

**OVERVIEW AND SCRUTINY MANAGEMENT
 BOARD
 29 JUNE 2023**

PRESENT: COUNCILLOR R B PARKER (CHAIRMAN)

Councillors T J N Smith (Vice-Chairman), Mrs J Brockway, M Brookes, P M Dilks, C S Macey, C E H Marfleet, E W Strengiel and A N Stokes

Councillors: M J Hill OBE, R D Butroid, A Baxter and V Moran (South Kesteven District Councillor) attended the meeting as observers

Officers in attendance:-

Debbie Barnes (Chief Executive), Andrew Crookham (Deputy Chief Executive & Executive Director), Michelle Grady (Assistant Director - Finance), Adam Hopley (Strategic Finance Lead (Corporate), Andrew McLean (Assistant Director - Transformation, Programmes & Performance), Andy Fenn (Head of Facilities Management), Caroline Jackson (Head of Corporate Performance), Dan Charlesworth (Commercial and Procurement Manager – Infrastructure Services), Dave Pennington (Head of Property Development), Jayne Sowerby-Warrington (Assistant Director of Corporate Property), Louisa Harvey (Head of Corporate Systems), Nigel West (Head of Democratic Services and Statutory Scrutiny Officer), Natasha Langford (Business Support Officer – Corporate Transformation, Programmes & Performance), Sue Maycock (Strategic Finance Lead - Technical), John Giblin (Strategic Communications Team Leader), Karen Spencer (Head of communications and Engagement), Tracy Johnson (Senior Scrutiny Officer) and Thomas Crofts (Democratic Services Officer)

Councillors Mrs S Woolley and M A Whittington attended the meeting remotely via Teams

Officers in attendance remotely via Teams:-

Glen Garrod (Executive Director of Adult Care and Community Wellbeing), Heather Sandy (Executive Director of Children's Services), Mike Reed (Head of Waste), Keith Noyland (Strategic Finance Lead - Place, Fire & Rescue), Mark Popplewell (Strategic Finance Lead - Children's Services), Martin Smith (Assistant Director of Education), Pam Clipson (Strategic Finance Lead – Adult Social Care & Wellbeing) and Kiara Chatzioannou (Scrutiny Officer)

Also in attendance remotely via Teams:-

Robert Baxter (Link Group)

11 APOLOGIES FOR ABSENCE/REPLACEMENT MEMBERS

Apologies for absence were received from Martin Kyle Church, Representative Added Member, and Councillors R Kendrick, N Pepper and H Spratt.

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It was reported that, under Regulation 13 of the Local Government Committee and Political Groups Regulation 1990, Councillor A Stokes was replacing Councillor N Pepper for this meeting only.

12 DECLARATIONS OF INTEREST

For openness and transparency, Councillor P Dilks declared that the Deepings Leisure Centre was within his Division and that he had supported the centre's community group, but was not a member.

13 MINUTES OF THE MEETING HELD ON 25 MAY 2023

RESOLVED:

That minutes of the meeting held on 25 May 2023 be approved as a correct record and signed by the Chairman.

14 ANNOUNCEMENTS BY THE CHAIRMAN, EXECUTIVE COUNCILLORS AND CHIEF OFFICERS

The Chairman reported that following a recent election for a new Parent Governor Representative, Dr Emile van der Zee had been elected and welcomed him ahead of the next meeting in August.

The Chairman also stated that the proceedings for the meeting would be changed slightly, and that item 9 was to be considered before item 7.

The Chief Executive reported that Childrens Services had successfully completed an Ofsted inspection and that Fire and Rescue Services were awaiting the report from another recent inspection. It was also reported that Adult Social Care were to undergo a new framework review conducted by the Care Quality Commission.

15 CONSIDERATION OF CALL-INS

None had been received.

16 CONSIDERATION OF COUNCILLOR CALLS FOR ACTION

None had been received.

17 DEEPINGS SCHOOL LEISURE CENTRE

Consideration was given to a report regarding options considered in relation to the future of the Deeping Leisure Centre, which was to be considered by the Executive on 4 July 2023. The following matters were highlighted:

- Ownership of the Deepings Leisure Centre – the centre was owned by Lincolnshire County Council (LCC) and had been operated by South Kesteven District Council (SKDC) since 1974. The centre was closed by SKDC in July 2021 and a formal decision was made by SKDC in November 2022 to return the asset to LCC in January 2023. LCC took responsibility for the building on 16th January 2023.
- Options considered – a comprehensive option appraisal had been undertaken using the following principles to guide the development of a recommendation:
 1. The preferred option must result in the termination of the existing Tenancy at Will and the successful granting of the 125-year Academy Lease.
 2. The preferred option must ensure no ongoing liability for LCC once implemented.
 3. Due to the existing Tenancy at Will and the requirement for Department for Education agreement, the school needed to be supportive of any recommendation.
- It was recommended that disposal of the asset was adopted. This recommendation enabled LCC to rigorously canvas the Leisure market and within the limitations of a freehold sale seek to influence the outcome so that the Leisure Centre was brought back into use and allow LCC to finalise the lease and relinquish all associated liabilities.
- Should the Expression of Interest exercise fail to provide the required outcome, it was recommended that demolition be undertaken. However, this option required a capital sum.

The Board was addressed by Councillor Virginia Moran, South Kesteven District Councillor for the Market and West Deeping ward and chair of the Deepings Leisure Centre Community Group, and Councillor Ashley Baxter, County Councillor and Deputy Leader of South Kesteven District Council, who were both supportive of the proposals to the Executive.

The Board welcomed and supported the proposals which provided the local community with an opportunity to find a third party to purchase and operate the leisure centre, but recommended that an end date needed to be agreed in order to move forward. The Board proposed that an end date in nine months time should be considered, subject to further advice from Corporate Property on the feasibility of this timescale. The Board requested a progress update on the proposals in nine months time.

As part of the Board's consideration of this item, the following information was confirmed:

- In relation to the former grant of approximately £124,000 from the County Council to assist with the running of the leisure centre, this ceased when the Deepings school converted from a local authority maintained school to an academy. When the school became an academy, the assets transferred over to the school (via a Tenancy at Will – a precursor to a 125 year lease) from the County Council, with the exception of the leisure centre building which the school did not want transferring to them. The Leisure Centre at that time was operated by South Kesteven District Council.

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- With respect to the disposal of the land to the academy, it was confirmed that the land would be passported under the Academy Act 2010 at no cost to the academy on a standard 125 year Academy lease.
- With regards to any potential funding from the government to assist with the re-opening of the Deepings Leisure Centre, it was confirmed that there may be some grant funding available, and Sir John Hayes MP, with an interest in bringing the Leisure Centre back into use, was attempting to source some additional funding.

RESOLVED

1. That the Board note the report and comments made be passed on to the Executive in relation to this item.
2. That the Board support the recommendations to the Executive as stated in the report.

18 CORPORATE PLAN SUCCESS FRAMEWORK 2022/23 - QUARTER 4

Consideration was given to a report which gave an overview and context regarding performance against the Corporate Plan as at 31 March 2023. The following matters were highlighted:

- Of the 35 KPIs where an ambition had been set, 31 were compared with an updated position for quarter 4. It was recognised that the last 12 months had been challenging and it was therefore positive to see 71% of KPIs exceeding or achieving the ambition that was set.
- It was reported that:
 - 5 KPIs exceeded the ambition.
 - 17 KPIs achieved the ambition.
 - 9 KPIs did not achieve the ambition.
- Attention was drawn to new indicators that had been added to the Corporate Plan as well as the new ambitions that had been set for 2023/24.

During its consideration, the Board was provided an overview of the nine indicators, which had not been achieved. Three of these nine indicators related to academic achievement, and in this regard, the Board was advised that the targets had been challenging given the impacts of the pandemic, and the loss of time in schools for many pupils. These targets would continue into 2023-24. Two of the indicators were based on 'good' or 'outstanding' ratings for schools, and would become contextual measures for 2023-24. The remaining four indicators had seen improvements, and although were still below target they remain as targeted measures in the 2023-24 framework.

The Board's specific comments and clarifications were on these specific indicators:

- PI 37 – Recycling Rate (New National Formula) – the Board was advised that as each local authority across the country may have slightly different arrangements, it was

understandable when confusion occurs. In addition, to general campaigns to reduce contamination of recycled materials, there was specific work in primary schools, although it would always be a challenge to influence behaviours. People with disabilities could be supported using recycling bins by their families or carers, or ultimately receive advice from their waste collection authority.

- PI 68 – Percentage of Three to Four Year Olds Taking Up Universal Entitlement – The Board was advised that the reason that eight per cent of children were not taking up the universal entitlement was most likely a combination of parental choice; and a lack of awareness of the offer. In relation to the latter, as set out in the report, there were several initiatives aimed at raising awareness, including engagement events over holiday periods, and support from the Council's partners.
- PI 1 – Percentage of Schools Judged 'Good' or 'Outstanding'; PI 2 – Percentage of Pupils in 'Good' or 'Outstanding' Schools (Pages 195-196) – the Board reflected on the extent to which the level of academisation of schools in the county was largely or partly responsible for the non-achievement of these two indicators.

RESOLVED

1. That the Board note the report and comments made be passed on to the Executive in relation to this item.
2. That the Board support the recommendations to the Executive as set out in the report.

19 BUSINESS WORLD SYSTEM REDESIGN PROJECT UPDATE

Consideration was given to a report which provided an update on the progress of the Business World ERP System Re-design project. The following matters were highlighted:

- Implementation of the project had been completed, with the system going live on 6 April 2023.
- Reviews had shown that key activities had been completed on time, which included the transfer of data and business readiness capabilities.
- Weekly meetings were put in place to identify initial teething issues.
- All staff had been paid on schedule, with no significant issues having been repeated.
- It was identified that some system users were not always completing forms fully – further guidance materials had been created to help aid users.
- A review of the processing of forms was underway with Serco to help identify efficient working practises.
- Data quality was continually monitored after cleansing to ensure integrity.
- Inbuilt system alerts were now in place, and greater clarity had been achieved for users using the leave booking system.
- Project close down was now underway.

The Board discussed the report and the following matters were raised:

- Assurance was given that all supplier payment backlogs had been cleared and that all suppliers had been paid on time in line with established payment terms.
- Bank holidays had compounded the temporary shutdown of the system during the data transfer period but did not impact timescales for the rollout of the system.
- Improved payment submission forms had been created to help ensure mandatory fields were easier to fill out, alongside additional guidance.
- Further details on the specific improvements of the new system were to be circulated to the Board.

RESOLVED

1. That the report and comments made be noted.
2. That the Board agree assurance on the implementation of the new Business World system.
3. That further details on the specific improvements of the new system be circulated to the Board.

20 REVIEW OF FINANCIAL PERFORMANCE 2022/23

Consideration was given to a report on the review of the Council's financial performance 2022/23 The following matters were highlighted:

- Inflationary pressures had substantially impacted financial performance over the past year past year. The Council reflected this risk during the financial planning process and increased the corporate contingency to £6.500m in direct response to the excessive inflationary increases around supplies and services costs and utility costs. In addition, the Council allocated a further £2.392m to help deal with wider inflationary pressures.
- Despite the challenges, the Council had achieved an overall revenue underspend of £12.749m on council budgets, which was mainly due to additional government grant received for business rates which had not been planned for in the budget. The net capital expenditure was £101.566m – 33% less than had been planned which was mainly due to timing and slippage of the delivery of major roads schemes.
- All underspends on service revenue budgets of up to 1% were to be carried forward, with overspends in Place and F&R not being carried forward. Planned usage of these 1% carry forwards will be determined by the Executive Director in conjunction with portfolio holders. The remaining £10.045m of revenue underspend will be added to the development fund reserve to support emerging council priorities.

As part of the Board's consideration of this item, the following information was confirmed:

- In response to the existence of observable trends in expenditure and the awareness of relevance to such government announcements, Officers explained that the inflation impact and the education travel budget continued to be of concern. A contingency around the first has been retained and a contingency was introduced specific to

education travel. Budgets for 2024/25 were anticipated to be static, whereas foresight indicated that budgets would continue being under pressure in the 2025/26 period. Therefore, scenario planning was a core activity. Assurance was provided that the Board would receive further information as part of the process for setting the budgets for the next financial year.

- Relevant to the Fairer Funding Review, it was confirmed that it extended beyond the current government period; potential funding reductions were being factored into that, along with challenges experienced around inflation and interest rates which had an impact on government borrowing. Officers provided assurances that careful planning was employed as a measure of securing the Council's future position beyond the next financial year. The Leader of the Council added that pressures were covered by contingencies; these were being built into next year's base budget, acknowledging that further information on additional funding was anticipated around the same time as budgets were being set. It was also noted that any underspend was put forward to the Council in September 2023 for decision on how that may be used/allocated. In the interim, funds remained under development funding, until further notice.
- In relation to underspend and how that affected totals when moved across different pots of funding, Officers explained that when budgets were set, overall pressures were considered for decisions such as around allocation, council tax and services funding to be made. Money set aside to contingencies allowed for addressing additional costs (e.g., pay award due to additional inflation on education travel); otherwise, funds were being allocated and spent elsewhere which posed a potential threat to the Council's ability to deal with unexpected pressures.
- Relevant to settlement agreements, Officers clarified that they had received indications of what the settlement would be for 2024/25, but this was likely to be followed by savings and potential austerity measures in subsequent years. The settlement was expected in December 2023, following which a new spending review period would be entered into under the remit of the new government.

RESOLVED

1. That the Board support the recommendations to the Executive as set out in the report.
2. That the Board note the report and comments made be passed on to the Executive in relation to this item.

21 TREASURY MANAGEMENT ANNUAL REPORT 2022/23

Consideration was given to a report which brought the Treasury Management Annual Report 2022/23 to the Board for review. The Key Points Summary was reported in detail and the independent advisor from Link Asset Services made the following comments:

- The Council's borrowing and expenditure was in line with the average in comparison to other county councils.
- The Council's external borrowing was being presently managed under the current economic circumstances.

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- Overall, the Council was in a good position.

The Board discussed the report and the following matters were raised:

- Internal borrowing was set to continue.
- External borrowing was not set to be pursued in the short term and was only to be considered if a minimum level of cash was reached and was necessary to ensure cash flow.
- The current borrowing rate of the Council was largely influenced by legacy borrowing at the present time.
- Bank rates were calculated on various factors including governance and performance, and adverse economic conditions did not wholly effect rates.

RESOLVED

1. That the report and comments made be noted.
2. That the Board endorse the Treasury Management Annual Report for 2022/23.

22 PROPERTY SERVICES RE-COMMISSIONING

Consideration was given to a report on property services recommissioning, which was due to be considered by the Executive on 4 July 2023. The Board was guided through the report and the following matters were highlighted in detail:

- The Council's move towards a corporate landlord approach necessitated changes in terms of managing contractors.
- It was proposed that the current contract be recommissioned subject to the new changes outlined in the report.
- The changes were outlined as follows:
 - The Council was to move away from one overarching contract to a number of smaller contracts to ensure flexibility and responsive administration.
 - The in-sourcing of estates and data as well as a number of other posts to manage the contracts and ensure compliance was to be pursued. This included the resourcing of a number of new posts.
 - Savings were anticipated to be found in streamlining the management of the contractor and ensuring greater performance and compliance.
 - The savings were anticipated to be worth £380,000.

As part of the Board's consideration of this item, the following information was confirmed:

- With regards to whether there would be sufficient qualified staff within the Corporate Property team, it was confirmed that there were enough across the client team and Vinci Kier but not necessarily in the correct places. Currently, the only qualified chartered surveyor within the team was the Assistant Director for Corporate Property. The other qualified chartered surveyors were currently provided by Kier

and sat within the estates and property records team, so it was proposed to bring this service in house to strengthen the client team and improve synergies and robustness.

- With the adoption of the corporate landlord approach, the direction of travel for the property services offer based on lessons learned from the current contract, and looking at the market and other local authorities with similar property services contracts, it was considered that going forward this was the right model for delivery and reflected and replicated best practice elsewhere.
- In relation to the personal liability of the staff, it was confirmed that the insourcing of asbestos management, fire and legionella management would provide a more robust management set up to ensure these areas were covered. This new delivery model would give officers and the Council more protection by ensuring the Council was fulfilling its statutory duties.
- Smaller jobs were currently added to a repairs and maintenance programme and planned in depending on the priority level. The new minor works manager would help to improve the processes for smaller jobs, which amount to nearly 10 000 jobs a year, and drive down the costs while ensuring the jobs were completed properly with the quality required. The current contract had the ability to potentially make these jobs a little bit more expensive as it used the target cost system which meant that it was in the contractor's interest to make the costs higher to start with so that they remained within their KPIs. The new contract would use actual priced costs so the Council would have a market price it deemed acceptable to pay, which would give the Council more control to make sure that the contractor was not able to charge more than they should be doing. When building and designing the new contract, consideration would be given to how these smaller jobs would be managed and completed, and the priority levels would be changed to reduce the lengthy timescales.

RESOLVED

1. That the Board note the report and comments made be passed on to the Executive in relation to this item.
2. That the Board support the recommendations to the Executive as set out in the report.

23 OVERVIEW AND SCRUTINY MANAGEMENT BOARD WORK PROGRAMME

The work programme was noted.

The meeting closed at 12.22 pm