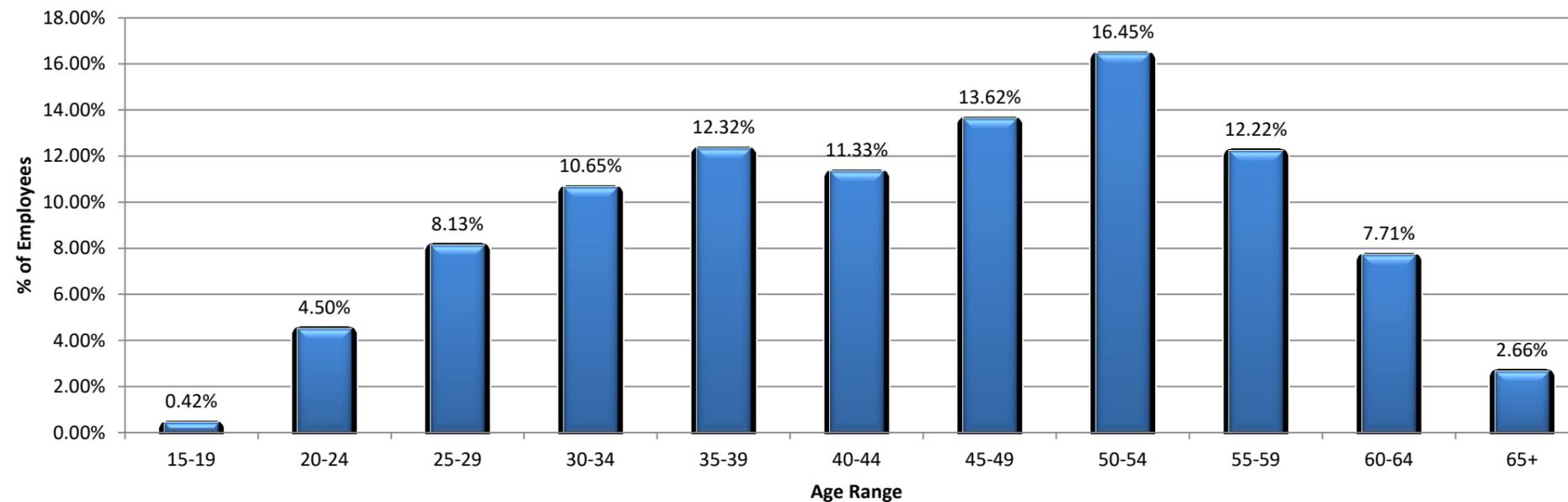
Prefer not to disclose, 0.50%

Yes, 4.07%



Disabled status

Age Range Profile



Age Profile

The age profile of the organisation shows a large number of experienced employees heading to an age where there is an increased risk of losing their skills and expertise through retirement. Since the last report these figures have shown only minor fluctuations (within 1%).

The attraction and retention of younger employees will provide the organisation with greater resilience for the future.

Continued development of apprenticeships and career progression routes will not only support the hard to recruit areas but assist the organisation in developing and retaining skills internally so we avoid a skills shortage in the future.

Further analysis of the gender pay gap and workforce profile is planned later this year as part of our statutory reporting.

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

Report to:	Overview and Scrutiny Management Board
Date:	19 December 2019
Subject:	Scrutiny Committee Work Programmes: - <ul style="list-style-type: none">• Public Protection and Communities 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 Public Protection and Communities 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 Public Protection and Communities 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 Public Protection and Communities 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 Public Protection and Communities Scrutiny Committee.

3. Appendices

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

Appendix A	Public Protection and Communities Scrutiny Committee - Highlights of Activity and Future Work Programme
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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 Daniel Steel, Scrutiny Officer, who can be contacted on 01522 552102 or by e-mail at Daniel.Steel@lincolnshire.gov.uk

**PUBLIC PROTECTION AND COMMUNITIES SCRUTINY COMMITTEE
HIGHLIGHTS OF ACTIVITY AND FUTURE WORK PROGRAMME**

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

The Public Protection and Communities Scrutiny Committee met on 29 October 2019 and 10 December 2019 and considered a number of reports including the following items:

Annual Prevent Review

In October, members were informed that the government had recently announced the appointment of Lord Carlile as the Independent Reviewer of the Prevent programme, which would focus on the current national delivery of the Prevent programme and make recommendations for the future. The review is expected to report to Parliament by August 2020.

Members were reassured that officers in Lincolnshire were working with partners and engaging with the community on Prevent. Lincolnshire has put in place a robust framework for governance and leadership which included offering training and development to staff; engagement and diversity awareness workshops; women's engagement workshops and a community collaboration project.

Registration, Celebratory and Coroners Service Update

Members were advised that the service was meeting requirements to register births and stillbirths, with 99.62% of people rating the service as good. Members were informed that as of July 2019 the Registration service had been able to take card payments for certificates and all other services at its main Lincoln Office, and the card payment system had begun to be rolled out to the other offices, with the work scheduled to be completed by 4 November 2019. The Committee was pleased with the progress made in this area since highlighting this as a concern at the last update in 2018.

Performance Review: Adults Reoffending

The Committee considered an update on the Adult Reoffending performance measure in the Council Business Plan, as requested by the Overview and Scrutiny Management Board.

Members were informed that the reoffending rate for adult offenders in Lincolnshire had remained around 29.6% on average for the last two years. It was noted that the offence type with the largest cohort of offenders and reoffenders was shoplifting. In 2016, Lincolnshire Police had launched an Assisting Rehabilitation through Collaboration (ARC) scheme, which involved working with the most prolific offenders to address the underlying causes of their offending behaviour.

Members were advised that ARC had seen a significant reduction in reoffending rates. It was acknowledged that there were some gaps in the service that needed to

be addressed and Lincolnshire police was looking to bridge those gaps and was 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.

It was agreed that an update on Lincolnshire's Adults Re-offending would be brought back to the Committee in 6 months' time.

Fire and Rescue Statement of Assurance

In December, the Committee endorsed the annual Fire and Rescue Statement of Assurance which meets the requirement for the fire and rescue authorities to provide an annual Statement of Assurance on financial, governance and operational matters and to show how they have had due regard to the expectations set out in their integrated risk management plan.

Road Safety Partnership Annual Report

The Committee received a comprehensive annual report on the Road Safety Partnership in December which provided members with an update on fatal, killed and serious injury (KSI) casualty figures for Lincolnshire.

Much progress had been made in reducing road traffic collisions since the formation of the Lincolnshire Road Safety Partnership in 2000. Road safety was identified as the third highest ranked service in a 2016 extensive Lincolnshire County Council public consultation exercise carried out to identify budget priorities.

The Committee received assurance on the work being undertaken by the Road Safety Partnership to reduce the number of people killed and injured on county roads and considered the current position for 2019 and progress towards the yearly delivery plan.

Future Meetings

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

28 JANUARY 2020 – 10:00am		
Item	Contributor	Purpose
Revenue and Capital Budget Proposals 2020/21	Les Britzman, Chief Fire Officer; Nicole Hilton, Assistant Director - Communities	PRE-DECISION SCRUTINY Budget proposals for 2020/21.
Emergency Planning – Summer 2019 Flooding Response	Ian Reed, Head of Emergency Planning & Business Continuity	Update on the Emergency Planning response to the Summer 2019 Flooding incidents.
LFR Draft Risk Management Plan 2020 Consultation	Les Britzman, Chief Fire Officer; Dan Quinn, Assistant Chief Fire Officer	Consultation

17 MARCH 2020 – 10:00am		
Item	Contributor	Purpose
Fire and Rescue Integrated Risk Management Plan 2020	Les Britzman, Chief Fire Officer	PRE-DECISION SCRUTINY
Blue Light Collaboration Programme	Tim Joyce, Area Manager-Response	Progress on the Blue Light Collaboration Programme
Sitting as the Crime and Disorder Scrutiny Committee		
Review of the Safer Lincolnshire partnership	Sara Barry, Head of Safer Communities	

28 APRIL 2020 – 10:00am		
Item	Contributor	Purpose
Community Hub Progress and Developments	Louise Egan, Library and Heritage Client Lead	Review of the current position of the Community Hubs
Adults Reoffending Performance	Sara Barry, Head of Safer Communities	Review of the Adults Reoffending performance measure.
Sitting as the Crime and Disorder Scrutiny Committee		
Domestic Abuse including review of commissioned services	Sara Barry, Head of Safer Communities	

09 JUNE 2020 – 10:00am		
Item	Contributor	Purpose
Animal Health and Welfare review	Sara Barry, Head of Safer Communities	review of activity and performance against national framework

28 JULY 2020 – 10:00am		
Item	Contributor	Purpose
Performance of the Library Services Contract – Year Four Review Report	Nicole Hilton, Assistant Director - Communities	Review of the third year performance and key performance indicators (KPI) for the Library Services Contract.
Safer Together first year review	Sara Barry, Head of Safer Communities	

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

Report to:	Overview and Scrutiny Management Board
Date:	19 December 2019
Subject:	Azure Migration

Summary:

This report invites the Overview and Scrutiny Management Board to consider a report on Azure Migration which is being presented to the Executive Councillor for Highways, Transport and IT between 07 and 21 January 2020. The views of the Board will be reported to the Executive Councillor as part of his 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 Councillor for Highways, Transport and IT as set out in the report.
- 2) agree any additional comments to be passed to the Executive Councillor in relation to this item.

1. Background

The Executive Councillor for Highways, Transport and IT is due to consider a report on Azure Migration between 07 and 21 January 2020. The report is attached at Appendix 1.

2. Conclusion

Following consideration of the attached report, 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 Councillor. Comments from the Board will be reported to the Executive Councillor.

3. Consultation

a) Have Risks and Impact Analysis been carried out?

See attached report.

b) Risks and Impact Analysis

See attached report.

4. Appendices

These are listed below and attached at the back of the report	
Appendix 1	Report on Azure Migration to be presented to the Executive Councillor for Highways, Transport and IT between 07 and 21 January 2020.

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 John Wickens, Assistant Director - IMT, who can be contacted on 01522 553651 or John.Wickens@lincolnshire.gov.uk.

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

Report to:	Councillor R G Davies, Executive Councillor for Highways, Transport and IT
Date:	Between 07 - 21 January 2020
Subject:	Azure Migration
Decision Reference:	I019272
Key decision?	Yes

Summary:

Approval is sought to proceed with a project through the Council's contract with Serco to migrate the Council's servers, applications and data from the existing remote hosting locations to Microsoft Azure and approve expenditure of £790k in 2020/21 to be funded through the Information Management and Technology (IMT) Capital Budget.

The detailed Business Case attached was prepared by Serco in support of its proposal to undertake this work, and details a Return on Investment Breakeven point during 2022 through the Revenue Budget savings generated from a reduction in the Council's IMT Infrastructure hosting costs.

Recommendation(s):

That the Executive Councillor:

- (1) Approves the commissioning of the Azure migration project as detailed in the detailed Business case attached at Appendix A.
- (2) Delegates to the Executive Director - Commercial, in consultation with the Executive Councillor for Highways, Transport and IT, authority to take all decisions and approve the entering into all such contracts as are necessary to give effect to the above decision.

Alternatives Considered:

- | | |
|----|---|
| 1. | To continue current hosting arrangements. |
|----|---|

Reasons for Recommendation:

There is a strong financial case providing break even during 2022 and resulting in a saving in subsequent years of £897k per annum thereafter (at current consumption levels and at today's prices).

Extended warranty is available for the large number of Windows 2008 servers reducing both cost and urgency of the required work to upgrade these servers due to end of support early next year.

Our prime Service Provider Serco has partnered with a sector leading specialist and together they form a strong proposition to undertake this work effectively.

Microsoft has invested significantly in "State of the Art" monitoring for Cyber security and cost control potentially allowing further offset cost to be delivered.

Pursuing this strategy will provide additional opportunities to further reduce our footprint in Lincoln's Orchard House Data Centre and provide further savings through reduced power and cooling levels.

1. Background

Prior to 2015 the Council hosted much of its Data Centre (DC) infrastructure onsite and while appropriate at the time of implementation, by 2014 the technology platform had become outdated, prone to failure, and presented the Council with significant risks such as a lack of resilience and disaster recovery capability. The options for the Council were limited, involving either refreshing the legacy estate at significant cost, or moving with the market and making use of the Infrastructure as a service (IAAS) market. Essentially IAAS based hosting means using offsite data centres that are managed by third parties, and buying capacity rather than physical equipment. The Serco bid proposed that it delivers the IMT Services through the transformation of the existing Lincolnshire County Council (LCC) DC estate by moving it into a private cloud IAAS, and assumed that most of the workload would be migrated to its preferred private cloud hosting partner Sungard.

This migration activity was a significant undertaking and resulted in the migration of roughly 65% of the Council's DC infrastructure, some 300 Virtual Machines (VM), while 35% of the Council's DC infrastructure still sits within LCC's Orchard House DC.

Since 2015 the DC market has continued to mature and the existing private cloud model is now considered by Serco and the Council to be sub-optimal for the meeting by Serco of the Council's requirements because it requires additional maintenance effort when compared with newer technology options, and due to those new services it is no longer the most efficient or cost effective way for Serco to provide DC capacity. It is now more efficient to obtain such services from a public cloud, such as Microsoft Azure, which enables a more efficient use of the DC and provides some additional benefits identified below.

The main difference of interest between a public cloud and a private cloud is that in a private cloud the purchaser buys the capacity that it believes it needs, in advance via a fixed fee. In contrast, within a public cloud the infrastructure can be scaled immediately on demand. Scaling on demand means that the purchaser only uses and pays for what it needs when it needs it, and its capacity profile can flex up and

down ensuring the purchaser only pays for capacity it actually uses, rather than what it estimates it might need.

In addition, the Microsoft Azure Cloud service can deliver resilient services natively without having to duplicate systems at LCC's cost allowing a large number of servers to be removed over time. The service can be consumed from another Microsoft DC in the event a whole DC becomes unavailable and the services can be reinstated far more quickly than at present, improving both resilience and availability for LCC's day to day software applications.

Under the Serco contract, Serco is responsible for making available to the Council the functionality of its software applications. In order to do this it must provide or contract for the provision and ongoing management of an infrastructure solution capable of hosting the software.

At present Serco delivers this service through a combination of managing servers at the Council's own Data Centre in Orchard House and sub-contracting hosting services to Sungard who host a number of Council applications. Under the proposal Azure would become the solution for the third party hosting element of this service.

In order to facilitate an easy and smooth exit from the arrangements in the event that the Serco contract comes to an end, the Council will have a direct contract with Microsoft Azure which is an improvement on the existing sub-contract arrangement which requires complex step-in arrangements to ensure continuity of provision if the Serco contract comes to an end. This may in turn require amendment to the Serco contract to ensure Serco can continue to deliver its services to the same standards.

This is therefore a development of the existing contract rather than a new contract and is closely related to Serco's contractual obligations.

It is therefore appropriate to implement the project through the existing project provisions of the Serco contract which provide for the development and delivery of IT projects during the term of the contract with suitable provisions for determining what payments may be appropriate to reflect the fact that the basis of the contract is being changed and to reflect the work involved in that change being made.

2. Legal Issues:

Equality Act 2010

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

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

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

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

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

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

* Take steps to meet the needs of persons who share a relevant protected characteristic that are different from the needs of persons who do not share it

* Encourage persons who share a relevant protected characteristic to participate in public life or in any other activity in which participation by such persons is disproportionately low

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

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

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

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

There are not considered to be any direct impacts of the decision in relation to people with a protected characteristic.

The Council provides a range of solutions and makes suitable adjustments to enable people with a disability to access the software through their end user devices and this decision does not materially change any aspect of that provision.

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

There are not considered to be any implications of this decision for the themes of the JSNA and JHWS.

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

There are not considered to be any implications of this decision for crime and disorder matters.

3. Conclusion

There is a clear financial business case to proceed with this project given it delivers sizable revenue savings when complete. That is even before the significant strategic advantages that flow from the ability to leverage other Microsoft technologies most especially in the area of data analysis, business intelligence, knowledge management and artificial intelligence.

LCC will continue to have a hybrid strategy as we also leverage Amazon services where we see financial or technical advantages and currently our Web services are increasingly hosted with that provider.

4. Legal Comments:

The Council has the power to enter into the arrangements proposed.

The legal issues to be taken into account in reaching a decision are set out in the body of the Report.

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

5. Resource Comments:

The 2019/20 IMT revenue budget includes £373k to fund phases 1 and 2 of the Azure implementation as detailed in the attached business case. The expenditure of £790k proposed in this paper to be funded from the 2020/21 Capital Programme, will enable completion of the third and final phase resulting in revenue budget savings of £897k per annum following completion based on current consumption levels. This equates to a payback period of 16 months (measured against the full cost of all 3 phases).

6. Consultation

a) Has Local Member Been Consulted?

n/a

b) Has Executive Councillor Been Consulted?

Yes

c) Scrutiny Comments

The decision will be considered by the Overview and Scrutiny Management Board at its meeting on 19 December 2019 and the comments of the Board will be reported to the Executive Councillor.

d) Have Risks and Impact Analysis been carried out?

Yes

e) Risks and Impact Analysis

No exceptional commercial, technical or legal risks were identified that would lie outside of the Corporate risk appetite, Creative & Aware.

Any exceptional risks (above risk appetite) will be reported to the IMT Board as a matter of course.

7. Appendices

These are listed below and attached at the back of the report	
Appendix A	Detailed Business Case IMT-418 Azure Migration V1.1

8. Background Papers

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

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

Detailed Business Case – IMT418 – Azure Migration

Document Control

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Version History		
Version	Date	Description of Change
1.0	01/10/2019	Azure Migration
1.1	29/11/2019	Edited to repurpose document
1.2	29/11/2019	Proof corrections

Prepared by
Ian Roy

Sponsor
John Wickens

1. Executive Summary

Background

Prior to 2015 the Council hosted much of its Datacentre infrastructure onsite and while appropriate at the time of implementing by 2014 the technology platform had become outdated, prone to failure, and presented the Council with significant risks such as a lack of resilience and disaster recovery capability. The options for the Council were limited, involving either refreshing the legacy estate at significant cost, or moving with the market and making use of the 'cloud'. Essentially 'cloud' based storage means using offsite data centres that are managed by third parties and buying capacity rather than physical equipment. The Serco bid proposed the transformation of the existing LCC Datacentre estate by moving it into a private cloud and assumed that most of the workload would be migrated to their preferred cloud hosting partner SunGard.

This migration activity was a significant undertaking and resulted in the migration of roughly 50% of the Council's Datacentre infrastructure, some 300 Virtual Machines, while the remaining 50% of the Council's Datacentre infrastructure sits within Orchard House

Current State

Since 2015 the Datacentre market has continued to mature and the existing private cloud model is now considered sub-optimal for the Council's requirements because it requires additional maintenance effort, and due to new technologies, it is no longer the most efficient way to buy Datacentre capacity. It is now more efficient to buy services from a public cloud, such as Microsoft Azure, AWS or Google, which enables a more efficient use of the Datacentre and provides some additional benefits identified below.

The main difference between a public cloud and a private cloud is that in a private cloud the Council buys the capacity that it believes it needs, in advance via a fixed fee. In contrast, within a public cloud the infrastructure is scaled immediately on demand. Scaling on demand means that the Council only uses and pays for what it needs when it needs it, and its capacity profile can flex up and down minute by minute ensuring the Council only pays for capacity it actually uses, rather than what it estimates it might need.

As a public cloud can respond immediately to increased demands it is also possible to change the way that resilience is managed. Currently the Council buys additional capacity in advance to ensure that it has a resilient model, i.e. duplicating systems and servers to ensure that backup capacity is available in the event of an outage. This is now an expensive model and means the Council is paying for capacity it might never use. Within a public cloud it is possible to immediately and automatically provision additional capacity in the event of an outage or security attack, and only pay for what has been used. This provides a much more efficient delivery model that still offers the resilience that the Council requires.

Future

Serco previously submitted an outline business case to move the Council from its current private cloud, to a new public cloud platform in Microsoft Azure; this has now been refined and the savings projections are still in line with expectations but in addition we have now

included selected elements of Orchard House within the scope. Considering the above benefits Serco have submitted an updated proposal to move the Council's SunGard Datacentre infrastructure into a Microsoft Azure public cloud environment. Due to some technical constraints the Council is required to retain some of its residual onsite Datacentre infrastructure, which has recently been refreshed to ensure that it remains reliable and serviceable.

Whilst the migration is taking place the Serco/IMT team will look to carry out a housekeeping exercise of all applications with a view to rationalise the number and provide additional cost reductions.

Financial Information

Completing the migration activity from SunGard to Azure provides an annual saving of circa £897K. Considering implementation costs of £1.165M the return on investment will be 18-24 months dependent on speed of the migration activities.

The following information provides a financial breakdown of potential savings

All numbers are 000's	Business Case	
Implementation Costs		
Serco Implementation Cost	£	990
Third Party Vendor Implementation Cost (Provision)*	£	175
Total Implementation costs	£	1,165
Ongoing Costs (per annum)		
Current Baseline cost for SunGard	£	1,872
Less Ongoing Azure Platform Costs	£	642
Less Azure Management and support	£	175
Less Orchard House Migration to Azure (Windows 2008)	£	158
Total Ongoing Cost for Azure Servers (per annum)	£	975
Annual Saving moving from SunGard to Azure	£	897

**These costs will arise through the need to reconfigure various applications that the Council uses which will be hosted within the Azure environment. The application vendors will charge the Council for this reconfiguration work. It is currently unknown the full extent of this work and so the costs identified are provisional and will be updated when more information is available.*

2. The Strategic Case

2.1 Description of the Programme

The programme requirement is to migrate LCC existing server estate from the SunGard data centre managed service to the Microsoft Azure Cloud. Doing so creates an additional benefit through the extended support to the Windows 2008 server estate which is offered by Microsoft for Azure customers.

The programme requires the discovery, design, implementation, migration and support of an Azure solution with an associated Service Design. This will facilitate the exit from the current platform in SunGard whilst protecting the Windows 2008 Server support for an additional 3 years.

The overall objective of this Programme is to deliver the following benefits to Lincolnshire County Council: -

- A target environment designed for a transformed, 'Hybrid/Cloud Centric' operating model
- A significant long-term cost reduction achieved through lower hosting costs and a more efficient service model
- Creation of a scalable platform for future development
- Streamlining of the deployment and management of infrastructure capacity
- Disaster Recovery as a Service
- Cloud centric operating models for Secure Management and Monitoring
- A hosting environment complementary to LCC's strategy to move to Office 365
- Improved service delivery and management by Serco for the new platform
- Continued support for the Windows Server 2008 legacy Operating System

"Hybrid Cloud is a computing environment which uses a mix of on-premise, private & public cloud services as a cost-effective, manageable computing solution."

2.2 Rationale for the Programme

Summary information

Lincolnshire County Council (LCC) currently has a server estate that is spread across several locations. The main data centres are: -

- **SunGard Hosted Data Centre** – Server and Operating System layer managed by SunGard with the application layer managed by Serco

- **Orchard House Data Centre** – Server, Operating System and application layers managed and maintained by Serco.

The current mixed hosting environment presents LCC and Serco with several commercial and technical issues: -

- A proportion of the Orchard House server estate has unsupported hardware and/or software which leads to service failures and increased security risk;
- The general technical model inhibits operational agility, increasing lead time for technical changes and often resulting in over-provision/underutilisation of resources. The net result is a higher cost to LCC.
- Services uniquely available in the Azure platform will allow a number of significant strategic benefits to be provisioned, eg password less logon.

Rationale

SunGard currently provide a hosted private cloud for about 300 Virtual Machines (approximately 50% of the total LCC estate of Virtual Machines):

- It is based on a Legacy private cloud model which provides limited benefits of on-demand elasticity of Virtual Machines or storage;
- Availability and recovery targets require stand-by instances to be provisioned and paid for, increasing costs;
- Relatively high charges in comparison with public cloud equivalent services.
- Serco - SunGard contract ends December 2021 and contract renewal is expected to increase costs further, acting now will negate the need for contract renewal.

On premise (Orchard House) facility owned by LCC:

- On premise support charges consist of a fixed monthly fee, in addition to a component of the contract Availability Fee - this cost will remain broadly the same during the remaining term of the Services Contract extension.
- Some legacy equipment modernisation is nearing completion ('retained infrastructure') – notably refreshed Storage, Network and Virtual Machine hosts for a number of servers which are required to be maintained locally;
- A proportion of the estate is operating on Windows Server 2008 and the support from Microsoft is due to expire in January 2020 – remediation plans are currently being developed however Moving to Azure will mitigate for a further 3 years as the support for Windows Server 2008 is extended for Azure customers;

To overcome the issues the purpose of the programme would be to relocate all of the SunGard server estate and many Windows 2008 Servers in Orchard House to Azure whilst optimising the use of sunk investment.

During the programme IMT are using a creative and aware risk strategy and have considered all potential delivery options to date, measuring each risk and are fully aware of any impacts based on the decisions made. IMT will continue to review risk on a regular basis to ensure continuity and that there are no surprises in the future.

2.3 Benefits and Risks

Technology Benefits to LCC for moving to the cloud

Reduces capital expenses

Azure cloud computing reduces the capital expenses of buying hardware and software.

Infrastructure resource management in a matter of minutes

Azure cloud computing services provide self-service and on demand, so even vast amounts of computing resources can be provisioned in minutes, typically with just a few mouse clicks reducing cost of provisioning and providing LCC greater flexibility.

Elasticity to scale up and down to meet business requirements

A major benefit for LCC of cloud computing services includes the ability to scale elastically. That means delivering the right amount of IT resources—for example, computing power, storage, when it's needed, and from the right geographic location in the UK.

Decreased time to market/release

By reducing operational overhead and freeing up budget, more time and effort can be focused on rapid software and solution development. Faster deployment of infrastructure-as-a-service (IaaS) and platform-as-a service (PaaS) platforms will enable LCC business to release faster and more often.

Application development and modernisation

The cloud provides an integrated platform for modern development, where Application teams can improve efficiency by up to 33 percent. IMT Data services are already using Azure for this purpose.

Reduced spend on productivity tasks

On-site datacentres typically require a lot of maintenance activity—hardware setup, software patching, and other time-consuming IT management chores. Cloud computing removes the need for many of these tasks, so IT teams can spend time on achieving more important business goals.

Better performance with enterprise-class computing resources

Azure cloud computing services run on a worldwide network of secure datacentre's, which are regularly upgraded to the latest generation of fast and efficient computing hardware. This offers several benefits to LCC over a single corporate datacentre by always being at the leading edge of performance. As a government client LCC servers/applications and databases will be restricted to UK datacentre's only

Reliability to ensure maximum business continuity

Azure cloud computing makes data backup, disaster recovery, and business continuity easier and less expensive, because data can be mirrored at multiple redundant sites in the UK

Financial Benefit to LCC

Cost savings of £897,000per annum over current billing once migrated are indicated at current run rates.

Reduced operational risks by providing:

- Optional provision of enhanced DR Capability for Orchard House
- Extended 3-year support for server 2008 if moved into Azure

Risks to LCC/the overall Programme

Risk	Description	Rating	Impact	Risk Impact Statement	Mitigation
R01	Commercial or Technical obstacles to exiting SunGard	Low	High	Majority of financial benefits cannot be realised; Programme would not be viable	The LCC IMT Commercial officer sits on the board to ensure the financial outcomes are considered as a part of all project decisions.
R02	Migration effort is greater than estimated	Medium	Medium	Increased migration costs will delay the return on investment period	Estimates have been prepared based on LCC Transformation Programme experience. We have evaluated Microsoft Partners

					and/tools to reduce risk
R03	Windows 2008	Medium	Medium	Windows 2008 becomes end of life in January 2020 and any further support is dependent on agreeing a support extension as on previous occasions, this contract would come at an additional cost. This is a potential security issue and could prevent LCC achieving Public Services Network Compliance at some point in the future.	By moving this to Azure Microsoft will provide 3 years additional support, allowing LCC the time to upgrade and retaining PSN Compliance
R04	LCC Commitments	Medium	High	Constraints on technical resource from LCC could cause delays to the project timeline	Ensure robust programme communication plan with advanced notice of keys dates/migrations taking place, and required LCC resource requirements. Protecting key technical staff from over "utilisation" via additional resource depending on IMT work portfolio.
R05	LCC Business input	Medium	High	Delays to the programme caused by late return of decisions on application migrations	Ensure LCC decision makers are fully aware of impact and are aligned to the programme
R06	Serco Technical Resource	Medium	High	Constraints on resource from Serco could cause delays to the project timeline	Serco recognise this project as a key strategic deliverable
R07	Sungard Technical resource	Medium	High	Constraints on resource from Sungard could cause delays to the project timeline	Serco project manager will liaise closely with Sungard at all times to satisfy themselves that Sungard resources are available

2.4 Barriers

No critical barriers have been identified. The following observations were made during this phase.

The total investment to carry out the migration from SunGard to Azure is £1.165M however the return on investment breakeven is 18-24 months dependent on the speed of the migration.

Microsoft Azure Subscription contractual arrangements will sit directly between Microsoft and LCC via the Enterprise agreement.

ExpressRoute* (connectivity circuits) contractual arrangements will sit directly between JANET**, KCom and LCC.

The current management and support for SunGard is carried out by SunGard via Serco's subcontract. LCC plan to adopt a Serco service extension to manage and maintain Azure hosted services.

Serco are developing that service extension within this program having recently adopted Azure as a strategic product for its customers. Serco have agreed to use a specialist Microsoft Partner to ensure that service will be approved for LCC production support.

Due to the dynamic nature of the platform this may have an impact on the Serco/LCC contractual arrangements. There are however no relevant contractual constraints between Serco and SunGard regarding purchasing services on behalf of LCC therefore no contractual barriers to the adoption of Azure

Contractual impacts are not expected to be significant and may require some minor adjustments to the service levels with Serco to ensure that they are aligned with what is provided through Azure.

**ExpressRoute is the private connectivity method between Microsoft Azure to Azure customers.*

*** JANET are the public sector service provider for our onward connectivity to the Internet and Microsoft provider edge. Kcom are our regional network provider who connect LCC sites to JANET .*

2.5 Impact Analysis

Due to the nature of the programme delivery there is the potential of disruption as services are migrated from their originating environment (SunGard / Orchard House) to the Azure cloud. All migrations will take place out of hours and if issues arise, the original environment will take back operations to allow investigations to be completed prior to an additional attempt at migration.

If LCC decide not to proceed with the programme, then the following elements will have a direct impact to LCC over the coming months/years:

- It is possible LCC would be delayed further in achieving PSN Compliance as there are 125 Windows 2008 Servers within the LCC estate and Microsoft support on these servers ceases on the 21st January 2020 it will take a substantial time to remediate these servers

- Longer term impact – costs for SunGard would be maintained at their current rate and therefore the LCC budget would be sub optimal by circa £900K annually.
- Future impact – the SunGard contract is between Serco and SunGard and this is going through negotiation for renewal. It is expected to terminate at the latest in December 2021, at which time any new contract/extension could increase costs and not reduce them.

With regards to GDPR and the data within the servers, at present there is no plan to carry out a Privacy Impact Assessment or Data Protection Impact Assessment by LCC as the change in this instance is a technical change and the data will be moved automatically without human interaction. This position has been confirmed by David Ingham – the Council's Information Assurance Manager. The service design will conform to security in line with the National Cyber Security Centre (NCSC) cloud security principles.

3. The Commercial Case

3.1 Market Sufficiency and Competition

Amazon Web Services (AWS) and Google Cloud Platform can provide a cloud using Microsoft products but there would likely be an additional management burden for doing so because their focus is primarily on services that are not in the same corporate enterprise space as Microsoft. For example, Google Cloud Platform is primarily targeted towards organisations that use the Google suite of tools, such as GSuite and the Android operating system as a primary platform.

Microsoft Azure is the preferred provider because of the substantial alignment between the Council's technical systems and the cloud platform, many being Microsoft products. This means that the way the systems work together is more streamlined and enables better functionality and monitoring capability. This in turn reduces the cost of looking after the environment, security checking, and detection of malware and other nefarious attacks. It is practically impossible to replicate this rich technology mix on premises.

As a further benefit, Microsoft gives an additional three years support for their Server 2008 software which is soon going “end of support” any support outside of the Azure cloud platform will be at additional cost.. The Council has many Microsoft Service 2008 instances and so this is a major benefit and will allow the Council some time to review the need for these licences and scale down if possible or replace them with cloud options.

The Council would buy Microsoft Azure services through the current provider of the Council's Microsoft Enterprise Agreement, Softcat. The Softcat contract already has within its scope a nominal quantity of Azure licences and the specification anticipated buying additional licences through the term of the contract. This method of procurement is commonly used by different Council's across the country and would be compliant with the Council's procurement obligations. Furthermore the subscription in combination with our Office 365 subscriptions confer usage rights on a broad set of applications and tools which are exclusive to Azure and can displace other technologies in use over time.

3.2 Evidence of other local authorities' work

Microsoft is a Global Public Cloud Provider, with 54 Azure regions across the Globe, more than AWS and Google combined. Some examples cited by Microsoft of other local authority implementations and utilisation of the Azure platform in combination with other services and technologies are as follows:

Cambridgeshire County Council

Digitised concessionary travel renewal and saved £10 for each renewal whilst driving digital renewal rates from 25% to nearly 70%.

Enfield Council

Self-service citizen portal reduces costs by £20 - £25 million and allows for reduction of staff overhead delivering 40% reduction in back-office manual processing.

Hackney Council.

Saved over £1.1m a year in social services costs and improved support to “at risk” families by building risk profiling applications and data sharing across public sector bodies. Social workers now receive risk-based scores driven by events to improve life outcomes for individuals and families and improve engagement as well as reducing costs.

Birmingham Council

Online housing claim form allows completion in half the time and take-up levels hit 100%. Also reduces council process time as forms can only be submitted when complete and error-free and integrates directly into Birmingham back-office process system.

Peterborough Council

Have taken a decision to leave Google office and return to Microsoft Office 365 due to the interoperability challenges of using non-Microsoft technologies with major line of business systems.

3.3 Delivery model

Current

LCC has contracted with Serco for delivery of IT services and support housed in SunGard, in addition to the hardware maintenance and IT Service support for Orchard House & Lancaster House.

In the SunGard estate, SunGard support the platform and network on behalf of Serco. This is charged through a variable fee based on monthly use of the platform whether at capacity or not. In this instance Serco are fully responsible for SLA's on the platform itself in accordance with the contract.

In Orchard House, Serco carry out full support on a monthly fixed price basis. This covers hardware support and IT services support. Serco are fully responsible for SLA's in accordance with the contract

Application vendors are either aligned directly to Serco or LCC, but all are in scope for Vendor Management by Serco.

Change to the Delivery model

LCC intend to contract with Serco for the management and support of the Azure Environment, but there is a fundamental change to the relationship as Serco will no longer hold the relationship with the provider - this will be a direct contract between LCC and Microsoft. The result of this is that Serco will only vendor manage Microsoft and if there are

platform issues the applicable SLA for availability will be that contained within the Microsoft contract. – this may necessitate a contract change with Serco to reflect specific constraints and any additional undertakings. Serco will continue to manage any support cases in relation to the platform.

The service design changes required are not thought to be significant and work continues to deliver the detailed service design.

3.4 Commercial considerations

The Council would change the way it purchases compute services and move from Serco to Microsoft. The Council would purchase Microsoft Azure services directly through the existing Microsoft Enterprise agreement, via the software reseller, Softcat. The terms and conditions would be standard Microsoft Terms and Conditions contained within the Enterprise Agreement, the Microsoft Subscription Agreement and the information contained within the Microsoft Azure Legal Information.

The change to the above will require a contract review as LCC are taking over the responsibility for a key supplier and in this instance, it will be a direct relationship between LCC/Microsoft. This will impact on certain Service Level Agreements between LCC and Serco, as support via LCC managed Vendors is beyond Serco's control and decisions made by LCC may impact on the availability of the platform, which may have a knock-on impact on service delivery. Therefore, an amendment will be required under the Vendor Management arrangements as part of the contract.

In moving suppliers, Serco have confirmed that SunGard have no direct staff working for LCC and so TUPE is not an issue, and once migrated from SunGard to Azure, LCC/Serco will have no further obligations under the SunGard contract.

4. The Financial Case

The base Financial case is made up of the following:

- Projection of costs for the next 5 years;
- Baseline costs are the annual cost from SunGard for the current server estate housed by them;
- SunGard, Azure, Orchard House and Azure Management costs are the expected outlay over the period;
- Operating benefit provides the total annual benefit to LCC; and Migration costs cover Serco, hardware and vendors cost for the migration activity.

The cumulative totals below show the benefit over the 5-year period.

All numbers are 000's	2019	2020	2021	2022	2023	2024
Baseline Costs	£ 1,872	£ 1,872	£ 1,872	£ 1,872	£ 1,872	£ 1,872
SunGard costs	£ 1,872	£ 850	£ -	£ -	£ -	£ -
Azure Costs SunGard		£ 517	£ 642	£ 642	£ 642	£ 642
Orchard House costs	£ -	£ 158	£ 158	£ 158	£ 158	£ 158
Azure Management and Support		£ 175	£ 175	£ 175	£ 175	£ 175
Transformed costs	£ 1,872	£ 1,700	£ 975	£ 975	£ 975	£ 975
Operating Benefit	£ -	£ 172	£ 897	£ 897	£ 897	£ 897
Programme Costs	£ 275	£ 640				
Hardware	£ 73					
Vendor Costs approximated	£ 25	£ 150				
Total migration costs	£ 373	£ 790	£ -	£ -	£ -	£ -
Annual Saving	-£ 373	-£ 618	£ 897	£ 897	£ 897	£ 897
Cumulative totals	-£ 373	-£ 991	-£ 94	£ 803	£ 1,700	£ 2,597

Programme implementation costs are broken down as follows:

- Phase 1 - Design, assessment and Service Design creation £150,000 (Completed)
- Phase 2 - Azure/network/security build, pilot migration, early service support model implementation £223,000
- Phase 3 - Migration of Server and Application estate to Azure c. £750,000
- Service implementation costs circa £40,000

Other Considerations

Consideration was given to expand the Orchard House environment in lieu of moving servers to Azure. However, although the Orchard House computer hardware can be expanded if additional servers are required, the capital outlay and on-going support and maintenance would be higher than moving to Azure.

At this time, we do not intend to remove anything further from Orchard house, other than the Windows 2008 Servers which can be moved, allowing LCC to realise the benefits derived from the sunk investment for the retained platform.

In the event of significant inflation in the cost of public cloud costings, perhaps due to reduced competition in coming years, we will have the strategic option to expand these facilities and migrate loads back, to optimise our cost base.

Additional potential cost savings

The following indicates additional cost saving that LCC can procure via Microsoft/Azure activities:

AHUB - The **Azure Hybrid Use Benefit** (AHUB) is available if you own Windows Server Standard or Data-centre edition licenses with active Software Assurance. In addition, further licensing costs can be saved using LCC SQL licensing if software assurance is current

RI- An **Azure Reserved Virtual Machine Instance** is a virtual machine on the Microsoft Azure public cloud that has been reserved for dedicated use on a one- or three-year basis. Below pricing is uplift savings from 1 year to 3 year

Assumptions –

- Azure Hybrid Use Benefit Licenses need to be purchased beforehand and the purchase is factored in the below numbers
- Azure Reserved Virtual Machine Instance costs are incorporated into the net savings per annum.
- Savings projections are provisional and will be further refined during the selection of the migration approach for each application

	Azure Monthly costs	Monthly Saving	NET Saving PA
Azure Hybrid Use Benefit	£ 70,000	£ 9,200	£ 110,400
Azure Reserved Virtual Machine Instance uplift to 3 year based on 60% of servers	£ 70,000	£ 9,000	£ 108,000
			£ 218,400

This business case is based on the following notes and assumptions

Key notes:

- Server and Environment Support costs are based on current scope. Volumetric charging model to be agreed.
- Third party implementation costs are a provision subject to third party engagement in next phase.
- Azure Platform costs are based on current system assessment undertaken by Microsoft partner Ensono. These are volumetric costs based on current usage levels.
- All costs and saving estimates have been provided based on the best available data, they are subject to on-going refinement in the next phase. In addition, as a cloud-based service, costs will fluctuate depending on usage.

Migration numbers:

SunGard

- 8 simple applications/systems (Automated Migration)
- 19 medium applications/systems (Automated Migration)
- 160 complex applications/systems (Manual Migration)

Orchard House

- 61 applications/systems based on Windows 2008 reduced number from previous estimates
- 117 systems are expected to be maintained in Orchard House because of high latency when housed offsite and some Windows 2003 servers which cannot go into Azure

The manual migration cost will be refined in the next stage through engagement with the relevant third-party support providers.

Previous business case did not include Orchard House, we have included it within the figures for this business case

Financial Summary

In Summary LCC is expected to realise a saving of £2.5M over a 5-year period, with a potential further saving of £1M if the options are taken for the same period. Return of investment will occur between 18-24 months dependent on speed of migration and consideration of additional savings.

5. The Management Case

This program of work will be delivered using the existing Project Management Offices that exist across the IMT service. Programme and Projects are delivered in a structured manner based on the Managing Successful Programmes (MSP) and Prince2 Methodologies and will be governed in accordance with the relevant processes contained within each. This aligns to the LCC IMT Programme and Project methodology.

Given the business outcome is essentially financial and the strategic outcomes are technical being indirectly beneficial to later business drivers, business oversight will be provided as standard via the IMT board through periodic updates which include quarterly program finance trackers.

The IMT Project methodology has a mature risk management approach and any project that goes into serious exception in terms of risk of business outcome, including probable breach of budget would be referred via the IMT board, with a delivery impact assessment to support the decision making process in a proceed or cancel decision.

Given the scale and cost of this project, the project is sponsored by the Assistant Director IMT supported by an IMT Technical Architect, the project would be managed by a Senior Serco Programme Manager,

Programme Timeline



6. Next Steps

Activity/Milestone	Start Date	End Date
Sign off Service Design Statement of works	11/10/2019	11/10/2019
Sign off PID for the next phase and issue PO for £222,468.71 to allow for the commencement of the build and Pilot	11/10/2019	11/10/2019
Build platform (based on PO receipt as above)	01/11/2019	14/11/2019
Build Security devices	07/11/2019	22/11/2019
Carry out pilot migration (plan/change/test/pilot)	01/11/2019	15/12/2019

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

Report to:	Overview and Scrutiny Management Board
Date:	19 December 2019
Subject:	Performance of the Corporate Support Services Contract

Summary:

This report provides an update of Serco's performance against contractual Key Performance Indicators specified in the Corporate Support Services Contract between July and October 2019, and provides an update on the progress made against key IMT-related transformation and transactional projects being undertaken by Serco and other third party suppliers.

Actions Required:

The Board is asked to:

1. Seek reassurance about the performance of the Corporate Support Services Contract, and the performance of key projects.
2. Review the highlighted 20 IMT projects in Appendix A.
3. Provide feedback and challenge as required.

1. Abbreviations

CSS	Corporate Support Services	F	Finance (Exchequer)
KPI	Key Performance Indicator	ACF	Adult Care Finance
TSL	Target Service Level	CSC	Customer Services Centre
MSL	Minimum Service Level	RAG	Red/ Amber/ Green
IMT	Information Management and Technology		

2. Background

This report provides an update on Serco's performance against the contract KPIs between July and October 2019 (months 52 to 55 since the service commencement date 1 April 2015). The performance report is presented in the shortened format previously agreed by the Board.

The report also presents an update on the 20 priority projects previously agreed by the Board (Appendix A).

3. Performance

Table 1 below provides summary red/ amber/ green (RAG) status of the Key Performance Indicator (KPI) results for the six months of service delivery from May to October 2019.

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

Table 1: Overall KPI Summary Performance

Overall (All Services) Contract Performance	Number of KPIs					
	May-19	Jun-19	Jul-19	Aug-19	Sep-19	Oct-19
TSL achieved	37	36	35	34	33	35
MSL achieved	0	0	0	1	0	0
Below MSL	0	0	0	0	1	0
Mitigation Agreed	2	3	4	4	5	4
TOTAL	39	39	39	39	39	39

4. Exceptions

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

Table 2: KPIs which failed to meet TSL, July - Oct 2019:

KPI Ref No	Short Description	TSL	Actual	Comment	Impact	Path to Green
CSC_KPI_04 (Aug)	% of total Calls that are Abandoned Calls	7.00 %	7.10 %	Serco made changes to the service intended to improve efficiency and resilience, but an unintended and unanticipated effect of this was increased abandonment. This KPI last failed MSL in Sept 17.	It will have meant that more callers will have had to ring back to pursue their inquiry. The average performance is c.6%, so the actual performance will have caused relatively few clients to call back more than once. These callers will have been dealt with, and there was no impact on the customer satisfaction rating.	Serco immediately started remediation including routing fewer calls to another centre and increasing resource. Serco advised of an improving picture but also the likelihood of further failure in September because of the time lag between additional resource being put on the rota and that additional resource being made available in the service centre.

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

Table 3: KPIs which failed to meet MSL, July - Oct 2019:

KPI Ref No	Short Description	MSL	Actual	Comment	Impact	Path to Green
CSC_KPI_04 (Sep)	% of total Calls that are Abandoned Calls	10.0 %	10.34 %	Remediation under way, but effects of previous change were still being felt. This KPI last failed TSL in Sept 17.	The average performance is c.6%, so the actual performance will have caused some clients to call back more than once. Typically these callers will have been dealt with, and there was a marginal impact on the customer satisfaction rating.	Serco continued remediation. The KPI returned to green status in Oct, scoring 6.30%.

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

Table 4: Details of KPI Mitigation, July - Oct 2019:

KPI Ref No	Short Description	Reason for granting Mitigation	Impact	Path to Green
ACF_KPI_03 (Jul & Oct) ACF_KPI_04 (Sep)	% of new, and change of circumstance, financial assessments for <i>non-res</i> and <i>res</i> care completed within 15 Business Days of referral from the Council	In mitigation since December 2016 as a result of Mosaic implementation which is yet to extend to financial contributions as committed to by the Council in 2015. This means Serco is still having to use two systems - Mosaic and Abacus, which hinders Serco's ability to deliver the performance levels because of the double entry required and to report on them.	Serco is delivering the service but in some cases are exceeding the 15 day time limit. Financial Assessments are already a known quantity in terms of current efforts to improve the service, and LCC and Serco are working closely to optimise the service. This work includes increasing the level of automation, reducing the complexity of the assessment form, enabling on-line completion of the form and streamlining the supporting evidence required.	KPI 03 and 04 are currently the subject of a service provision review which includes a review of the Adult Care Contributions Policy and implementation of self-service financial assessment. The likely outcome of this is achievement of the KPIs and the removal of any backlog by the end of April.
ACF_KPI_10 (Jul - Oct)	% of the total Adult Care Service Users in any month in receipt of a chargeable service who have an up to date and accurate financial assessment in place which is being used to collect their Adult Care Service User Contribution	This measure requires a single point of reporting, which will be delivered by the Mosaic financial implementation. Until that time it is not possible to report on this KPI accurately.	The lack of reporting is not impacting service provision.	Phased implementation commenced July 19 with some elements now complete. Full completion now likely summer 2020, as primary focus for the Mosaic team is required on Softbox foster care system replacement as it will be out of support shortly. It is a condition of this KPI that reporting will commence after full integration of financial system/ data into Mosaic + 3 months.

KPI Ref No	Short Description	Reason for granting Mitigation	Impact	Path to Green
CSC_KPI_01 (Aug - Oct)	% of all Contacts received through Digital Access Channels per month	Targets for this KPI have increased every 6 months up to October 2019. Serco's average performance April 18 to July 19 has been 30.3% but the MSL has now escalated to 31.55%. Increased digitisation relies on Avaya and, to a lesser extent, utilising Jadu.	The purpose of the escalating target was to keep up with technology changes as they came in. Digital access has been slowed by implementation delays of the Avaya upgrade and the Council's replacement web site both of which are being led by the Council, not performance. End users have not experienced any detriment.	<ol style="list-style-type: none"> 1. A temporary reallocation of the abatement points to the remaining CSC KPIs from 1 Dec 19 so that the Council retains the commercial benefit of the service credits. 2. Agreement of a revised KPI which more effectively measures Serco's performance in the digital space – currently live.
CSC_KPI_09 (Aug & Sep)	% of carers assessments (reviews and new), as completed by the CSC, completed accurately and within 20 Business Days	CCN050 implemented changes to the Care Act compliance fundamentally changing the way Serco delivered the service at the request of the Council. Essentially a comprehensive triage stage was implemented to identify those in need of a full assessment. This changed the balance of the KPI which will now be amended to take into account the changes in the service. The Council agreed mitigation in cases where a small number of assessments were carried out late because whilst the carer was contacted within the 20 Business Days they were not available for the assessment until after the 20 Business Days. This reflected the fact that the service overall was good, and that Serco had genuinely tried to optimise the customer experience.	The change in the service (which has resulted in the failed KPI) has resulted in <i>improved</i> customer experience.	A revised and improved KPI is now in hand, potentially including multiple measures. These are currently being tested and could potentially be active and providing results by 1 January 2020.

KPI Ref No	Short Description	Reason for granting Mitigation	Impact	Path to Green
IMT_KPI_10 (Jul - Oct)	% of CMDB Changes applied within 14 Core Support Hours of the move or change	The Council agreed in July that the timeframe for application of changes is not a significant requirement for effective maintenance of the CMDB.	Serco IMT resource is unnecessarily consumed out of hours in order to ensure KPI compliance, with almost no advantage to LCC or service users.	Two new KPIs will come into effect from 1 Dec 19 replacing KPI_10 and providing more comprehensive measurement.
PM_KPI_11 (Jul)	% of People Management transaction activity completed within the relevant required timescale / target service level as detailed in the 'PM_KPI_11 Service Level Agreement'.	An isolated failure for this KPI following substantial additional demand due to restructure work, compulsory UAT testing, and late submission of data from a third party. Compounded by 28 days sickness in a small team. Mitigation granted as exceptional circumstances.	Two failures within the eight measures that make up the PM SLA, which this KPI measures. No impact on service users.	This KPI had not failed since Dec 2016 and in this case arose out of exceptional circumstances. The Aug – Oct results have subsequently been green.

5. Trends

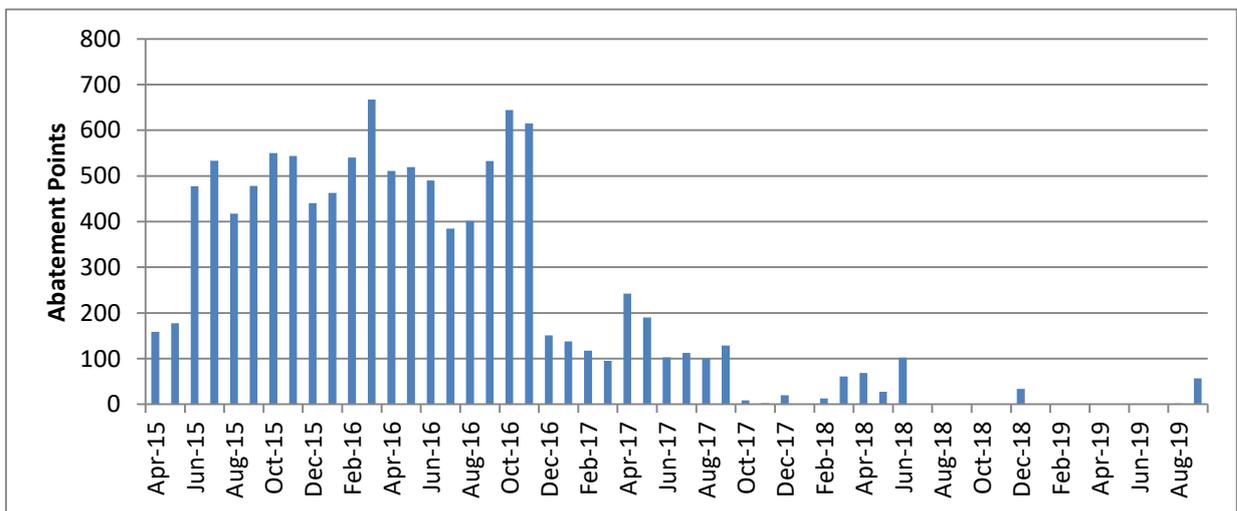
This section was a new inclusion in this report following the meeting of the Overview and Scrutiny Management Board (OSMB) in April. The aim is to note any significant changing trends in those KPIs which have met the TSL, but may be showing signs of significant performance change - deterioration or improvement. This 'green' KPI trend data has been reviewed for the period from April 2018 to September 2019:

No significant pattern of change was noted, and none of the KPIs are likely to approach their minimums in the coming months.

6. Abatement Points

Table 5 shows the total number of abatement points the Serco CSS Contract has attracted in each month since contract start. Following PM in-sourcing on 1 March 2019, a total of 902 points is now distributed amongst the KPIs which is proportionate to the scale of the activity now delivered rather than the 1000 points initially in the contract, with each KPI generally attracting between 10-50 points. For each KPI a multiplier is applied to any consecutive months where targets are not achieved. For two consecutive months the multiplier is 1.50 and for three or more months, it is 2.00. Abatement Points are used to calculate Service Credits (deductions) from the monthly contract payment. The maximum service credits payable by each service area is capped at 10% of the financial volume for that month.

Table 5: Total monthly abatement points from contract start to Oct 2019



7. KPI Performance Summary July to Oct 2019

Whilst this period showed a higher level of mitigation than usual, this was down to a number of known issues receiving attention at the same time as detailed above. There was only one red and one amber in relation to the same KPI in the period, and the general picture remains one of good performance overall.

8. Highlights from the review period July to October 2019

Customer Service Centre (CSC)

The Council's Commercial Team completed an internal audit of the CSC to provide assurance on operational procedures around performance, efficiency, and forecasting. The outcome of the audit was positive, reporting a high level of service quality for the selected modules.

The restoration of the SMS server is underway which will enable the CSC to include an SMS option for customers. Highways will be the first service to go live, and customers will be able to text 'Fix My Street'.

The CSC will be open 24hrs a day over the festive period, and is currently liaising with each service area to ensure optimum service availability.

Finance/ Adult Care Finance

A recent review of the duplicate payment validation tool shows that it prevented payment of over 2,000 duplicate invoices between April 2017 and July 2019. The total value of the invoices was £11.25m.

Serco's contribution in terms of improvement to management controls, processes and reporting, working in co-operation with LCC IMT, has helped the Finance service achieve an audit classification of 'Substantial Assurance' for 2019, up from 'Limited Assurance' in 2018.

IMT

The 'Fix the Basics' programme of work is progressing well, including IMP Migration (now complete, but with some go live snags), SAN Migration (on-going), Exchange Migration (on-going), with the modernisation phase replacing old infrastructure with new on a generally like for like basis in order to improve reliability, availability and resilience. A separate optimisation stage will follow, to make the best of the investment.

Serco has now provided the Council with a number of ServiceNow IMT dashboards, to allow transparent, real-time reporting of Serco performance.

9. Appendices

These are listed below and attached at the back of the report:	
Appendix A	Top twenty priority IMT projects for review by OSMB

10. Consultation

a) Have Risks and Impact Analysis been carried out?

No

b) Risks and Impact Analysis:

Not Applicable

11. Background Papers

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

The main body of this report was produced by Arnd Hobohm and Sophie Reeve who can be contacted on 01522 552563 or 01522 552578 respectively.

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Appendix A was produced by Donna Fryer and John Wickens who can be contacted on 01522 554926 or 01522 553651 respectively. Alternatively, via email at donna.fryer@lincolnshire.gov.uk or john.wickens@lincolnshire.gov.uk.

Key IMT-related projects being undertaken by Serco and other third party suppliers

1. Glossary/ Abbreviations

Glossary:	
CEC	County Emergency Centre (CEC) located at South Park Lincoln. Accommodation utilised in the event of invocation of the CEC in the event of major incidents.
Cloud	Cloud computing is an information technology paradigm that enables access to shared pools of configurable system resources and higher-level services that can be provisioned with minimal management effort, often over the Internet. Cloud computing relies on sharing of resources to achieve coherence and economies of scale, similar to a public utility.
CMDB	Configuration Management Database (list of IMT assets)
Data Centre	A data centre is a facility used to house computer systems and associated components, such as telecommunications and storage systems. It generally includes redundant or backup power supplies, redundant data communications connections, environmental controls (e.g. air conditioning, fire suppression) and various security devices.
EMPSN	East Midlands Public Services Network – secure public services network and management organisation, which provides LCC's main inter-site network.
HSCN	Health and Social Care Network – secure public services network specific to Health and Social systems and use cases.
IMT	Information Management and Technology
MDT	A ruggedised computer system mounted on nearly all front line response vehicles i.e. Fire Engines, Command Support Units, Training Appliances, Specialist Vehicles and Kitted Spares, which has touchscreen capabilities and usually has a printer attached.
Network	A computer network, or data network, is a digital telecommunications network which allows nodes to share resources. In computer networks, computing devices exchange data with each other using connections (data links) between nodes. These data links are established over cable media such as wires or optic cables, or wireless media such as Wi-Fi.
PSN	Public Services Network
RAG	Red, Amber, Green. Status applied to assess the 'health' of delivery against Time.
Redundant	Duplication of critical components or functions of a system with the intention of increasing reliability of the system, usually in the form of a backup or fail-safe, or to improve actual system performance.
Resilience	The ability for systems to remain operational when failure occurs.

Security	The degree to which systems and data are resistant to unauthorised access.
SNAP	Software utilised to manage surveys of LCC staff and citizens.
WAN	A Wide Area Network is a telecommunications network or computer network that extends over a large geographical distance/place. Wide area networks are often established with leased telecommunication circuits. Business, education and government entities use wide area networks to relay data to staff, students, clients, buyers, and suppliers from various locations across the world.
WAP	Wireless Access Point, supporting wireless network connectivity.

2. Background

In August 2019 the IMT report provided dashboard information for 20 highlighted projects as a snapshot in time. This report aims to repeat the exercise to show progress of those projects.

3. Summary of Performance and RAG Status

In the period since the last report Serco has achieved the following for the IMT_KPI_11 (% of milestones achieved each month) score. The target is >85%.

KPI Reporting Month	Aug-19	Sep-19	Oct-19	Nov-19
Actual Month	Jul-19	Aug-19	Sep-19	Oct-19
	100%	100%	100%	100%

4. Red/Amber Status – Path to Green Summary

The following table shows the summary of the projects' next milestones RAG status for this month (and the previous two reporting periods for comparison):

	Nov 2018	March 2019	Aug 2019	Nov 2019
Red	2	1	0	1
Amber	8	6	7	2
Green/Complete	10	13	13	17

A summary of the projects which have a red or amber status are listed below.

Project Ref and Name	Path to Green	Impact
IMT-117 Telephony Enablement	Red - Path to Green: 3rd party to provide updated project plan.	The supplier had provided a plan for the project, but on review additional activities were identified and therefore a revised plan is due to be delivered for baselining. This does put the forecast closure date at risk.
IMT-380-1808 10Gb & HSCN Perimeter Network	Amber - Path to Green: Always on VPN delivered by other project to enable final HSCN tests to be completed.	Whilst the core deliverables for this project has been delivered, the final element of the project testing to enable LCC to approve the closure of the project is dependent upon a capability being delivered by a different project.
IMT-345 PSN 2019	Amber - Path to Green: Plan to be rebase-lined with newly commissioned projects.	This programme has identified a number of projects which are required to remediate Windows 2003 dependent applications. This has resulted in the need to re-baseline the plan once the timescales for the remediation projects has been defined.

5. Project Dashboards

Project ID	IMT-117		Project Sponsor	Chris Jugg
Project Name	Telephony Enablement		Project Manager	David Betts
Project Status	In Progress		Forecast Project Closure Date	31 March 2020
Project Summary	The purpose of the Avaya upgrade project is to upgrade the LCC Avaya fixed corporate & CSC telephone system software.			
Business Benefit	Mitigate significant business risk due to the existing version having reached its end of support life. To update the current system software and provide additional features for the CSC and to address a number of bugs with the old version. To extend the operating life for the sunk investment in Avaya telephone hardware for a number of years allowing the market for light infrastructure cloud based telephony to mature.			
Citizen Outcome	Call centre leveraged new and improved features to optimise and streamline the call handling service.			
Position update	High Level Design for the updated version of the solution has been presented and signed off. The supplier is currently producing an updated project plan for base-lining the delivery following identification of a number of supplier issues.			
Next Milestone Name	Milestone Baseline Delivery Date	Forecast/Actual Delivery Date	RAG Status and Commentary	
Migration Plan Submission	15 November 2019	13 December 2019	Red - Path to Green: 3rd party to provide updated project plan.	

Project ID	IMT-345		Project Sponsor	John Wickens
Project Name	PSN 2019		Project Manager	Claire Wickens
Project Status	In Progress		Forecast Project Closure Date	31 August 2020
Project Summary	This project coordinates a number of remediation projects to remove legacy server operating systems. The removal of these legacy operating systems is a prerequisite to regaining PSN compliance.			
Business Benefit	LCC regain PSN compliance.			

Citizen Outcome	Indirect		
Position update	41% of the servers are currently turned off/decommissioned, identification and analysis of the applications which remain on 2003 operating system is ongoing. The Project Sponsor has agreed a new approach of targeting the applications which remain, in order to progress.		
Next Milestone Name	Milestone Baseline Delivery Date	Forecast/Actual Delivery Date	RAG Status and Commentary
All Dates for Remediation populated (PSN Status Tracker Baseline 3)	01 February 2020	01 February 2020	Amber - Path to Green: Plan to be rebase-lined with newly commissioned projects.

Project ID	IMT-380-1808	Project Sponsor	Chris Jugg
Project Name	10Gb & HSCN Perimeter Network	Project Manager	Dominic Jones
Project Status	In Progress	Forecast Project Closure Date	31 January 2020
Project Summary	This project is to upgrade the primary Internet, Wide Area Network and Health & Social Care Network (Formerly N3) connections to improve speed and bandwidth.		
Business Benefit	Improve the efficiency of the network for staff and councillors.		
Citizen Outcome	Indirect		
Position update	The EMSPN and HSCN Connections have been implemented. The project is now complete, subject to a dependency upon the Always On VPN requirement.		
Next Milestone Name	Milestone Baseline Delivery Date	Forecast/Actual Delivery Date	RAG Status and Commentary
Project Closure	01 August 2019	31 January 2020	Amber - Path to Green: Always on VPN delivered by other project to enable final HSCN tests to be completed.

Project ID	IMT-251		Project Sponsor	Chris Jugg
Project Name	Lincoln Campus Distribution Network		Project Manager	Pete Smith
Project Status	In Progress		Forecast Project Closure Date	20 December 2019
Project Summary	To refresh/replace aged network equipment and increase resilience in the Lincoln Campus communications network.			
Business Benefit	Mitigate significant business risk. To provide a supportable, more robust network infrastructure to support LCC service areas in delivering their services.			
Citizen Outcome	Uplift in security in the council's network to ensure privacy etc is maintained.			
Position update	Campus network switch refresh complete. The Wireless Controller is now installed, and Wireless Access Points are currently being migrated before closure.			
Next Milestone Name	Milestone Baseline Delivery Date	Forecast/Actual Delivery Date	RAG Status and Commentary	
Wireless Complete	02 December 2019	02 December 2019	Green - On Track	

Project ID	IMT-329		Project Sponsor	Darren Peatfield
Project Name	Office 365 Configuration		Project Manager	Pete Smith
Project Status	In Progress		Forecast Project Closure Date	01 April 2020
Project Summary	Migration to Office 365, which is a cloud-based subscription service that brings together the best tools for the way people work today. By combining best-in-class apps with powerful cloud services, Office 365 lets anyone create and collaborate anywhere on any device.			
Business Benefit	To modernise the LCC estate to enable the features available through Microsoft 365 to be exploited. Provide performance improvements to the email system. To enable mobile devices (including mobile phones) to be moved from Airwatch to Microsoft InTune device management.			
Citizen Outcome	Indirect			

Position update	The technical Office 365 Pilot has completed. The next stage of the project will be a business pilot which will be scoped and planned in alignment with a wider Change Programme to ensure the right benefits are targeted in the project delivery.		
Next Milestone Name	Milestone Baseline Delivery Date	Forecast/Actual Delivery Date	RAG Status and Commentary
Commence Business Pilot	01 February 2020	01 February 2020	Green - On Track

Project ID	IMT-289		Project Sponsor	Helen Tooley
Project Name	LFR HQ move to Nettleham		Project Manager	David Betts
Project Status	In Progress		Forecast Project Closure Date	01 June 2020
Project Summary	LFR Control room moved to Nettleham and fully tested with all services live and working as expected.			
Business Benefit	To support LFR in realising their strategic plans for relocation.			
Citizen Outcome	Indirect			
Position update	The project High Level Design has been completed and approved. The service has reviewed the project dependencies and associated approach on which basis a new target move date of March 2020 has been established, subject to final agreement on the approach.			
Next Milestone Name	Milestone Baseline Delivery Date	Forecast/Actual Delivery Date	RAG Status and Commentary	
Agree Baseline Dates	29 November 2019	29 November 2019	Green - On Track	

Project ID	IMT-315		Project Sponsor	Andrea Bowes
Project Name	Implement Attachit for SNAP surveys		Project Manager	Claire Wickens

Project Status	In Progress	Forecast Project Closure Date	03 January 2020
Project Summary	Provide LCC but more specifically the Children's Performance Team with the ability to attach documents to SNAP Surveys for Statutory returns.		
Business Benefit	Enable the SNAP application usage to be increased as a result of the additional functionality.		
Citizen Outcome	Indirect		
Position update	Following successful go-live and project warranty period, this project has been placed on hold. The application champion is working with the business to transfer all the surveys across from LCC-SNAPS-001 to the new server LCC-SNAPS-002. Once completed the project will decommission the old system and close.		
Next Milestone Name	Milestone Baseline Delivery Date	Forecast/Actual Delivery Date	RAG Status and Commentary
Project Closure	03 January 2020	03 January 2020	Green - On Track

Project ID	IMT-381-1808	Project Sponsor	Dave Pennington
Project Name	LFR South Park build	Project Manager	David Betts
Project Status	In Progress	Forecast Project Closure Date	02 January 2020
Project Summary	This project will contribute in respect of the IMT elements of the new tri-service Blue Light Campus, working with partners from LCC Property, LFR, Lincolnshire Police and EMAS.		
Business Benefit	New operational Tri-Service Blue Light Campus.		
Citizen Outcome	Continuation of LFR service for the South of Lincoln.		
Position update	New building has successfully gone live. Core project is now complete. Additional work has been requested to be included in IT deliverables and a Change Control has been raised for incorporation.		

Next Milestone Name	Milestone Baseline Delivery Date	Forecast/Actual Delivery Date	RAG Status and Commentary
Project Closure	02 January 2020	02 January 2020	Green - On Track

Project ID	IMT-165		Project Sponsor	John O'Connor
Project Name	Going to School - Edica Replacement		Project Manager	David Betts
Project Status	Complete		Forecast Project Closure Date	22 October 2019
Project Summary	Replacement of Children's Services system Edica – used by parents for schools admissions.			
Business Benefit	Mitigate significant business risk. Functionality will be sustained (this will be a direct replacement for existing software which is no longer available).			
Citizen Outcome	Improved service availability for Going to Schools services.			
Position update	Project Complete			
Next Milestone Name	Milestone Baseline Delivery Date	Forecast/Actual Delivery Date	RAG Status and Commentary	
N/A	N/A	N/A	Green – Project Complete	

Project ID	IMT-274		Project Sponsor	Chris Jugg
Project Name	Lincoln Retained Infrastructure		Project Manager	Gil Crisp
Project Status	In Progress		Forecast Project Closure Date	02 March 2020
Project Summary	Refresh of technical infrastructure within Orchard House/Lancaster House data centres for those services not migrated to SunGard Data Centres (for reasons such as latency, resilience against WAN issues, local internet breakout, optimisation of WAN traffic shape).			

Business Benefit	Mitigate significant business risk. To provide a more robust, efficient technical infrastructure to support LCC service areas in delivering their services.		
Citizen Outcome	Uplift in security in the council's network to ensure privacy etc is maintained. Improved uptime for citizen facing web applications.		
Position update	<p>The project is progressing on plan. The new backup solution has been built which offers significant performance improvements over the old platform. In addition, a critical element of work to safeguard data on the old storage solution has been completed.</p> <p>The next stage of the project involves the split of the Retained infrastructure between two Orchard House and Lancaster House, which will be undertaken once the Lancaster House power provision has been adapted by LCC Corporate Property.</p> <p>The project scope has been increased to incorporate provision of a new corporate database solution.</p>		
Next Milestone Name	Milestone Baseline Delivery Date	Forecast/Actual Delivery Date	RAG Status and Commentary
Confirm date for Lancaster House power adaptation	16 December 2019	16 December 2019	Green - On Track

Project ID	IMT-324	Project Sponsor	Helen Tooley
Project Name	LFR 999 Solution	Project Manager	David Betts
Project Status	In Progress	Forecast Project Closure Date	21 February 2020
Project Summary	Provide detailed plans for a replacement of LFR's telephone system. Provide an integration of LFR's telephony system to the LCC Corporate telephony system.		
Business Benefit	A robust, modern and supported telephony system that is reliable for LFR HQ and failover 999 services. Integration of LFR's telephony system to the ECHCRC telephony system (which may see a further benefit of reduction of telephony charges).		
Citizen Outcome	Citizen safety is maintained during technical fault conditions.		
Position update	The Core build is complete. Final outstanding deliverable is the migration to a newly provided ISDN30 service.		

Next Milestone Name	Milestone Baseline Delivery Date	Forecast/Actual Delivery Date	RAG Status and Commentary
Migration of Staff Absence Line	13 December 2019	13 December 2019	Green - On Track

Project ID	IMT-277		Project Sponsor	David Rose-Allen
Project Name	OpenText Migration		Project Manager	Pete Smith
Project Status	In Progress		Forecast Project Closure Date	31 December 2019
Project Summary	To support LCC and OpenText in migrating the IMP document management system to the OpenText hosted solution.			
Business Benefit	Mitigate significant business risk. To provide a robust, better supported platform for IMP (OpenText EDRMS) transferring the hosting and maintenance to OpenText. To enable LCC to later leverage the benefits offered by the OpenText product.			
Citizen Outcome	The new platform will improve the efficiency with which we can archive and delete data in accordance with corporate policy supporting our GDPR obligations to the citizen.			
Position update	The new solution successfully went live on the 1st of July 2019. Warranty support is complete. The old solution is being decommissioned to enable project closure.			
Next Milestone Name	Milestone Baseline Delivery Date	Forecast/Actual Delivery Date	RAG Status and Commentary	
Project Closure	31 December 2019	31 December 2019	Green - On Track	

Project ID	IMT-383-1810		Project Sponsor	Lisa Barnsdale
Project Name	Windows 10 Corporate Refresh Phase 2		Project Manager	Dominic Jones

Project Status	In Progress	Forecast Project Closure Date	31 December 2019
Project Summary	Following the council decision to fund a corporate Windows 10 refresh, this project covers phase 2 which aims to replace approximately 1200 laptops and 650 desktop computers.		
Business Benefit	The business benefits are that this project will replace the Notebooks and PC's used by staff to undertake their work. Due to the age of the existing devices many perform too slowly to meet the business need. The impending "End of Support" date for Windows 7 means that security patches for that operating system cease and LCC's various compliance and Data sharing agreements require that we now plan to remove these devices from the council. The refresh creates an opportunity to include features like cameras to enable video conferencing from the desk, and facial recognition to enable Bio-metric logon. Some devices include fingerprint scanners as well. Better displays reduce fatigue, lighter weight reduces accidental damage and improves convenience. The ability to add Data SIM's enables field workers to stay connected and productive.		
Citizen Outcome	Indirect		
Position update	The project is in delivery and the plan has been baselined. Tranche 1 of the Corporate Refresh has successfully been delivered. A second tranche has been commissioned and is currently in implementation. The vast majority of Windows 7 devices (90%) will have been replaced by the 31st of December 2019.		
Next Milestone Name	Milestone Baseline Delivery Date	Forecast/Actual Delivery Date	RAG Status and Commentary
Tranche 2 Closure	17 January 2020	17 January 2020	Green - On Track

Project ID	IMT-390-1810	Project Sponsor	Andrea Bowes
Project Name	Corporate Website	Project Manager	Jadu
Project Status	In Progress	Forecast Project Closure Date	31 December 2019
Project Summary	Replacement Digital platform that is regularly updated and supported allowing LCC to remove unsupported and end of life technology. It will support improved engagement with citizens and businesses across Lincolnshire. The new Digital platform provides LCC with the capability to host multiple websites, portals and online transactions. It also provides the capability for Citizens and businesses to interact with the council through an online account function.		

	The Digital Platform includes the capability to build workflows that assigns tasks from online transactions to the appropriate teams for completion and provides updates and communication to the citizen / Business as and where necessary. The project will be delivered in several Phases. The Initial Phase will be the Main LCC Website, Citizen Account Functionality and several online transactions.		
Business Benefit	Modern up to date and supported Digital Platform that allows LCC to remove unsupported and end of life technology. Improved communication and interaction with Citizens and businesses providing a single online location to communicate and interact with the council. Ability to Self Serve and manage communications and interactions online.		
Citizen Outcome	Improved communication and interaction with the council providing them with a single online location to communicate and interact with the council. Ability to Self Serve and manage communications and interactions online.		
Position update	Planned go live for December has been postponed due to the election and will now plan to take place in January.		
Next Milestone Name	Milestone Baseline Delivery Date	Forecast/Actual Delivery Date	RAG Status and Commentary
Old Website Switched Off	08 January 2020	08 January 2020	Green - On Track

Project ID	IMT-393-1810	Project Sponsor	Janice Spencer
Project Name	Children's Services X2 Deployment Phase 2	Project Manager	Dominic Jones
Project Status	Complete	Forecast Project Closure Date	16 September 2019
Project Summary	Building on the success of the phase 1 roll out of the X2 tablet devices (IMT-323) this phase is aiming to deploy approx. 360 devices, providing frontline Children's Services staff with the tools to enable them to access key systems while they are out in the field.		
Business Benefit	Staff able to work more efficiently, and on the move, thus increasing productivity. Provides improved remote access via tablet devices to front line staff.		

Citizen Outcome	Increased service users contact time and better safe guarding capabilities as improved access to Real Time information.		
Position update	All tablet devices in core scope have successfully been deployed. A final clinic has been scheduled to deploy the final 4 devices to staff previously unavailable.		
Next Milestone Name	Milestone Baseline Delivery Date	Forecast/Actual Delivery Date	RAG Status and Commentary
N/A	N/A	N/A	Green – Project Complete

Project ID	IMT-407-1812	Project Sponsor	Andrea Bowes
Project Name	Corporate Card Payments	Project Manager	Capita
Project Status	In Progress	Forecast Project Closure Date	31 December 2019
Project Summary	Implementation of Corporate capability to take face to face card payments through existing payment gateway provider - Capita. Face to face card payments to be included in end of day processing file that is past into Agresso for reconciliation by service areas.		
Business Benefit	Implement ability for contactless and Chip & Pin card payments to be accepted by Registrars service, and provide corporate ability to implement elsewhere across the Council.		
Citizen Outcome	Provide citizens with the ability to pay for Registrars services using credit & debit cards onsite at appointments.		
Position update	Card Payments capability has been installed and is working at 7 out of the 12 registrar offices. The remaining are scheduled to be completed by the end of November 2019.		
Next Milestone Name	Milestone Baseline Delivery Date	Forecast/Actual Delivery Date	RAG Status and Commentary
Project Closure	31 December 2019	31 December 2019	Green - On Track

Project ID	IMT-425-1903		Project Sponsor	Donna Fryer
Project Name	Office 365 Business Change		Project Manager	Donna Fryer
Project Status	In Progress		Forecast Project Closure Date	01 June 2020
Project Summary	This project is to manage and monitor the business change activities for Office 365, ensuring that the staff are engaged and ready for the technical deployment of Office 365.			
Business Benefit	Enables the business to drive the Office 365 deployment to meet business requirements set by the business. Ensures buy in and thus take up of the new technologies made available, maximising the return on the investment.			
Citizen Outcome	Enables technology which can automate processes thus streamlining processing times for enquiries, and also freeing up staff time to raise productivity.			
Position update	The Strategic Steering Group has been setup and has met to direct the project. The scope and approach for the business change is being baselined. The delivery plan and communications plan are being drafted and aim to be baselined by the end of the year.			
Next Milestone Name		Forecast/Actual Delivery Date	RAG Status and Commentary	
Plan to be baselined	31/12/2019	31/12/2019	Green – On Track	

Project ID	IMT-427-1903		Project Sponsor	Matt King
Project Name	MDT Refresh		Project Manager	David Betts
Project Status	In Progress		Forecast Project Closure Date	28 February 2020
Project Summary	To have a fully functional MDT solution that meets the needs of LFR. (A Mobile Data Terminal (MDT) is a ruggedised computer system mounted on nearly all front line response vehicles i.e Fire Engines, Command Support Units, Training Appliances, Specialist Vehicles and Kitted Spares, which has touchscreen capabilities and usually has a printer attached.)			

Business Benefit	Fire crews have information on hand that they need when attending an incident. Devices will be portable and used at the scene of an incident. Enhanced solution would potentially assist with not needing a second device for home visits.		
Citizen Outcome	LFR more efficient, information on hand, providing better service to the public.		
Position update	UAT for the 3rd Party system was not successful; a new proposal has been requested for additional 3rd Party deliverables. The project timeline has been updated as a result.		
Next Milestone Name	Milestone Baseline Delivery Date	Forecast/Actual Delivery Date	RAG Status and Commentary
Project Closure	11 December 2019	11 December 2019	Green - On Track

Project ID	IMT-428-1902	Project Sponsor	Chris Jugg
Project Name	Commvault	Project Manager	Gil Crisp
Project Status	In Progress	Forecast Project Closure Date	31 December 2019
Project Summary	The replacement of an obsolete backup solution paves the way for the council to embark upon a massive data archiving programme to address data management debt which has accumulated over many years.		
Business Benefit	Massive reduction in data storage costs; significant reduction in system recovery times. Significant reduction in risk of non-compliance to declare data inadvertently held in a non-discoverable condition, breaching GDPR and other regulations.		
Citizen Outcome	Assurance that the council only retains data that it is lawfully entitled to in the delivery of its services.		
Position update	Platform is operational and backing up the Lincoln estate. Project change control pending approval to incorporate additional backup tape analysis work.		

Next Milestone Name	Milestone Baseline Delivery Date	Forecast/Actual Delivery Date	RAG Status and Commentary
Project Closure	31 December 2019	31 December 2019	Green - On Track

Project ID	IMT-435-1905		Project Sponsor	Donna Fryer
Project Name	Removal of Obsolete Data Mobile Phones		Project Manager	Nathan Roberts
Project Status	In Progress		Forecast Project Closure Date	11 December 2019
Project Summary	To replace obsolete data enabled mobile handsets that can no longer be managed by the Council's systems or are unable to work with Office 365/Intune.			
Business Benefit	<ul style="list-style-type: none"> • Improved user experience of using the corporate mobile phone. • Ability to access new features once available through the Office 365 project. 			
Citizen Outcome	Indirect			
Position update	All new handsets have been configured and issued. The project is now entering the closure stage.			
Next Milestone Name	Milestone Baseline Delivery Date	Forecast/Actual Delivery Date	RAG Status and Commentary	
Project Closure	11 December 2019	11 December 2019	Green - On Track	

6. Expected Progress by Next Reporting Period (November 2019)

Project	Expected Position November 2019	Position November 2019	Start Date	Closure Date
IMT-380-1808 10Gb & HSCN Perimeter Network	Project Complete	Project activities complete, and will close once a final test is complete once a dependency has been delivered by another project.	07/01/2018	01/08/2019
IMT-165 Going to School - Edica Replacement	Project Complete	Project Complete	26/02/2016	16/10/2019
IMT-315 Implement Attachit for SNAP surveys	Project Complete	Following successful go-live and project warranty period, this project has been placed on hold. The application champion will work with the business to transfer all the surveys across from the old server to the new server. Once completed the project will decommission the old system and close.	27/11/2017	03/01/2020
IMT-393-1810 Children's Services X2 Deployment Phase 2	Project Complete	Project Complete	24/10/2018	27/08/2019
IMT-277 OpenText Migration	Project Complete	The new solution successfully went live on the 1st of July 2019. Warranty support is complete. Final action decommissions the legacy service.	03/01/2018	31/12/2019
IMT-324 LFR 999 Solution	BT line works complete, and project closure date baselined.	The Core build is complete. Final outstanding deliverable is the provision of a new ISDN30 telephony service. Project is awaiting agreed delivery dates with 3rd parties. A Change Control has been released to amend baseline dates accordingly.	11/12/2017	07/02/2020
IMT-381-1808 LFR South Park build	Vodafone line delivered, and project closure date baselined.	New building has successfully gone live. Core project is now complete. Additional work has been requested to be included in IT deliverables and a Change Control raised to incorporate.	22/11/2019	01/02/2020

IMT-435-1905 Removal of Obsolete Data Mobile Phones	Project Complete	100% of phones deployed to collection points for end users to collect. Legacy phones being collected in for secure disposal.	21/05/2019	30/01/2020
IMT-407-1812 Corporate Card Payments	Project Complete	Project Complete	05/11/2018	31/10/2019
IMT-251 Lincoln Campus Distribution Network	The switch and rack management work will be complete and the wireless upgrade within the Lincoln campus should be complete.	Campus network switch refresh complete. The Wireless Controller is now installed, and Wireless Access Points are currently being migrated before closure	09/02/2017	31/01/2020
IMT-383-1810 Windows 10 Corporate Refresh Phase 2	The deployment will have completed 75% of the rollout.	The project is in delivery and the plan has been baselined. Deployment and Decommission has also commenced. The deployment dashboard lists the current numbers of deployment. The next milestone - 100% Deployment is due for 07/12 (Tranche 1) Tranche 2 communications have been submitted to users; equipment has also been procured.	04/10/2018	14/02/2020
IMT-390-1810 Corporate Website	The new website will be live, with a number of transactions operational. The final switchover will be early December.	Planned go live for December has been postponed due to the election and will now plan to take place in January.	18/10/2018	Jan 2020
IMT-428-1902 Commvault	Platform is operational and backing up approximately 90% of the Lincoln estate.	Platform is operational and backing up approximately 99% of the Lincoln estate. Agent deployment 99% complete. 3 agents pending.	23/05/2019	31/12/2019
IMT-345 PSN (Public Services Network) 2019	Project briefs continuing to be prepared for the remediation of applications which are affecting the PSN re-accreditation.	41% of the servers are currently turned off/decommissioned, identification and analysis of the applications which remain on 2003 operating system is ongoing. The Project Sponsor has agreed a new approach of targeting the applications which remain, in order to progress.	03/08/2018	Q2 2020
IMT-274 Lincoln Retained Infrastructure	Proposal for DMZ should be released and server migrations complete.	Diversity between Orchard and Lancaster Houses is in progress.	18/05/2017	28/02/2020

IMT-117 Telephony Enablement	Project scope and approach agreed, and project plan baselined with Vodafone and Serco.	High Level Design for the updated version of the solution has been presented and signed off. The supplier is currently producing an updated project plan for base-lining the delivery.	01/09/2015	31/03/2020
IMT-329 Office 365 Configuration	Email will have been moved to the O365 Cloud environment and devices will be managed by Intune.	The technical Office 365 Pilot has completed. The project is currently undertaking a staged migration of LCC email accounts which should result in noted email performance improvements. The next stage will be a business pilot which will be scoped and planned in alignment with a wider Change Programme to ensure the right benefits are targeted in the project delivery.	22/01/2018	31/03/2020
IMT-289 LFR HQ move to Nettleham	Project approach and scope changes agreed, and project plan baselined.	The project High Level Design has been completed and approved. The service has reviewed the project dependencies and associated approach on which basis a new target move date of March 2020 has been established.	13/09/2017	30/03/2020
IMT-425-1903 Office 365 Business Change	Project approach agreed, and plans baselined for the deployment of Office 365.	On Track	12/03/2019	01/01/2019
IMT-427-1903 MDT Refresh	Project scope agreed, and project plan baselined.	UAT for the 3rd Party system failed; a new proposal has been requested for additional 3rd Party Deliverables. The project has released a Change Control to amend.	28/03/2019	10/12/2019

7. Conclusion

During the four months since the last OSMB report there has been good progress made which is demonstrated through the number of completed projects, and the increase in percentage of projects which are green in comparison to the last reporting period.

The amber status projects/programmes are all subject to rebase lining due to stage boundaries, or additional scope being identified. The red project is a result of effective quality reviewing of third party deliverables which has identified areas which require additional work/redesign at an early stage (plan).

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

Report to:	Overview and Scrutiny Management Board
Date:	19 December 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)

19 December 2019		
Item	Contributor	Purpose
Legal Services Lincolnshire	David Coleman, Chief Legal Officer	Pre-Decision Scrutiny (Executive decision on 7 January 2020)
Progress Report by Scrutiny Panel B of its <i>Review of Overview and Scrutiny</i>	Cllr Angela Newton, Chairman of Scrutiny Panel B	Scrutiny Review Activity
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 Adam Stokes, Vice Chairman of Public Protection and Communities Scrutiny Committee	Performance Scrutiny
Azure Migration	John Wickens, Assistant Director - IMT	Pre-Decision Scrutiny (Executive Councillor decision between 7 - 21 January 2020)
Performance of the Corporate Support Services Contract	Sophie Reeve, Assistant Director Commercial Arnd Hobohm, Serco Contract Manager John Wickens, Assistant Director - IMT	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)
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
Property Services Contract Update	Kevin Kendall, Assistant Director – Corporate Property Stuart Wright, Contract Manager	Performance Scrutiny
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)
Council Business Plan 2020/2021	Jasmine Sodhi Performance and Equalities Manager	Pre-Decision Scrutiny (Executive decision on 3 March 2020)

27 February 2020		
Item	Contributor	Purpose
Performance of the Corporate Support Services Contract	Sophie Reeve, Assistant Director Commercial Arnd Hobohm, Serco Contract Manager John Wickens, Assistant Director - IMT	Performance Scrutiny
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 on 20 March 2020)
Overview and Scrutiny Work Programmes <ul style="list-style-type: none"> Environment and Economy Scrutiny Committee Highways and Transport Scrutiny Committee Flood and Water Management Scrutiny Committee 	Cllr Wendy Bowkett, Chairman of Environment and Economy Scrutiny Committee Cllr Bob Adams, Chairman of Highways and Transport Scrutiny Committee Cllr Paul Skinner, Chairman of the Flood and Water Management Scrutiny Committee	Performance Scrutiny

26 March 2020		
Item	Contributor	Purpose
Scrutiny Panel B: <i>Review of Overview and Scrutiny</i> – Draft Final Report	Cllr Angela Newton, Chairman of Scrutiny Panel B	Scrutiny Review Activity

26 March 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

30 April 2020		
Item	Contributor	Purpose
Overview and Scrutiny Annual Report	Nigel West, Head of Democratic Services and Statutory Scrutiny Officer	Performance Scrutiny
Overview and Scrutiny Work Programmes <ul style="list-style-type: none"> • Children and Young People Scrutiny Committee • Public Protection and Communities Scrutiny Committee 	Cllr Robert Kendrick, Chairman of Children and Young People Scrutiny Committee Cllr Nigel Pepper Chairman of Public Protection and Communities Scrutiny Committee	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, Assistant Director - IMT	Performance Scrutiny
Updates on the Council People Management and Workforce Plan and the Employee Survey	Fiona Thompson, Head of Human Resources	Performance Scrutiny

28 May 2020		
Item	Contributor	Purpose
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)
Business World ERP System Re-Design – Progress Report	Andrew McLean, Assistant Director - Transformation, Programmes and Performance	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)
Treasury Management Annual Report 2019/20	Karen Tonge, Treasury Manager Chris Scott, Link Asset Services	Performance Scrutiny
Overview and Scrutiny Work Programmes <ul style="list-style-type: none"> • Adults and Community Wellbeing Scrutiny Committee • Health Scrutiny Committee 	Cllr Hugo Marfleet, Chairman of Adults and Community Wellbeing Scrutiny Committee Cllr Carl Macey, Chairman of Health Scrutiny Committee	Performance Scrutiny

Items to be scheduled:

- County Farm Strategy

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 11 December 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 (Progress 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 11 December 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

FORWARD PLAN OF KEY DECISIONS FROM 02 JANUARY 2020

PUBLISH DATE 4 DECEMBER 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
I018713	Medium Term Financial Strategy and Council Budget 2020/21	Open	Executive 7 Jan 2020		Reports	Assistant Director - Strategic Finance Tel: 01522 553235 Email: michelle.grady@lincolnshire.gov.uk	All Divisions
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	
I018630	Draft Joint Lincolnshire Flood Risk & Water Management Strategy 2019-2050	Open	Executive 7 Jan 2020	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

I019272 New!	IMT Azure Migration	Open	Executive 7 Jan 2020	Overview and Scrutiny Management Board	Report	Assistant Director - IMT Tel: 01522 553651 Email: john.wickens@lincolnshire.gov.uk	All Divisions
I019234 New!	Schools Funding changes 2020/21	Open	Executive Councillor: Adult Care, Health and Children's Services 21 Jan 2020	All maintained and academy schools; Lincolnshire Schools' Forum; and Children and Young People Scrutiny Committee	Reports	Head of Finance - Children's Services Tel: 01522 553326 Email: mark.popplewell@lincolnshire.gov.uk	All Divisions
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
I019270 New!	Highways Fees and Charges	Open	Executive Councillor: Highways, Transport and IT Between 23 January 2020 and 30 January 2020	Highways and Transport Scrutiny Committee	Report	Network Management Commissioner Tel: 01522 552105 Email: mick.phoenix@lincolnshire.gov.uk	All Divisions
I019269 New!	Homecare Re-procurement	Open	Executive 4 Feb 2020	Adult Care and Community Wellbeing Scrutiny Committee	Report	Senior Commercial & Procurement Officer Tel: 01522 554978 Email: catherine.southcott@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
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
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

I019199 New!	Re-procurement of Community Supported Living Services	Open	Executive 4 Feb 2020	Adults and Community Wellbeing Scrutiny Committee	Reports	Commercial Team People Services Tel: 01522 553670 Email: Eilidh.French@lincolnshire.gov.uk	All Divisions
I019235 New!	Extra Care Housing	Open	Executive 4 Feb 2020	Adults and Community Wellbeing Scrutiny Committee	Reports	Assistant Director - Corporate Property Tel: 01522 552933 Email: kevin.kendall@lincolnshire.gov.uk	All Divisions
I019267 New!	Homes for Independence	Open	Executive 3 March 2020	Adult Care and Community Wellbeing Scrutiny Committee	Report	Chief Commissioning Officer Tel: 01522 554227 Email: semantha.neal@lincolnshire.gov.uk	All Divisions
I018573	New LPFT Mental Health S75 Partnership Agreement	Exempt	Executive 3 March 2020	Adults and Community Wellbeing Scrutiny Committee	Reports	Interim Head of Mental Health Services Tel: 01522 553836 Email: lorraine.graves@lincolnshire.gov.uk	All Divisions