

**OVERVIEW AND SCRUTINY
 MANAGEMENT BOARD
 17 DECEMBER 2020**

PRESENT: COUNCILLOR R B PARKER (CHAIRMAN)

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

Added Members

Church Representative:

Parent Governor Representatives: Mrs M R Machin

Councillors: L Wootten, L A Cawrey, M J Hill OBE and M A Whittington attended the meeting as observers

Officers in attendance:-

Michelle Andrews (Head of Early Years), Debbie Barnes OBE (Chief Executive), Justin Brown (Assistant Director Growth), Sue Cline (ICT Contracts and Licenses Officer), James Drury (Executive Director Commercial), Paul Elverstone (ICT Contracts and Licenses Officer), Brendan Gallagher (Principal Planning Officer – Infrastructure), John Giblin (Communications) (Strategic Communications Team Leader), Nick Harrison (Democratic Services Officer), Tracy Johnson (Senior Scrutiny Officer), Gail MacDonald (Project Officer), Sophie Reeve (Assistant Director - Commercial), Nigel West (Head of Democratic Services and Statutory Scrutiny Officer) and John Wickens (Assistant Director - IMT and Enterprise Architecture)

62 APOLOGIES FOR ABSENCE/REPLACEMENT MEMBERS

An apology for absence was received from Councillor Mrs W Bowkett. It was reported that, under Regulation 13 of the Local Government Committee and Political Groups) Regulation 1990, Councillor C R Oxby was replacing Councillor Mrs W Bowkett, for this meeting only. An apology was also received from Councillor B Young, Executive Councillor for Culture and Emergency Services. It was also noted that apologies for absence were received from Andrew Crookham (Executive Director – Resources).

63 DECLARATIONS OF INTEREST

There were no declarations of interest.

64 MINUTES OF THE MEETING HELD ON 26 NOVEMBER 2020

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RESOLVED: That minutes of the meeting held on 26 November 2020 be approved as a correct record and signed by the Chairman.

**65 ANNOUNCEMENTS BY THE CHAIRMAN, EXECUTIVE COUNCILLORS
AND CHIEF OFFICERS**

The Chairman reported that he had attended the meeting of the Executive on the 1st December and presented the comments from the Board on the Revenue and Capital Budget Monitoring Reports for Quarter 2. Further to the comments on the Capital Budget Monitoring report, it was suggested at the Executive that consideration should be given to the member oversight of capital schemes, and the lessons learned, to complement the progress made by officers, including the work of the officer-led capital review group. At the November meeting the Chairman had mentioned that an alternative date for the March meeting was being looked into to enable the Board to conduct its usual business before the pre-election period which was expected to start around 22 March. He confirmed that the March meeting would now be held at 10am on Wednesday 17 March and a revised appointment has been sent out to members and officers.

The Chief Executive reported that a Government announcement was expected during the meeting at approximately 11.30am on any changes to the Covid-19 lockdown tiers for Lincolnshire and the rest of England.

66 CONSIDERATION OF CALL-INS

None had been received.

67 CONSIDERATION OF COUNCILLOR CALLS FOR ACTION

None had been received.

68 SCRUTINY REVIEW REPORT: DEVELOPER CONTRIBUTIONS

In September 2020, the Executive Councillor for Economy and Place, Councillor C J Davie, with the backing of Group Leaders, had requested that a short urgent scrutiny review be undertaken by Scrutiny Panel A on Developer Contributions, on behalf of the Overview and Scrutiny Management Board.

Councillor L Wootten, the Chairman of the Panel, reported that the review commenced in October and the Panel had met three times over October and November, and considered the proposals in the Government's Planning for the Future White Paper; what Developer Contributions were and how the process for requesting them worked in Lincolnshire; how councillors were involved in the process; and how the County Council could maximise the benefits from Developer Contributions for local communities. The Panel had identified that there was a need for councillor training on Developer Contributions and more engagement by councillors in the planning process; a centralised system needed to be developed to request, record and monitor Developer Contributions across the Council which should then improve the Section 106 income received; and a need for appropriate

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lines of accountability and strategic oversight of Section 106 agreements. The Panel had recognised that a more joined up approach with the District Councils would enable more collaborative working to maximise the benefits to local communities. This would become crucial if the White Paper proposals for Developer Contributions were introduced, as Lincolnshire could receive much lower levels of funding in future. To maximise the benefits from Developer Contributions, there were four key points that needed to be addressed by the County Council. These were: what did the Council want developer contributions for; did the Council receive enough income to mitigate the impacts of development; how did the Council decide which schemes went ahead when there was not enough income; and did the Council manage the income it received effectively. Councillor L Wootten reported that subject to the Board's approval she would present the final report and recommendations to the Executive for its consideration on 5 January 2021.

The Board considered the draft final report with recommendations from the Senior Scrutiny Officer. The report highlighted that the following key lines of enquiry for the scrutiny review had been agreed by the Panel as follows: To examine how Developer Contributions could be utilised to maximise the benefits to the local community and how a list of potential local schemes to fund through Developer Contributions could be developed, while taking into consideration the National Planning Policy Framework, local circumstances and the views of the local member; To examine the impact of the proposals in the Government's consultation paper 'Planning for the future' and what the proposals would mean for Lincolnshire; To examine how to achieve better quality design and more sustainable communities in new developments through the use of Developer Contributions, recognising that the viability of new developments could be marginal to the development industry.

The Scrutiny Panel had recognised that there was an inconsistent approach to Developer Contributions across Lincolnshire with three District Councils having a Community Infrastructure Levy (CIL) schedule in place, but the rest still using Section 106 agreements. However, even where CIL was in place, additional Developer Contributions could still be sought to mitigate impact. The Scrutiny Panel also recognised that a more joined up approach between the County Council and the District Councils would enable more collaborative partnership working to maximise the benefits from Developer Contributions to the residents of Lincolnshire.

The Panel had developed an action plan which was outlined in the report and included: training for councillors as part of their induction; a short guide for councillors on Developer Contributions; email notifications to councillors of any planning applications in their divisions which would explain what was expected of councillors in their response; a training package for relevant officers to raise awareness of the role of county councillors and provide them with the knowledge and skills to answer queries from parish councillors and the general public regarding Developer Contributions; a Communications Strategy to provide podcasts and guidance to parish/town councils and district councils, and to place on the County Council's website and in libraries to provide clarity of the County Council's role in the Developer Contributions process.

The report contained the following recommendations:

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Recommendation 1

That Lincolnshire County Council continue to oppose those aspects of the 'Planning for the future' White Paper which would limit the Council's ability to ensure that new developments had as little impact as possible on existing residents, communities, and businesses.

Recommendation 2

That officers continue to work with developers, building a strong relationship so that developers continue to see Lincolnshire County Council as a partner with whom to engage and whose priorities should be adhered to, whatever recommendations were made through new legislation next year.

Recommendation 3

That the Council establish a strategic approach to requesting, co-ordinating, and monitoring Developer Contributions. The Executive Councillor for Commercial and Environmental Management and the Executive Councillor for Economy and Place should work with the Head of Development Management in its establishment.

Recommendation 4

On those occasions where a scheme could not viably fulfil all requests for Developer Contributions, then the Executive should decide which schemes should be prioritised using a published escalation process. The Executive Councillor for Commercial and Environmental Management and the Executive Councillor for Economy and Place should work with the Head of Development Management in its establishment.

Recommendation 5

An Infrastructure Funding Statement should be produced annually by the Executive in line with the requirements in the Community Infrastructure Levy Regulations 2019.

Recommendation 6

That the Executive approve the implementation of the Councillor Engagement Action Plan outlined in the report.

The Assistant Director – Growth, reported that the Government had started to consider changes to the proposals in the White Paper and that the report would help the Council respond to these as they arose. It was suggested that if and when the recommendations in the scrutiny review were approved the implementation of them would be rapid.

The main impacts on Lincolnshire were noted and these included:- No planning applications would be required for major developments in designated Growth Areas. There would therefore be less opportunity for the County Council to scrutinise planning applications and there would also be less public consultation and challenge; Under the proposal to introduce three zonal areas – growth, renewal and protection, there was no mention of how waste and minerals, which the County Council was responsible for, fitted into the process; Payments would be made at the end of the development. This would mean that any schemes which needed to be completed

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before the development could commence, such as highways improvements, would have to be funded upfront by the County Council.

Members discussed the report, and during the discussion the following points were noted:

- The Chairman thanked all those involved in producing a report especially with such a quick turnaround and this was echoed by Councillor Mrs L Wootten who paid tribute to the Panel and all staff involved.
- The draft final report was an excellent piece of work on a complex subject involving different pieces of legislation. It was suggested that the report should be circulated to Lincolnshire's MPs for information.
- The report should be circulated to all district and parish councils for educational purposes.
- Recommendation 1 should be amended to say 'as little negative impact' to make it clearer the type of impact the Council sought to minimise on residents, communities and businesses.
- Lincolnshire County Council, along with the District Councils, should continue to robustly respond to the Government's communications on the 'Planning for the Future' White Paper, in particular to oppose those aspects which would impact negatively on Lincolnshire and outlining the reasons as to why. One major problem not addressed by the White Paper was 'land banking', where developers had received approval but had not commenced the development, or not had any immediate intention of doing so.
- One major concern was the erosion of local democracy and the limits on input into planning applications.
- The Council needed to establish clear systems to monitor developer contributions to ensure the money was received and the Council was not put at financial risk. There had been incidences where Section 106 agreements had been agreed as part of the approval, but the money was not received or had been delayed due to cash flow issues with the developer.
- There was a need for real collaboration between all the councils in Lincolnshire to ensure that the same message was being given to developers and the process was fit for purpose.
- Planning applications were being approved by the local planning authorities; however some developments were not being built following the approval. Where developments were stalled, eg where foundations were laid but the remainder of the property was not built, then this resulted in a significant blight on some local communities.
- The Council needed to have good working relationships with all developers and that messages inviting collaboration needed to be communicated to all developers, both large and small.
- The Council needed to be clear with residents and local communities about how why it was seeking funding, what benefit it hoped to have on the community, how it had spent money received from developer contributions and what benefits had been achieved.
- The actions to implement the recommendations, if agreed by the Executive, should be reviewed and updated when and where necessary to ensure they

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were still relevant and fit for purpose in the light of recent Government changes to the White Paper proposals and any additional changes to its proposals in the future.

RESOLVED:

1. That the Board approve the draft final report as the final report on Developer Contributions for submitting to the Executive, subject to recommendation one being amended as follows with the addition of the word 'negative' highlighted in bold text:-
Recommendation 1

*That Lincolnshire County Council continue to oppose those aspects of the 'Planning for the future' White Paper which would limit the Council's ability to ensure that new developments had as little **negative** impact as possible on existing residents, communities, and businesses.*

2. That a summary of the above comments be passed on to the Executive as part of its consideration of this item.

69 DRAFT INFRASTRUCTURE FUNDING STATEMENT

The Board considered a report from the Principal Planning Officer – Infrastructure, on a draft Infrastructure Funding Statement, which would be presented to the Leader of the Council for decision between 18 December 2020 and 23 December 2020. The views of the Board would be reported to the Leader as part of his consideration of this item. The recommendation was that the report be approved for publication as Lincolnshire County Council's Infrastructure Funding Statement (IFS) for the financial year 2019/20.

Under Regulation 121A of the Community Infrastructure Levy Regulations 2010 the Council must not later than 31 December 2020 publish an annual infrastructure funding statement detailing: a statement of the infrastructure projects or types of infrastructure which the charging authority intended would be, or may be, wholly or partly funded by Community Infrastructure Levy; a report setting out specific information about Community Infrastructure Levy, in relation to the previous financial year; and a report containing specified information about planning obligations, in relation to the previous financial year.

Members discussed the report, and during the discussion the following points were noted:

- For a public facing document, the draft Statement did not contain enough detail about how the Section 106 obligations totalling £11,854,236 would be spent. Paragraph 3.2 and Tables 1 and 2 required further detail and explanation to make the Statement clearer and more user friendly for the public.
- The draft Statement should highlight the benefits of developer contributions to the community and public and what the Council was trying to achieve with them.

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- Consideration should be given as to whether a public statement or an executive summary on the Infrastructure Funding Statement should be provided by the Council's Communications Team to promote the Statement to the press and public given the amount of money involved. The Chief Executive confirmed that this would be discussed further with officers.

The Board recommended that the draft Infrastructure Funding Statement should be amended to contain more detail and made clearer so that it was an appropriate public facing document. The Assistant Director – Growth confirmed the draft Statement would be reviewed and amended in the light of the comments from the Board, before the decision was taken by the Leader of the Council.

RESOLVED:

- 1) That the Leader of the Council (Executive Councillor: Resources and Communications) be asked to consider the comments from the Board and any subsequent amendments necessary as a result of these prior to the final approval of the publication of the document attached at Appendix A as Lincolnshire County Council's Infrastructure Funding Statement (IFS) for the financial year 2019/20;
- 2) The comments from the Board's discussion on the report be passed onto the Leader.

(At this point Councillor L A Cawrey gave her apologies and left the meeting)

70 CORPORATE SUPPORT SERVICES REVIEW - SCOPE, PRIME PROVIDER UPDATE AND DRAFT IMT MODEL

The Board considered a report and presentation from the Assistant Director – IMT and Enterprise Architecture, and the Assistant Director, Commercial, on the Corporate Support Services Review Project which sought the views of the Board on: the scope of services included within the Corporate Support Services Review (CSSR) Project; the validity of a single Business Process Outsourcing (BPO) type provider for future services; and the principles and rationale of the early draft IMT model which was under development.

The Corporate Support Services Review Project had been established as part of the Council's Transformation Programme to support informed decision making around the future delivery of services in the current Corporate Support Services Contract with Serco. The contract with Serco would end in March 2024. Further extensions beyond that date were not possible and the Council needed to have alternative arrangements in place and therefore planning had now commenced. Serco currently provided IT service delivery, People management (Payroll and HR Admin), Finance (Adult Social Care Finance) and the Customer Service Centre (CSC). The contract had been in place since April 2014.

The intention was to report progress to the Board at regular intervals to coincide with the existing quarterly updates on the performance of the existing corporate support

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services contract. This was the first such report and dealt with IMT, scope, and the market to establish a potential model which met the Council's requirements beyond 2024. It was necessary to be clear about the scope of services that should be included in the review. It was noted that beyond the current Corporate Support Services Contract, the market conditions had changed so significantly that alternative options to a single BPO type provider should be explored.

Members discussed the report, and during the discussion the following points were noted:

- The Board was satisfied that the scope of services included within the Corporate Support Services Review (CSSR) Project should be limited to those services currently delivered by Serco namely IMT, HR Admin and Payroll, Finance (including ASC Finance) and the Customer Service Centre (CSC).
- There was recognition that the single Business Process Outsourcing (BPO) type provider was coming to an end and did not support the Council's commissioning intentions and was likely therefore to be replaced by a number of specialist providers for future services.
- Regarding the principles and rationale of the early draft IMT model which was under development it was thought that there was a need to shape requirements to what the market offered. Where customised solutions were considered then the Board would need to know the risks and consequences. It was noted that customised solutions were more expensive and likely to be more risky than off-the-shelf tried and tested ones.
- Managing a variety of providers would be more challenging and it was confirmed that officers were in liaison with other local authorities on how they managed risk with multiple providers and also on the solutions they employed.
- Payroll and adult and social care were two services which would prove to be challenging in attracting a choice of external commercial providers, however, work was underway in reviewing the options and possibilities. It was noted that one option would be a 'shared service' arrangement with other local authorities. It was confirmed that Serco may well be interested in a smaller contract for example for the CSC services.
- One piece of work was to determine what services would look like in 2024. For example the CSC was likely to look different to what it did now and more emphasis would be given as to how it could be provided digitally in the future. Modern responsive solutions were an important requirement for future provision.
- It was acknowledged that IT was a big part of the Serco contract and it was agreed that change and exit should be phased to maintain stable service delivery.

(At this point Councillors B Adams, Mrs J Brockway and L Wootten gave their apologies and left the meeting)

RESOLVED: That the Board receive the report and the feedback provided on the three points be taken into consideration by officers as the project progressed.

CONTRACT PERFORMANCE

The Board considered an update report from the Head of Data Services and Business Intelligence on Data Services and Legacy ERP data (SAP) and the current work programme of the IMT Data Services Department, and an update from the ICT Contracts and Licenses Officer on the Serco Contract Performance against Key Performance Indicators January – October 2020.

The Board was generally satisfied with the performance. There was one area of concern raised on whether there would be any impact on service users arising from the transfer of the pension's service to 'Business World'. It was noted that the SAP programme was being decommissioned and that it contained all the historical records of pension contributions. It was reported that the platform would continue to be used in the short term, however solutions and options were under review and officers were not aware of any issues which would have an impact on service users or pension contributors.

The Chairman suggested that he would discuss with officers, the reasons for the reduction in KPI's from 41 to 13 in number, after it was noted that some KPI's originally proposed were found to be difficult to measure and so were discontinued as unviable.

RESOLVED: That the report be received and it be noted that the Board was reassured on the performance of the Data Services department and the Serco contract.

(At this point Councillor Mrs A Newton gave her apologies and left the meeting)

72 COVID-19 UPDATE

The Board considered an update report from the Assistant Director – Corporate Recovery, on the work by the Local Resilience Forum (LRF), partners and Lincolnshire County Council (LCC) to manage Lincolnshire's response to the Covid-19 pandemic.

On the 26th November Lincolnshire was informed that they would be placed in Tier 3 (the highest restrictions) from the 2nd of December 2020, this followed the end of the second period of national lockdown. These arrangements were reviewed on the 16th December 2020.

As part of the Covid-19 Winter Plan arrangements for a period of 5 days from 23 December to 27 December 2020, the government had announced that the public could choose to form a 'Christmas bubble' following the following rules: You could only be in one Christmas bubble; You cannot change your Christmas bubble; Your Christmas bubble should not include people from more than three households.

The Chief Executive reported that during the meeting it had been announced that Lincolnshire would continue to be placed in Tier 3 restrictions which were likely to be reviewed in two weeks' time. There was also a Government announcement on the

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return of schools in January. All secondary school pupils and teachers in England would be tested for coronavirus from January. Primary schools would be given rapid lateral flow tests to be carried out weekly for all staff, and daily tests for all close contacts of confirmed Covid-19 cases.

Discussion took place on the likely impacts on both the County and the Council of a 'no deal Brexit'. It was suggested that the impacts/risks of a Brexit deal or no deal would be relatively low for Lincolnshire. Primarily as there were no ports or border crossing points in the county. There could be food and medicine supply issues but these were not expected to be immediate issues and were being managed nationally. The County Council had been providing support and information to businesses via support lines and seminars on the need to prepare for Brexit.

RESOLVED: That the report be noted.

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PROGRAMME

Members were advised that this item was for information only.

RESOLVED: That the work programme be noted.

The meeting closed at 12.30 pm