

**OVERVIEW AND SCRUTINY MANAGEMENT
 BOARD
 26 JANUARY 2023**

PRESENT: COUNCILLOR R B PARKER (CHAIRMAN)

Councillors T J N Smith (Vice-Chairman), Mrs J Brockway, M Brookes, I D Carrington, P M Dilks, R J Kendrick, C S Macey, N H Pepper and T R Ashton

Added Members

Church Representative: Mr M Kyle

Councillors: M J Hill OBE and M A Whittington attended the meeting as observers

Officers in attendance:-

Debbie Barnes OBE (Chief Executive), Karen Cassar (Assistant Director Highways), Andrew Crookham (Executive Director Resources), Richard Fenwick (County Highways Manager), Michelle Grady (Assistant Director – Finance), Adam Hopley (Head of Finance - Corporate), Tracy Johnson (Senior Scrutiny Officer), Sophie Reeve (Assistant Director - Commercial), Nigel West (Head of Democratic Services and Statutory Scrutiny Officer), Emily Wilcox (Democratic Services Officer) and Mike Hedges (Programme Director)

90 APOLOGIES FOR ABSENCE/REPLACEMENT MEMBERS

Apologies for absence had been received from Councillor H Marfleet, Councillor R Reid and Councillor E Strengiel.

It was reported that, under Regulation 13 of the Local Government (Committee and Political Groups) Regulations 1990, Councillor T Ashton had been appointed as a replacement Member for Councillor H Marfleet for this meeting only.

Apologies from the Executive Councillor for People Management, Legal and Corporate Property and the Executive Support Councillor for People Management, Legal and Corporate Property were also noted.

91 MINUTES OF THE MEETING HELD ON 15 DECEMBER 2022

RESOLVED:

That minutes of the meeting held on 15 December 2022 be approved as a correct record and signed by the Chairman.

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92 DECLARATIONS OF INTEREST

None were declared.

93 ANNOUNCEMENTS BY THE CHAIRMAN, EXECUTIVE COUNCILLORS AND CHIEF OFFICERS

On behalf of the Board, the Chairman welcomed Mr Martin Kyle as the Board's new church representative.

The Chairman also announced that he had attended the last meeting of the Executive on the 4th January to present the Board's comments on the commissioning of the social care client information system. During the discussion the Executive had requested that the review of the Mosaic system to identify opportunities to become more efficient and create ongoing efficiencies, be considered by the relevant scrutiny committees.

The Chief Executive was pleased to announce that the Council's Youth Offending Service, Future 4 Me, had been judged as an outstanding service by HM Inspectorate of Probation.

94 CONSIDERATION OF CALL-INS

None had been received.

95 CONSIDERATION OF COUNCILLOR CALLS FOR ACTION

None had been received.

96 COUNCIL BUDGET 2023/24

Consideration was given to a report by the Assistant Director – Finance, which invited the Board to consider and comment upon the Executive's budget proposals, as set out at appendix A.

Further to the publication of the report, the Board was advised that following recent announcements, a Council Tax increase of up to 4.99% was proposed which would include a 2% adult care precept.

The Executive Director – Resources reflected on the level of financial uncertainty that the Council was currently faced with, particularly in relation to delays on fairer funding reviews and fair cost of care reform. Acknowledging difficult economic circumstances for residents of Lincolnshire, the Executive Director – Resources highlighted the Council's priority to continue to provide Council services to residents which he proposed could only be

supported with the proposed Council Tax increase, given that grant funding was not always guaranteed.

In considering the report, the following points were recorded:

- Several members of the Board supported the proposal for the 4.99% increase in council tax, as recommended by the Section 151 Officer, to avoid a deeper year on year reduction in available funding going forward and depleting the Council's reserves more quickly. However, the Board also acknowledged the impact that a rise in council tax would have on residents during the current cost of living increases, and that there was a need to ensure residents fully understood why it needed to increase.
- The Board welcomed the range of options being consulted on for the increase in council tax, but was disappointed with the low number of responses, which stood at 58 at the time of the meeting. It was recommended that the public consultation should be revisited to maximise engagement in the future.
- With regards to the grant conditions on ringfenced adult social care grant and the discharge funding, it was confirmed that the discharge funding had been put in place by the Government to support the NHS with discharging patients from hospital quicker. This meant that the Council was commissioning care beds which it would not normally commission, so there were costs being incurred by the Council which would not usually be incurred through normal service delivery. Some of the grants received for adult social care come with costs that would not usually be incurred through normal service delivery, but these were offset by the £4.8m discharge funding received.
- There was no information currently available as to when the Fair Funding review would take place, but it was expected that the earliest it would happen would be in 2025/26 after the next general election.
- Regarding the loss of the £12m funding from the Government for highways maintenance, it was confirmed that this had been included in the base budget for highways for now to cover the shortfall, but the continuation of this funding would depend on what funding and savings were available to the Council in the future.
- There was £240m held in total in the Council's reserves at the start of the year. Of this, £28m was for schools' carry forward and half related to revenue grants received for specific purposes. The largest reserve was the Financial Volatility Reserve which stood at £47m and would support the Council to plan its finances moving forward.

RESOLVED:

That the budget proposals to the Executive, as set out in appendix A, be supported.

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97 SERVICE REVENUE AND CAPITAL BUDGET PROPOSALS 2023/24

Consideration was given to a report by the Strategic Finance Lead – Corporate, which invited the Board to consider the Service Revenue and Capital Budget Proposals for 2023/24, as set out at tables A and B within the report, prior to their consideration by the Executive on 7 February 2023.

The budget proposals reflected the level of government funding expected to be available to the Council and an assumed increase in Council Tax in 2023/24 of between 2.99% and 4.99% (inclusive of a 2% adult social care precept).

In considering the report, the following points were recorded:

- In relation to the Capital Programme, there were a number of fixed cost elements for the Resources directorate such as refreshing IT equipment and property maintenance on the buildings owned by the Council. A decision could be made in the future to reduce the level of property maintenance, but this would need to be balanced against the potential negative impacts on service delivery and higher costs in the long run if assets fall into a state of disrepair.
- Following the introduction of the Smarter Working policy in 2022, it was confirmed that a review of the Council's capital estate had commenced to determine what buildings would be required in the future on the Newland campus in Lincoln and in the localities, based on the usage of the Council's buildings over the past year. The recommissioning of the corporate support services could have an impact on the Newland campus as some teams would be insourced and the Council's premises could be utilised as part of the procurement of a customer service centre. A report would be brought to the Overview and Scrutiny Management Board in Spring/Summer 2023 on a strategy for the Newland campus once the future requirements had been determined.

RESOLVED:

That the Service Revenue and Capital Budget Proposals for 2023/24, be supported.

98 CORPORATE SUPPORT SERVICES RECOMMISSIONING UPDATE

Consideration was given to a report by the Programme Director, which provided an update on the recommissioning programme for four Corporate Support Services - Information Communications and Technology (IMT); People Management including HR Administration and Payroll; Finance including Adult Care Finance and Exchequer Services and the Customer Service Centre (CSC).

The Board was informed that the CSC commissioning was progressing with initial tenders expected imminently; the HR Administration and Payroll Service would look to move to the

Hoople shared service centre and Finance and exchequer services were proposed to return to be Council operated.

The Executive Director – Resources advised that negotiation and information gathering exercises with the Council’s current IMT provider, Serco had highlighted potential significant staffing implications with the previously agreed proposals to bring some of the services back in house by 2024. Therefore, the proposals for the commissioning of the IMT service considered in 2022 had been paused and the Council would continue to use Serco as their provider of IMT services until 2026 as the Council’s IMT Service was not yet sufficiently mature to manage and deliver a more complex arrangement with confidence.

The Board considered the report and in response to a question raised, the Board acknowledged the continuing with the current model of commissioning, which would see one operator providing all four services, had been given consideration during the re-commissioning process in 2022 and was not felt to be the best fit for the Council. There were several reasons for the decision, including the need for specialist suppliers, particularly in IMT services; the importance of bringing adult care finance in house to manage the Council’s debt effectively and the lack of a marketplace for public sector payroll.

RESOLVED:

That assurance be given to the contents of the report.

99 SCRUTINY COMMITTEE WORK PROGRAMMES

Consideration was given to a report by the Chairman of the Environment and Economy Scrutiny Committee, which referred Members to the Committee’s recent activity, as set out at appendix A to the report.

An update on the discussion of the Committee’s Revenue and Capital Budget Proposals 2023/24 was provided, which included the Committee welcoming savings of £735,000 on the Waste Contract (this was relevant to the roll out of paper and card recycling scheme) which were being put back into an improved engagement programme and members of the Committee acknowledging the important value of broadband provision across the county, with £5.5m being allocated to the provision of super-fast broadband in future years.

The Committee had also considered a pre-decision item on the Re-Procurement of the Household Waste Recycling Centres Management & Operation Contracts where the Committee had supported the recommendations to the Executive.

The Environment and Economy Scrutiny Committee believed that local government had a positive and active role in helping drive economic development.

Consideration was given to the update, and during the discussion the following points were noted:

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- Assurance was provided that issues of broadband connectivity would continue to be highlighted by the Environment and Economy Scrutiny Committee.
- Agreement was made that members of the Highways and Transport Scrutiny Committee be invited to future meetings of the Environment and Economy Scrutiny Committee to participate in discussions on the cross-cutting issue of provision of electrical vehicle charging provision.
- Business growth was measured through the corporate plan success framework and indicators relating to the local enterprise partnership.

Consideration was then given to an update by the Chairman of the Highways and Transport Scrutiny Committee, which highlighted the recent work of the Committee and its future work programme, as set out at appendix B to the report. In addition, preparatory works around a future in-depth review of Traffic Management in Lincolnshire were in progress through a working group.

Consideration was also given to a report by the Vice-Chairman of the Flood and Water Management Scrutiny Committee, which highlighted the recent work of the Committee and its future work programme, as set out at Appendix C to the report.

In addition, the Committee had agreed for a workshop to be arranged with the aim to provide an overview of different issues and how they were dealt with by the flooding teams and partners as well as a request for a development of a Memorandum of Understanding with District Councils on flooding matters.

In response to a question, it was clarified that natural flood management was the process of managing water upstream and making space for the flow of water to reduce the impact of a downstream waterflow.

RESOLVED:

1. That satisfaction be given to the activity undertaken since 27 October 2022 (a & b) and 26 May 2022 (c) by:
 - (a) the Environment and Economy Scrutiny Committee;
 - (b) the Highways and Transport Scrutiny Committee; and
 - (c) the Flood and Water Management Scrutiny Committee
2. That satisfaction be given to the planned work programme of:
 - (a) the Environment and Economy Scrutiny Committee;
 - (b) the Highways and Transport Scrutiny Committee; and
 - (c) the Flood and Water Management Scrutiny Committee

100 OVERVIEW AND SCRUTINY MANAGEMENT BOARD WORK PROGRAMME

The Board noted the work programme.

The meeting closed at 11.55 am