

County Offices
Newland
Lincoln
LN1 1YL

26 May 2022

Executive

A meeting of the Executive will be held on **Tuesday, 7 June 2022** in the **Council Chamber, County Offices, Newland, Lincoln LN1 1YL** at **10.30 am** for the transaction of business set out on the attached Agenda.

Yours sincerely



Debbie Barnes OBE
Chief Executive

Membership of the Executive
(9 Members of the Council)

Councillor M J Hill OBE, Executive Councillor for Resources, Communications and Commissioning (Leader of the Council)

Councillor Mrs P A Bradwell OBE, Executive Councillor for Children's Services, Community Safety and Procurement (Deputy Leader)

Councillor Mrs W Bowkett, Executive Councillor for Adult Care and Public Health

Councillor R D Butroid, Executive Councillor for People Management, Legal and Corporate Property

Councillor L A Cawrey, Executive Councillor for Fire & Rescue and Cultural Services

Councillor C J Davie, Executive Councillor for Economic Development, Environment and Planning

Councillor R G Davies, Executive Councillor for Highways, Transport and IT

Councillor D McNally, Executive Councillor for Waste and Trading Standards

Councillor Mrs S Woolley, Executive Councillor for NHS Liaison, Community Engagement, Registration and Coroners

**EXECUTIVE AGENDA
TUESDAY, 7 JUNE 2022**

Item	Title	Forward Plan Decision Reference	Pages
1	Apologies for Absence		
2	Declarations of Councillors' Interests		
3	Announcements by the Leader, Executive Councillors and Executive Directors		
4	Minutes of the Meeting of the Executive held on 4 May 2022		5 - 14

KEY DECISIONS - ITEMS TO BE RESOLVED BY THE EXECUTIVE

5	Approval to Procure Contracts for Temporary Agency Staff <i>(To receive a report by the Executive Director – Resources which seeks approval to procure contracts for temporary agency staff)</i>	I026023	15 - 22
6	Delivery of HR Administration, Payroll, Exchequer, Adult Care Finance and the Customer Service Centre (CSC) <i>(To receive a report by the Executive Director – Resources which seeks approval for a mix of new commissioning arrangements as part of the future model of delivery of Corporate Support Services including HR Administration, Payroll, Exchequer, Adult Care Finance and the Customer Service Centre)</i>	I025180	23 - 76

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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.

Please note: This meeting will be broadcast live on the internet and access can be sought by accessing [Agenda for Executive on Tuesday, 7th June, 2022, 10.30 am \(moderngov.co.uk\)](https://www.lincolnshire.gov.uk/moderngov.co.uk)

All papers for council meetings are available on:
<https://www.lincolnshire.gov.uk/council-business/search-committee-records>



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PRESENT: COUNCILLOR M J HILL OBE (LEADER OF THE COUNCIL)

Councillors Mrs P A Bradwell OBE (Executive Councillor for Children's Services, Community Safety and Procurement) (Deputy Leader), Mrs W Bowkett (Executive Councillor for Adult Care and Public Health), R D Butroid (Executive Councillor for People Management, Legal and Corporate Property), L A Cawrey (Executive Councillor for Fire & Rescue and Cultural Services), C J Davie (Executive Councillor for Economic Development, Environment and Planning), R G Davies (Executive Councillor for Highways, Transport and IT), D McNally (Executive Councillor for Waste and Trading Standards) and Mrs S Woolley (Executive Councillor for NHS Liaison, Community Engagement, Registration and Coroners)

Councillors: C E H Marfleet (Chairman of the Adults and Community Wellbeing Scrutiny Committee) and R B Parker (Chairman of the Overview and Scrutiny Management Board) attended the meeting as observers

Officers in attendance:-

Debbie Barnes OBE (Chief Executive), Alex Botten (Strategic, Commercial and Procurement Manager), Nicola Calver (Member Services Manager), Pam Clipson (Head of Finance, Adult Care and Community Wellbeing), Andrew Crookham (Executive Director Resources), Glen Garrod (Executive Director - Adult Care and Community Wellbeing), Charlotte Gray (Head of Service – Children's Commissioning), Sara Gregory (Interim Commissioning Manager, Children's), Andy Gutherson (Executive Director Place), Alina Hackney (Senior Strategic Commercial and Procurement Manager - People Services), Nicky Myers (Interim Head of Service Early Years & Childcare Support), Samantha Neal (Assistant Director, Prevention and Early Intervention), Heather Sandy (Executive Director of Children's Services), Andrew Webster (Commercial and Procurement Officer - IT), Nigel West (Head of Democratic Services and Statutory Scrutiny Officer), John Wickens (Assistant Director - IMT and Enterprise Architecture), Rachel Wilson (Democratic Services Officer) and Adrian Winkley (Minerals and Waste Policy and Compliance Manager)

80 APOLOGIES FOR ABSENCE

There were no apologies for absence.

81 DECLARATIONS OF COUNCILLORS' INTERESTS

Councillor D McNally, Executive Councillor for Waste and Trading Standards, declared an interest in agenda item 9 – Lincolnshire Minerals and Waste Local Plan: Issues and Options for Updating the document, as it affected land owned by Council McNally, which was

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specified on his Disclosable Pecuniary Interest (DPI) form. Councillor McNally advised that he would leave the meeting for consideration of this item of business.

82 ANNOUNCEMENTS BY THE LEADER, EXECUTIVE COUNCILLORS AND EXECUTIVE DIRECTORS

There were no announcements by the Leader or members of the Executive.

83 MINUTES OF THE MEETING OF THE EXECUTIVE HELD ON 5 APRIL 2022

RESOLVED

That the minutes of the meeting held on 5 April 2022 be signed by the Chairman as a correct record.

84 LINCOLNSHIRE COMMUNITY EQUIPMENT SERVICES RE-PROCUREMENT

The Executive Councillor for Adult Care and Public Health introduced a report which set out the need to procure a new contract for the Lincolnshire Community Equipment Service (LCES). This was a jointly commissioned service between the Council and Lincolnshire Clinical Commissioning Group (CCG), and it was noted that the contract had been in place since April 2016.

The Assistant Director – Early Intervention and Prevention outlined the current service summary and advised that it was an all-age service providing equipment (including Telecare) on loan to help meet the health and social care needs of people with long term conditions and disabilities. It was a statutory duty to provide this equipment where someone had been assessed as having a statutory need. It was also highlighted that this was a critical factor in helping people to remain more independent and in their own homes as well as assisting with hospital discharge.

The Chairman of the Adults and Community Wellbeing Scrutiny Committee presented the comments of the Scrutiny Committee following its consideration of this item at its meeting on 6 April 2022. The Executive was advised that the Committee fully supported all the recommendations. In particular, the Committee had highlighted the benefits of seven day working and the joint working with the NHS. The Committee acknowledged the potential budget pressures but felt that most of these had been covered and mitigated by the report. Another area that the Committee highlighted as important was the recycling aspect of the contract and strongly supported the recycling arrangements. It was commented that the use of Household Waste Recycling Centres was a good opportunity and more use could be made of them, by allowing people to drop items off at any time. In conclusion, it was reported that the Scrutiny Committee fully supported the recommendations and would like to see the use of Household Waste Recycling Centres promoted as well as additional attention paid to hospital discharge.

During discussion by the Executive, the following was noted:

- In terms of the recycling, this applied to a variety of items from walking sticks to high-cost specialised equipment. The provider would be incentivised to collect and maintain equipment.
- It was noted that there was flexibility built into the contract in relation to hospital discharge, which had supported extra demand at the acute sites. For example, the equipment service had expanded from six to seven days a week and performance in terms of delivery times were very good.
- Incentivising the recycling aspect of the contract rather than paying a guaranteed management fee would place Lincolnshire in a strong position in comparison with other areas nationally.
- The Executive was supportive of the need for equipment to be recycled and reused as much as possible, as there had been instances of residential homes keeping hold of specialised equipment provided for a particular resident after they had passed away.
- Clarification was sought regarding the non-recurrent funding which had been used to support the cost increase. Officers advised that this referred to funding provided as a result of the Covid-19 pandemic to enable people to be discharged from hospital, and the authority was able to re-charge this. Costs per months had now stabilised and there would be additional income through the IBCF which had been built into the out turn position. It was noted that the increase in demand would be funded by improving the collection rate, and so the authority would no longer be reliant on non-recurrent funding.
- It was noted that there was a risk sharing agreement within the S75 agreement, and data would be presented monthly to the partnership board and if an increase in demand started to be seen, it could be addressed.
- It was confirmed that auction houses may be contacted as an additional way of collecting equipment. There was an extensive scheme in place to collect equipment.
- The contract would enable the authority to track through the provider, where the equipment was going, and there would be a focus on the importance of recycling.
- It was noted that Occupational Therapists in hospitals had tended to over prescribe equipment, through this contract, the teams would be brought closer together so an individual would be assessed and provided with only the equipment that they needed.
- Performance of the current contract was good, with the recycling targets radically improved on the previous year. The service had come under considerable demand over the last couple of years. It was acknowledged that there had been challenges around Telecare, but one of the recommendations would address this by de-coupling it from the existing contract, as there was a need for a specialist provider.
- Consideration of costs of buying new equipment compared to the costs of collection/cleaning and storage or disposal of existing equipment were all contained within the contract.

RESOLVED

1. That approval be given to a procurement to deliver a contract to be awarded to a single provider of a county-wide community equipment service including wheelchair provision, and the potential for Disabled Facilities Grant items such as stairlifts, to be incorporated into the catalogue of equipment, for an initial period of up to five years with the possibility of a further five-year extension.
2. That approval be given to the de-coupling of telecare from the current community equipment services contract and the re-procurement from 1 April 2023 of a separate, interim two-year, like for like telecare contract, with the intention of procuring a wider Technically Enabled Care (TEC) solution, to be in place by 1 April 2025.
3. That authority be delegated to the Executive Director of Adult Care & Community Wellbeing in consultation with the Executive Councillor for Adult Care and Public Health, to determine the final form of the contract/s and to approve the award of the contract/s and the entering into of the contract/s and other legal documentation necessary to give effect to the above decisions.

85 OPTIONS FOR THE FUTURE DELIVERY OF IMT SERVICES

The Executive Councillor for Highways, Transport and IT introduced a report which sought a decision on the best way forward for the future delivery of IMT services as well as approval from the Executive for the mix of insourced and outsourced services as part of the future model of delivery and authority to commence a procurement for the proposed approach. It was reported that this was a move to a different model of procurement which recognised the changes to the market and demonstrated a radical shift towards cloud technology.

The Assistant Director IMT & Enterprise Architecture guided the Executive through the report and advised that a review of the services and a soft market engagement had allowed for a simplification of the contract with fewer providers than initially expected due to an ability to combine services, with specialist providers being used to provide specialist services.

The Chairman of the Overview and Scrutiny Management Board presented the comments of the Board following its consideration of this item at its meeting on 28 April 2022. The Executive was advised that the Board unanimously supported the recommendations, however some of the key points highlighted during the discussion included the importance of good governance to avoid the duplication of cloud services; recognition of the improved security that accompanied cloud systems; support for the procurement exercise which would be designed to enable the Council to create a range of options and procure specialisms independently when required; the possibility of recruitment challenges was also highlighted, however, this was not seen as a substantial risk. It was also highlighted that it had been requested that a report on the governance arrangements should be brought back to the Board before the Service Integration and Management (SIaM) service was fully developed.

During discussion by the Executive, the following points were noted:

- It was queried whether there were risks in relation to not being able to recruit and retain the staff that were needed. It was acknowledged that there could be issues as the authority moved through the contract, however, there was a plan in place to ensure that the Council was seen as an employer of choice, and an attraction and retention framework was being developed. It was also noted that in the medium term, the use of cloud services would remove the requirement for specialist technical staff.
- An additional issue was there were a number of unsupported IT systems which were within individual service areas, and information was being sought from IMT and service areas around the risks to the Council of leaving these systems unsupported. The task was to reduce the number of individual bespoke systems and move to more resilient systems. However, it was noted that this work was in its very early stages and it was hoped that there could be a direction of travel by the end of summer 2022.
- Reassurance was sought regarding resilience in the event that one of the large technology companies (Google/Amazon/Microsoft) went down, and the Executive was advised that these companies were proving their worth with current world events and withstanding cyber attacks. The authority was looking at strategies to transfer data to different locations.
- In terms of resilience, all services had business continuity plans in place. It was noted that this was something that needed to be tested regularly.

RESOLVED

1. That the future IMT services design and sourcing approach be approved as follows:
 - a) The implementation of a multi-supplier IMT service delivery model involving external suppliers who are specialists in specific areas of IMT service delivery, supplemented by some in-house delivery.
 - b) The outsourcing of the following IMT services to external suppliers:
 - i. Support Desk and Operations (including end user device management and device security services)
 - ii. Managed Cloud Services and Enhanced Security Services
 - c) The insourcing of the following IMT services:
 - i. Service Integration and Management (SIaM)
 - ii. Application Support
 - iii. VIP Support
 - iv. Technical Operations (data centres)
 - v. Vendor and Licence Management
2. That the carrying out of the necessary procurement processes to secure the services of external suppliers referred to in 1b be approved.

3. That authority be delegated to the Executive Director responsible for Commercial, in consultation with the Executive Councillor for Highways, Transport and IT, to take all necessary decisions and steps to progress the in-sourcings referred to in 1c and to progress the procurements referred to in 2 up to and including the award of contracts.

86 COMMISSIONING ARRANGEMENTS FOR THE HOLIDAY ACTIVITIES AND FOOD (HAF) PROGRAMME

The Executive received a report which detailed the pilot programme of the Holiday Activities and Food (HAF) programme which was funded by Government and rolled out to all upper unitary authorities in 2021. Through the Spending Review, the Government confirmed that the HAF programme would be funded for at least a further three years. The report set out recommendations for the longer-term model and commissioning arrangements for the HAF Programme in Lincolnshire from Summer 2022 onwards.

The Head of Service – Children’s Strategic Commissioning was in attendance and presented the report to the Executive advising that the Council’s grant allocation for the 2022/23 financial year was £2,638,890. It was highlighted that providers would need to apply to the County Council for a grant, and there would be criteria which would apply.

The Chairman of the Overview and Scrutiny Management Board presented the comments of the Children and Young People Scrutiny Committee following its consideration of this item at its meeting on 22 April 2022. Some of the main points highlighted by the Committee included the importance of the recognition on the focus on children entitled to free school meals, and there was a need to ensure that the most disadvantaged children would benefit from this programme. It was expected that that not all of those eligible would take up the offer. It was suggested that all councillors should be briefed on the provision that was available in their area. The proposal was welcomed unanimously.

During discussion by the Executive, the following was noted:

- There were now more providers coming on stream, so there should be more places around the county for the next school holiday.
- The Children and Young People Scrutiny Committee had requested that information about where this programme could be accessed was shared with all councillors.
- Local providers were encouraged to come forward to apply for the programme and local councillors to visit those providers to get a feel for what was being provided in their local area.
- It was acknowledged that improvements needed to be made to existing booking system to provide information on where places were available, and the new booking system would make it easier to book, as well as enabling people to check their eligibility for the programme
- It was commented that the Programme had been well advertised in one area, however, the booking options needed to be more visible. It was suggested whether

schools would be able to issue some information on this a few weeks before the end of the summer term. It was noted that the summer activities programme would be shared in advance and work with the Communications Team would also take place.

- It was queried how it would be ensured that those people/families who would benefit most from this programme would be able to find out about it. It was noted that the roles of schools would be pivotal, so they would be able to encourage families to attend, however, it was acknowledged that some parents would still choose not to participate. Early help staff and social workers would also encourage parents to take up this offer as well.
- It was noted that the previous programme of activities had been well received, but that there had been issues with the website, and it had appeared that not all places had been taken up. It was queried whether there had been any disparity within the county. The issues with the website were acknowledged and it was explained that the initial website had been stood up quickly, and the new website would make it much easier for people to see what was available in their area. The new programme would take a targeted approach to where those eligible families lived. The procurement process allowed for flexibility to meet local demand, rather than being a blanket approach.
- It was confirmed that having places available for parents to pay was something that providers could have. There were already providers delivering programmes regardless of eligibility. It was suggested that having paid for places available may help to normalise it.

RESOLVED

1. That the recommended delivery model for HAF from Summer 2022 onwards be approved.
2. That the establishment of an Open Select List (OSL) to commission third party providers to support the delivery of the HAF programme in Lincolnshire from Summer 2022 for up to at least three years, be approved.
3. That the direct award of grants to third party providers who apply and meet the criteria via the OSL be approved.
4. That the direct award of grants to schools and academies, early years settings and District Councils that operate leisure facilities that apply and meet the criteria from Summer 2022 and during the years where HAF grant funding is made available from the Government, be approved.
5. That authority be delegated to the Executive Director of Children's Services, in consultation with the Executive Councillor for Children's Services, Community Safety and Procurement, to take all decisions necessary, where required, in relation to the conducting the OSL and the awarding and entering into grants.

87 AWARD TO RESELLER FOR PROVISION OF MICROSOFT SUBSCRIPTION AGREEMENT AND RELATED SERVICES

The Assistant Director – IMT and Enterprise Architect introduced a report which set out the proposed procurement route for the provision of Microsoft software and services.

The Chairman of the Overview and Scrutiny Management Board presented the comments of the Board following its consideration of the report at its meeting on 26 April 2022. Queries had been raised regarding the need to award the contract for only one year, however, the Board accepted the reason for this course of action and welcomed the savings that had been made.

RESOLVED

1. That the direct award of a one-year contract, via the CCS RM6194 Back Office Software (BOS) Framework Agreement, to the incumbent reseller Softcat, for the provision of Microsoft services and software, be approved; and
2. That authority be delegated to the Executive Director – Resources, in consultation with the Executive Councillor for Highways, Transport and IT to take all decisions necessary to carry out the procurement up to and including the award of contract.

88 LINCOLNSHIRE MINERALS AND WASTE LOCAL PLAN: ISSUES AND OPTIONS FOR UPDATING THE PLAN

(NOTE: 11.49 am - Councillor D McNally left the meeting for consideration of this item of business)

The Executive Councillor for Economic Development, Environment and Planning introduced a report which outlined the issues and options for updating the adopted Lincolnshire Minerals and Waste Local Plan to ensure that its policies remained relevant and effective. The document attached to the report at Appendix A, the Issues and Options Document, represented the first stage of this process, and subject to the approval of the Executive would subsequently be published for public consultation.

The Chairman of the Overview and Scrutiny Management Board presented the comments made by the Environment and Economy Scrutiny Committee following its consideration of this item at its meeting on 12 April 2022. Some of the points highlighted by the scrutiny committee included the importance of proper consideration of local views as part of the consultation, the updating of the Plan was welcomed and the Committee commended its usefulness as a tool to the planning system. Concerns were also raised regarding mineral workings, and the need for them to be assessed within the existing Core Policies. The Committee also suggested that consideration should be given to the location of recycling facilities near to smaller settlements as well as the more urban areas.

During discussion by the Executive, the following points were raised:

- Clarification was sought on how far public views could be taken into account. Members were advised that whilst the plan would need to conform with national policies, there was still scope for the public to influence the development of the plan, for example in the selection of sites for future mineral working and in the restoration/afteruse of such sites. It would, however, be a challenge to balance public expectations.
- Queries were raised over the current approach of restoring quarries without the importation of inert waste to raise the land levels. Members were advised that only limited amounts of inert waste were generated in Lincolnshire and that the county already had sufficient inert landfill capacity for the proposed plan period. The current policy approach was therefore to encourage low level restoration to allow sites to be restored promptly.
- It was reported that there were a number of requirements to balance when considering restoration, including the need to protect high-grade agricultural land, the need to create priority habitats, and the potential to provide benefits to the local communities, such as public access. These would be matters which would be discussed with local communities.
- Queries were raised regarding options for the restoration of former quarry sites into environmental attractions or for recreational use. Members were advised that whilst there was a view that an economic use of restored sites could have benefits, these types of schemes were not always welcomed by local communities. Any future development activity would normally need to be considered by the appropriate district council as it fell outside of the remit of the minerals and waste local plan.

RESOLVED

1. That subject to any amendments made pursuant to paragraph 2 below, the Issues and Options document attached at Appendix A and the Proposed Site Selection Methodology attached at Appendix B to the report for public consultation for a period of at least six weeks commencing in June 2022, be approved.
2. That the Head of Planning be authorised to make any non-material amendments to the said Issues and Options document and said Proposed Site Selection Methodology that are necessary to meet the County Council's accessibility requirements for publication on its website; and
3. That the carrying out of a "Call for Sites" process alongside the consultation be approved.

The meeting closed at 12.11 pm

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

Report to:	Executive
Date:	07 June 2022
Subject:	Approval To Procure Contracts For Temporary Agency Staff
Decision Reference:	I026023
Key decision?	Yes

Summary:

The Council's Temporary Agency Staff contracts are due to expire on the 4 September 2022. This report sets out a proposed course of action including a short extension to the existing contracts, procurement of a new contract and delegation of the necessary decisions.

Recommendation(s):

That the Executive:

1. Approves the recommendation to procure new contracts for the provision of (i) general and (ii) social care temporary agency staffing requirements through the ESPO MSTAR3 Framework Agreement with effect from 5 December 2022.
2. Approves extensions of 3 months to the current contracts.
3. Delegates to the Executive Director – Resources in consultation with the Executive Councillor for People Management, Legal and Corporate Property authority to give effect to the extensions and to determine the final form of the new contracts and to approve the entering into of the new contracts.

Alternatives Considered:

1. Not Awarding the Contract

The council is obligated to procure services of the value of these services according to the Public Contract Regulations 2015.

The council relies on contingent workers across a number of hard to recruit roles for example, social care, educational psychology and legal. This is currently due to national shortages and difficulties within the job market following Brexit and

Covid.

Failing to award a corporate contract would see an increase in off contract spend, multiple individual contracts managed locally across the Council in each Director area, creating additional work for managers, potentially higher rates, and a reduced corporate understanding of spend and loss of the 1 pence per pound rebate, shown below. Without a central or corporate contract there is a risk that the costs will increase, and we will risk not being compliant with the Agency Worker Regulations, Working Time Directive and IR35.

2. Invitation to Tender

Due to the number of providers within the market the open tender was rejected and the restricted procedure was considered. This was rejected due to the additional timescales involved to complete the selection stage and the likelihood that we would have the same providers that are already on the ESPO framework. It is also likely that we would not achieve the same rates as the framework due to economies of scale and we would not benefit from the 1% rebate.

Reasons for Recommendation:

The course of action proposed is compliant with the Public Contract Regulations and offers a tried and tested and efficient route to procurement. The Council needs security of supply of these vital services along with the flexibility to increase or decrease agency staffing levels as per demand and at short notice. The Council also needs to ensure a seamless transition with no disruption to vital services should new providers be awarded the contracts.

Background

1. The Council's current contracts for temporary agency staff with Comensura (for general staffing requirements) and Retinue (for social care staffing requirements) expire on 4th September 2022 with no further options to extend.
2. These contracts were procured in 2017 utilising the ESPO Managed Services for Temporary Agency Resources ('MSTAR') 2 framework agreement which has now expired and been superseded by the ESPO MSTAR3 framework agreement which it is proposed will be used for procurement of replacement contracts.
3. Between 1 April 2021 and 13 March 2022 the Council has spent c.£5 million on temporary agency staff through its contracts with Comensura and Retinue. The majority of this spend is through the Retinue contract for Social Workers with 70% of the total spend in relation to qualified and unqualified Social Workers. It is widely recognised that there is a national shortage of social workers and other key roles within the council. The council's ability to recruit and retain staff in these high-risk areas appears as risk no 7 on the strategic risk register. The Office for National Statistics (ONS) reported that in October to December 2021, the total number of vacancies increased by 127,800 (11.4%) on the quarter, with the largest increase seen in human health and social work which was up 26,800 (14.9%) to a

new record of 206,000. Similarly, Brexit has meant there are less EU citizens within the U.K.

With the number of job vacancies between October to December 2021 rising to a new record of 1,247,000 in the UK, recruiting and retaining staff is becoming more challenging as salaries in the private sector rise. It is now seen as a candidate market with many skilled workers choosing to work for agencies which attract a higher rate of pay.

New and developing controls to mitigate this risk include the launch of Our People Strategy 2021 to 2024 which includes a focus on recruiting and retaining skill to enable current and future delivery of services within Lincolnshire.

4. This is a reduction of approximately £1m for 2021/22 from the previous contract spend due to the unprecedented circumstances and a reduction in agency staffing levels during the Covid pandemic, however this reduction is unlikely to continue for the reasons outlined in point 3 above.
5. During 2021/22 we used on average 116 agency staff which was 2.18% of the Council's employed staff. During this period there has been a significant migration of qualified care staff away from the Council with 79 leavers and only 54 starters. The Council has recruited more unqualified staff, but this still resulted in a shortfall of 50 staff, therefore agency staff was required.
6. In general these contracts have performed well and the return to a neutral vendor model in the current contract has addressed some issues with the recruitment of specialist posts required through the Council such as Social and Care workers, Legal staff, and Business Support staff and where staff are required at short notice.
7. It is proposed that the Council utilises the current MSTAR3 framework agreement, conducting a further competition for two new contracts with initial periods of 2 years with options to extend for a further three periods of 1 year to a maximum period of 5 years. The Contract period is in line with previous Agency Staffing contract terms and it allows the Council to review the contract requirements and ensure the contract remains aligned to the Council's People Strategy whilst ensuring security of supply.
8. The MSTAR3 framework has 14 providers under the Lot 1 Managed Service Provision including our incumbents Comensura and Retinue, along with other market leaders such as Hays, Manpower, Matrix, Pertemps and Reed. The scale of the Council's requirements are such that the Council needs to engage with a significant market provider most of whom are listed on the MSTAR3 framework. Further, due to the Council's membership of ESPO, the Council will receive a rebate of 1 pence per hours worked through the framework. Based on current spend this will result in a rebate of approximately £7,390 over the 5-year contract period.
9. The Council spent c£5 million between 2021/22 across both contracts with c£3.56 million of this spend attributed to the Retinue Contract. Most agency workers are paid at the same rate per hour as the equivalent employee of the Council except for social care, lawyers/senior lawyers and family learning tutors. Family learning tutors are not paid at LCC equivalent rates as we do not have a comparator within

the Council and 86 people are currently paid above the equivalent Council employee rate. We have lost a number of qualified staff that have moved to agency due to the attraction of agency pay rates and also that other Local Authorities around our borders are paying a grade higher than LCC. It has become increasingly difficult to engage staff in the care qualified category as working for agency is a much more attractive option financially. Whilst work is being undertaken to work with neighbouring Local Authorities with the East Midlands Memorandum of Co-operation, for example, to ensure pay rates for Social Workers is at an agreed rate it is still difficult for the Council to compete with the Agency pay rates within the Social Worker and Lawyer roles. A Level 2 Social Worker's starting pay is £17 per hour with LCC whereas they can achieve £35 per hour through an agency which is a variance of £18 per hour. A Senior Lawyer's starting pay with LCC is £21.03 per hour whereas they can achieve £51.51 per hour through an agency which is a variance of £30.48.

10. We currently pay booking and agency fees which vary depending on the job category and is a rate per hour. The rates range from £0.57 per hour for Admin and Clerical staff to a maximum of £3.21 per hour for qualified care staff. In 2021/22 we paid £349,529, which is 7% of the annual contract cost, on agency fees.
11. It is proposed that the Council's service requirements will remain largely the same, but for a small number of significant changes. These include the inclusion of a 'statement of works' option to enable the Council to onboard suppliers of specialist professional services, such as Audit Services. The benefit of this change will be a reduction in the number of off-contract appointments.
12. We are proposing a 70% quality and 30% price split as resourcing good quality agency staff with public sector experience with minimal notice is important to the Council.
13. We will also be taking a collaborative approach with Rutland County Council and South Kesteven District Council expressing an interest to join the procurement. As Lincolnshire County Council has the largest spend in this contract it will be LCC's requirements that we will be contracting with, each council will have their own contract and will be responsible for the contract management of their contract.
14. Pre-market engagement has shown that framework providers welcome this approach and there are no drawbacks in doing so; providers have confirmed that contracting authorities involved will not be in competition for the same provider market. Rutland and South Kesteven will benefit from improved rates and the Council will benefit from an estimated £1,500 of additional rebate over the 5 year contract period.
15. It is also proposed that the Council extends its current contracts with Comensura and Retinue for three months beyond their current expiry date. This is permissible under Regulation 72(1)(e) of the Public Contract Regulations 2015 which allows variations which are not substantial within the terms of the Regulations. A three-month extension will lengthen the implementation period from 6 weeks to 18 weeks which will make the Council's requirement more attractive to providers – as

indicated by pre-market engagement - and enable a new provider to on-board local agencies in the event the incumbent providers are not successful.

16. Given the value of the proposed extensions the Council's Contract Regulations would normally have required a competitive process. Where an Executive Director is proposing an approach different to that set out in the Contract Regulations this must be approved. Approval of an alternative to a competitive process can be given by the Executive.

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.

A separate Equality Impact Assessment has not been undertaken. However, the procurement supports the Council to enable front line services to be more responsive including services that support individuals who may have a protected characteristic such as people with a disability and younger and older people. Agencies are required to comply with Equality Act duties when they engage workers in the way the Council does when it engages workers. For example, the Agencies are required to have processes in place to enable the Council to continue to make its commitment to the "Disability Confident" scheme in that disabled applicants are guaranteed an interview if they meet the minimum requirements of the job description and person specification.

Joint Strategic Needs Assessment (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 and Wellbeing Strategy (JHWS) in coming to a decision.

The procurement supports the Council to ensure front line services are able to maintain contact and provide support, therefore maximising independence and wellbeing which is consistent with the principles underpinning the JSNA and the 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.

The decision is not considered to have any implications for the section 17 matters.

3. Conclusion

A further competition through the ESPO MSTAR3 framework will provide a compliant procurement process and an extension beyond the initial term of the contract until 4 December 2022 will enable a detailed and seamless implementation from the current

contracts onto the new contracts in the even of a new Provider(s) being awarded the contracts. Utilising the ESPO framework and collaboration with South Kesteven District Council and Rutland County Council will result in a rebate of up to £9,000 over the contract period.

4. Legal Comments:

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

The procurement of new contracts and the extension of existing contracts are compliant with the Council's procurement obligations.

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

5. Resource Comments:

Expenditure arising from the proposed contract is funded by service's staffing costs budgets allowed for within the Council's approved revenue budget.

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 the Overview and Scrutiny Management Board on 26 May 2022 and the comments of the Committee will be reported to the Executive.

d) Risks and Impact Analysis

See the body of the Report

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 Clare Vickers and Leanne Fotherby, who can be contacted on 07798 503508 or leanne.fotherby@lincolnshire.gov.uk.



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

Report to:	Executive
Date:	07 June 2022
Subject:	Delivery of HR Administration, Payroll, Exchequer, Adult Care Finance and the Customer Service Centre (CSC)
Decision Reference:	I025180
Key decision?	Yes

Summary:

The Corporate Support Services contract with Serco which includes the provision of IMT Services (dealt with by Executive on the 4 May 2022) Finance Services, HR Administration and Payroll and the Customer Service Centre expires at the end of March 2024 and cannot be extended further.

The Corporate Support Services Review (CSSR) programme was commissioned in June 2020 to explore options for the delivery of support services following this date. The purpose of this report is to enable the Council to make an informed decision about the best way forward for the future delivery of the Finance Services, HR Administration and Payroll and the Customer Service Centre Services and it is only those services that are being considered. Approval is also being sought from the Executive for the mix of new commissioning arrangements as part of the future model of delivery and authority to commence a procurement for the proposed outsourced service. At the same time because of its overlap with the operation of the Customer Service Centre the Executive is also asked to approve the recommended way forward for the delivery of digital transformation.

Recommendation(s):

That the Executive:

1. Approves the future services design and sourcing approach as follows:
 - a) Entering into a shared service arrangement with Hoople Limited for the delivery of HR Administration and Payroll to the Council and to schools;

- b) The outsourcing of the operation of the Customer Service Centre services to external suppliers;
 - c) The Council retains responsibility for digital transformation and the technology that supports it using a mixed model for resourcing transformation with a combination of in-house resource and external expertise secured as and when required;
 - d) The insourcing of the Adult Care Finance and Exchequer services.
2. Approves the carrying out of the necessary procurement processes to secure the services of external suppliers referred to in recommendation 1b and c.
 3. Delegates to the Executive Director for Resources, in consultation with the Leader of the Council, and for recommendation 1b and 1c with the Executive Councillor for Children's Services, Community Safety and Procurement and for recommendation 1b with the Executive Councillor for People Management and Corporate Property, the authority to take all necessary decisions and steps to progress the new commissioning arrangements referred to in recommendation 1 and to progress the procurements referred to in recommendation 2 up to and including the award of contracts.

Alternatives Considered:

The report and Appendix A looks at the available alternative delivery models and balances the pros and cons of these models for each of the services areas as follows;

- For HR Administration and Payroll- where the alternative delivery models are insourcing and outsourcing through a competitive procurement.
- For the CSC - where the alternative delivery model is insourcing.
- For Finance Services -where the alternative delivery model is outsourcing through a competitive procurement.

Reasons for Recommendation:

For HR Payroll and Administration there is no ready market for outsourcing. It would be possible to include the service in with the CSC procurement but there are few synergies, and it is likely to damage the competition for the CSC. Insourcing would mean that the Council would have to deliver a complex payroll itself not having done so for over 20 years. The alternative is preferred which is to extend our relationship with Hoople Limited which has current complex public sector payroll experience, and which would provide a “one stop shop” where the HR Payroll and Admin system and service were provided by a single provider clarifying the lines of accountability.

For the CSC the recommendation to outsource the service recognises that operating the CSC is a reasonably complex logistical operation and one where recruitment and retention activity is high. The management time spent on that could be better deployed elsewhere. Additionally external providers with more than one CSC can offer more resilience, expertise and innovation and the current outsourcing experience has been good.

The recommendation to insource Adult Care and Exchequer services is because it will enable the Council to respond agilely to the additional demands arising from legislative change and otherwise will also enable the Council to communicate directly with its service users to reduce surprises and maximise income collection, so the potential benefit is significant. Additionally, there is no ready market for outsourcing.

1. Background

1.1 On the 24 March 2014 the Council entered into the corporate support services contract with Serco for a range of corporate support services covering:

- a. People Management including HR Administration and Payroll;
- b. Finance including Exchequer Services and Adult Care Finance;
- c. Customer Service Centre (CSC);
- d. Information Communications and Technology (IMT).

1.2 The contract has been extended twice and is due to expire at the end of March 2024 and cannot be extended further. After a difficult start Serco has met the vast majority of the contract's comprehensive Key Performance Indicators and the Council has benefited from the expertise of Serco's staff and managers. The numbers employed on the contract vary from time to time but the last return indicates the following FTE deployed on each service area;

	<i>FTE</i>	<i>Positions</i>
CSC	115.97	134
Finance	68.40	72
IMT	46.28	47
HR Admin and Payroll	31.82	33
Overhead	6.68	7
Total	269.14	293

1.3 The expiration of the contract provides the Council with an opportunity to consider the implications for future delivery of our services. Given the length of time the contract has been in place, there have been changes in how the Council operates and what services it needs, but also in the market from which such services are procured and the commissioning advice from government bodies.

- 1.4 In 2014 multi stream contracts were still being let to prime providers so that a single outsourcing company for example Serco or Capita was responsible for a wide range of services often greater than the range of services referred to in paragraph 1.1. That model is now largely a thing of the past having fallen out of favour with both providers and local authorities in large part because as outsourcing has matured there are less savings to be had from second and third generation outsourcings and the public sector itself has become more efficient, so cost differentials are small.
- 1.5 This has been seen particularly in IMT where the service options and technologies are now quite different than they were in 2014. As the transition of IMT Services from the existing arrangements into the new model will be more complex than other services the IMT recommissioning has been running slightly ahead of the other services and a separate IMT options appraisal report was taken to the Executive in May. The Executive decided to accept the recommendations which were to implement a multi-provider IMT service delivery model involving external providers who are specialists in specific areas of IMT service delivery, supplemented by increasing in-house delivery.
- 1.6 Further information describing the model and the reasons for it are set out in the Options for the Future Delivery of IMT Services.

2 Selecting the Right Delivery Model Government Advice and Guidance

- 2.1 In a recent commissioning publication “Delivery Model Assessments Guidance Note” May 2021, The Government Commercial Function identified some pros and cons of outsourcing -v- in house delivery.
- 2.2 Outsourcing, done well, can:
- Give management space to focus on core priorities and free up resources
 - Leverage greater scale and efficiencies from a market operating at scale
 - Bring dynamism from a diverse marketplace of providers
 - Draw on innovative new approaches and expertise
 - With appropriate contractual flexibility, adapt to changing circumstances.
- 2.3 Conversely in-house delivery, done well, can:
- Give greater flexibility to react to changing circumstances (business, economic or political) without being restricted by contract terms or procurement law
 - Provide greater control over processes and how a service is delivered
 - Take advantage of internal synergies
 - Ensure alignment to the organisation's core purpose
- 2.4 In 2020 the Institute for Government advised that insourcing works when;
- There's no healthy competitive market
 - Flexibility is required to make changes to the design and scope of a service in view of changing policy and budget priorities
 - We lack the skills to procure or manage a contract successfully

- A service could be improved and/or savings made by integrating it with another service
- 2.5 The Institute for Government indicates that “switching back to in-house delivery after decades of outsourcing will be hard: people, systems, culture and ways of working will be deeply embedded and difficult to uproot. ...Without careful planning and the right management and staff capability, efforts will founder.” It goes on to say that “Bringing services back in-house requires a huge amount of work, from analysing costs through to workforce planning and preparation. It is unlikely that small organisations will be able to successfully insource multiple large services at once – nor would it be desirable to try to do so..... instead, government bodies should prioritise insourcing projects based on a pragmatic assessment of their capacity to deliver them and where they will have most benefit”.

3. HR Administration and Payroll

Recommended Approach

- 3.1 The preferred option is to enter into a shared service arrangement with Hoople Limited (“Hoople”) providing the HR Administration and Payroll functions.

HR Administration and Payroll Background

- 3.2 In overview the services are as set out below and have been outsourced since 2000.
- Administers and delivers all the Council’s HR Administration and Payroll Services including pensions, processes and procedures.
 - Records, reports and retains people management information related to these services.
- 3.3 The Council has invested in Business World (BW) both at the outset of the Serco contract and more recently through the Council’s intended move to the BW Hoople build. Any payroll provider would therefore need to adopt and be familiar with BW.
- 3.4 The Council is one of 3 shareholders of Hoople which is a Teckal company employing circa 500 staff across a range of services including circa 30FTE on HR Admin and Payroll based in Herefordshire. A Teckal company is owned by one or more public bodies and can deliver services to their owning authorities without the need for a tender process. The major shareholders are Herefordshire and the Wye Valley NHS Trust who buy a range of services from Hoople. Lincolnshire County Council has a much smaller interest commensurate with its limited relationship with Hoople but due to the structuring of the decision-making of the company still exercises sufficient joint control for Hoople to be a Teckal company of the Council.
- 3.5 NHS payrolls are considered to be the most complex in the UK, closely followed by local authority payrolls both of which are more complex than private sector payrolls.

Not all local authority payrolls are the same. Hoople are experienced in delivering Council, schools and NHS payroll but not Fire and Rescue.

- 3.6 In total Serco employ circa 32 FTE in HR Admin, Payroll and Pensions. Of these staff circa 12 FTE are deployed on schools' work. Additionally, the Serco team work regular overtime equivalent to 2 additional FTE.
- 3.7 There is a close alignment between Payroll and HR Administration including pensions and separating them is likely to result in duplication of work, increased contract management and a lack of resilience as staff and managers across the services currently work closely together supporting each other. For these reasons HR Administration and Payroll should be treated as a single service for recommissioning.
- 3.8 Key Performance Indicators cover most of the contracted activity. They have all been met or exceeded. There are no concerns about inaccurate payroll but going forward there are areas for improvement to focus on: -
- Continued data inaccuracy including late, incorrect and incomplete input of changes by Council managers/schools and Serco HR Admin.
 - Inconsistent processes applied.
 - Limited resilience.
 - With no interface between BW and other Council systems, processes are inefficient.

What Other Authorities Do, Market Review and Competitive Tendering

- 3.9 Most Councils deliver their own payrolls and have always done so. In 2018 we looked at the CIPFA nearest neighbour dataset, plus another 7 Councils. 78% of councils ran payroll and HR Admin in-house with 22% (or 3 councils) outsourcing, as part of much larger contracts. We were unable to find any private sector provider (save as a small part of much bigger contracts) who provided local authority payroll services. We have checked and can confirm that the position has not changed since 2018. As a result, we are satisfied therefore that there is no commercial provider who would deliver the Payroll and HR Admin services on their own. This is particularly the case when the Provider would be required to use BW a system which they may not be familiar with. As a consequence, any procurement that proceeded on this basis would be likely to fail.
- 3.10 This means that we would have to find other corporate support services to bundle with Payroll and HR Admin but with the proposed insourcing of the Finance Exchequer and Adult Care Finance Services and some IMT services with the rest of IMT going to specialist providers that leaves only the CSC. It is difficult to see any real synergy between the 2 services and it is likely that including Payroll and HR Administration would reduce the competition for the CSC. A re-procurement of this sort would take up to a year and cause uncertainty. It would also lead to a greater fragmentation of the function with Hoople providing the system, another provider providing the services and the Council being involved in numerous hand-offs - e.g., recruitment

administration and learning management - to deliver the end-to-end processes. For these reasons a competitive tendering process for the HR Admin and Payroll Service is not recommended.

Other Options – in sourcing

- 3.11 Insourcing Payroll and HR Admin maximises the degree of control, flexibility and integration that can be achieved across the services (and other Council services). It would allow the Council to own and review the end-to-end processes involved in HR Administration and Payroll alongside Professional HR Services and better align process change with digital innovation. There would be a single point of accountability for the service and more control of data quality processes better aligned to the roles and responsibilities within the BW system critical to the effective delivery of Payroll and HR Administration.
- 3.12 Whilst initial costings demonstrate that savings are unlikely to be made by insourcing there would be the potential for longer term efficiencies particularly as the model would enable the integration of related services already in the Council. Insourcing would provide flexibility to deal with uncertainties regarding the future organisational arrangements for the Fire and Rescue services but also devolution more generally.
- 3.13 However, as referred to in paragraph 3.5 local authorities' payrolls are specialist and complex. Not all local authority payrolls are the same. Lincolnshire is a large shire county and delivers schools and Fire Payroll as well as corporate, making it more complex than a District Council payroll.
- 3.14 As experienced in 2015 and 2016 errors in payroll of any scale cause significant disruption and upset. The circumstances are different than in 2015 when the service and system change were simultaneous and when Mouchel retained many of the staff to work on other contracts. However, the fact remains that the Council has not delivered its payroll and HR Admin function for 22 years and the new BW system has not yet been implemented.
- 3.15 It is very much hoped that all of the experienced and very well-regarded Payroll and HR Admin staff and managers would TUPE across to the new provider. If that were not the case then it's likely that the Council would have to spend considerable time securing the hard to recruit experienced specialist public sector payroll staff and managers required, a management burden best avoided see paragraph 2.2 bullet one, above.
- 3.16 Insourcing is unlikely to make any material savings as the element of Serco profit would be broadly matched by the extra pension contributions required to put staff into the Local Government Pension Scheme.
- 3.17 Further, and more importantly the advice from the Institute for Government included at paragraph 2.5 above must be considered in the context of this overall re-commissioning exercise and the other demands on the Council. In 2014 we moved

broadly from a single prime provider (Mouchel) to another single prime provider (Serco) though the bundle of services did change with property being contracted out separately and the CSC, additional IMT services and transformation being included in the outsourced bundle.

- 3.18 This time from April 2024 we will be contracting for a multi-provider IMT service delivery model involving external providers who are specialists in specific areas of IMT service delivery, supplemented by increasing IMT in-house delivery; and the proposals are that we outsource the CSC operations see section 4 below, manage transformation in house and procure the skills and capacity to support that transformation see paragraph 4.17 below and insource Finance Adult Care and Exchequer see section 5 below. This is alongside all those other changes facing the Council at that time.
- 3.19 Given the extent of change the view is that the Council cannot be confident it can successfully manage and deliver the insourcing and operation of Payroll and HR Admin without detriment to other activity. Consequently because of this and for the reasons set out in paragraphs 3.15-3.21 and set out in the pros and cons summary in Appendix A, an insourcing of Payroll and HR Administration is not recommended.

Other options-Shared Services

- 3.20 The other option is the Council entering into a shared service arrangement where we receive services from another local authority or its Teckal company. In 2018 after extensive research, we identified two possible shared service providers but only one, Hoople has showed interest in supplying HR Administration and Payroll services to the Council and its schools from 2024. Assurance can be taken from the fact that Hoople already covers complex payroll for health and local authorities.
- 3.21 Hoople employs c500 people is financially stable and has been providing services essential to Herefordshire Council and the Wye Valley NHS Trust since April 2011. Currently Hoople delivers c7600 monthly pay slips plus 80-90 weekly pay slips (compared to Serco delivering c 5,959 monthly payslips and HR Admin services each month to 4,495 employees). Hoople has 122 clients including another local authority, 42 maintained schools and 24 academy schools and commercial customers. Their performance is reviewed monthly and almost always achieves the 100% target and never falls below 99%. In 2018 the Council's expert Payroll adviser (contractor), advised that Hoople were an effective payroll provider whom the Council could have confidence in to provide our payroll and HR Admin service.
- 3.22 Hoople is experienced in BW and their business processes are fully aligned with it. Hoople has a good and thorough understanding of our payrolls through the BW Redesign Project. Prior to 2024 and the transfer of the operational service to a new provider, Hoople would hold the Council's data and host our payroll solution on their BW template as part of the move to the Hoople build. This would de-risk the transfer of the service to a new provider. As a minority shareholder the Council can exert some influence around system and service development.

- 3.23 However, Hoople has no experience of operating a fire services payroll. We did look at commissioning a separate payroll provider to deliver the Fire and Rescue payroll, but no Fire Authority uses BW for payroll. If a different system was used to run the Fire and Rescue payroll it would be necessary to remodel LFR processes which would complicate transition significantly and would impact adversely on transferring the existing Serco staff to the new provider. For these reasons it is not viable to have a separate Fire and Rescue payroll provider.
- 3.24 Through the BW redesign project, Hoople have gained a detailed understanding of the Fire Payroll and this knowledge and building it into the BW template mitigates the risk of their lack of experience on Fire payroll along with the TUPE transfer of Serco staff who currently deliver the service. Hoople would share the Serco staff knowledge with colleagues in Hereford to provide resilience over time and would set up a Service Level Agreement arrangement with another Fire payroll provider to build their knowledge base.
- 3.25 We have had positive preliminary discussions with Hoople. Both Hoople and the Council recognise the importance of the existing staff transferring under TUPE and with this in mind we have both agreed that under the new arrangements all of the staff currently providing the service must remain located in Lincoln. The intention is to accommodate those staff alongside Council staff to continually improve services, to work in partnership and over time to remove any duplication. Property colleagues have confirmed that this is possible within the Council's existing accommodation so long as a smarter working approach is adopted. It is likely that the accommodation would be with Council HR staff but further work needs to be done before the location can be confirmed
- 3.26 This will mean that the senior management function would be located in Herefordshire and the staff and line managers in Lincoln. Hoople would manage this through a combination of engagement, remote and onsite presence and a jointly agreed team structure. Hoople will ensure that;
- all team members have the same tools and opportunities for training and development
 - the same process and systems will be used at both sites
 - communication will be regular
 - the senior manager in Lincoln will have management support in Herefordshire to support when needed
- 3.27 As the Council is a shareholder of Hoople we simply pay the staff costs deployed on the services plus a fair share of the Hoople service and corporate overheads. There is no profit element. This straightforward approach to charging adopted by Hoople provides flexibility to take into account future uncertainties.
- 3.28 Entering into a shared service arrangement with Hoople for Payroll and HR Administration services would provide a "one stop shop" where the system and

service are provided by a single provider reducing the complexity of the arrangements and clarifying lines of accountability.

- 3.29 As a Hoople shareholder the Council will have some influence on how the services and system are delivered without the Council having to take on the responsibility of service delivery after so many years of the service being outsourced. The Council knows that it can work in partnership with Hoople and not having to deliver payroll and HR administration itself will give the Council more capacity to influence managers and schools to engage with improved ways of working particularly around maintaining data quality.
- 3.30 Whilst the costs of a shared service arrangements are not yet known they are likely to be less than insourcing (assuming the same number of staff are employed) due to most if not all staff not being in the LGPS pension scheme and because no profit is charged.
- 3.31 For the above reasons set out in paragraphs 3.24, 3.27-3.30 and set out in the pros and cons in Appendix A the recommendation is that the shared service model is adopted in April 2024 and that continuing discussions take place with Hoople to work up a detailed proposal.

CIPP report

- 3.32 An independent report was commissioned from the Chartered Institute of Payroll Professionals (CIPP) to identify (i) whether CIPP was confident that the Council had the capability to deliver Payroll and HR Admin and (ii) what service delivery model was the lowest risk option for the Council. The author of the report had 45 years of experience in payroll. The report identifies that the risks are largely the same for the insource and Hoople options (e.g., fire payroll, and securing payroll staff) and are the same as those previously identified by the Council.
- 3.33 The report author is confident that the Council can deliver the service based on his conversations with key individuals and because of his experience elsewhere. He believes that this is the least risky option of the 3 service models.
- 3.34 The report author's advice is that the outsourcing model carries most risk because the outsourced payroll model generally works better in the private sector within a single industry (manufacturing, pharmaceutical, hospitality, etc). The outsourced model works (primarily) on a large, shared service centre basis with multiple clients.
- 3.35 In terms of the shared service Hoople option the report points out that taking on the Council's payroll will almost double the size of the Hoople payrolls and staff and points to Hoople's lack of experience on the Fire Service payroll. The mitigations for the latter are dealt with in paragraph 3.24 above. The Assistant Director Human Resources and Organisational Support has considered the doubling point but is not concerned by this given the overall stability of Hoople set out in paragraph 3.21. Whilst the risks are acknowledged they are not particular to the shared service delivery model but also

apply to the insourcing. In both cases it will be important to encourage the current staff employed by Serco to transfer to the new provider.

4. Future Customer Service Centre (CSC) and Transformation Commissioning

Recommended Approach

- 4.1 To outsource the CSC as a single operational service where the key technology (telephony and Customer Relationship Management system (CRM)) will be selected and owned by the Council and where the responsibility for reducing the calls into the CSC will also sit with the Council.

Background – CSC Operations

- 4.2 The CSC is the front line for most Council telephone calls and operates 24/7 365 days a year. It handles routine incoming transactional activity and lengthy, complex, high-risk activity such as social care referrals and assessments. Serco has a strong management team and employs between 110-120 FTE. There is high staff turnover consistent within the customer service industry. There are 30+service lines and 300+ calls queues to manage. Since Covid Serco have had staff working from home and in the office.
- 4.3 The majority of call volumes relate to straightforward transactional activity some of which could be managed more efficiently through self-serve. There is also high-risk activity such as social care referrals and assessments which must be handled with care to protect vulnerable service users and the Council's reputation. Whilst there are far fewer social care calls, capacity is split roughly 60/40 weighted towards Social Care work making it clear that whatever service delivery model is selected quality must be protected.
- 4.4 The Council's existing telephony is old and unstable and cannot support digital transformation which would reduce the number of calls into the CSC. The Council is carrying out an options appraisal to choose a new web- based telephony platform to be used across the Council including in the CSC. This will be in place along with the selected CRM well before the 1 April 2024.
- 4.5 In spite of the limited use of technology to date the chargeable calls answered volumes have fallen from 405,189 in 2015/16 to 254,097 in 2020/21 a 37.29% reduction. Call volumes for 21/22 are expected to be similar to 20/21. Calls offered have also fallen in a very similar profile. Once the new telephony is in place the Council and Serco will work together to digitise and optimise all customer facing processes via standard digital platforms in the CSC which will further reduce the number of contacts in the CSC before April 2024.
- 4.6 In terms of the operation of the CSC the main responsibility is ensuring that there are the right levels of staff in the right place, at the right time, with the right level of

training to deliver the right level of quality of interaction. The required resourcing levels change depending on the time of the day, the day of the week and the month of the year, and what other events or incidents are in play e.g. flooding. Too many staff is costly, too few result in high abandoned rates and wait times, low customer satisfaction and increases the risk of high staff turnover.

4.7 Effective forecasting and staff roster scheduling is therefore essential including understanding the different types of contacts (telephone, email & e-form, webchat, text messaging, social media, etc) and having the ability to know when to schedule staff fulfilment activity.

4.8 The biggest challenges are:

- Recruiting and retaining staff given pay levels and high vacancy rates elsewhere.
- Maintaining effective technology, CRM and telephony as a minimum.
- Maintaining communications with service areas so the CSC knows what is going on across the Council.

4.9 The existing performance of the Serco team is good. Serco has recently been awarded the Customer Service Excellence award, the Government's national standard for excellence in customer service. Serco deliver customer contact/service centres for the European Commission and Council, for Hertfordshire (which is being reprocured) for the Department of Health and Social Care and for a number of charities. They have about 2000 FTE with c115 FTE deployed on our contract.

4.10 The Council benefits from the scale of Serco's customer contact/service centres through the strong support services the Lincolnshire account receives from a central provision including a Knowledge Manager, Scheduling Assistants, Trainer and Performance Analyst giving access to best in class capacity planning, forecasting and Management Information capabilities.

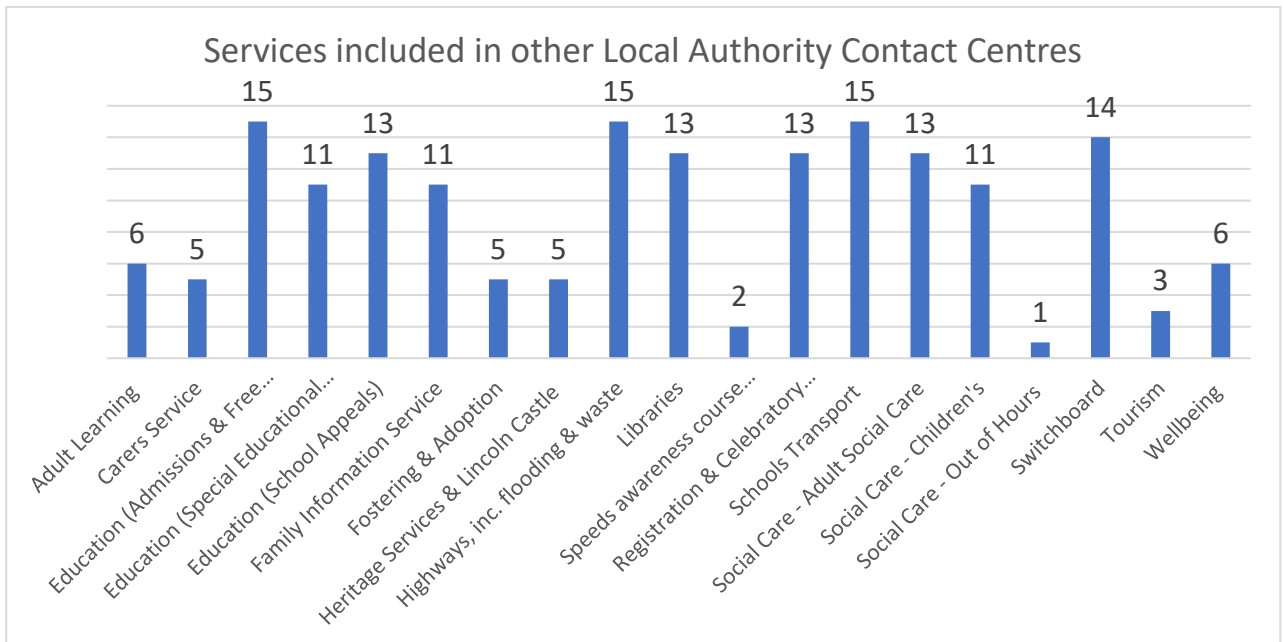
4.11 During Covid the Council's positive relationship and existing contract with Serco allowed us to put in place additional services in the CSC very quickly and also gave us ready access to their national testing centre activities. There were also times when with our consent Serco diverted calls to their customer contact centres in Liverpool.

Other Authorities

4.12 A benchmarking exercise took place in January 2022 to see what services other Councils deliver through their CSCs. The sample pool of 15 focused on shire counties, with some unitary and close CIPFA matches to ensure applicable comparisons. It demonstrated that most Councils deliver their own Customer Service Centres. Three Councils' CSCs were externally commissioned, with the rest of the CSCs delivered in-house. Those commissioned externally were Hertfordshire (Serco), Kent (Agilisys) &

West Sussex (Capita). West Sussex and Hertfordshire are in the process of recommissioning their CSC, Kent recently extended their contract to 2025.

4.13 The services commissioned in Lincolnshire are set out along the bottom axis in the bar chart below with the number of other authorities who also deliver those services through the CSC. This demonstrates that the Council is in line with other Councils and has a well developed and mature CSC.



Structure

4.14 It is critical that the Council retains a single contact centre as part of the One Council strategy. This is the model seen across local government and operated in Lincolnshire since 2005. It provides resilience, the ability to manage peaks and flows across the various service streams efficiently and transparency. Fragmenting the CSC would have a detrimental impact on a consistent approach to delivering a good value customer experience, implementing the Customer and Digital Strategies and gathering Insight.

Relationship between Digital Transformation and CSC Service Operations

4.15 The proposal is that whatever service model is adopted for the CSC the Council should retain responsibility for digital transformation and the technology that supports it. This is because the CSC is only one element of customer interaction. The aim will be to move many customer interactions across the Council to digital solutions with much more information, guidance and self-service being put in place taking a One Council approach.

4.16 Doing so will bring benefits across the Council in terms of improved processes leading to reduced cost and improved customer experience. It is what customers and staff

expect and is a political priority. To be confident that it can be achieved the Council needs to maintain control of what is transformed when, the rate and cost of transformation and the tools necessary to delivery it. Earlier attempts to outsource transformation to Mouchel and Serco were disappointing.

- 4.17 Realistically though the Council will not be able to recruit or afford all the transformation skills and capacity required which will fluctuate over time. Therefore, a mixed model for resourcing transformation would be best with a combination of in-house resource and external expertise secured as and when required. External expertise would bring knowledge of innovation and work elsewhere. This is the approach being taken by other local authorities who are generally sourcing this work through the Crown Commercial Service Digital Outcomes and Specialist Framework which is designed to help the public sector design, build and deliver bespoke digital solutions and services.
- 4.18 More pragmatically the Council's existing telephony needs to be replaced now and cannot wait. This will involve the Council in detailed selection and implementation work and cost. Once the work is completed the intention would be to maximise use of the system beyond April 2024 along an extended period to amortize the cost.
- 4.19 At the same time a further options appraisal will be carried out to see if the Verint Customer Relationship Management system (CRM) recently implemented by Serco is the best value for money option which meets the Council's needs going forward. There is an overlap between the two systems (telephony and CRM) capabilities and the dual options appraisal will prevent us from over specifying. It will also simplify the procurement so that we can rely on those things that matter most such as the quality of the social care delivery. Requiring external providers to use Council specified telephony and CRM systems will also reduce the need for data transfer and system implementation at the end of the contract.

CSC Service Delivery

- 4.20 There remain two options for CSC operational service delivery – in-house or external.

Service Delivery Options – External

- 4.21 An outsourcing brings in specialist service expertise covering resourcing /staff allocation know how and the design of scripts, including efficient design of call queues. It passes the risk of resourcing and operation including recruitment and retention of staff to another organisation and avoids high pension costs. It provides a scalable service and resilience where the provider has other contact centres. It also opens up the ability to leverage common contact centre toolsets (e.g., Forecasting and Workforce Management Software) where the provider operates other contact centres providing better value. Significantly it reduces the amount of Council change in 2024 by avoiding a reasonably complex in-sourcing as advised by the Institute of Government in paragraph 2.5 above.

- 4.22 As providers will be required to use the Council's technology their scope for creating efficiencies which they would benefit from through the deployment of technology will be limited. This along with the fact that it is a single service that is being put out to tender means that an outsourcing needs to be put together carefully so that it is attractive to the market.

Service Delivery Options – In-house

- 4.23 In-house delivery should be more agile with no need to negotiate operational change through a contract. However, against this, in-house provision clearly requires in-house expertise in CSC operation and the Council will retain the risk of resourcing (recruitment and retention of staff) and operation. It would lose the ability to leverage a third- party provider's resource and resilience as happened under Covid. Costs of operation would increase as a result of pension contributions but there would be no provider profit to pay. In addition in-sourcing would add to the amount of change in 2024.

Overall Conclusion

- 4.24 Whilst running the CSC in-house would give a greater degree of control which would support the transformation of the customer journey, the current experience of an outsourced CSC has been positive. The operation of the CSC is itself a reasonably complex logistical operation and not one that the Council has very recent experience of. Turnover is high and so therefore is recruitment and retention activity. The CSC currently benefits from Serco's wider CSC expertise and external providers are likely to offer more resilience where they run more than one CSC.
- 4.25 The Government's Commercial Function guidance referred to in paragraph 2.2 points out that an advantage of outsourcing is that it gives management space to focus on core priorities and free up resources. It also references the ability to draw on innovation and new approaches and expertise. Both factors are at play here when the Council's management capacity has higher value things to do than continually resourcing the CSC and where innovation is more likely to be had from an organisation who operates at scale.
- 4.26 The advice from the Institute for Government at paragraph 2.5 above also must be considered in the context of this overall re-commissioning exercise and the other demands on the Council. Given the extent of change the view is that the Council cannot be confident it can successfully manage and deliver the insourcing and operation of the CSC without detriment to other activity. Consequently because of this, and for the reasons set out in paragraphs 4.21, 4.24-4.26 and set out in pros and cons summary in Appendix A, an insourcing of the CSC is not recommended.

Procurement

4.27 The proposal is to build an attractive procurement on the basis set out below which will then be subject to market engagement to see if it can be improved upon to make sure that we put out an optimum package of activity;

- All the existing services will remain within the contract. The procurement will be set up to provide flexibility so the scope can change throughout the contract duration.
- As much of the activity will be social care we require experienced resilient call operatives and will focus on quality through the procurement.
- Maintain the existing operating hours for the core CSC service, 8am to 6pm Monday – Friday a 50 hour week which has worked well since 2015.
- The Council to specify and provide the CSC telephony and the CRM system. This will ensure we get what we want at a value for money price and enable providers to work efficiently and reflect this efficiency in their price.
- The provider will be a source of expertise on new and evolving technologies and integrations which could help improve the CSC and can make investment proposals concerning the CSC technology in return for an agreed share of any savings. With the Council's permission it will also be able to carry out transformation work on behalf of the Council.
- The initial duration will be 5 years with additional extensions of 2 plus 2 years exercisable with the agreement of both parties.
- Providers will be encouraged to adopt a smarter working approach as in the Council to save cost and benefit staff. The Council will provide the accommodation probably on the Lincoln campus though this is yet to be confirmed.
- Retain KPIs but review to see if they can be improved.
- Adopt a volume variable approach to pricing so as volume falls so does payment whilst enabling a Provider to cover their fixed costs.

5. Adult Care Finance (ACF) and Exchequer

Recommended approach

5.1 Insource the Adult Care Finance and Exchequer Services as from the 1 April 2024.

Background

5.2 In total there are c68 Serco FTE deployed on the finance services 43FTE on ACF and 25FTE on Exchequer. The staff are well regarded and some are very experienced. There is a clear synergy between Adult Care Financial Services and Corporate Exchequer Services, in particular credit control. It is important therefore to ensure the

same commissioning option is chosen for both. Also separating the two out without a detailed knowledge of how the services are delivered would present a significant risk.

- 5.3 The contract with Serco is a contract for services. The Council has not delegated the delivery of its ACF function to Serco. Consequently, the Council has retained responsibilities for the financial charging framework through the Adult Charging Policy and the interpretation of legislative changes and identifying required system and process changes. Further the introduction of the money laundering rules when dealing with service user assets means the Council must now give the necessary authorisations. As a consequence there is already shared ownership of the services.
- 5.4 Key Performance Indicators cover the contracted activity and have been consistently delivered throughout the life of the contract. Serco has agreed to revise the performance measures in ACF so that the Council has clarity about the extent of debt and the customer experience which the existing measures do not provide.
- 5.5 Serco have recruitment challenges and sometimes carry vacancies across the teams despite recruitment activity.
- 5.6 Collection of the income generated from ACF forms part of the Council's legal responsibilities defined in the Care Act 2014 and the collection of service user contributions is critical to support the Council's financial position. Under a change in national legislation the Council's ACF responsibilities will shortly be increasing potentially exposing the Council to more debt. In anticipation of this over the last 18 months the Council has led a Debt Review Programme working with Serco to improve income collection and to manage debt down. This work continues.
- 5.7 The Debt Review Programme illustrates that actions need to be taken earlier on in the charging pathway to ensure prompt payment of providers, complex financial assessments are not delayed and the income due to support service delivery is received. To do this ASC charging needs an infrastructure which promotes the following: -
- Increased visibility of the service user's income, expenditure and any associated risks to its collection integrating the financial assessment and income collection process to recoup income before it becomes a debt.
 - The issue of clear, concise financial information to service users at the start of their care.
 - Greater efficiency in service delivery with reduced hand offs to reduce duplication in contact.
- 5.8 On occasion advice issued by Serco is challenged by Council Managers as Serco are unable to direct these managers actions e.g., not using purchase orders, and taking a tougher stance on debt repayments.

Market Review

- 5.9 In 2018 we established that there was no identifiable commercial dedicated marketplace for exchequer and/or social care financial services as standalone services.
- 5.10 In the summer of 2021, we checked all the Contract Notices since 2018 to see if any finance services contracts had been let on their own and none had been, re-affirming that most authorities deliver their own services though Bromley and Barnet London Boroughs and Sheffield City Council had outsourced some of their financial services as part of much bigger contracts.

ACF and Exchequer Service Delivery Options

- 5.11 There remain two options for ACF and Exchequer Service operational service delivery – in-house or external.

Option A - Insource the Adult Care Finance and Exchequer Services to the Council from 01 April 2024

- 5.12 Work undertaken by the Council with Serco through the Financial Assessment Improvement Programme (FAIP) over the last 18 months confirms the need for greater visibility, accountability and control across the end-to-end AC charging and income recovery pathways and the need for greater proactivity.
- 5.13 Insourcing maximises the opportunity to deliver an efficient and effective credit control function. Existing arrangements will need to change as a result of the government announcements for paying for care in both public and private markets and the intended move to paying our social care providers gross with the Council collecting service users contributions. It is of critical importance that the Council has the flexibility to react quickly to these and other changes.
- 5.14 Insourcing ACF into the Council will create the ability to build one team around the service user. This will encourage ownership and provide the ability to build resilience in the team. Closer working with AC front line staff is necessary as it is these staff that are ideally placed to know the service user's needs and their financial situation. Wrapping the charging infrastructure around front line workers will improve the customer experience, efficiency, income recovery and help meet the recently announced AC reforms.
- 5.15 The intention would be to transfer like for like services with no new recruitments save for the recruitment of an additional 4 FTE posts graded G5 in Exchequer to ensure the Council's debt is chased quickly. The quicker the debt is collected the less is written off.

5.16 For the Serco FTE deployed on ACF post 2024 the intention would be for the 'traditional' finance functions e.g., debt collection, income allocation / matching, payments to transfer into the Resources Directorate with those service user based roles i.e. ensuring service users understand their financial obligations transferring into the Adult Care and Community Wellbeing Directorate to work with the front-line teams.

Option B - Outsource the Services to a third-party from 01 April 2024

5.17 The market review confirms no realistic outsourcing options for ACF and Exchequer services on their own. If a decision is taken to outsource the CSC then there would be scope to bundle ACF and exchequer with it but this would not be a good match and would not be attractive to the market likely damaging competition for the CSC.

Recommended Option

5.18 The recommended option is Option A to insource. The Council would then have full control of the services and the ability to restructure to make and sustain service improvements. It would be better able to respond to the anticipated additional demands arising from the government announcements to introduce a care cap and change the charging arrangements potentially doubling the number of financial assessments the Council will need to complete. It is likely that income recovery would improve.

5.19 All Finance staff would be working to a single strategy and a common set of objectives with clarity over who has responsibility for delivery and the Council would have more income visibility which is critical given the findings to date and the move to gross payment to social care providers.

5.20 The Council would be better able to deliver a proactive service with no surprises for service users or the Council. It would increase our flexibility to respond quickly to any new service changes/ demands and to quickly re-prioritise instead of needing to go via a third party and negotiate under a contract.

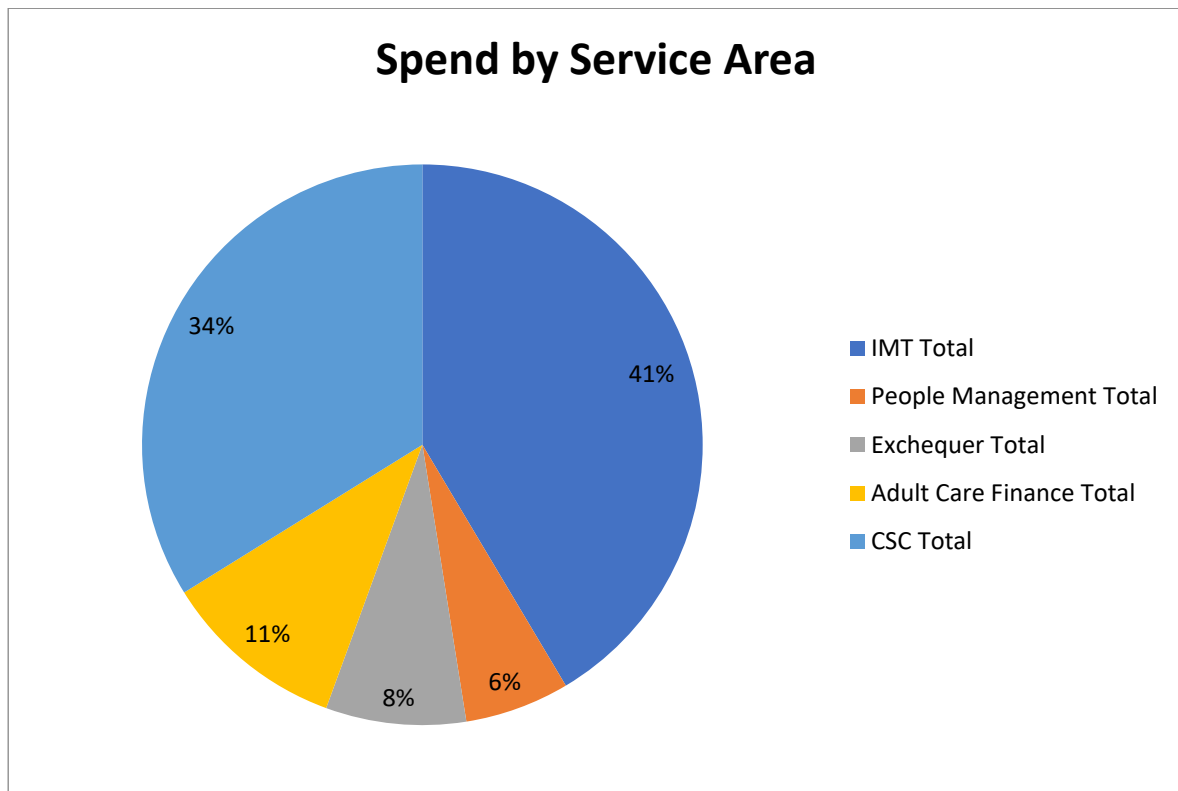
5.21 It would reduce the fragmentation of the services and provide the potential for efficiencies through integration, reduced hand offs / duplication of work and looking at processes from an end-to-end perspective which will improve productivity and effectiveness. It would encourage closer working between the Exchequer and Adult Care Financial Services teams and between the Adult Care Financial Services Team and Adult Care Practitioners which is important given the scale of the AC debt.

5.22 The Government Commercial Function report sets out in paragraph 2.3 above the circumstances in which in-sourcing works and, in this case all 4 criteria are met as are most of the criteria set out in the Institute for Government report in paragraph 2.4. The advice goes on to say that "government bodies should prioritise insourcing projects based on a pragmatic assessment of their capacity to deliver them and where they will have most benefit". It is clear from the last 18 months that the Council has

the capability to deliver the services and because of the extent of the debt and the likely speed of change will get the most benefit from insourcing these services. Consequently because of this, and for the reasons set out in paragraphs 5.12-5.14 and 5.17 -5.22 and set out in pros and cons summary in Appendix A, an insourcing of the Adult Care Finance and Exchequer Services to the Council from 01 April 2024 is recommended.

6. Budget

- 6.1 In 21/22 the Council spent in the order of £14,850, 000 on the Serco contract for the services including IMT and it is predicted that the 21/22 spend will be in the order of £14.8 million that covers the staff costs, Serco central services charges, profit and non-staffing costs including software charges support contracts and accommodation. The allocation of 21/22 charges against service areas are set out below.



- 6.2 The expectation is that the proposed new commissioning arrangements of themselves will be delivered without causing a step change in the overall cost though it is not clear what impact the current inflationary pressures may have. The reasons for this are set out below.

- 6.3 Whilst the specification will be reviewed for the externally provided services to see if it can be improved upon the services required are essentially the same as currently delivered. For the external services we will take a pragmatic approach to the commercial basis of the arrangements and listen to the market engagement feedback

so that the offer is attractive in the procurement to generate competition which will help drive price down. The Serco staffing levels are understood by service leads for Adult Care Finance and Exchequer and no changes are expected in the short term save for a small increase in the debt collection team which should be self-funding as written off debt is reduced. The insourcing of finance staff over the longer term will enable a wider view of the services to be taken and provide the potential for working more efficiently through improved process and internal synergies.

- 6.4 For the Hoople option, the costs will be on a cost recovery approach so that Hoople would recover the costs in delivering the services including the running costs of the team, management oversight and a proportion of overheads. The expectation is that digital transformation will reduce the contacts into the CSC reducing charges. Preliminary work that has been done in Adult Care Finance and Exchequer and HR Administration and Payroll indicates that the cost of the services will not change materially in the short term.

7. Risks

- 7.1 The key risks identified in the corporate support services review work has been a lack of capacity to deliver the project so that the decision making can take place as planned. Another risk identified is a concern regarding a possible lack of providers for schools who receive finance and HR Payroll and Admin services from Serco. The other substantive risks is that there might be insufficient transition time and capacity to move the Council from the old into the new arrangements and that there may be limited interest in the CSC procurement.
- 7.2 The risk of delay around decision making has been managed effectively with the decision for the IMT options paper going to Executive as planned in May 2022 and the scheduling of this report dealing with the non-IMT services taking place earlier than intended to provide for additional transition time into the new arrangements. Discussion has confirmed that there will be a schools' provider whatever options are chosen. In addition to creating more time for transition a dedicated programme director has been brought in to manage the transition risk and project management resource has been allocated and its sufficiency will be kept under review. The key risks and how they have been managed are set out in Appendix B.

2. Legal Issues:

Procurement

Given the value of the proposed outsourcing the Council will be required to comply with the Public Contracts Regulations 2015. Two options for procurement of the CSC operations in accordance with the Regulations are being considered.

The first is a full tender process with the ability to negotiate the Council's requirements, with that part of the market which is experienced in the delivery of CSC services. This approach, the Competitive Procedure with Negotiation, is useful where the Council is keen

to ensure the right balance of risk transfer in the contract and to pre-select those bidders best suited to deliver the services.

The second is through a Crown Commercial Service framework where some of the bidders are experienced in providing CSC services to local government and some are not. Whilst there are bidders on the framework who could deliver our services some organisations who could also do so are not on it. The framework is attractive as it also allows discussion with bidders during the procurement procedure and does allow us to down-select bidders based upon their experience. It is likely to be the quickest approach. However, before we decide which route to go down we intend to do some market engagement to see which procurement route is likely to result in the most competition. Either approach will give us a sufficient transition period.

For the skills and capacity necessary to support digital transformation this work is likely to be sourced through the Crown Commercial Service Digital Outcomes and Specialist Framework which is designed to help the public sector design, build and deliver bespoke digital solutions and services.

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.

An Equality Impact Analysis has been carried out and is attached to this report as Appendix C.

There are not considered to be any Equality Act implications arising out of the choice of delivery model for future services for HR Administration and Payroll, Finance Exchequer and Adult Care Finance.

There are however potential impacts on those staff with protected characteristics resulting from any change in the delivery model and the transition to that change. The impacts are considered in Appendix C along with the mitigations which include effective staff engagement and consultation, the requirement for any new providers to comply with TUPE regulations and the Equality Act, and the availability of local Council accommodation and Smarter Working for any services insourced and depending on the decisions made for any services externalised reducing any requirement to relocate.

The ongoing and future operation of the CSC is customer facing and has ongoing Equality Act implications which need to be addressed so that as many customers with protected characteristics can communicate with the Council as possible. Consideration also needs to be given to the impact of increasing digitalisation in the way the Council interacts with citizens. The Equality Impact Analysis at Appendix C covers discusses these matters and sets out the mitigations currently in place which include the use of Relay UK a service provided by BT for the deaf and hard of hearing, a translation service for non -English speakers and the use of plain English within the CSC. In terms of increased digitalisation, it has been agreed in principle that the telephone channel will remain available to those who because of their protected characteristics or otherwise cannot carry out digital transactions.

As part of the implementation process all those steps taken to maintain effective communication for all will be reviewed to see if they can be improved upon and an impact assessment will be conducted separately on this.

The proposals put forward in this Report are the best way of ensuring the ongoing availability, performance and development of services that fully support the Council in supporting its residents and communities in a way which meets the Equality Act requirements.

Joint Strategic Needs Assessment (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 and Wellbeing Strategy (JHWS) in coming to a decision.

There are not considered to be any direct JSNA or JHWS impacts of the decisions required by this Report. Indirectly, the Council's support services underpin the work of the Council and the way it interacts with its customers and communities. The proposals put forward in this Report are considered to be the best way of ensuring the ongoing availability, performance and development of services that fully support the aspirations of the Corporate Plan which directly contribute to the achievement of JHWS objectives.

Crime and Disorder

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

There are not considered to be any direct impacts of the decisions required by this Report on the section 17 considerations. Indirectly, the Council's support services underpin the work of the Council in fulfilling its crime and disorder functions. The proposals put forward in this Report are considered to be the best way of ensuring the ongoing availability, performance and development of services that fully supports the Council and its partners in that work.

3. Conclusion

The report has considered all of the main insourcing and outsourcing options for each service area and has set out in detail the pros and cons of each option in Appendix A before coming to clear recommendations.

Taken together the recommendations as advised by the Institute for Government at paragraph 2.5 are realistic about the amount of insourcing that can be done at one time and recognise the advantages that outsourcing can offer as set out by the Government Commercial Function at paragraph 2.2 above. A pragmatic approach has been taken.

4. Legal Comments:

The Council has the power to adopt the models of service delivery for Finance, CSC and HR Admin and Payroll and to adopt the approach to Transformation support set out in the Report.

The proposed procurement processes for the Customer services operations are consistent with the Council's legal duties.

Future procurement of digital transformation support will also need to follow procurement rules and the suggested Crown Commercial Service Digital Outcomes and Specialist Framework would do so.

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

5. Resource Comments:

As the report sets out, there are no step changes in the expected costs of delivering these services from the options which have recommended for each area of service delivery.

As part of our future budget setting exercises, inflationary uplifts will be built into the budgets recommended for approval by the council for the delivery of these services. Accepting the recommendation within the report should offer best value for money and be deliverable within the approved budget of the council.

6. Consultation

a) Has Local Member Been Consulted?

n/a

b) Has Executive Councillor Been Consulted?

Yes

c) Scrutiny Comments

This Report will be considered further by the Overview and Scrutiny Management Board at its meeting on the 26 May 2022 and the comments of the Board will be reported to the Executive.

d) Risks and Impact Analysis

See the body of the Report and Appendix B and Appendix C

7. Appendices

These are listed below and attached at the back of the report	
Appendix A	Options Appraisal Pros and Cons
Appendix B	Risk Summary
Appendix C	Equality Impact Analysis

8. Background Papers

The no background papers as defined in the Local Government Act 1972 were relied upon in the writing of this report.

This report was written by Sophie Reeve who can be contacted at Sophie.reeve@lincolnshire.gov.uk on or on 07931 715366.

Pros and Cons of the 3 different service delivery models-Insourcing, Shared Service and outsourcing.

Insourcing	
Advantages	Disadvantages
<ul style="list-style-type: none"> • Returns full control of the service to the Council under a single point of accountability to achieve improved performance • Provides the potential for Council efficiencies over time through the integration with other services such as HR Professional and Recruitment and Finance Services and through the deployment of technology. • All HR and Finance staff would be working to a single strategy and a common set of objectives. • Maximises career progression opportunities within the Council to improve recruitment and retention of staff. • Flexibility to respond to change quickly. • More opportunity to influence behaviour through direction and support . • Removes any commercial conflict of interest where a supplier is unwilling to invest in the service where it would increase cost. • No provider profit to pay. • No contract management resource required. 	<ul style="list-style-type: none"> • Increased Council pension liabilities • Insourcing may result in less commercial rigour which could result in FTE costs increasing and a reduction in performance monitoring. • Passes the cost and operational performance risk to the Council who has no recent experience or track record of delivering some of the services. • The Council must now take full responsibility for the services at a time when there is a labour shortage. • Where things go wrong the Council will no longer have a provider to share the reputational risk. • Places a management burden on the Council which will consume management capacity which could have been focused elsewhere. • Any improvements/change would need to be driven by the Council. • Lose the opportunity of having a Payroll and HR admin provider that also provides the HR System where they have a vested interest to resolve any system issues arising quickly to ensure payroll is not disrupted. • Introduces a big change into the Council at a time when the level of existing change is already great and where there is no partner to share the work required to deliver.

Shared Service Model Payroll and HR Administration	
Advantages	Disadvantages
<ul style="list-style-type: none"> • Hoople have a detailed knowledge of the Council's new BW system having built it, putting them in a better position than others to run payroll from day one. 	<ul style="list-style-type: none"> • The Council would have less control of the services as the shared service governance would have to consider the interests of other organisations in addition to LCC.

<ul style="list-style-type: none"> • The Council would not have the management and staffing burden of operating the services. • Increased assurance might be had from a provider with a proven record of delivery. • Hoople will base the existing staff and managers in Lincoln. • Hoople would provide the system and service so there would only be one provider to go to if things go wrong. • There would be reduced hand-offs between the system team and the HR and Payroll Teams. • As a shareholder we will have some influence in the way the services are developed. • As a shareholder we will not pay profit to Hoople. • As we will be paying the service cost whatever is agreed, Hoople won't be including risk contingency in their pricing. • No need for a tender process saving time and resource and Serco staff assured to improve TUPE outcomes. • We know Hoople and know we can work with them. • Transition risk would be less as the data and Payroll solution would already sit with Hoople. • Hoople has consistently high-performance levels. • Hoople is used to working with schools • Pension costs would be lower for Serco staff transferring into Hoople's pension scheme rather than LGPS. 	<ul style="list-style-type: none"> • Hoople has no direct experience of delivering Fire payroll but paragraph 3.24 of the report sets out mitigations. • We will not be able to pass the risk around the operating cost to Hoople as we could in a commercial outsourcing. • We will not be able to pass commercial charges or service credits onto Hoople should there be a lack of performance • There may be challenges as the senior management structure would be geographically remote with the delivery staff based locally. Paragraph 3.26 of the report sets out mitigations. • The Council will have less control of the quality of staff recruitment. • The resources needed for LCC to manage the shared service. • Continued fragmentation between HR Professional services and HR Administration and Payroll.
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Competitive Tender	
Advantages	Disadvantages
<ul style="list-style-type: none"> • Current model works reasonably well. • The operational risk and all that entails including the management burden and financial risk transfers to a third party. 	<ul style="list-style-type: none"> • The indications are that there is no market for public sector Payroll and HR Administration and Finance services on their own.

<ul style="list-style-type: none"> • Pension costs would be lower for Serco staff transferring into a new provider's pension scheme. • Serco has consistent high performance levels but the provider could change. • Increased assurance might be had from a provider with a proven record of delivery in the CSC. 	<ul style="list-style-type: none"> • The Council will have less control and influence over how the service is delivered and developed. • The uncertainty of a tender exercise may impact on current service delivery. • A commercial profit would be charged. • The model would be profit driven which could get in the way of service development. • For HR Admin and Payroll Hoople would provide the system and another third party the services increasing the hand offs and decreasing accountability. • There would be less flexibility and agility as changes would need to be negotiated through a contract. • Resources would be needed to manage the contract.
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Appendix B

Corporate Support Services Review Risk Log

Open Risks

Summary of key Corporate Support Services Project Risks March 2022							
			Current Risk Score				
ID No.	Risk Description / Details	Consequences	Likelihood	Impact	Severity	Actions, Activities, Controls	Current Status
CSS R01	Lack of capacity or capability of project team and workstream/ service areas and support services areas such as procurement / finance / HR / IMT	Unable to produce outputs required in line with project plan, this delays the Executives decision and reduces the options available to the Council or results in sub optimal solutions for the Council because of the lack of suitable expertise.	1	3	3	Throughout the project service leads undertake ongoing review of capacity requirements with monthly reporting to the Project Board on capacity issues supplemented by weekly monitoring by project officer and Sponsor via delivery against project plan. If there is any variation against the plan, an escalation process is in place to the Sponsor and the CLT Strategic Lead on a monthly basis with a change control procedure in place to assess the impact if required. The workstream and support service leads are all subject matter experts within their area and generally operating at head of service or assistant director level. The scope of the CSSR project covers the options appraisal only.	Ongoing
CSS R02	Executive /CLT approval not gained for recommended options in option appraisal paper in line with proposed timeline.	This reduces the range of options available to the Council and implementation timeframes are reduced	1	3	3	Key meetings through our Sounding Boards, OSMB and Informal Executive commenced September 2020 for IMT and September 2021 for all other services, in line with the engagement plan. Regular updates and proposals have gone to CLT for direction. A review of the feedback from members and delivery against the project plan takes place following each session by the Sponsor and project team and is considered at the next project Board. The steer is recorded and used to inform the development of the options for each service area.	Ongoing

**Summary of key Corporate Support Services
Project Risks March 2022**

Current Risk Score

ID No.	Risk Description / Details	Consequences	Current Risk Score			Actions, Activities, Controls	Current Status
			Likelihood	Impact	Severity		
CSS R03	Significant subsequent wave(s) of Covid 19	Delay in work project and potentially means a decision is not possible in time to keep all options for future delivery models open to the Council.	1	3	3	This risk has not materialised, arrangements for working from home have meant no interruption to the project. Throughout the project there is monthly monitoring of any slippage of outputs due to conflicting demands through assessing progress against the plan. Should a request to pause/reduce the CSSR project be raised, the Sponsor would be notified within 2 days and any need for escalation to the Strategic Lead considered. Highlight reports are provided to the project Board and Programme Office on a monthly basis and include any likely variation against the plan.	Ongoing
CSS R04	Insufficient transition arrangements (time and or quality)	Disruptions to services, staff and citizens along with reputational damage to the council.	1	3	3	Decision making has been scheduled to ensure sufficient implementation time for all options being considered. The IMT decision has been scheduled earlier than the non IMT services as that potentially required the most complex transition however the non IMT services review decision has been brought forward by 3 months to extend the transition time available. Decision making is on schedule and progress against the project plan continues to be monitored by the Sponsor weekly as well as by the Project Board and Programme Office monthly. Additionally quarterly progress reports have been presented to OSMB from August 2021. A dedicated corporate support services implementation Programme Director has been secured.	Ongoing
CSS R05	Slippage against the project plan	Unable to delivery outputs and benefits on time	1	3	3	A detailed project plan was prepared at the start of the project and has been maintained throughout with resources identified to deliver tasks on time. Weekly monitoring of progress is undertaken by the project officer and Sponsor along with fortnightly monitoring by the Programme Office and monthly review by the Project Board and Transformation Programme. A change control procedure is in place and enacted before any variation to the plan is implemented. The project remains on plan.	Ongoing

Summary of key Corporate Support Services Project Risks March 2022			Current Risk Score			Actions, Activities, Controls	Current Status
ID No.	Risk Description / Details	Consequences	Likelihood	Impact	Severity		
CSS R07	Insufficient interest in competitive procurements	The procurement might fail or competition might be very limited impacting adversely on the value for money achievable	2	3	6	For the IMT services the bundle of services along with the underpinning commercial terms and service requirements have been subject to two rounds of market engagement establishing high levels of interest in the procurement. For the CSC we have researched what other outsourcing Councils are doing to learn from their experience and have put together an offer to the market which we believe is attractive both in terms of the wide scope of the services and the contractual risk share. Market engagement has commenced and we can make adjustments if necessary.	Ongoing

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Equality Impact Analysis to enable informed decisions

The purpose of this document is to:-

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

Using this form

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

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

Equality Act 2010

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

Protected characteristics

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

Section 149 of the Equality Act 2010

Section 149 requires a public authority to have due regard to the need to:

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

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

Decision makers duty under the Act

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

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

Conducting an Impact Analysis

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

The Lead Officer responsibility

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

Summary of findings

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

Impact – definition

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

How much detail to include?

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

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

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

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

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

Title of the policy / project / service being considered	Corporate Support Services Review (CSSR) Project – CSC, HR Admin and Payroll, Exchequer and ASC Finance Workstreams	Person / people completing analysis	Gail Macdonald (Senior Project Officer) with review and input from i) the CSSR Sponsor Sophie Reeve ii) Workstream Leads for the CSC – Andrew Hancy, HR – Vicki Sharpe, Fiona Tuck, Fiona Thompson, Exchequer – Tony Warnock and ASC Finance – Pam Clipson; iii) the CSC Senior Project Officer Lucy Robertson; iv) the Corporate Support Services Implementation Programme (CSSI) Director Mike Hedges and Project Officer Sheralee Lunn.
Service Area	CSC, HR Admin and Payroll, Exchequer and ASC Finance – As part of the Corporate Support Services Review Project.	Lead Officer	Gail Macdonald – Project Officer undertaking EIA
Who is the decision maker?	Executive	How was the Equality Impact Analysis undertaken?	Initial desk exercise supplemented with review and input from Sponsor, Workstream Leads for CSC, HR Admin and Payroll, Exchequer and ASC Finance, CSC Senior Project Officer and the CSSI Programme Director and Project Officer.
Date of meeting when decision will be made	07/06/2022	Version control	V1 15 th March 2022
Is this proposed change to an existing policy/service/project or is it new?	Existing policy/service/project	LCC directly delivered, commissioned, re-commissioned or de-commissioned?	Commissioned – Currently the services are externally commissioned; the review has considered the most appropriate delivery method for future services.
Describe the proposed change	<p>This Corporate Support Services Review (CSSR) Project has been established to:</p> <ul style="list-style-type: none"> Review the Council's requirements for the services within the current CSS contract which will expire in March 2024. Investigate commissioning options (procurement, in-house delivery, partnerships/shared services) for IMT, Payroll, HR Administration, the Customer Service Centre, ASC Finance and Exchequer services beyond March 2024 Develop a commissioning strategy for the services in scope and facilitate informed strategic decision making to secure the Council's agreement for the preferred strategy. 		

Once a decision has been taken by the Council, the Corporate Support Services Implementation (CSSI) Programme will oversee the delivery of the preferred commissioning strategy for each service. Implementation is beyond the scope of this project and is not covered within the EIA, which is intended to support the Council make an informed decision as to which option for future delivery will best meet the Council's needs. The Implementation Programme will undertake further EIA's for each service in scope.

As the Executive is being asked to decide on the future delivery of IMT services separately to the other services currently within the Serco contract, this EIA does not cover IMT.

Background Information

Workforce profile – Non-IMT Services

As the current contract for Corporate Support Services cannot legally be extended beyond March 2024, alternative arrangements need to be put in place for all services currently covered by the contract. This will have an impact on the staff currently delivering the services and employed by Serco.

Workforce profiles have been obtained from Serco for the purposes of this EIA. They are a snapshot in time and do not reflect the actual staffing figures which will be used for TUPE purposes in 2024.

Serco Non- IMT staff by service

Staffing	CSC	HR & Finance
Summary		
Headcount	136.0	104.0
FTE	117.2	98.9

February 2022, the workforce profile for NON- IMT staff shows:

Headcount by ethnic origin	CSC		HR & Finance	
	Female	Male	Female	Male
White: British	72	23	42	25
White: English	11	8	8	9
Not assigned	7		9	1
08/Not assigned	3	4	2	2
Mixed/Multiple: White and Black	3			
White: Other	2		2	1
White Irish	1			
Mixed/Multiple: Other	1			
I choose not to self-identify	1			
Asian/Asian British: Other			1	
Asian/Asian British: Indian				1
Arab			1	
Total	101	35	65	39

Nationality (top 10)	CSC		HR & Finance	
	Headcount	%	Headcount	%
British	133	98%	99	95%
American	2	1%		
Czech	1	1%		
Brazilian			1	1%
Bulgarian			1	1%
Haitian			1	1%
Italian			1	1%
Polish			1	1%
Top 10	136	100	104	100%
Remainder				
Total	136	100	104	100%

Gender by Age Range	CSC		HR & Finance	
	Female	Male	Female	Male
Age 16-25	14	4	4	9
Age 25-40	34	15	28	17
Age 40-45	31	12	19	10
Age 55-65	18	4	13	3
Age 65+	4	0	1	0
Total	101	35	65	39
	74%	26%	63%	38%

Any impacts of potential changes will be considered in relation to this profile.

HR and Finance services provided within the Corporate Support Service contract are back-office functions and the service delivery approach has no impact on the community.

Whilst the CSC is customer facing, the proposals under consideration largely relate to whether this service is provided directly by the Council, by a third-party provider or a partner and in that sense little change is anticipated to the services delivered. However the Council is embarking on a wider digital transformation programme which is likely to affect the CSC and how customers engage with the Council. Primarily this will mean that additional channels of communication will be made available to citizens enabling some Council transactions to be delivered 24 hours a day, 7 days a week and 52 weeks a year unlike the current arrangements when most transactions have to be completed between 8am -6pm.

Currently the CSC provide services to enable communication for all. That includes making the CSC telephony service accessible to deaf, speech impaired and the hard of hearing through the promotion and use of Relay UK a free service provided by BT. A translation service is used by the CSC for non -English speakers to use the CSC. Training is provided to the CSC agents to ensure that plain English is spoken and communication is straightforward to aid understanding. The CSC provide support to adult care users who are predominately elderly or disabled to help maximise their independence and if a caller is very distressed the CSC are trained to risk assess and refer any concerns about the individuals safety to an appropriate body as necessary e.g, the police

There is likely therefore to be an increase in the number of digital notifications and transactions for the more straightforward exchanges. That will increase choice for all and should therefore also benefit those who have protected characteristics. For some people with protected characteristics such as the hard of hearing, and non -English speakers digital services are easier to navigate than telephony services. In principle it has been agreed that whilst digital transactions will be promoted the telephone channel will still be available to those who do not have access to the equipment necessary to carry out digital transactions. Further the CSC will be available to support those who struggle to use the digital channels as they become available.

Background Information

As part of the implementation process all those steps taken to maintain effective communication for all will be reviewed to see if they can be improved upon. This review is not within the scope of this project and an impact assessment will be conducted separately on this and will include mitigating any adverse impact of increasing digitalisation on people with protected characteristics.

Evidencing the impacts

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

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

Data to support impacts of proposed changes

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

Population data and the Joint Strategic Needs Assessment

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

Workforce profiles

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

Positive impacts

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

ALL	<p>We anticipate positive impacts for all as recommissioning corporate support services provides the opportunity to deliver improved value for money ultimately protecting front line services.</p> <p>Staff currently employed by Serco will benefit from guarantees that any change will be subject to TUPE regulations and the Council's commitment that third party providers adhere to the same equalities legislation as the Council.</p> <p>Citizens will benefit from increasing channels of communication being available making it easier and more convenient to engage with the Council.</p> <p>Provision in the CSC to aid those with communication difficulties will be maintained and improved upon if possible.</p>
Age	In addition to the general positive impacts outlined above, the increased digitalisation of standard transactions is expected to lead to an increased focus in the CSC on richer contacts especially with more vulnerable users of Council services including older people.
Disability	In addition to the general positive impacts outlined above, the increased digitalisation of standard transactions is expected to lead to an increased focus in the CSC on richer contacts especially with more vulnerable users of Council services including people with a disability.
Gender reassignment	Other than the general positive impacts outlined above, no additional positive impacts are anticipated specifically in relation to gender reassignment.
Marriage and civil partnership	In addition to the general positive impacts outlined above, additional positive impacts are anticipated specifically in relation to marriage and civil partnership as digital transformation will provide additional marriage and civil partnership services on- line improving accessibility.
Pregnancy and maternity	Other than the general positive impacts outlined above, no additional positive impacts are anticipated specifically in relation to pregnancy and maternity.
Race	Other than the general positive impacts outline above, no additional positive impacts are anticipated specifically in relation to race.
Religion or belief	Other than the general positive impacts outline above, no additional positive impacts are anticipated specifically in relation to religion or belief.
Sex	Other than the general positive impacts outline above, no additional positive impacts are anticipated specifically in relation to sex.
Sexual orientation	Other than the general positive impacts outline above, no additional positive impacts are anticipated specifically in relation to sexual orientation

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

Other than the general positive impacts outline above, no additional positive impacts are anticipated in relation to other groups not specifically covered by the Equality Act.]

Adverse/negative impacts

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

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

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

Age

Age profiles of the staff working at Serco indicate 19% of staff working within the CSC and 16% of staff working on HR and Finance services are aged 55 or above. As people in this age bracket may find the employment market more challenging, it is important that any potential negative impact on this group is considered.

To mitigate any potential negative impacts the Council will support and work with Serco, in so far as possible, to undertake effective staff engagement and consultation processes and will ensure any transfers comply fully with TUPE regulations and the Equality Act.

Depending on the decisions made, some aspects of the current services may be delivered in-house in future. In these cases, we will follow LCC's HR policies and practices in full and seek support from the HR team to lead on any transfer arrangements for staff moving into the Council which will ensure no adverse consequences in relation to the age of staff transferring.

Depending on the decisions made, some aspects of the current services may be delivered from Council owned accommodation in future which would benefit those who by reason of age would find it more difficult to relocate than a person who did not share that characteristic.

Older people may struggle more with accessing digital channels and may struggle even with the telephony. The Background Information section of this EIA sets out the steps currently taken to mitigate these impacts through the operation of the CSC and these will remain in place and may be enhanced.]

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<p>Disability</p>	<p>Changes to the way services are delivered may have an impact on the locality from which they are provided. Should this be the case, the Council will ensure that any new providers and the in-house teams undertake workplace assessments and make reasonable adjustments required for each member of staff.</p> <p>Depending on the decisions made, some aspects of the current services may be delivered from Council owned accommodation in future which would benefit those who by reason of disability would find it more difficult to relocate than a person who did not share that characteristic.</p> <p>As people with a disability may find the employment market more challenging, it is important that any potential negative impact on this group is considered.</p> <p>To mitigate any potential negative impacts the Council will work with and support Serco, in so far as possible, to undertake effective staff engagement and consultation processes and will ensure any transfers comply fully with TUPE regulations and the Equality Act.</p> <p>Existing LCC flexible working practices will also be extended to any staff transferring into the Council and smarter working will be encouraged where applicable for external services.</p> <p>Whilst the number of staff with a disclosed disability are not recorded by Serco, this approach will be applied to all staff regardless of disclosure to ensure needs are met.</p> <p>People with a disability may struggle more with accessing digital channels and may struggle even with the telephony. The Background Information section of this EIA sets out the steps currently taken to mitigate these impacts through the operation of the CSC and these will remain in place and may be enhanced.</p>
<p>Gender reassignment</p>	<p>No negative impact is anticipated in relation to gender reassignment and therefore no mitigating action has been identified.</p> <p>Any new delivery arrangements will be covered by the Equalities Act to ensure no discrimination occurs. </p>
<p>Marriage and civil partnership</p>	<p>No negative impact is anticipated in relation to marriage or civil partnership and therefore no mitigating action has been identified.</p> <p>Any new delivery arrangements will be covered by the Equalities Act to ensure no discrimination occurs. </p>

<p>Pregnancy and maternity</p>	<p>Any staff moving to the Council will be covered by the LCC processes for staff that are on maternity or parental leave. During any consultation this will ensure they are not negatively impacted through their absence. HR direction will be sought and followed to ensure the established process is implemented appropriately.</p> <p>The Council will seek to ensure as far as possible that Serco and any potential new providers follow similar processes.</p> <p>Any new delivery arrangements will be covered by the Equalities Act to ensure no discrimination occurs.</p> <p>Depending on the decisions made, some aspects of the current services may be delivered from Council owned accommodation in future which would benefit those who by reason of pregnancy and maternity would find it more difficult to relocate than a person who did not share that characteristic. </p>
<p>Race</p>	<p>Any new delivery arrangements will be covered by the Equalities Act to ensure no discrimination occurs.</p> <p>People whose first language is not English may struggle more with accessing the CSC through telephony. The Background Information section of this EIA sets out the steps currently taken to mitigate these impacts through the operation of the CSC and these will remain in place and may be enhanced. </p>
<p>Religion or belief</p>	<p>No negative impact is anticipated in relation to religion or belief and therefore no mitigating action has been identified.</p> <p>Any new delivery arrangements will be covered by the Equalities Act to ensure no discrimination occurs. </p>
<p>Sex</p>	<p>Data shows a predominance of female employees working at Serco. 74% of the staff working at the CSC and 63% of staff working on HR and Finance services are women.</p> <p>Changes to the way services are delivered may have an impact on the locality from which they are provided and given women tend to take on primary carer responsibilities, the Council will seek to ensure, in so far as possible, that flexible working practices are in place and smarter working will be encouraged where applicable for external services.</p> <p>Depending on the decisions made, some aspects of the current services may be delivered from Council owned accommodation in future which would benefit those who by reason of primary carer responsibilities would find it more difficult to relocate than a person who does not have carer responsibilities. </p>

Sexual orientation

No negative impact is anticipated in relation to sexual orientation and therefore no mitigating action has been identified.

Any new delivery arrangements will be covered by the Equalities Act to ensure no discrimination occurs.

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

No negative impacts have been identified for other groups not specifically covered by the Equality Act which would assist the Council with informed decision making.

Stakeholders

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

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

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

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Objective(s) of the EIA consultation/engagement activity

At this stage consultation is not regarded as appropriate or proportionate.

The Project Sponsor, CSC, HR and Finance workstream leads, along with the CSC Senior Project Officer and CSSI Programme Director and Project Officer have reviewed this Impact Analysis and their contributions have been incorporated into it.

Once a decision is made and the implementation stage for each workstream begins, requirements for appropriate and proportionate consultation will be considered and implemented.

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

Age	Consultation not required at this stage – this will be covered by the Corporate Support Services Implementation Programme.
Disability	Consultation not required at this stage – this will be covered by the Corporate Support Services Implementation Programme.
Gender reassignment	Consultation not required at this stage – this will be covered by the Corporate Support Services Implementation Programme.
Marriage and civil partnership	Consultation not required at this stage – this will be covered by the Corporate Support Services Implementation Programme.
Pregnancy and maternity	Consultation not required at this stage – this will be covered by the Corporate Support Services Implementation Programme.
Race	Consultation not required at this stage – this will be covered by the Corporate Support Services Implementation Programme.
Religion or belief	Consultation not required at this stage – this will be covered by the Corporate Support Services Implementation Programme.

Sex	Consultation not required at this stage – this will be covered by the Corporate Support Services Implementation Programme.
Sexual orientation	Consultation not required at this stage – this will be covered by the Corporate Support Services Implementation Programme.
Are you confident that everyone who should have been involved in producing this version of the Equality Impact Analysis has been involved in a meaningful way? The purpose is to make sure you have got the perspective of all the protected characteristics.	<p>Given the nature of the review and back-office functions within the scope of the project I do not believe external consultation is required and I am confident that appropriate and proportionate desk research has been undertaken.</p> <p>Once the Corporate Support Services Implementation Programme is established, a further EIA will be completed, and consideration will be given to the appropriate time to engage with staff from Serco.</p>
Once the changes have been implemented how will you undertake evaluation of the benefits and how effective the actions to reduce adverse impacts have been?	<p>Once the options appraisal has been completed and recommendations are made to the Council for the Executive to make a decision, this project will close and the Corporate Support Services Implementation Programme will be initiated.</p> <p>Each implementation project will undertake a new EIA to identify any potential impacts and the mitigation required. They will test the effectiveness of the mitigation in line with feedback from any consultations and staff engagement.</p>

Further Details

Are you handling personal data?	<p>No</p> <p>Generic workforce profile data only has been used.</p> <p>If yes, please give details. NA</p>
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Actions required	Action	Lead officer	Timescale
Include any actions identified in this analysis for on-going monitoring of impacts.	CSC, HR and Finance implementation EIAs to be completed once the CSSI Programme is initiated	CSC, HR and Finance service leads working with the CSSI Programme Director.	Commence post decision making – June 2022.
	Appropriate staff consultation and engagement activity will be identified and implemented by the CSSI Programme.	CSC, HR and Finance service leads working with the CSSI Programme Director.	Commence post decision making – June 2022.

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Version	Description	Created/amended by	Date created/amended	Approved by	Date approved
1	First draft updated following review by CSSR Project Sponsor, CSC, HR and Finance workstream leads, the CSC Senior Project Officer and the CSSI Programme Director and Project Office. Formal sign off provided by full project board. Covered at Board meeting on 25/02/2022 with follow up to 15/03/22.	Gail Macdonald	15/03/2022	Fill CSSR Project Board	15/03/22
01	First draft initial impact analysis prior to decision making for the CSC, HR and Finance services.	Gail Macdonald	9/02/2022	Not yet approved - to be reviewed by the CSSR Project Sponsor, CSC, HR and Finance workstream leads, the CSC	

				Senior Project Officer and the CSSI Programme Director and Project Office.	
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