

Agenda Item 5

COUNTY COUNCIL MEETING – 14 DECEMBER 2018

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

FINANCE

Revenue Budget and Capital Programme for 2018/19 – Monitoring Report

The first budget monitoring report for the current financial year was based on the position as at 31 August 2018 and was considered by the Overview & Scrutiny Board at its meeting on 27 September with comments of the Board presented to the Executive on 2 October 2018. This showed a satisfactory position early in the year with a projected underspend of £3.7m or just under 1% for the year. The next report will cover the year up until 31 December 2018 and will be considered by the Overview and Scrutiny Board in late January 2019 and the Executive in early February. The recently awarded in-year additional funding for adult care of £3.4m will be incorporated into that report, as will the £13.7m in additional highways funding for pothole and other maintenance work to be undertaken by the end of March 2019.

Revenue Budget & Capital Programme for 2019/20 & Beyond

In February 2018, the Council approved both the budget for 2018/19 and a provisional budget for 2019/20. Work is underway to review and update the budget for next year and updated proposals will be presented to the Executive on 18 December 2018 and will then go for internal and external consultation. In preparation for this budget the Overview and Scrutiny Management Board considered an updated financial risk assessment of the Council with particular reference to the adequacy of the general reserve of the Council. The review concluded that the current level of general reserve remained adequate, a view endorsed by the Board.

Many members will have attended the general budget briefing sessions that were held on 3 and 5 December and I hope you found these useful. As you will have heard at those sessions, we were expecting the provisional local government grant settlement to be announced on 6 December and for that to confirm the level of Government support we were informed of a year ago given 2019/20 is the fourth and final year of the four year funding deal with Government. The October 2018 Chancellor's Budget announced further funding for care services of around £9m for next year and this will be incorporated into our budget proposals.

As far as a budget for 2020/21 and beyond is concerned, the key unknown is the amount of funding the Council will receive from central resources. As mentioned, the current four year deal ends in March 2020. The Government will undertake a full spending review in the first half of 2019 with the outcomes being announced later that year. That process will derive the central funding to be made available to this Council via the new processes driven by the combination of the Fair Funding Review and the move to 75% business rate localisation. Further consultations on both these aspects are expected in the coming weeks. This Council is about to commence work at looking at how it will deliver balanced budgets from 2020/21 onwards. All members will be involved, as appropriate, as that process moves forward.

Capital Strategy

A new requirement has emerged required every local authority to formulate and publish a document called a Capital Strategy by 1 April 2019. The purpose of the strategy is to ensure that decision makers understand the long term context within which capital investment decisions are made and the nature of the associated financial risks. These strategies need to be incorporated within the budget book of the Council and our initial draft strategy will be considered by the Overview and Scrutiny Management Board in late January 2019 who will pass comments onto the Executive for consideration at their meeting on 5 February. The Executive will then recommend the strategy for approval, as part of the budget, by the full Council on 22 February.

Potential Business Rate Pilot Bid

As Members will be aware, the Council, along with the Lincolnshire Districts and North Lincolnshire Council, were successful in a bid to become a business rate pilot in 2018/19 under the 100% localisation regime. That pilot is for one year only. Government invited new bids for pilots for the 2019/20 financial year but based on a 75% localisation regime. The County Council has submitted a bid for next year along with the aforementioned partners. It is known there are around thirty bids under consideration and that only around five are likely to be successful. Given the successful bid for the current year, it is perhaps less, rather than more, likely that the new bid for next year will be successful as the Government is likely to want to review the impact of this initiative on other groups of councils. An announcement on the successful bids is expected in early December and should be known by the time of this meeting.

PROPERTY

Co-location of Blue Light Services

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 co-locate services across the County. The construction of the flagship project at South Park in Lincoln continues to progress and will transform Blue Light services in the area. Following the opening of Sleaford Ambulance and Fire Station in May 2018, the building has become fully operational over the summer with 168 County Council employees moving into modern office accommodation on the first and second floors.

Schools Estate

The Council have completed a number of education projects over the summer with an investment of £17.5m in the schools estate – this has provided an additional 1,342 school places for Lincolnshire children. One of the most notable schemes, Poplar Farm in Grantham, has been highlighted by the Department for Education as an exemplar project for the way in which it has been delivered. Building on this solid foundation the Education and Skills Funding Agency has recognised Lincolnshire County Council as an authority that delivers schools places efficiently.

One Public Estate

The Greater Lincolnshire One Public Estate programme is continuing to strengthen relationships with partners in the NHS and are working closely with them in relation to the delivery of the STP estates strategy, the first capital project announcement are expected in December.

Extra Care Housing

The Council is working in an innovative partnership with a number District Councils to develop Extra Care Housing across the county, the first project in Lincoln is expected to commence construction in spring 2018.

COMMERCIAL TEAM

Project Management

High priority transformational projects continue to be supported including:

- ***Corporate Support Services (ERP 2020)*** – Work has begun on the transformation required to our Agresso ERP and associated business processes. They will be designed on "self-serve" principles providing more streamlined, efficient activity across the end to end business process.
- ***Lincolnshire Connected*** - Lincolnshire Connected is a piece of visioning work giving direction for accessibility and transport in Lincolnshire over the next 20/30/40+ years, to provide and have in place the right access and transport policies, strategies and plans for Lincolnshire, and to develop the right partnerships to deliver for the county. Workshops are being held to develop a short list of options from the commercialisation portfolio analysis. This project was included in the Member development workshop that took place in November.

Homecare Re-Procurement

I am pleased to report that the Homecare Re-procurement for two of the twelve zones has concluded successfully. The new contracts in Grantham and Stamford & Bourne went live on 1 October with minimal disruption to service users.

Integrated Lifestyle Service

In October the Adult Care & Community Wellbeing Scrutiny Committee considered a report on the commissioning and procurement of a new Integrated Lifestyle Service. The Scrutiny Committee supported the recommendation to begin a procurement exercise for this service which will provide adults in Lincolnshire with high quality accessible information and direct support focusing on the four lifestyle behaviours with the greatest impact on health and wellbeing:

- Smoking of tobacco
- Physical inactivity
- Obesity (food, nutrition and a healthy weight) and
- Excess alcohol consumption.

The procurement will commence in November with a view to awarding a contract towards the end of March 2019. The new service will commence on 1 July 2019.

CQC

The Commercial Team continues to support providers across Lincolnshire to improve their quality of service. The county now has eight services rated by the Care Quality Commission as 'Outstanding' compared to three last year and 232 services rated as 'Good' compared to 226 in November last year. There are 64 services rated as 'Requires Improvement' or 'Inadequate', a reduction of eight compared to the same time last year. The Commercial Team continues to work closely with these services to improve their quality of service.

Corporate Support Services Contract

In the light of strong performance from Serco and robust due diligence and risk assessment of the alternatives, the Executive supported by the Overview and Scrutiny Board has approved a contract extension with Serco until 31 March 2022 for Information Management Technology; Payroll; HR Administration; Customer Service Centre ; Exchequer Services and Adult Care Finance. At the same time authority was given to insource some small areas of service into the Council from 1 April 2019 and to consider how best to re-provision professional People Management.

Highways Alliance

Continuing the good work with colleagues in Lincolnshire County Council's Highways team, the procurement for this major contract (approx. £750m) went live on 5 October, and expressions of interest have been received for all of the three contracts, which is reassuring given the degree of competition in the market generated by HS2 and other large scale construction activity such as the Commonwealth Games in Birmingham in 2022. Evaluation of expressions of interest will take place in November and the successful candidates will be invited to submit initial tenders early in 2019.

The Commercial team are supporting Highways on the evaluation, negotiation around key commercial factors, and ensuring compliance with the regulations.

Council Chamber Audio/Visual

The procurement and works have successfully been undertaken to replace certain ageing components of the audio-visual system within the Council Chamber, working closely with our colleagues from Democratic Services. Both the procurement and contract delivery were conducted efficiently to ensure sufficient time for testing ahead of full Council in September.

The projector has changed position, and the increased specification of the equipment has allowed for significantly improved performance, efficiency and future proofing. Should the Council decide to upgrade the remainder of its audio-visual and broadcasting system – cameras, etc. – the new projector is capable of exploiting these advancements, delivering further improvements.

LCC Website

Following some pre-market engagement, the Commercial team recently concluded a procurement identifying Jadu as the preferred supplier to provide the Council's new website and intranet services. Jadu are currently progressing with the implementation of the website.

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