

Agenda Item 6

COUNTY COUNCIL MEETING – 18 SEPTEMBER 2020

Statement from: Councillor M Hill OBE, Leader of the Council

FINANCE

Financial Impacts of Covid-19

From the beginning of the current pandemic the Council has taken measures to support and protect our staff, our suppliers and our local communities and residents. Recognising the vital role local authorities are playing with this support, the Government has distributed three tranches of Covid-19 Emergency Support Grant, totalling £3.7b. They have also announced funding for authorities to reclaim sales, fees and charges income lost due to Covid-19 and measures to assist with future years' potential deficits on the collection of local taxes. We have currently been allocated £40.3m of this emergency support grant and we have been continually monitoring the costs and forecasts of additional expenditure and income losses due to Covid-19. At this point, we believe we can manage our costs within the financial support provided, but this will be continually reviewed.

Financial Statements and Outturn 2019/20

In response to the current emergency situation, the Government has amended the statutory audit deadlines for the 2019/20 financial statements. The latest publication date for final audited accounts has moved from 31 July to 30 November, with the date for draft accounts available for public inspection moved back to the 31 August. Whilst this extension has been given, we are aiming to work to an earlier timetable more in line with previous years. Our draft accounts were available for public inspection from 1 July and were reviewed by the Audit Committee on the 13 July. Our external auditors, Mazars, are currently reviewing our accounts, with an aim to have a proposed audit opinion and the audited accounts with Audit Committee on 28 September, well within the extended reporting deadline.

Revenue Budget and Capital Programme for 2020/10 – Monitoring Reports

In order to improve the frequency and transparency of our financial reporting, the first budget monitoring reports for the current financial year were based on the position as at 30 June 2020. The reports cover both our revenue and capital position and provide an update on the financial impacts of Covid-19. The reports were presented to the Overview & Scrutiny Management Board at its meeting on 27 August with the comments of the Board presented to the Executive on 2 September 2020.

Budget 2021 and Beyond

Leading up to Council approving our budget in February 2020, work had been undertaken to review our budget pressures and identify efficiencies which allowed us to set a balanced budget for 2020/21, which included new development initiatives. Although much reduced, our medium term strategy was still forecasting a budget shortfall position at by the end of 2022/23. Prior to Covid-19 we were expecting to see

the outcome of the Government's Comprehensive Spending review and Fair Funding review, looking at how funding is distributed to Local Authorities. We are now expecting a spending review outcome to be announced by the Government during the autumn and will look to bring an update of our medium term budget position to Council at the end of 2020.

COMMERCIAL

Infrastructure Team

The team continues to support high priority projects within the Council:

- **Dry Recycling Contract/Paper and Card** – the Council has entered into a contract with New Earth Solutions West Ltd for the reception, processing and sale of household recycling materials. Now that the contract is live it will bring some financial savings and flexibility to adapt to regulatory changes and for the Council to benefit from an improved recycling rate. This work is being carried out within the county, providing local employment. This new contract will also allow the Council to move forward on the separate collection of paper and card which we hope to begin next year.
- **COVID-19 Supplier Support** – in response to the unprecedented events relating to Covid-19 the Council has continued to work hard to ensure that the suppliers which it relies upon are supported through the provision of continued funding for service delivery, where the financial support provided by central government could not be accessed.

Serco performance during the Covid-19 crisis

The Serco contract performance is measured through a series of key performance indicators, and these have continued to be measured during the crisis period. Serco delivered strongly, continuing to meet most of their usual target service levels, and only claiming mitigation for those in IMT associated with service request fulfilment and end user device patching, both of which have been heavily impacted during the rapid deployment of remote working.

Extension to Corporate Support Services Contract

Following the Executive's decision on the 2 June to retain Serco's services for the period 1 April 2022 until 31 March 2024, work has progressed apace to negotiate all the details of the arrangement, and these are now nearing completion.

People Services Team

The People Services Team has and continues to play a significant part in the Covid-19 response. This has represented a very high proportion of the Team's workload since the end of March and as a consequence it has been necessary to delay some key procurements. As the Council and wider community progresses into the recovery phase, the Team has re-prioritised and is re-commencing the stalled procurement programme.

The Team has continued to support a number of high priority procurement programmes throughout this period:

- **Community Supported Living – Annual Value £32m** - Community Supported Living (CSL) is a care and support service enabling vulnerable adults to develop and acquire new skills to increase independence in daily living through appropriate risk taking, education and employment to meet their desired outcomes in their Personal Plan. Across Lincolnshire 903 people are currently supported in this way. The successful outcome of the procurement process in June will ensure this service can continue to offer care and support to vulnerable adults, and includes developments in the service model, intended to enhance value for money and support high quality service delivery. 28 Providers are now approved to deliver CSL services under the new contract, which commenced on 1 July.
- **Housing Related Support – Annual Value £2m** - evidence shows that homelessness and rough sleeping continue to increase locally and nationally, and that cases are becoming increasingly complex. The new Housing Related Support (HRS) service model has been developed to ensure that all agencies fulfil their individual and shared obligations to the most vulnerable people. Redesigning HRS services in this way increases the likelihood of positive outcomes for service users, reduces the risk of them needing other LCC services and maximises the effectiveness and efficiency of the investment in HRS. The procurement process concluded at the end of February for both Adults HRS, and Youth Housing Supported Accommodation Services. Originally due to go live in July, service mobilisation periods for these complex services were extended to take account of the pandemic situation and the new contracts are now due to go live in October this year for Adults HRS, and in January 2021 in the case of the Youth Housing Supported Accommodation Service.
- **Home Based Reablement – Annual Value £4m** - the Home Based Reablement Service (HBRS) is designed to help people learn or relearn the skills necessary for daily living, which have been lost through illness, deterioration of health and/or increased support needs. It offers an intensive period of support for people to maximise skills and potential for either full independence or a lower level of on-going support. It is a fundamental part of the care system in Lincolnshire and plays a critical role in the overall healthcare system. Through person-centred interventions the service improves residents' quality of life and decreases the need for longer-term social care services, supports timely hospital discharge whilst reducing the chances of re-admission, alleviating pressure on already overburdened residential homes and hospitals. The new contract includes a pilot programme to trial a broadening of eligibility criteria for the HBRS in order to confirm the potential benefits. It was won by incumbent provider, Libertas, which will commence delivery of the new service on 1 November.
- **Emergency Provision and Short Breaks – Annual Value £800k** - this service provides planned and emergency respite care for adults with learning disabilities at two LCC owned buildings, with a total of 15 beds across both

sites. Usually intended to give an informal carer a break from their caring role and to provide meaningful activity for the service user, the service can also be used in emergency situations, for example following carer breakdown. This service relieves pressure and helps to sustain carer arrangements in the long term in a cost effective way for the Council. Following the conclusion of the procurement process, the new contracts were awarded in early April, and went live on 1 July.

- **Domestic Abuse Refuges – Annual Value £200k** - the service will deliver support and help and access to secure refuge accommodation for those fleeing domestic violence. The delivery model comprises temporary accommodation and support (up to 6 months) for men and women (including any dependents) and was developed in conjunction with Community Safety, the Lincolnshire County Council Domestic Abuse Strategy Co-ordinator Lead and Public Health. The new contract, awarded in mid-March, was successfully mobilised by provider EDAN Lincs, through the height of the pandemic and went live on 1 July.