

Agenda Item 9

COUNTY COUNCIL MEETING – 11 MAY 2018

Statement from: Councillor M J Hill OBE – Leader of the Council

FINANCE

National Fair Funding Review - Consultations

In the last year, working with other authorities in Greater Lincolnshire, we have:

- had several meetings with the Secretary of State and senior ministers;
- met and spoken with our Members of Parliament who are supportive of our campaign and have written to the Secretary of State;
- written to all town and parish council and received letters of support;
- undertaken a publicity campaign across the area to inform our residents and encourage them to support us.

The National Fair Funding review instigated by the Ministry for Housing, Communities and Local Government (MHCLG) is now in full swing. This review will set the basis for a revised funding arrangement for all local authorities in England from 1 April 2020. At that date it is expected that the revised funding regime will be based on a 75% localisation of business rates to local authorities. The Fair Funding Review will establish the baseline funding for all authorities under the new regime. Three formal consultations are expected as part of the Review. The first, dealing with spending needs, took place over last winter and the County Council made a submission to that review in March 2018. A copy of that response was e-mailed to all members on 12 March. Further consultations are expected later this year on the resources available to local authorities to assist them in funding service provision (eg. ability to generate council tax and other income) and on a transition mechanism for moving to the new regime. As the new regime will likely have winners and losers, a transition period is necessary. Members will be kept up to date on progress with the Review.

Closure of the Accounts 2017/18

This coming summer English local authorities are now required to close their accounts, and have them externally audited, two months earlier than has previously been the case – by the end of July as opposed to the end of September. Work is in hand to meet this accelerated timetable and it is intended that the financial statements will be approved at the Audit Committee meeting on 23 July 2018. A report detailing the outturn position on the revenue budget and capital programme will be presented to the Executive on 3 July, having been considered by the Overview & Scrutiny Management Board on 28 June. The Executive will then make any recommendations to change the current budget to the Council meeting in September.

Business Rate Pilot Bid

As Members will be aware the Government had previously expressed a desire to fully localise business rate income to local authorities by the end of this Parliament. The

current regime is based on 50% localisation. Progress on this matter in terms of legislation has been delayed by the need for the current session of Parliament to concentrate on Brexit related matters. The revised intention is now to aim for 75% localisation from April 2020. However, 100% localisation remains a longer term objective. With that in mind, the Government invited bids from two tier areas to pilot 100% localisation during 2018/19. A successful bid was submitted for Greater Lincolnshire, incorporating the County Council, the seven Lincolnshire Districts and North Lincs unitary authority. The financial benefit of a pilot is that the pilot authorities get to keep all growth in business rates generated in their area. At the time of setting the Council's budget in February this year, it was estimated that the net gain to the County Council from being a pilot authority was around £7.5m. The MHCLG have recently announced that they made a technical error in terms of funding attributable to business rate pilot authorities for 2018/19 and they intend to correct that error in the current year. The impact on the gain for the County Council is to reduce it by just under £1m to around £6.5m. Pilot authorities will make representations aimed at persuading the MHCLG to honour the original allocations. The gain is a prudent estimate and the actual gain will be based on the actual growth of business rate income within the pilot area over the coming year. The impact, if any, on the budget of the Council will be monitored during the year.

External Audit Arrangements

Members may recall that the Council participated in a national procurement exercise around 18 months ago to secure new external audit appointments for all English local authorities. As previously reported in this statement, our current external auditors, KPMG, have been replaced by Mazars with effect from 1 April this year. KPMG are responsible for auditing the 2017/18 accounts and once they have reported their findings in the coming summer, their appointment will have effectively ended. Liaison and planning work is already taking place with Mazars. Mazars have secured a significant number of local authority clients in the East Midlands area as a result of the national procurement exercise.

Recognition for Insurance and Risk Team

I am pleased to announce that the Council's Insurance and Risk Team were the winners of the 'Innovation in Risk Management' category in the Public Finance Innovation Awards 2018. This was against stiff competition from six other national entries. The judges commented on a very strong entry that was cutting edge, had engaged services across the Council, and which had been enthusiastically presented.

PROPERTY

The Council continues to be an integral part of the Blue Light Programme where Fire & Rescue, Lincolnshire Police and East Midlands Ambulance Service are working together to exploit the opportunities of co-locating services across the County. The construction of the flagship project at South Park, in Lincoln, is progressing well. This will bring together all three services in a new operational hub; the site will become operational in the summer of 2019. Elsewhere in the County, Louth Fire station

became the first joint Fire and Ambulance Station on 1 November 2017 and in Sleaford, Fire and Ambulance Services will move into a new facility on 1 May.

The Council is leading the One Public Estate programme on behalf of Greater Lincolnshire, recent activity has included Asset Challenge in each District and has identified 50 collaborative opportunities across the County which will help rationalise the public estate, improve services, generate capital receipts and release land for housing and regeneration. Cabinet Office funding has been received for the development of a business case for the relocation of Lincoln Crown Court. Public sector hubs have been delivered in Boston and Spalding with the DWP co-locating with the District Councils.

The Council is developing partnerships with District Councils to provide Extra Care Housing: District Councils will develop the buildings via Housing Revenue Accounts with care contracts provided by the County Council. The first scheme will be in Lincoln.

The property services contract supplied by VINCI has successfully completed its third year enabling an extension to the contract. The contract was a recent finalist in the LGC national awards.

The County Council is establishing a wholly owned Holding company: the first subsidiary company will be a specialist housing company and the business case will be developed during 2018.

COMMERCIAL TEAM

GO Awards

In March 2018 the Commercial Team achieved national recognition for its work supporting the Adult Care and Community Wellbeing Directorate and the wider organisation, by being shortlisted as a finalist for four awards in the prestigious National Government Opportunities (GO) Awards. Nominations are in the categories of Procurement Innovation or Initiative of the Year – Health and Social Care Organisations, and Procurement Team of the Year. To have achieved finalist status for four individual awards recognising excellence in public procurement reflects the hard work, dedication and skill of the Team.

Wellbeing Service

The Wellbeing Service (WBS) is a key preventative service providing timely support to help people live healthy independent lives longer. The re-provision of the WBS during 2017 was through dialogue with bidders, providing the opportunity for service improvements and better value for money. As a result, more people will be made safe in their home after a fall, a stronger network of community based support services will be available, and more people will benefit from the hospital discharge service which ensures individuals' homes are safe, warm and well provisioned. At the same time, savings of £500,000 over the life of the contract were achieved.

Delayed Transfer of Care

Once again performance in both Adult Care and Public Health represents some of the best in the region, if not nationally. Delays caused by Adult Care remain low with performance in the upper quartile range.

At the height of the winter pressures, our Home Care providers were dealing with over 170 referrals a week and, in spite of this, more than 50% of home care packages from hospitals were started within 24 hours of referral.

Care Quality Commission

In the last year, the county has seen significant improvement in the ratings awarded to care providers by the Care Quality Commission, with 23% fewer providers rated as inadequate or requires improvement compared to 2016.

Residential Framework

The Council has successfully negotiated a new three-year agreement with its residential care providers. This provides a strong foundation to perform well and to meet oncoming challenges up to 2021. There continues to be a diverse market, with approximately 3,600 service users placed by Lincolnshire County Council across 275 residential homes in Lincolnshire, with an annual spend of over £120m.

A new cost model for Learning Disability (LD) residential services has now been developed with providers, which is a significant step forward in commissioning residential care.

Transitional Care and Reablement Beds

Integrated working continues with Health with a third round of jointly commissioned Transitional Care and Reablement beds. Since the start of this initiative the Council has secured 98 beds, which have a key role in improving hospital discharges whilst securing capacity in areas where it is most needed.

Corporate Support Services Re-Provision

As the Corporate Support Services contract has passed the half way point of the initial five-year term, the Team working with service leads has led on much of the development activity looking at what the future arrangements might look like. Further development and implementation work will be led by the newly appointed Chief Commissioning Officer. He will be supported by project management and assurance activity from the Commercial Team.

Commissioning and Commercial Board

The Commercial Team provides constructive challenge and a critical friend role to commissioners in terms of outcomes, delivery mechanisms and commercial terms. It works with commissioners to help ensure effective delivery. The Team administers and attends the new Commissioning and Commercial Board, ensuring senior

stakeholder engagement at the outset. The Board first met on 24 July 2017 and has received 22 reports since then.

Apprenticeships Dynamic Purchasing System

A Dynamic Purchasing System (DPS) to support the provision of Apprenticeships has been set up with approximately thirty providers. This is a legally compliant approved open list of providers which new providers may join. The DPS will be a flexible and efficient way for the Council and schools to procure apprenticeship training while also providing the maximum opportunity for local training providers to compete for the work.

New Agency Staff Contract

New agency staff arrangements have been put in place to better ensure the Council can access the required skills from the providers most likely to meet the need. As a result there are now two contracts in place: Social Care and General Admin plus Legal.

Procurement Compliance Training

A comprehensive training programme was put together to improve Council Officers' awareness of technical procurement requirements. Sixty officers attended a six- day training programme reducing the risk of legal challenges.

Project Management

Project management support has been provided on priority activities across the Council, including:

- Blue Light Project demolition of the old site at South Park and the building of a new purpose-built complex, housing Fire and Rescue, Lincolnshire Police and the Ambulance Service;
- Lincolnshire Connected – a piece of visioning work giving direction for accessibility and transport in Lincolnshire over the next 20/30/40+ years, to have in place the right access and transport policies and plans for Lincolnshire, and to develop the right partnerships to deliver for the county;
- The 0-19 Children's Health Service successfully transferred into the Council on 1 October 2017 transitioning on a phased approach; and
- Geographic Information System (GIS) Replacement Platform – A new corporate GIS solution replacing a number of platforms and migrating over 500 users from Highways, Emergency Planning, Property, and Lincolnshire Fire and Rescue, reducing both operating and licensing costs.

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