

Full Council

Thursday, 27 February, 2014, at 4.00 pm or at the conclusion of Question Time, whichever is the later, in the Council Chamber, County Hall, Preston.

Agenda

Index

1. **Apologies and Announcements**
2. **Disclosure of Pecuniary and Non-Pecuniary Interests**
- A. Matters for Decision**
 3. **Confirmation of Minutes from meeting held 12 December 2013** (Pages 1 - 18)
 4. **Report of the Cabinet (Part A)** (Pages 19 - 30)
 5. **Financial Threshold for Key Decisions 2014/15** (Pages 31 - 32)
 6. **Pay Policy Statement 2014/15** (Pages 33 - 62)
 7. **Members' Allowance Scheme 2014/15** (Pages 63 - 76)
 8. **The County Council's Political Governance Structure** (Pages 77 - 84)
- B. Matters for Information**
 9. **Report of the Cabinet (Part B)** (Pages 85 - 94)
 10. **Report of Urgent Key Decisions** (Pages 95 - 98)

11. **Report of County Council Committees**

To receive reports from:

(a) **The Overview and Scrutiny Committees**
(Pages 99 - 106)

(b) **Audit and Governance Committee** (Pages 107 - 110)

12. **Report of the Combined Fire Authority** (Pages 111 - 116)

C. Notice of Motion

To consider any Notices of Motion submitted under Standing Order No. 14.2.1.

Jo Turton
Chief Executive

County Hall
Preston

25 February 2014

Agenda Item 3

Minutes

At a meeting of the Full Council held at Council Chamber, County Hall, Preston, on Thursday, 12 December, 2013

Present:

County Councillor Michael Devaney (Chairman)

County Councillors

T Aldridge	J Fillis	M Parkinson
A Ali	J Gibson	N Penney
T Ashton	G Gooch	S Perkins
A Atkinson	M Green	M Perks
A Barnes	J Hanson	C Pritchard
M Barron	Dr M Hassan	S Pryn
L Beavers	P Hayhurst	P Rigby
D Borrow	C Henig	A Schofield
M Brindle	N Hennessy	K Sedgewick
P Britcliffe	S Holgate	S Serridge
I Brown	D Howarth	J Shedwick
K Brown	K Iddon	R Shewan
T Brown	M Iqbal	D T Smith
P Buckley	A James	K Snape
T Burns	M Johnstone	D Stansfield
Mrs S Charles	A Jones	J Sumner
A Cheetham	A Kay	V Taylor
A Clempson	J Lawrenson	M Tomlinson
D Clifford	D Lord	C Wakeford
Mrs F Craig-Wilson	T Martin	D Watts
C Crompton	J Mein	D Westley
M Dad	G Molineux	D Whipp
B Dawson	B Murray	P White
F De Molfetta	R Newman-Thompson	G Wilkins
C Dereli	D O'Toole	B Winlow
G Dowding	Mrs L Oades	B Yates
G Driver	J Oakes	
K Ellard	M Otter	

1. Apologies and Announcements

Apologies

Apologies for absence were presented on behalf of County Councillor Y Motala.

Nelson Mandela

The Council stood in silent tribute following the recent death of Nelson Mandela. The Chairman reported that a letter of condolence was to be sent from the County Council to the South African Embassy on behalf of the people of Lancashire.

Pearson Teaching Awards

The Chairman announced that two Lancashire teachers had recently won awards at the Pearson Teaching Awards in London. They attended Full Council to receive the Council's congratulations.

- Sean Hardeley, science teacher, Holy Cross Catholic High School in Chorley won the award for Outstanding New Teacher of the Year
- Shaun Jukes, headteacher of Sir Tom Finney Community High School (a special school for educational needs, learning difficulties and disabilities) in Preston won the award for Headteacher of the Year in a Secondary School

County Councillor Matthew Tomlinson, Cabinet Member for Children, Young People and Schools added his congratulations and provided details of the citations for the awards.

National Transport Awards

The Chairman announced that the County Council had won in the 'Road safety, traffic management and enforcement' category at the recent National Transport Awards. Officers from the Environment Directorate attended to represent the relevant teams and receive the Council's congratulations:

- Rhiannon Leeds, Safer Travel Adviser and
- Carol Melhuish, Transportation Officer.

County Councillor John Fillis, Cabinet Member for Highways and Transport, added his congratulations.

Retirement

The Chairman announced that Steve McCreesh, Project Director Heysham to M6 Link, was to retire at the end of January. County Councillor Janice Hanson presented him with a certificate of recognition following his many years of hard work on this project, and the Council congratulated him on his achievements.

2. Disclosure of Pecuniary and Non-Pecuniary Interests

Name of Councillor	Agenda Item No.	Nature of Interest (all non pecuniary unless stated)
G Driver	Part C – Motion No. 7	LGPS Pensioner
J Shedwick	Part C – Motion No. 7	LGPS Pensioner

3. Confirmation of Minutes from meeting held 3 October 2013

Resolved: That the Minutes of the meeting of the County Council held on the 3 October 2013 be confirmed and signed by the Chair.

4. Report of the Cabinet (Part A)

There were two matters that required the approval of full council:

i. Introduction of the Living Wage for Lancashire County Council Employees

Cabinet, at its meeting on 7 November 2013, had considered a report setting out proposals for Lancashire County Council to become a 'Living Wage Employer'. Cabinet had agreed the proposals for a phased introduction of the Living Wage as set out in the report presented, and recommended Full Council to approve the adoption by the County Council of the Living Wage on the basis of the proposed phasing arrangements.

Resolved: That adoption by the County Council of the Living Wage, as set out in the report now presented, on the basis of the proposed phasing arrangements, be approved.

ii. Treasury Management Indicators for Interest Rate Exposure

Cabinet, at its meeting on 5 December 2013 had considered a report setting out issues regarding treasury management indicators for interest rate exposure. It referred to relevant advice from the County Council's treasury management advisers, Arlingclose Ltd, for necessary changes to the Treasury Management Strategy. The report now presented set out the recommendations of Cabinet.

Resolved: That approval be given to the County Council's Treasury Management Strategy being amended:

- i. To adopt the 'amount of net interest payable' indicator, option C set out at Appendix A in the report now presented, in replacement of the current indicator;
- ii. In line with Arlingclose's advice, an upper limit of £5m net interest should be set for variable rate exposure and a limit of £37.6m net interest set for the fixed rate indicator;
- iii. To incorporate the local indicator 'impact of an immediate interest rate rise of 1%' with a maximum limit of £25m.

5. Lancashire County Council Timetable of Meetings 2014/15

The Full Council was asked to approve the timetable of Full Council, Cabinet and Committee meetings for 2014/15 as set out at Appendix A to the report now presented.

Resolved: That the timetable of Full Council, Cabinet and Committee meetings for 2014/15 as set out at Appendix A to the report now presented, be approved.

6. Employment Committee

The report explained that the Employment Committee was to meet on 9 December to consider proposed changes to the Committee's Terms of Reference, which were set out at Appendix A to the report now presented. The Employment Committee also considered a report in relation to the appointment of a new Chief Executive.

The Leader reported that, at its meeting on 9 December, the Employment Committee had recommended that Full Council be asked to approve a salary range for the post of Chief Executive of £170,000 (minimum) to £180,000 (maximum) on the basis that the appointment would be made on a single salary point within the range as determined by the Employment Committee to reflect the experience of the candidate (the overall package also to include a lease car allowance of £6,500, or cash alternative, as well as fees relating to Returning Officer duties).

Resolved: That,

- i. The Terms of Reference of the Employment Committee, as set out in the report now presented, be approved.
- ii. A salary range for the post of Chief Executive of £170,000 (minimum) to £180,000 (maximum) on the basis that the appointment would be made on

a single salary point within the range as determined by the Employment Committee to reflect the experience of the candidate (the overall package also to include a lease car allowance of £6,500, or cash alternative, as well as fees relating to Returning Officer duties), be approved.

7. Amendments to the Constitution

Report withdrawn

8. Report of the Cabinet (Part B)

The Leader of the Council moved Part B of the report of the Cabinet from its meetings on the 10 October and 7 November 2013.

Resolved: That the report of the Cabinet from its meetings on the 10 October and 7 November 2013 as now presented, be noted.

9. Report of Urgent Key Decisions

The report set out Urgent Key Decisions taken during the preceding three months.

Resolved: That the report of Urgent Key Decisions taken by the Deputy Leader of the Council, the Cabinet Member for Highways and Transport, and the Cabinet Member for Adult and Community Services as now presented, be noted.

10. The Overview and Scrutiny Committees

County Councillor Bill Winlow presented the reports of the Overview and Scrutiny Committees from their meetings as follows:

Scrutiny Committee – 13 September, 11 October, 8 November and 14 November 2013

Health Scrutiny Committee - 22 October 2013

Education Scrutiny Committee - 5 November 2013

Resolved: That the reports of the Overview and Scrutiny Committees, as now presented, be received.

11. Audit and Governance Committee

County Councillor Clare Pritchard presented the report of the Audit and Governance Committee from its meetings on the 30 September and 25 November 2013.

Resolved: That the report of the Audit and Governance Committee, as now presented, be received.

12. Pension Fund Committee

County Councillor Terry Burns presented the report of the Pension Fund Committee from its meeting on the 29 November 2013.

Resolved: That the report of the Pension Fund Committee, as now presented, be received.

Notices of Motion

The following **Notice of Motion** had been submitted under Procedural Standing Order 14.2.1(a).

It was moved by County Councillor Michael Green and seconded by County Councillor Susie Charles.

"Council notes that fires frequently occur at schools. When damage is done by fires, there is an impact upon our communities, the education of our young people and the environment, and of course the costs of rebuilding are significant.

Council believes that the case for sprinklers is compelling and resolves that all new local authority schools and extensions to existing local authority schools in Lancashire must have sprinkler systems installed. Council further resolves to urge all other providers of schools in our county to do likewise."

County Councillor David Howarth moved the following **Amendment**, which was seconded by County Councillor Matthew Tomlinson:

"Council notes that when fires occur at schools, there may be an impact upon our communities, the education of our young people and the environment, and the costs of rebuilding can be significant.

Council resolves that all new local authority schools, and extensions to existing local authority schools in Lancashire, should consider all available fire prevention measures including the installation of a sprinkler system. Council further resolves to urge all other providers of schools in our county to do likewise."

Following a period of debate the Motion was put to the vote. Before the vote was taken County Councillor Tomlinson confirmed that a working group would be established to consider policy regarding fire prevention measures in schools.

Six County Councillors requested a recorded vote in accordance with procedural Standing Order 15.2 (9.4). The names of county councillors who voted for or against the Motion and those who abstained are set out below:

For (46)

T Aldridge	J Fillis	E Oades
A Ali	J Gibson	J Oakes
A Barnes	J Hanson	M Parkinson
L Beavers	M Hassan	N Penney
D Borrow	C Henig	S Perkins
M Brindle	N Hennessy	C Pritchard
T Brown	S Holgate	S Prynn
T Burns	D Howarth	S Serridge
D Clifford	M Iqbal	R Shewan
C Crompton	M Johnstone	K Snape
M Dad	D Lord	M Tomlinson
B Dawson	T Martin	D Watts
F De Molfetta	J Mein	D Whipp
C Dereli	G Molineux	B Winlow
G Dowding	B Murray	
K Ellard	R Newman-Thompson	

Against (36)

T Ashton	G Driver	P Rigby
A Atkinson	G Gooch	A Schofield
M Barron	M Green	K Sedgewick
P Britcliffe	P Hayhurst	J Shedwick
K Brown	K Iddon	D Smith
I Brown	A James	D Stansfield
P Buckley	T Jones	V Taylor
S Charles	A Kay	C Wakeford
A Cheetham	J Lawrenson	D Westley
A Clempson	D O'Toole	P White
F Craig-Wilson	M Otter	G Wilkins
M Devaney	M Perks	B Yates

Abstained (0)

The Motion was carried and it was:

Resolved:

"Council notes that when fires occur at schools, there may be an impact upon our communities, the education of our young people and the environment, and the costs of rebuilding can be significant.

Council resolves that all new local authority schools, and extensions to existing local authority schools in Lancashire, should consider all available fire prevention measures including the installation of a sprinkler system. Council further resolves to urge all other providers of schools in our county to do likewise."

The following **Notice of Motion** had been submitted under Procedural Standing Order 14.2.1(a).

It was moved by County Councillor Fabian Craig-Wilson and seconded by County Councillor Sandra Perkins:

"Dementia Care

It is a fact that the number of people suffering from dementia will increase in future years, and the treatment of this terrible disease must be a priority for Lancashire County Council. It is vital that the County Council ensures that there is adequate, high quality care available for those suffering from this currently incurable illness. It is therefore particularly disappointing that the current administration has cancelled the previous Conservative administration's plans to build a Centre of Excellence for Dementia Care to replace the existing Home for the Elderly at Bowgreave Rise in Garstang. The previous Conservative administration was able to put £5 million in the County budget to fund this development.

The Council therefore resolves to reinstate the construction of this Centre of Excellence for Dementia Care at Bowgreave House in the Capital Programme, and instructs officers to bring forward a comprehensive plan, which should also provide proposals for Sheltered and Very Sheltered Accommodation on the site."

County Councillor Tony Martin moved the following **Amendment**, which was seconded by County Councillor Chris Henig:

"Dementia Care

It is a fact with current medication, that the number of people suffering from dementia will increase in future years, and the treatment of this terrible disease is a priority for Lancashire County Council.

Council notes the Government have recently announced a doubling of the research funding into the causes of dementia and its treatment by 2025, which is welcome news for the future.

It is vital that Lancashire County Council ensures there is adequate high quality care available for those suffering from the currently incurable disease. Council notes that no decision has been made on a centre of excellence and welcomes the retention of the £5million allocated for dementia care in North Lancashire in the face of £300 million of savings the current administration has to make at a time of austerity for the County Council, and affirms the County Council's commitment to work with other public and private sector partners to enable the additional funding and facilities required to be identified to make a Dementia centre of excellence happen in North Lancashire in the near future."

Following a period of debate the Motion was put to the vote. Six County Councillors requested a recorded vote in accordance with procedural Standing Order 15.2 (9.4). The names of county councillors who voted for or against the Motion and those who abstained are set out below:

For (46)

T Aldridge	J Fillis	E Oades
A Ali	J Gibson	J Oakes
A Barnes	J Hanson	M Parkinson
L Beavers	M Hassan	N Penney
D Borrow	C Henig	S Perkins
M Brindle	N Hennessy	C Pritchard
T Brown	S Holgate	S Pryn
T Burns	D Howarth	S Serridge
D Clifford	M Iqbal	R Shewan
C Crompton	M Johnstone	K Snape
M Dad	D Lord	M Tomlinson
B Dawson	T Martin	D Watts
F De Molfetta	J Mein	D Whipp
C Dereli	G Molineux	B Winlow
G Dowding	B Murray	
K Ellard	R Newman-Thompson	

Against (36)

T Ashton	G Driver	P Rigby
A Atkinson	G Gooch	A Schofield
M Barron	M Green	K Sedgewick
P Britcliffe	P Hayhurst	J Shedwick
K Brown	K Iddon	D Smith
I Brown	A James	D Stansfield
P Buckley	T Jones	V Taylor
S Charles	A Kay	C Wakeford
A Cheetham	J Lawrenson	D Westley
A Clempson	D O'Toole	P White
F Craig-Wilson	M Otter	G Wilkins
M Devaney	M Perks	B Yates

Abstained (0)

The Motion was carried and it was:

Resolved:

"Dementia Care

It is a fact with current medication, that the number of people suffering from dementia will increase in future years, and the treatment of this terrible disease is a priority for Lancashire County Council.

Council notes the Government have recently announced a doubling of the research funding into the causes of dementia and its treatment by 2025, which is welcome news for the future.

It is vital that Lancashire County Council ensures there is adequate high quality care available for those suffering from the currently incurable disease. Council notes that no decision has been made on a centre of excellence and welcomes the retention of the £5million allocated for dementia care in North Lancashire in the face of £300 million of savings the current administration has to make at a time of austerity for the County Council, and affirms the County Council's commitment to work with other public and private sector partners to enable the additional funding and facilities required to be identified to make a Dementia centre of excellence happen in North Lancashire in the near future."

The following **Notice of Motion** had been submitted under Procedural Standing Order 14.2.1(a).

It was moved by County Councillor **David Westley** and seconded by County Councillor Malcolm Barron:

"The County Secretary and Solicitor is instructed to bring a Report to the Full Council Meeting on the 27 February 2014 setting out the options and necessary actions that need to be taken to discontinue the existing Leader and Cabinet system of decision making and revert back to a Committee system."

County Councillor Bill Winlow moved the following **Amendment**, which was accepted by County Councillor Westley and it therefore became the substantive Motion.

Add the words

"We also instruct the Interim Chief Executive to give an indicative time scale for the introduction of such a change, given that several other County Councils have made or are making this transition."

Following a period of debate the Motion was put to the vote. Six County Councillors requested a recorded vote in accordance with procedural Standing Order 15.2 (9.4). The names of county councillors who voted for or against the Motion and those who abstained are set out below:

For (80)

T Aldridge	K Ellard	M Otter
A Ali	J Fillis	M Parkinson
T Ashton	J Gibson	N Penney
A Atkinson	G Gooch	S Perkins
A Barnes	M Green	M Perks
M Barron	J Hanson	C Pritchard
L Beavers	M Hassan	S Pryn
D Borrow	P Hayhurst	P Rigby
M Brindle	C Henig	A Schofield
P Britcliffe	N Hennessy	K Sedgewick
T Brown	S Holgate	S Serridge
K Brown	D Howarth	J Shedwick
I Brown	K Iddon	R Shewan
P Buckley	M Iqbal	D Smith
T Burns	A James	K Snape
S Charles	M Johnstone	D Stansfield
A Cheetham	T Jones	V Taylor
A Clempson	A Kay	M Tomlinson
D Clifford	J Lawrenson	C Wakeford
F Craig-Wilson	D Lord	D Watts
C Crompton	T Martin	D Westley
M Dad	G Molineux	D Whipp
B Dawson	B Murray	P White
F De Molfetta	R Newman-Thompson	G Wilkins
C Dereli	E Oades	B Winlow
M Devaney	J Oakes	B Yates
G Driver	M O'Toole	

Against (1)

G Dowding

Abstained (1)

J Mein

The Motion was carried and it was:

Resolved:

"The County Secretary and Solicitor is instructed to bring a Report to the Full Council Meeting on the 27 February 2014 setting out the options and necessary

actions that need to be taken to discontinue the existing Leader and Cabinet system of decision making and revert back to a Committee system.

We also instruct the Interim Chief Executive to give an indicative time scale for the introduction of such a change, given that several other County Councils have made or are making this transition."

The following **Notice of Motion** had been submitted under Procedural Standing Order 14.2.1(a).

It was moved by County Councillor **Azhar Ali** and seconded by County Councillor Misfar Hassan:

"Lancashire County Council recognises that smoking and tobacco is the single largest preventable cause of ill health, premature death and inequalities in the communities it serves.

Smoking kills 1,673 people aged 35 years and over in Lancashire each year, which is greater than the total number of deaths from alcohol, obesity, illegal drugs, murder, suicide, road traffic accidents and HIV infection combined (London Health Observatory, 2011; The Information Centre for Health and Social Care, 2012).

Smoking rates remain higher in Lancashire than England as a whole in adults (22.3% vs 20%), pregnant women (18.2% vs 12.7%) and young people (16% vs 11%). The cost of smoking to society in Lancashire, including lost productivity, sick days, illness and death, house fires and dealing with tobacco litter is estimated to be £316.6 million each year (Health Economics Research Group, 2012). Even if all of the tax revenue from local tobacco sales were to come directly into Lancashire, estimated at £273.4 million, this would leave an annual shortfall of £43.2 million (Cough up Policy Exchange).

This Full Council therefore agrees to commit to the Local Government Declaration on Tobacco Control in order to protect successive generations of young people from the harm done by tobacco, save lives and reduce health inequalities in our communities."

County Councillor Graham Gooch moved the following **Amendment**, which was accepted by County Councillor Ali and it therefore became the substantive motion.

Add the words: "The resolution of this council be conveyed to our MEPs asking them to support the principle by opposing moves by 9 EU member states to reintroduce direct subsidies to tobacco farmers in Europe."

On being put to the vote it was:

Resolved:

"Lancashire County Council recognises that smoking and tobacco is the single largest preventable cause of ill health, premature death and inequalities in the communities it serves.

Smoking kills 1,673 people aged 35 years and over in Lancashire each year, which is greater than the total number of deaths from alcohol, obesity, illegal drugs, murder, suicide, road traffic accidents and HIV infection combined (London Health Observatory, 2011; The Information Centre for Health and Social Care, 2012).

Smoking rates remain higher in Lancashire than England as a whole in adults (22.3% vs 20%), pregnant women (18.2% vs 12.7%) and young people (16% vs 11%). The cost of smoking to society in Lancashire, including lost productivity, sick days, illness and death, house fires and dealing with tobacco litter is estimated to be £316.6 million each year (Health Economics Research Group, 2012). Even if all of the tax revenue from local tobacco sales were to come directly into Lancashire, estimated at £273.4 million, this would leave an annual shortfall of £43.2 million (Cough up Policy Exchange).

This Full Council therefore agrees to commit to the Local Government Declaration on Tobacco Control in order to protect successive generations of young people from the harm done by tobacco, save lives and reduce health inequalities in our communities.

The resolution of this council be conveyed to our MEPs asking them to support the principle by opposing moves by 9 EU member states to reintroduce direct subsidies to tobacco farmers in Europe."

The following **Notice of Motion** had been submitted under Procedural Standing Order 14.2.1(a).

It was moved by County Councillor **Azhar Ali** and seconded by County Councillor Alison Barnes:

"Over the last few years there has been a rapid growth in food banks across Lancashire.

Food banks are delivering 'thousands' of food parcels a week as well as trying to help people with 'fuel poverty where either the utility companies have cut electric and gas supplies or residents are having to decide whether to 'heat' or 'eat'.

Hunger in Lancashire has reached the levels of a 'public health emergency'.

Lancashire County Council resolves:

- To thank the thousands of volunteers from across Lancashire who will work tirelessly over Christmas to ensure people have sufficient supplies to survive the onset of winter.
- To agree with the doctors from the Medical Research Council that the effect of government policies on vulnerable people's ability to afford food needs to be monitored urgently especially the doubling of malnutrition cases presented in hospital and to write to all Lancashire CCGs asking them to monitor all cases of malnutrition.
- To write to the Prime Minister and Iain Duncan Smith MP asking them to consider the robust evidence linking welfare reform to the rise in food banks and ask for a debate in Parliament as well as asking the Prime Minister to release the 'unexpurgated' government commissioned report on 'The Rise Of Emergency Food Aid In The UK'.
- To write to the Secretary of State for Health asking the Department of Health to make available Affordable Warmth monies to local authorities in 2014 and 2015 to help the most vulnerable in Lancashire."

During the course of the debate County Councillor Geoff Driver suggested that words "**the robust**" at the third bullet point be replaced with "**all the**". County Councillor Ali accepted this suggestion and on being put to the vote it was:

Resolved:

"Over the last few years there has been a rapid growth in food banks across Lancashire.

Food banks are delivering 'thousands' of food parcels a week as well as trying to help people with 'fuel poverty where either the utility companies have cut electric and gas supplies or residents are having to decide whether to 'heat' or 'eat'.

Hunger in Lancashire has reached the levels of a 'public health emergency'.

Lancashire County Council resolves:

- To thank the thousands of volunteers from across Lancashire who will work tirelessly over Christmas to ensure people have sufficient supplies to survive the onset of winter.
- To agree with the doctors from the Medical Research Council that the effect of government policies on vulnerable people's ability to afford food needs to be monitored urgently especially the doubling of malnutrition cases presented in hospital and to write to all Lancashire CCGs asking them to monitor all cases of malnutrition.
- To write to the Prime Minister and Iain Duncan Smith MP asking them to consider all the evidence linking welfare reform to the rise in food banks and ask for a debate in Parliament as well as asking the Prime Minister to release the 'unexpurgated' government commissioned report on 'The Rise Of Emergency Food Aid In The UK'.

- To write to the Secretary of State for Health asking the Department of Health to make available Affordable Warmth monies to local authorities in 2014 and 2015 to help the most vulnerable in Lancashire."

The following **Notice of Motion** had been submitted under Procedural Standing Order 14.2.1(a).

It was moved by County Councillor **Steve Holgate** and seconded by County Councillor Lorraine Beavers:

"NHS England are currently consulting on possible changes to the formula that allocates funding to Clinical Commissioning Groups.

Currently CCG's are funded on a per capita and deprivation model and the government is proposing to change it to per capita and life expectancy.

If this was approved Lancashire would lose out on £29M a year which would have a devastating effect on local health services.

Therefore, Lancashire County Council resolves:

- To ask 'all' our Lancashire MPs to support Lancashire County Council's campaign to ensure deprivation is part of the formula for health funding allocations.
- To write to the Public Health Minister asking her to use the 'Marmot' principles to ensure increase funding should reach those parts of the UK where life expectancy is shorter rather than those areas where people live longer."

County Councillor David Whipp moved the following **Amendment**, which was accepted by County Councillor Holgate and therefore became the substantive motion:

Add the words:

"County Council also notes further funding changes which will include capital allocations for Disabled Facilities Grants (DFGs), currently allocated to District Councils, being included in the Integration Transformation Fund (a single pooled budget for health and social care services to be developed by Clinical Commissioning Groups with upper tier authorities and signed off by the Health and Wellbeing Board).

Council notes that the allocation to Lancashire districts totals £5.179M, that district councils supplement this funding from their own resources and that the statutory duty to provide DFGs will remain with district authorities.

Council resolves

- To instruct the Chief Executive to write to the Secretary of State and Lancashire MPs to express concern that the proposed funding arrangements could lead to a lack of funding for DFGs and housing related support;
- o request that Lancashire's Health and Wellbeing Board ensures that home adaptations and DFGs are included adequately in the Integration Transformation Fund Plan."

On being put to the vote the Motion was carried and it was:

Resolved:

"NHS England are currently consulting on possible changes to the formula that allocates funding to Clinical Commissioning Groups.

Currently CCGs are funded on a per capita and deprivation model and the government is proposing to change it to per capita and life expectancy.

If this was approved Lancashire would lose out on £29M a year which would have a devastating effect on local health services.

County Council also notes further funding changes which will include capital allocations for Disabled Facilities Grants (DFGs), currently allocated to District Councils, being included in the Integration Transformation Fund (a single pooled budget for health and social care services to be developed by Clinical Commissioning Groups with upper tier authorities and signed off by the Health and Wellbeing Board).

Council notes that the allocation to Lancashire districts totals £5.179M, that district councils supplement this funding from their own resources and that the statutory duty to provide DFGs will remain with district authorities.

Therefore, Lancashire County Council resolves:

- To ask all our Lancashire MPs to support Lancashire County Council's campaign to ensure deprivation is part of the formula for health funding allocations.
- To write to the Public Health Minister asking her to use the 'Marmot' principles to ensure increase funding should reach those parts of the UK where life expectancy is shorter rather than those areas where people live longer.
- To instruct the Chief Executive to write to the Secretary of State and Lancashire MPs to express concern that the proposed funding arrangements could lead to a lack of funding for DFGs and housing related support;
- To request that Lancashire's Health and Wellbeing Board ensures that home adaptations and DFGs are included adequately in the Integration Transformation Fund Plan."

The following **Notice of Motion** had been submitted under Procedural Standing Order 14.2.1(b).

It was moved by County Councillor **Gina Dowding** and seconded by County Councillor David Borrow:

"Lancashire County Council recognises the good reputation and sound financial management of the Lancashire County Pension Fund (LCPS) and notes that the Fund has recently won the 'European Institutional Investor of the Year.

In light of the increasing concern in the media nationally and locally about pension funds' investment principles regarding environmental, social and governance issues, Full council asks the Pension Fund officers:

1. To explore what potential routes there are for further increasing the environmental and social responsibilities of the companies in which the Fund invests while giving due consideration to the fiduciary duty.
2. To report on the barriers and challenges, legal and otherwise, to disinvesting from individual investment types, such as those which may be considered to undermine the health improvement, social fairness and carbon-reduction related targets that the County Council aims to reach, and to find out the cost of taking appropriate professional advice including risk and return considerations.
3. To investigate what practices and initiatives moves there are nationally to support positive action in this area.
4. To report to the Pensions committee on the above."

Following a period of debate the Motion was put to the vote and was carried and it was:

Resolved:

"Lancashire County Council recognises the good reputation and sound financial management of the Lancashire County Pension fund (LCPS) and notes that the Fund has recently won the 'European Institutional Investor of the Year.

In light of the increasing concern in the media nationally and locally about pension funds' investment principles regarding environmental, social and governance issues, Full council asks the Pension Fund officers:

1. To explore what potential routes there are for further increasing the environmental and social responsibilities of the companies in which the Fund invests while giving due consideration to the fiduciary duty.
2. To report on the barriers and challenges, legal and otherwise, to disinvesting from individual investment types, such as those which may be considered to undermine the health improvement, social fairness and carbon-reduction related

targets that the County Council aims to reach, and to find out the cost of taking appropriate professional advice including risk and return considerations.

3. To investigate what practices and initiatives moves there are nationally to support positive action in this area.

4. To report to the Pensions committee on the above."

Jo Turton
Interim Chief Executive

County Hall
Preston

Meeting of the Full Council
Meeting to be held on 27 February 2014

Report submitted by: The Interim Chief Executive

Part A

Electoral Division affected:
None

Report of the Cabinet

(Annex 1 refers)

Contact for further information:

Dave Gorman, (01772) 534261, Office of the Chief Executive,

dave.gorman@lancashire.gov.uk

Executive Summary

This report relates to a matter considered by Cabinet on 24 January 2014, which requires the approval of Full Council:

Proposed Voluntary Redundancy Terms

Recommendations

The Full Council is asked to consider the recommendations of the Cabinet set out in the report.

Background and Advice

Proposed Voluntary Redundancy Terms

The report considered by Cabinet on 24 January 2014 is attached at Annex 1. The Cabinet minutes are available via the following link:

<http://council.lancashire.gov.uk/ieListDocuments.aspx?CIId=122&MIId=1904&Ver=4>

Cabinet:

- (i) Recommended the proposed voluntary severance package set out in the report to Full Council for approval;
- (ii) Approved the strategy for financing the proposed Voluntary Redundancy scheme as set out in this report and instructed the County Treasurer to reflect the implications of this strategy with the Treasury Management Strategy and

within the detailed budget proposals and forecasts to be presented to the Cabinet and County Council during February 2014.

List of Background Papers

Paper	Date	Contact/Directorate/Tel
Agenda and Minutes of the Cabinet	24 January 2014	Dave Gorman/Office of the Chief Executive/ (01772) 534261

Cabinet - 24 January 2014

Report of the Interim Chief Executive

Electoral Division affected: None

Proposed Voluntary Redundancy Terms

Contact for further information:

Steve Browne, (01772) 534121, Environment Directorate,
steve.browne@lancashire.gov.uk

Executive Summary

At its meeting on 7 November 2013, the Cabinet asked the Interim Chief Executive to develop a proposal for a voluntary severance package which would ensure a fair approach for all staff over the next four years.

The report describes the voluntary redundancy arrangements that have been in place over the period of the financial strategy 2010/11 to 2013/14.

To the end of March 2013 some 1,486 employees left the council under its voluntary severance package at a total cost of £63.717m (including pension strain). Further staff will leave under the current arrangements prior to March 2014.

The report sets out the indicative timetable for downsizing the council's establishment and the commitment to achieve this by voluntary means, subject to sufficient volunteers coming forwards by April 2016.

The meaning of voluntary redundancy (VR) is clarified. To date, in addition to VR, de-facto compulsory redundancy has occurred on the basis of "voluntary" terms.

The cost of the voluntary severance package has been estimated on the basis of 2,500 full time equivalent posts (FTEs). The statutory minimum cost of compulsory redundancy, based on this number of FTEs is estimated to be £56.5 million. The estimated cost of the proposed voluntary severance package is in the range £75 million to £79 million.

The current multiplier used in the calculation of the voluntary redundancy payments is 1.8 weeks pay for each year's service, up to a maximum reckonable service of 30 weeks.

It is proposed that the current arrangements continue to apply up to 31 March 2014. After that date the following terms would apply throughout the period 2014 to 2018:

- 1 April 2014 to 31 March 2015, a multiplier of 1.6
- 1 April 2015 to 31 March 2016, a multiplier of 1.4

- 1 April 2016 to 31 March 2018; statutory minimum, no multiplier and a maximum of £450 per week for each week used in the calculation.

Whilst the offer of VR is open to all employees, it may be necessary to decline an application due to the needs of the service. Should this occur and an employee subsequently face compulsory redundancy, it is proposed that the severance terms for an employee in these circumstances would be those pertaining at the time of the originally declined leaving date.

Recommendation

Cabinet is asked to:

- (i) To recommend the proposed voluntary severance package set out in the report to Full Council for approval;
- (ii) Approve the strategy for financing the proposed Voluntary Redundancy scheme as set out in this report and instruct the County Treasurer to reflect the implications of this strategy with the Treasury Management Strategy and within the detailed budget proposals and forecasts to be presented to the Cabinet and County Council during February 2014.

Background and Advice

At its meeting on 7 November 2013, the Cabinet asked the Interim Chief Executive to develop a proposal for a voluntary severance package which would ensure a fair approach for all staff over the next four years.

- The report sets out the proposed severance terms that would apply to from 1 April 2014 to 31 March 2018. It is proposed that the voluntary severance terms would apply to all employees of the county council.

During the period of the financial strategy period 2010/2014 some 1,486 employees have left the council under its voluntary severance package at a total cost of £63.717m (including pension strain).

During the period, 2010/12, the severance package multiplier was 2.2 weeks for every year's service, up to a maximum reckonable service of 30 weeks. An additional incentive of 3 months' pay in lieu of notice was also available during 2011/12.

From 1 April 2012 the multiplier was reduced to 1.8 and this remains the basis of the current severance package.

Affordability

It is considered that the present severance package is unaffordable. In considering the overall financial position of the council and its downsizing reserves, the County Treasurer advises that it would be prudent to limit the maximum cost of the voluntary severance package over the next financial strategy period to £80 million.

Equally important is the timing of the reduction in employee numbers, as the earlier these are achieved the greater the related cost savings.

Context

- The delivery of the £300m savings to the council's budget by April 2017 will inevitably require a significant reduction in the size of the workforce.
- The Cabinet is committed to achieve the reduction in the workforce by voluntary means.
- If we cannot get enough volunteers, the scale of savings required will mean that compulsory redundancies will be unavoidable.

Planning assumptions

Table 1 sets out a high level assessment of the scale of cost reductions to be achieved from employees. It addresses the council's current and future gross expenditure, fixed cost elements and the proportion of employee costs based upon known current percentages.

- This analysis indicates that we will need to reduce employee costs by £75m. This equates to 2,500 FTEs and is the basis for estimating the cost of the proposed severance package

Table 1	£m		Employee Costs £m	%	Non- Employee Costs £m	%
Current gross spend	1160		332	29	828	71
Forecast growth	165		33		132	
	1325		365	28	960	72
Likely fixed costs	(247)		(63)		(184)	
Spend against which reductions can be applied	1078		302	28	776	72
Required cost reductions (allowing for potential income)	267.25		75	28	192.25	72

Cost of severance

Statutory redundancy payments are based upon an employee's age and length of service, up to a maximum of 30 weeks pay and capped at a maximum weekly payment of £450. Under statutory provisions the maximum an employee can receive is £13,500.

In addition, employees that are members of the local government pension scheme and have reached the age of 55 can receive their pension benefits, adjusted as appropriate under the provisions of the pension scheme. In these circumstances, there is an additional strain on the pension fund and this cost is required to be met by the employer as a lump sum payment to the fund. Experience to date is that this cost is averaging around £9,000 per employee.

The current voluntary redundancy terms are an enhancement of the statutory provisions as follows:

- There is no cap to the weekly pay on which redundancy payments are calculated.
- The number of weeks pay is enhanced by a multiplier of 1.8.

The estimated cost of 2,500 employees leaving on the basis of current VR terms is £89.2m.

Table 2 provides the estimated total costs of VR based upon the various multipliers.

Table 2 Estimated severance costs for 2500 employees (based upon the profile of employees leaving to date)						
	Redundancy payments £m	Pension strain £m	Total £m	Average cost per employee £		
Current terms 1.8 multiplier	66.5	22.7	89.2	35,687		
1.6 multiplier	59.1	22.7	81.8	32,731		
1.5 multiplier	55.4	22.7	78.1	31,250		
1.4 multiplier	51.7	22.7	74.4	29,775		
1.3 multiplier	48.0	22.7	70.7	28,287		
1.2 multiplier	44.3	22.7	67.0	26,819		
1.0 multiplier	37.0	22.7	59.7	23,864		
Statutory maximum (30 weeks @ £450)	33.8	22.7	56.5	This is a maximum assuming all employees receive the max 30 weeks @ £450		

Equally important, however, is when the VR takes place as this will determine the level of savings that can be achieved during the financial strategy period. At an average saving of £30,000 per year, a reduction in the workforce of 2,500 saves £75m for each full year the reduction in numbers is achieved.

Timetable for a new establishment

Cabinet has already indicated that a key element of achieving the budget strategy will be the development of a completely new organisation aligned to the size of its future resources.

In order to achieve the full budget reductions in the 2017/18, it is considered that the new county council employee structure needs to be in place by 1 April 2016. There is a need to complete the downsizing of the council establishment by that date and the proposed severance terms need to facilitate this.

It is proposed that there would be a phased approach to introduction of the new council structure. This would require the management structure to be in place first to enable the detailed design of the operational services.

The target would be for the management structure of the council (grade 11 and above) to be in place by April 2015.

There is, therefore, a need to establish a momentum within the workforce with respect to those employees to which voluntary redundancy may be appropriate.

There is currently an expectation amongst the workforce that the VR terms will be reduced, given the current financial position and the lower terms offered in other local authorities. It is suggested that both a reduction in the terms and a differential application of the reduction in 2014/15 and 2015/16 would be beneficial in supporting the achievement of this timetable.

Commitment to Voluntary Redundancy

The Cabinet are committed to reducing employee numbers on a voluntary basis.

Subject to sufficient numbers of volunteers coming forwards by 31 March 2016, it is proposed that no employee will be made compulsorily redundant during this period.

This will mean that if employees find themselves without a post prior to April 2016 they will remain subject to redeployment during this period until 31 March 2016.

Whilst detailed arrangements still need to be considered and consulted upon, it is proposed that, as far as possible, recruitment to the new council structure will be on the basis that employees are allowed equal access to posts within the new structure.

It is expected that it will take until 31 March 2016 to make all the appointments to the new establishment.

Whilst it is not possible to give assurance with respect to employment after 31 March 2016, the approach does provide employees with a degree of security and clarity within which employees can make their plans, and is fair to all.

To date, employees finding themselves subject to redeployment, but with no post available, have faced termination of their employment after three months, on statutory redundancy terms. In these circumstances, the employees affected have naturally elected for voluntary redundancy on the enhanced terms. Whilst these employees count against the voluntary redundancy statistics, from their own perspective they have been made compulsorily redundant on "voluntary" terms.

The above commitment will mean that voluntary redundancy will be genuinely voluntary for all employees leaving the council under the severance provisions before April 2016.

Retention of skills and capacity

It is important that as part of the downsizing process the council does not lose essential skills that will be needed for the future. It is important to state that voluntary redundancy is not a right for employees. There will be occasions, therefore, when an application for VR will be refused due to the needs of the council's services. The key test is whether the council would have to recruit externally for someone to do the job of the person applying for VR. Internal redeployment and training will be utilised to facilitate the reduction in numbers but the bottom line will always be the needs of the service.

Whilst the offer of VR is open to all employees, as indicated, it may be necessary to decline an application. Should this occur and an employee subsequently face compulsory redundancy, it is proposed that the severance terms for an employee in these circumstances would be those pertaining at the time of the originally declined leaving date. In this way access to the VR terms would be fair to all.

Retraining

In addition to VR it is proposed that employees will be assisted with re-training to enable to find re-employment elsewhere. It is recognised that it is easier to find alternative employment whilst still in a job, than seeking employment from an unemployed position. Downsizing the workforce in this way is beneficial to the individual employee but also a potentially lower cost option for the council.

Suggested way forward

- A commitment to voluntary redundancy as set out above until 31 March 2016, subject to sufficient numbers of volunteers coming forwards by that date. The position will be monitored and no change to the approach will be introduced without prior notification to employees and a decision of Full Council.
- That anyone asking to leave on VR, who is refused and subsequently faces compulsory redundancy, will leave on the VR terms applying at the time of their originally requested leaving date. In this way all employees will have the same opportunity to access the VR terms.
- The severance terms to be applied over the next four years will be as follows:

1 April 2014 until 31 March 2015: A multiplier of 1.6

1 April 2015 until 31 March 2016: A multiplier of 1.4

1 April 2016 until 31 March 2018: Statutory redundancy pay (Maximum 30 weeks pay at a maximum of £450 per week)

Financial

The following Table 3 provides a sensitivity analysis of the cost of the proposed terms based upon the number leaving in each year. It can be seen that the total cost would be in the range £75m to £79m, which is within the parameters proposed by the County Treasurer.

Table 3	Number of VRs	2014/15 cost £m	Average cost per employee £	Number of VRs	2015/16 cost £m	Average cost per employee £	Total £m
Multiplier		[1.6]	32,731		[1.4]	29,775	
	250	8.18		2250	66.99		75.18
	500	16.37		2000	59.55		75.92
	750	24.55		1750	52.11		76.65
	1000	32.73		1500	44.66		77.39
	1250	40.91		1250	37.22		78.13
	1500	49.10		1000	29.78		78.87

The financial parameters set for the proposed voluntary redundancy scheme were to design a scheme within a cost envelope of £80m. While the final cost can only, at this stage, be estimated based on a series of best assumptions the scheme set out above achieves this.

Voluntary redundancy costs represent one of the various calls upon the Council's Downsizing Reserve, which as reported to the Cabinet on 9 January 2014 is currently estimated to stand at £49m at the end of the current financial year. Taking into account the various potential calls for "invest to save" resources identified to date in budget proposals it is estimated that a further £40m needs to be identified in order to fund the whole of this programme of organisational change. It is important to note that over the next four years, additional invest to save resources above those identified to date are likely to be required to assist the Council in reshaping services as part of the overall reshaping of the organisation.

Further work to review other reserves and provisions held by the Council and the earmarking of any one off resources that are identified will continue in order to maximise the level of resources available to support the scheme. However, this approach is unlikely to provide sufficient further funds to achieve the level of resources identified above. Therefore a more strategic approach to ensuring the necessary resources are available is required.

The approach proposed is to release revenue funds totalling £38.5m currently earmarked for the financing of the 2014/15 Capital Investment Programme and instead utilise borrowing to replace this funding.

This will result in an increase in the Council's financing costs of £3.045m in 2015/16 (on the assumption that all the borrowing needs to be applied to capital spend during 2014/15). However, this must be balanced against the need to make significant savings and the fact that the Council has a limited number of options to realise sufficient revenue resources to support the voluntary redundancy scheme.

The payback period for the scheme based on a maximum cost of £80m and taking the additional financing costs into account is estimated to be 1.11 years, which is in line with the payback achieved within the current financial strategy.

The exact timing of the impact of the additional financing costs will depend on both the exact cash flows of the capital investment programme and strategic decisions about when to utilise different sources of financing in order to finance the overall programme.

The Government are making available a competitively based scheme to allow Council's the flexibility to use capital receipts to meet the costs of restructuring such as voluntary redundancy. It is open to the Council to make an application to this scheme. However, a bid for nearly £40m would consume a very significant proportion of the funds available within this scheme and there is no guarantee that an application would be successful. In addition, unless additional capital receipts of c.£40m were generated over a relatively short timescale there would be a requirement either to reduce the overall capital investment programme or replace capital receipts with borrowing with the same revenue cost implications. While this approach is open to the Council it is not recommended.

At this stage the Cabinet are being asked to approve this as a strategic approach to meeting the costs of the voluntary redundancy programme and to ask the County Treasurer to reflect this within the Council's borrowing requirement within the Treasury Management Strategy and the forecast revenue costs in the final budget proposals to be considered by the Cabinet on 6 February 2014 and then by the Full Council on 20 February 2014.

Consultations

The proposals outlined in the report have been discussed with trades unions representatives and will be presented to the recognised trade unions at the JNCF meeting to be held on 15 January 2014.

Legal and Personnel Implications:

Where an employer is proposing to dismiss as redundant 20 or more employees at one establishment within a period of 90 days s.188 of the Trade Union and Labour Relations (Consolidation) Act 1992 (as amended) requires the employer to consult the recognised trade unions about the dismissals. The consultation must begin in good time and in any event where the employer is proposing to dismiss 100 or more employees the employer must consult at least 45 days before the first of the dismissals takes effect. The consultation must include consultation about ways of avoiding the dismissals, reducing the number of employees to be dismissed, and mitigating the consequences of the dismissals and must be undertaken with a view to reaching agreement.

The requirements of s.188 apply even where dismissals are to be on the basis of voluntary redundancy and the section requires the service of a notice on the recognised trade unions setting out prescribed information. A failure to comply with the requirements of s.188 entitles an employee to present a complaint to an Employment Tribunal. If the Tribunal finds the complaint well-founded it has power to make a "protective award" of up to 90 days pay. The Council is also required to notify the Secretary of State of the proposals.

As setting terms and conditions of employment is a Full Council function Cabinet can only recommend changes in the multiplier. Full Council would therefore need to be asked to amend the Council's Annual Pay Policy Statement for 2014/15 and the Redundancy Payments Scheme.

Changes to the level of compensation for early termination of employment must also be made in accordance with provisions contained in the Local Government (Early

Termination of Employment) (Discretionary Compensation) (England and Wales) Regulations 2006. These Regulations require that notice of the changes must be published not less than one month before they come into effect, therefore if the changes are approved by Full Council it is proposed that a revised Redundancy Payments Scheme will be published and will apply to the calculation of payments where formal notice of redundancy has been issued on or after 1 April 2014.

HR Implications

Formal consultation with the Council's recognised trade unions is required as set out above.

It remains a condition of the Council's Redundancy Payments Scheme that, as a condition of an application for voluntary redundancy, employees must agree not to apply for employment with the Council, including casual employment and paid consultancy work, for a period of three years following their termination of employment.

Risk management

In order to achieve the cost reductions necessary to meet the requirements of the council financial strategy there is a need to significantly downsize the workforce. The proposals set out in the report enable the council to take action early to achieve this objective whilst maintain a key focus on service delivery and being fair to all employees

List of Background Papers

Paper	Date	Contact/Directorate/Tel
-------	------	-------------------------

N/A

Reason for inclusion in Part II, if appropriate

N/A

**Meeting of the County Council
Meeting to be held on 27 February 2014**

Report submitted by: The County Treasurer

Part A

Electoral Division affected:
All

Financial Threshold for Key Decisions 2014/15

Contact for further information:

Andy Blackledge, 01772 538107, County Treasurer's Directorate

andrew.blackledge@lancashire.gov.uk

Executive Summary

The Council is required, each year, to specify the financial threshold above which “domestic” decisions (affecting the internal workings of the Authority) should be treated as Key Decisions as defined in Standing Order 25(1)(b).

Recommendation

It is recommended that the Full Council confirms that the financial threshold for Key Decisions, for the purposes of Standing Order 25(1)(b), should remain at £1.4m for 2014/15.

Background and Advice

Standing Order 25(1) defines a Key Decision of the Cabinet/Cabinet Member for the purpose of the requirement for the County Council to publish details of a Key Decision at least 28 clear days before the decision is due to be taken.

A key decision means an executive decision which is likely:

- (a) to result in the council incurring expenditure which is, or the making of savings which are significant having regard to the council's budget for the service or function which the decision relates; or
- (b) to be significant in terms of its effects on communities living or working in an area comprising two or more wards or electoral divisions in the area of the council.

In the case of (b), a domestic decision with a significant financial impact on the County Council, the current threshold is £1.4m.

The Council is required, by number 13 in its list of functions in the Constitution, to “specify, before the beginning of each financial year, the amounts of expenditure and savings that shall be regarded as significant for the purposes of Standing Order 25(1)(b).”

The County Treasurer has, in consultation with the Chief Executive, reviewed the financial threshold for key decisions. The current threshold (£1.4m) was approved by the Full Council in 2013. The recommendation arising from the review is that the threshold should remain at this level. It is proposed, therefore, that the threshold for 2014/15 should be £1.4m.

Consultations

The County Treasurer has consulted with the Office of the Chief Executive.

Implications:

This item has the following implications:

Risk Management

No significant risks have been identified

Local Government (Access to Information) Act 1985 List of Background Papers

Paper	Date	Contact/Directorate/Ext
LCC Constitution		Chris Mather, Office of the Chief Executive 01772 53559

Reason for inclusion in Part II, if appropriate

N/A

Meeting of the Full Council
Meeting to be held on 27 February 2014

Report submitted by: The Interim Chief Executive

Part A

Electoral Division affected:
None

Pay Policy Statement 2014/15
(Appendix A refers)

Contact for further information:
Chris Mather, (01772) 533559, Office of the Chief Executive,
chris.mather@lancashire.gov.uk

Executive Summary

This report sets out the County Council's proposed 2014/15 Pay Policy Statement as required by the Localism Act 2011.

The Pay Policy Statement must be approved by Full Council before it comes into force.

Recommendation

The Full Council is asked to approve the 2014/15 Pay Policy Statement, as set out at Appendix A.

Background and Advice

The Localism Act 2011 requires local authorities to prepare a pay policy statement each year. The pay policy statement must articulate the Council's approach to the remuneration of chief officers on appointment, subsequent progression and any use of bonus or performance related pay. In preparing pay policy statements local authorities must have regard to any guidance issued or approved by the Secretary of State. In preparing this statement for 2014/15 regard has been had to Guidance issued by the Department for Communities and Local Government.

The purpose of the statement is to provide transparency with regard to the Council's approach to setting pay for its employees (except staff in schools), in particular its chief officers. The pay policy statement must be approved by a resolution of Full Council before it comes into force on 1 April each year and must then comply with the statement for the financial year to which it relates (although amendments may be made to the statement after the beginning of the financial year to which it relates). Once approved the statement (or an amended statement) must be published in such

manner as the local authority it thinks fit which must include publication on the local authority's website.

The pay policy statement must set out the local authority's policies for the financial year relating to:

- The remuneration of its chief officers;
- The remuneration of its lowest-paid employees, and
- The relationship between –
 - The remuneration of its chief officers, and
 - The remuneration of its employees who are not chief officers

The statement must set out:

- The definition of 'lowest-paid employees' adopted by the authority for the purposes of the statement, and
- The authority's reasons for adopting that definition.

The statement must include the local authority's policies relating to:

- The level and elements of remuneration for each chief officer
- Remuneration of chief officers on recruitment
- Increases and additions to remuneration for each chief officer
- The use of performance-related pay for chief officers
- The use of bonuses for chief officers
- The approach to the payment of chief officers on their ceasing to hold office under or to be employed by the authority, and
- The publication of and access to information relating to remuneration of chief officers.

A pay policy statement for a financial year may also set out the local authority's policies for the financial year relating to the other terms and conditions applying to the authority's chief officers.

The Employment Committee at its meeting on 29 January 2014 considered a proposed Pay Policy Statement for the financial year 2014/15 and agreed that the Full Council be recommended to approve the 2014/15 Pay Policy Statement, as set out at Appendix A. In considering the report the Committee noted that the recently approved living wage had not yet been fully implemented and the salary effect had not therefore been included in the draft pay policy statement for 2014/15. This and the effects of the County Council's planned re-organisation would be the subject of a mid-year review in 2014. A further report on any consequential changes to the 2014/15 pay policy statement would be presented to the Committee and to the Full Council in due course.

The Pay Policy Statement also takes account of the recommendations within the Hutton Review of Fair Pay in the Public Sector (March 2011) that 'government should not cap pay across public services, but should require that from 2011/12 all public service organisations publish their top to median pay multiples each year to allow the public to hold them to account.' The Statement therefore sets out the

Council's aim that the pay multiple between the median FTE salary and that of the Chief Executive will not exceed 1:16.

The Guidance also provides that Full Council should be offered the opportunity to consider salary packages in excess of £100k before any new appointment is made. In this regard the Pay Policy Statement sets out the grading structure for all posts at Director Grade 1 and above. All appointments are currently made in line with this grading structure and any proposal to make a new appointment otherwise than in accordance with it would first be referred to Full Council to consider.

Consultations

The proposed Pay Policy Statement for 2014/15 has been shared with the Joint Negotiating and Consultative Committee.

Implications:

This item has the following implications, as indicated:

Financial Implications

There are no direct financial implications arising from the adoption of the Pay Policy Statement.

Of note is the fact that the employee Pension Contribution bandings may change as a result of the Government Actuary's view of the results of the actuarial valuation but this is also something that could be picked up in a mid-year review.

Risk management

The Full Council is under a statutory duty to agree an annual Pay Policy Statement and this function cannot be delegated.

Local Government (Access to Information) Act 1985

List of Background Papers

Paper	Date	Contact/Directorate/Tel
Employment Committee agenda	29 January 2014	Chris Mather, OCE, 01772 533559

Reason for inclusion in Part II, if appropriate

N/A

Annual Pay Policy Statement 2014/15 (The Localism Act 2011)

Introduction

The Localism Act 2011 (the Act) requires the County Council to prepare a pay policy statement each year. The pay policy statement must articulate the Council's approach to a range of issues relating to the pay of its workforce, particularly its senior staff (or 'chief officers') and its lowest paid employees.

The following pay policy statement has been approved by Full Council and will come into effect from 1 April 2014. This statement will be subject to annual review and approval by Full Council by 31 March each subsequent year. In exceptional circumstances the statement may be reviewed/amended mid-year by the Full Council.

This statement will be published on the Council's website following each review and approval by Full Council.

The purpose of this statement is to provide transparency with regard to the Council's approach to setting the pay of its employees (excluding staff working in local authority schools) by identifying:

- The methods by which salaries of all employees are determined;
- The detail and level of remuneration of the Council's most senior staff;
- The remuneration of the Council's lowest-paid employees, and
- The relationship between the remuneration of chief officers and those employees who are not chief officers.

This pay policy statement sets out the Council's approach to pay policy in accordance with the requirements of Section 38 of the Act. Section 40(1) of the Act requires local authorities to have regard to guidance issued by the Secretary of State in performing their functions and approving pay policy statements. In preparing this pay policy statement regard has been had to the Guidance issued by the Department for Communities and Local Government in February 2012.

1. The Council's Pay and Grading Structure

- 1.1 Section 112 of the Local Government Act 1972 provides that a local authority shall appoint such officers as they think fit for the proper discharge of their functions. Officers so appointed shall hold office on such reasonable terms and conditions, including conditions' as to remuneration, as the local authority thinks fit.
- 1.2 In determining the pay and remuneration of all of its employees, the Council will comply with all relevant employment legislation. The Council will ensure that there is no pay discrimination within its pay and grading structures and that all pay differentials can be objectively justified through the use of job evaluation mechanisms, which directly establish the relative levels of posts in

grades according to the requirements, demands and responsibilities of the role.

1.3 The remuneration of the vast majority of employees of the Council, other than those employee groups set out below, is in accordance with an objectively evaluated grade/role profile as determined under the Council's job evaluation scheme. The evaluated score or role profile will determine the grading level paid within a locally agreed pay spine (the Lancashire Pay Spine (see Annex A) The Council presently use the Local Government Single Status Job Evaluation Scheme (the NJC scheme) to evaluate posts up to Grade 6 on the Lancashire Pay Spine and the Hay Group Job Evaluation Scheme for other managerial and professional grades.

1.4 The following employee groups are not presently paid in accordance with an evaluated grade/role profile determined by the Council and instead nationally or locally determined rates apply:

- Employees whose pay and conditions are determined by the Soulbury Committee;
- Employees whose pay and conditions of service are determined by the Joint Negotiating Committee for Youth and Community Workers;
- Employees on 'Red Book' pay and conditions of service who are employed within Lancashire Adult Learning. Teachers and managers employed within Lancashire Adult Learning are paid in accordance with a locally determined 'Salaries for Teachers in Adult Education' pay spine which incorporates both a teachers' pay spine and a management pay spine;
- Employees who have transferred from the NHS to the County Council;
- Employees who have retained terms and conditions of employment from other employers following a TUPE transfer to the County Council.

Note: It was expected that those employees covered by Soulbury, Youth and Community Workers and Lancashire Adult Learning terms and conditions of employment would be brought within the Council's job evaluation scheme during 2013/14 through a harmonisation exercise. However, the Employment Committee at its meeting held on the 7th October 2013 made a decision not to progress this further.

1.5 The Council presently adopts the national pay bargaining arrangements in respect of the revision of pay spines through any agreed annual pay increases negotiated with joint trade unions.

1.6 All other pay related enhancements and payable allowances/expenses are the subject of either nationally or locally negotiated and/or determined rates. The enhancements to pay and allowances/expenses payable as determined from time to time are provided at Annex B (Payable Enhancements) and Annex C (Allowances and Expenses) respectively.

- 1.7 New appointments will normally be made at the minimum of the relevant pay scale for the grade, although recruiting managers have discretion to offer a higher scale point to secure the best candidate.
- 1.8 Progression within each grade will normally be by annual increment at 1 April each year subject to the maximum of the grade. However, chief officers have discretion to advance an individual employee's incremental progression within the grade on the grounds of special merit or ability to assist in the retention of able professional or other staff.
- 1.9 Any temporary supplement to the salary scale for the grade for taking on additional duties or responsibilities must be approved in accordance with the Council's agreed policy relating to honoraria payments and acting up allowances.
- 1.10 From time to time it may be necessary to take account of the external pay levels in the labour market in order to attract and retain employees with particular experience, skills and capacity. Where necessary, the Council will ensure the requirement for such is objectively justified by reference to clear and transparent evidence of relevant market comparators, using data sources available from within the local government sector and outside, as appropriate.

2. Chief Officer Remuneration

- 2.1 The Act defines chief officers as the following (the post titles in brackets identify the relevant posts within the Council):
 - The Head of the Paid Service (the Chief Executive);
 - The Monitoring Officer (the County Secretary & Solicitor);
 - A statutory chief officer (the Executive Director for Adult Services, Health and Wellbeing , the Executive Director for Children & Young People, the County Treasurer and the Director of Public Health);
 - A non-statutory chief officer (the Executive Director for the Environment and any other postholder reporting directly to or directly accountable to the Chief Executive);
 - A deputy chief officer (all other director grade posts).
- 2.2 The terms and conditions of employment applicable to officers on director grade and above are as determined by the JNC for Chief Officers of Local Authorities, JNC for Chief Executives of Local Authorities or NHS Staff Council as amended, supplemented or superseded by decisions on conditions of service made by the Council from time to time and contained within the Council's Personnel Code.

- 2.3 The Council's pay and grading structure is as approved by Full Council. The grade/role profile of each chief officer post has been objectively evaluated using a recognised job evaluation scheme (the Hay Group Job Evaluation Scheme). The evaluated score or role profile will determine the grading level paid within the Lancashire Pay Spine. Salary packages take account of such factors as the requirements of the job, the relative size of the organisation, local and national market rates and the relationship with other posts within the grading structure.
- 2.4 Details of chief officers' basic salary are set out below (salaries are as applicable at 31 January 2014). A structure chart identifying all posts covered by the statutory definition of chief officer posts is provided at Annex D.

Chief Executive

The current basic salary package of the vacant post of Chief Executive/Head of Paid Service is between the range of £170,000 - £180,000 per annum. The successful candidate will be appointed on a single, spot salary. The Chief Executive also acts as Returning Officer for all Council elections for which an additional allowance is payable in relation to the overall supervision and ultimate responsibility for the conduct of Council elections.

The fee payable is calculated in accordance with a formula approved by Full Council, currently 15% of the total fees payable to Deputy Returning Officers employed by district councils (which are based on a set amount for each councillor to be elected, currently £71.25). In a contested election, the Council presently has 84 elected members. Elections take place on a 4 year cycle although by-elections may take place at other times.

Executive Directors

The current basic salary package for posts designated as Executive Director and the County Secretary and Solicitor fall within a range of five incremental points between £118,884 (ED 91) rising to a maximum of £129,201 (ED 95).

Director grades

The current basic salary package of posts within the Director grades fall within a range of three levels each comprising of five incremental points as set out below:

- Director Grade 1 (D1) - £76,560 (D1 76) rising to £84,036 (D1 80)
- Director Grade 2 (D2) - £85,701 (D2 81) rising to £93,180 (D2 85)
- Director Grade 3 (D3) - £105,000 (D3 86) rising to £115,000 (D3 90)

Officers reporting direct to the Chief Executive

There is currently one officer who meets the statutory definition of chief officer as they report directly to the Chief Executive but who is not employed on chief officer

pay or terms and conditions. This post is identified on the structure chart provided at Annex D.

Director of (i) Health Improvement and (ii) Health Protection and Policy

The rewards package for these posts is as set out in the NHS Terms and Conditions of Service Handbook. The current basic salary package (wef 1/4/13) for these posts is:

- Agenda for Change (second pay spine) Band 9 - £77,850 to £98,453

Progression is by annual increment on 1 April each year and subject to gateway reviews as set out within the NHS Terms and Conditions Handbook and linked to the NHS Knowledge and Skills Framework.

The Agenda for Change pay system and core conditions for staff on Agenda for Change are determined by the NHS Staff Council. Annual pay awards are determined by the Department of Health on the basis of recommendations made by the NHS Pay Review Board.

The NHS Job Evaluation Handbook (2010) sets out the basis of job evaluation which underpins the pay system and includes the factor plan, the weighting and scoring document and a guide for matching posts locally.

The NHS Terms and Conditions of Service Handbook also sets out details of other pay related enhancements and payable allowances/expenses including:

- Allowance payable relating to the maintenance of round the clock services (evening, night, weekend, bank holiday and on-call enhancements);
- Overtime payments;
- Pay in high cost areas (applicable to London, outer London and fringe areas only);
- Recruitment and retention premia (now removed but payments subject to transitional protection arrangements);
- Maternity, adoption and paternity leave and pay;
- Redundancy pay;
- Early retirement provisions;
- Mileage allowances;
- Subsistence allowances (including overnight allowances).

The NHS Terms and Conditions of Service Handbook can be accessed at: <http://www.nhsemployers.org/PayAndContracts/AgendaForChange/Pages/Afc-Homepage.aspx>

Other terms and conditions not covered in the handbook are determined locally following consultation with staff representatives. This includes the option of a lease car for employees who are required to be mobile and where it is deemed to be in the interest of the service to do so. The use of locally determined lease car schemes are required to take into account principles set out in the handbook.

Employees covered by the NHS Terms and Conditions of Service Handbook are eligible to join the NHS Pension Scheme.

Note: The Code of Recommended Practice for Local Authorities on Data Transparency (September 2011) requires that information on senior employee salaries (£58,200 and above) is made available in the Council's inventory of public data. The Accounts and Audit (England) Regulations 2011 require local authorities to publish details relating to the remuneration and employer pension contributions in respect of senior employees within their annual statement of accounts.

2.5 Progression through the grade is by annual increment which normally happens on 1 April each year.

2.6 Salary levels are increased in accordance with nationally agreed annual pay settlements negotiated through the JNC for Chief Officers of Local Authorities (JNC for Chief Executives of Local Authorities in respect of the Chief Executive's pay).

2.7 Other remuneration elements

2.7.1 In addition to basic salary, all chief officer posts are entitled to:

- A lease car. The current maximum contribution by the County Council, based on the annual rental payable for any vehicle, is £6,000 (£6,500 for the Chief Executive); or,
- As an alternative to a lease car a chief officer may opt to receive a cash equivalent sum of £5,300 per annum (as at 31st January 2014) (this sum is subject to annual review);
- The council operates a policy of reimbursing the membership fees incurred by a chief officer in relation to membership of a professional body;
- Official business mileage undertaken by chief officers is reimbursed at the prevailing advisory rate set by HMRC in relation to company cars. This rate is calculated on the basis that it does not include any taxable profit and no National Insurance Contribution liability as the rate is intended to reflect actual fuel costs.
- Other allowances and expenses which chief officers may claim are as set out within the list provided at Annex C (Allowances and Expenses). The allowances and expenses which may be claimed are as applicable to other employees of the Council.
- Chief officers are not permitted to claim any payable enhancements as documented at Annex B (for example, planned overtime payments or enhancements for weekend working).

2.7.2 To meet specific operational requirements it may be necessary in exceptional circumstances for an individual to temporarily take on additional duties or responsibilities. Where this is necessary and justified a temporary supplement to the salary scale for the grade must be approved in accordance with the Council's agreed policy relating to honoraria payments and acting up allowances.

2.8 Performance related pay/bonus scheme

With the exception of progression through the incremental scale of the relevant grade, the level of remuneration is not variable or dependent upon the achievement of defined targets.

The Council does not operate a performance related pay scheme in relation its chief officers nor does it pay bonuses or any other cash incentive.

2.9 Recruitment of Chief Officers

2.9.1 The Council has delegated the appointment and dismissal of the Chief Executive and Executive Directors to the Employment Committee. The Council's Scheme of Delegation to Chief Officers provides that the Chief Executive and Executive Directors may appoint and dismiss directors reporting to them in accordance with the Council's procedures. When recruiting to all chief officer posts the Council is required to comply with the statutory requirement that no appointment or dismissal (including dismissal by reason of redundancy) may proceed until all cabinet members have been notified of the proposed appointment or dismissal to allow them the opportunity to object.

2.9.2 Remuneration on appointment is at the discretion of the Employment Committee (or appointing chief officer in the case of director level appointments) to secure the best candidate for the position and having regard to qualifications and experience.

2.9.3 Relocation allowances paid to chief officers are in accordance with the Council's Relocation Allowances scheme which applies to permanent employees (and fixed term appointments of two years or more) who are appointed as a result of external advertisement, and who are obliged to relocate their place of residence as a direct result of taking up their initial appointment with the Council. The maximum amount payable is £7,978 (as at 31 January 2014). An additional discretionary element of £2000 is payable in exceptional circumstances.

2.9.4 Where the Council is unable to recruit chief officers, or there is a need for interim support to provide cover for a substantive chief officer post, the Council will, where necessary, consider engaging individuals under a 'contract for service'. These will be sourced through a relevant procurement process ensuring that the Council is able to demonstrate the maximum value for money benefits from competition in securing the relevant service. In making such assessments it should be noted that in respect of such engagements the

Council is not required to make either pension or national insurance contributions for such individuals. The Council does not currently have any chief officers engaged under such arrangements.

2.10 Payments on Termination of employment

2.10.1 The Council's policies in relation to redundancy payments and early retirement are set out respectively within its Employer Discretions Policy, Redundancy Payments Scheme and Early Retirement Policy. The Council's policy in relation to payments on termination is as summarised below:

Under the Local Government (Early Termination of Employment) (Discretionary Compensation) (England and Wales) Regulations 2006, the Council applies its discretion (Regulation 5) in the case of both voluntary and compulsory redundancy to base any payments on an employee's actual week's pay. Under Regulation 6, the Council makes voluntary redundancy payments based upon the statutory redundancy payments scale with the entitlement in terms of the number of weeks payable being multiplied by a factor of 1.8 (as at 31 January 2014), subject to a maximum of 54 weeks. Compulsory redundancy payments are based upon the statutory redundancy payments scale only at actual pay. The Council is currently reviewing its voluntary and compulsory redundancy schemes and it is anticipated that a revised scheme will be in place on 1 April 2014.

The Council does not apply its discretion to make any additional severance payment (Regulation 6) where employment is terminated early on the grounds of business efficiency.

Under the Local Government Pension Scheme (Benefits, Membership and Contributions) Regulations 2007 the Council may award up to 10 years additional membership to an active member in exceptional and justifiable circumstances (Regulation 12).

Under the Local Government Pension Scheme (Benefits, Membership and Contributions) Regulations 2007 the Council may award additional pension of not more than £5,000 a year in exceptional and justifiable circumstances (Regulation 13).

2.10.2 The Council does not operate a policy of making any specific or general payment to its chief officers on their ceasing to hold office or to be employed by the Council but it may, where appropriate, agree to waive contractual notice.

2.10.3 Any other forms of severance payment falling outside these provisions must be authorised by or on behalf of the Full Council.

2.11 Tax avoidance measures

All chief officers are remunerated via monthly salary payments. Appropriate tax and national insurance deductions are made in accordance with HMRC

regulations and there are no arrangements in place for the purpose of minimising tax payments.

3. Lowest Paid Employees

- 3.1 The lowest paid persons employed under a contract of employment with the Council are employed on full time equivalent (37 hours) salaries in accordance with the minimum spinal column point currently in use within the Council's grading structure (the Lancashire pay spine).
- 3.2 At a meeting of Full Council in December 2013, the County Council made a decision to become a Living Wage employer with effect from 1st April 2014. This means that from 1st April 2014 all employees (excluding staff in schools - the decision as to whether to adopt the Living Wage sits with the individual Governing Body of each school.) will be paid a minimum of £7.65 per hour, which is the equivalent of £14,760 per annum.
- 3.3 As at 10 January 2014, the lowest grading level within the Lancashire pay spine is Grade 1 which encompasses points 5 (£12,435) rising to point 6 (£12,614) inclusive.

4. The relationship between the remuneration of chief officers and those employees who are not chief officers.

- 4.1 The relationship between the rate of pay for the lowest paid and chief officers is determined by the job evaluation process used for establishing the grading of posts and role profiles as set out earlier in this policy statement.
- 4.2 Local authorities are recommended to publish the pay multiple between the highest paid employee and the median average earnings across the organisation. The current pay levels within the Council define the multiple between the average full time equivalent salary (excluding chief officer posts) and the Chief Executive as being:

Median average 1:12.72 or 1:13.45 (figures based upon median average FTE salary of £13,782 and Chief Executive's salary of either £175,300 or £185,300 including cash equivalent lump sum).

- 4.3 As part of its overall and ongoing monitoring of alignment with external pay markets, both within and outside the sector, the Council will use available benchmark information as appropriate. In addition, upon the annual review of this statement, the Council will also monitor any changes in the relevant 'pay multiples' and benchmark against other comparable local authorities. The Council's policy aim is for the multiple between the median salary and that of the highest paid officer to not exceed 1:16 (currently 1:12.72 or 1:13.45).

5. Accountability and Decision Making

The Local Authorities (Functions and Responsibilities) (England) Regulations 2000 prescribe certain functions that may not be exercised by an authority's executive (cabinet or cabinet member) and includes the power to appoint staff and to determine the terms and conditions on which they hold office, including procedures for their dismissal. These functions must therefore be exercised by the Full Council or delegated by the Full Council to a committee or officer.

The Local Authorities (Standing Orders)(England) Regulations 2001 provide that the functions of dismissal of, and taking disciplinary action against, a member of staff must be discharged by the head of the paid service (the chief executive) or an officer nominated by him/her. However, this provision does not apply to the posts identified in paragraph 2.1 above (chief officers) and the Council's constitution currently provides that these functions in relation to the Chief Executive and some other senior posts are discharged on behalf of the Full Council by the Employment Committee (subject to the requirements set out in paragraph 2.9.1 above).

The Employment Committee was established by Full Council to discharge all functions in relation to the terms and conditions of employment of all staff including chief officers.

Section 42 of the Act provides that the function of approving an Annual Pay Policy Statement may not be delegated to a committee, therefore the function of the Employment Committee in this regard is to recommend a Pay Policy Statement to Full Council for approval.

6. Re-employment / Re-engagement of former Chief Officers

- 6.1 The Council in its role as administrator of the Lancashire Pension Fund has adopted a policy for scheme employers participating in the Lancashire Pension Fund regarding re-employment which is that only members in receipt of ill health pensions will be subject to abatement where the aggregate of the pension and the earnings in the new employment exceed the rate of pay on leaving the first employment.
- 6.2 It is a condition of the Council's Redundancy Procedure that employees wishing to apply for voluntary redundancy must agree in writing that they will not apply for future employment with the Council for a period of three years following the date of the termination of their former employment. This provision will apply equally to officers who leave with a voluntary severance payment.
- 6.3 The Council will not re-engage as a chief officer under a contract for services any former employee of the Council who, on ceasing employment with the Council, was in receipt of a severance payment, a redundancy payment or a pension from the Council for a period of three years following the date of the termination of their former employment.

7. Pension Contributions

- 7.1 Where employees become members of the Local Government Pension Scheme, the Council is required to make a contribution to the scheme representing a percentage of the pensionable remuneration due under the contract of employment of that employee. The rate of contribution is set by Actuaries advising the Lancashire Pension Fund and reviewed on a triennial basis in order to ensure the scheme is appropriately funded. The rate effective from 1 April 2014 (set at 31 March 2013) is 12.6%.
- 7.2 The employee contribution rates for members of the Local Government Pension Scheme are reviewed on 1st April each year. The rates as effective from 1 April 2014 are as set out below:

<u>Pensionable pay range</u>	<u>Employee Contribution Rate</u>
Up to £13,500	5.5%
£13,501 to £21,000	5.8%
£21,001 to £34,000	6.5%
£34,001 to £43,000	6.8%
£43,001 to £60,000	8.5%
£60,001 to £85,000	9.9%
£85,001 to £100,000	10.5%
£100,001 to £150,000	11.4%
£150,001 or more	12.5%

NHS Pension Scheme – 2013/14 rates

<u>Full Time Equivalent Salary</u>	<u>Employee Contribution Rate</u>
Up to £15,278.99	5.0%
£15,279.00 to £21,175.99	5.3%
£21,176.00 to £26,557.99	6.8%
£26,558.00 to £48,982.99	9.0%
£48,983.00 to £69,931.99	11.3%
£69,932.00 to £110,273.99	12.3%
£110,274.00 and over	13.3%

SCP	£ (Annual)	Monthly Salary	Hourly Rate	Grades	
4	Deleted 1st October 2013			Grade 1	
5	12,435	1,036	6.45	164 - 229 NJC points	
6	12,614	1,051	6.54		Grade 2
7	12,915	1,076	6.69		230 - 254 NJC points
8	13,321	1,110	6.90		
9	13,725	1,144	7.11	Grade 3	
10	14,013	1,168	7.26	255 - 299 NJC points	
11	14,880	1,240	7.71		
12	15,189	1,266	7.87		Grade 4
13	15,598	1,300	8.08		300 - 359 NJC points
14	15,882	1,324	8.23		
15	16,215	1,351	8.40		
16	16,604	1,384	8.61		
17	16,998	1,417	8.81	Grade 5	
18	17,333	1,444	8.98	360 - 419 NJC points	
19	17,980	1,498	9.32	158 - 186 Hay points	
20	18,638	1,553	9.66		
21	19,317	1,610	10.01		Grade 6
22	19,817	1,651	10.27		420 - 479 NJC points
23	20,400	1,700	10.57		187 - 222 Hay points
24	21,067	1,756	10.92		
25	21,734	1,811	11.27		
26	22,443	1,870	11.63	Grade 7	
27	23,188	1,932	12.02	480 - 539 NJC points	
28	23,945	1,995	12.41	223 - 264 Hay points	
29	24,892	2,074	12.90		
30	25,727	2,144	13.33		
31	26,539	2,212	13.76		Grade 8
32	27,323	2,277	14.16		540 - 599 NJC points
33	28,127	2,344	14.58		265 - 313 Hay points
34	28,922	2,410	14.99		
35	29,528	2,461	15.31		
36	30,311	2,526	15.71	Grade 9	
37	31,160	2,597	16.15	600 - 659 NJC points	
38	32,072	2,673	16.62	314 - 373 Hay points	
39	33,128	2,761	17.17		
40	33,998	2,833	17.62		
41	34,894	2,908	18.09		Grade 10
42	35,784	2,982	18.55		660 - 719 NJC points
43	36,676	3,056	19.01		374 - 443 Hay points
44	37,578	3,132	19.48		
45	38,422	3,202	19.92		
46	39,351	3,279	20.40	Grade 11	
47	40,254	3,355	20.86	720 - 779 NJC points	
48	41,148	3,429	21.33	444 - 526 Hay points	
49	42,032	3,503	21.79		
50	42,931	3,578	22.25		
51	43,861	3,655	22.73		Grade 12
52	44,743	3,729	23.19		780 - 849 NJC points
53	45,655	3,805	23.66		527 - 645 Hay points
54	46,570	3,881	24.14		
55					
56					Not Used
57					
58	51,537	4,295			
59	52,507	4,376		Grade 13	

60	53,480	4,457		850 - 909 NJC points
61	54,082	4,507		646 - 765 Hay points
62	55,143	4,595		
63	56,203	4,684		
64				
65				Not Used
66				
67	60,764	5,064		
68	61,933	5,161		Grade 14
69	63,097	5,258		910 - 969 NJC points
70	64,042	5,337		766 - 909 Hay points
71	65,330	5,444		
72	66,612	5,551		
73				
74				Not Used
75				
76	76,560	6,380		
77	78,426	6,536	D1	
78	80,298	6,692		
79	82,167	6,847		910 - 1065 Hay points
80	84,036	7,003		
81	85,701	7,142		
82	87,573	7,298		D2
83	89,442	7,454		
84	91,314	7,610		1066 - 1194 Hay points
85	93,180	7,765		
86	105,000	8,750		
87	107,500	8,958	D3	
88	110,000	9,167		
89	112,500	9,375		1195 - 1339 Hay points
90	115,000	9,583		
91	118,884	9,907		
92	121,467	10,122		ED
93	124,044	10,337		
94	126,624	10,552		1340 - 2060 Hay points
95	129,201	10,767		
96	194,655	16,221	CE	

28th August 2013

Payable Enhancements

The following pay elements replace those contained within national agreements relating to the NJC for Local Government Services (Part 3, Section 2 'Working Arrangements') and the JNC for Local Authority Craft and Associated Employees.

Element	Rate Payable	Additional information
Extra Duty - additional hours (below 37hpw)	Plain time	
Overtime - additional hours (above 37hpw)	Time + 25% Time + 33% (contractual overtime rate)	Employees graded above Scp 26 will be granted TOIL. In exceptional circumstances, see 'Planned Overtime' below. Where employees are called upon to return to work, see arrangements below.
Night Work	Time + 25%	Payable between the hours 11pm and 8am subject to start time being before 6am. See definition below.
Weekend Work	Time + 25% Time + 33% (contractual weekend rate)	Payable where required to work Saturday and Sunday as part of normal working week (i.e. not where this is overtime).
Bank Holidays and Extra Statutory Days	Time + 50% In addition, at a later date, time off with pay shall be allowed as follows: Time worked less than half the normal working hours on that day - Half Day. Time worked more than half the normal Working hours on that day - Full Day	Payable for hours worked from midnight until 23.59 hours.
Shift Work – rotating shift/alternating shift	Time + 10%	Criteria to be met to qualify for payment set out below.

Split daily shifts (Split Duty)	Additional 5p per hour	See definition below.
Standby payments	<p>Full week outside normal working hours – 20% enhancement on basic weekly pay subject to a minimum payment of £125.</p> <p>For periods of less than one week:</p> <p>Mon/Fri – enhancement based on 2% of a week's basic pay or a minimum payment of £13.89 whichever is the greater.</p> <p>Sat/Sun – enhancement based on 2% of a week's basic pay or a minimum payment of £13.89 whichever is the greater for each 12 hour period of duty.</p> <p>50% enhancement on rates outlined above for work on a bank holiday or extra- statutory days.</p>	<p>Where task undertaken has been evaluated then 20% of rate for the job is payable subject to a minimum payment of £125 per week.</p> <p>If called out, contractual overtime rates apply (see above).</p> <p>Employees graded above Scp 54 (or equivalent) will not be eligible to receive standby payments.</p> <p><u>Payment for Rostered Emergency Duty Scheme</u></p> <p>Employees who are designated by Directorates/LCCG to provide a guaranteed level of emergency cover in order to meet the requirements of the national standards for the Emergency Planning function will receive standby payments where they are required to provide a full week of emergency contact duty outside normal working hours.</p>
Emergency Call Out	Overtime rates payable (see above). Minimum 2 hours' payment will apply.	
First Aid payment	Designated First Aider - £104 per annum. Designated deputy First Aider - £52 per annum.	Not payable where requirement to provide first aid forms a part of core duties as this accounted for in the grade for the job.
Sleeping-in Duty Payment	£33.27	NJC rates apply.

Tool Allowances		As per National Agreement for Craft and Associated Employers.
-----------------	--	---

Planned Overtime:

A Chief Officer may approve in advance, and in exceptional recorded circumstances, the working of planned overtime for a period not exceeding six months in any financial year in respect of specified groups of employees who do not qualify for overtime payments, subject to the availability of sufficient budgetary resource.

Remuneration for planned overtime will be at the rate of time + 25% related to Scp 26, or at plain time rates relative to the employee's personal salary, whichever is the greater.

If, exceptionally, an employee is required to work planned overtime on a Statutory or Extra Statutory Holiday, remuneration will be at the rate of time + 50% related to Scp 26 or at plain time rates relative to the employee's personal salary, whichever is the greater.

Employees Called Upon to Return to Work:

Employees graded Scp 26 and below who are called upon to return to work outside their normal working hours in certain prescribed emergency situations, including the activation of intruder alarm systems, will receive a minimum payment of 2 hours at the overtime rate appropriate to the particular day, together with the payment of appropriate travelling expenses (including taxi fares, where necessary).

In non-emergency situations, normal overtime or time off arrangements will apply.

Employees paid above Scp 26 who are called upon to return to work in certain prescribed emergency situations, including the activation of intruder alarm systems, would receive a minimum payment per occasion of 2 hours at planned overtime rates. Appropriate travelling expenses are payable, with time in excess of 2 hours being calculated on the basis of the elapsed period between departure from home and arrival back home.

Night Work:

Employees who work at night as part of their working week are entitled to receive an enhancement of 25% for all hours worked between 11pm and 8am subject to the start time being before 6am.

The night work enhancement shall be payable, where appropriate, in addition to the enhanced rates of pay, for work, as part of the normal working week, on Saturday and on Sunday. The night work allowance does not apply to shift workers.

Shift Working:

'Shift Worker' means an employee who works on rotating shifts in immediate succession normally covering a period of twenty four hours or on alternating shifts either in immediate succession or overlapping but covering a portion of twenty four hours only. In both cases, the enhancement is only payable where an employee covers all shifts.

A rotating shift enhancement of 10% will be payable where:

- The total period covered by the shift is 18 hours or more;
- At least four hours are worked between 8pm and 6am;

An alternating shift enhancement of 10% will be payable where:

- The total period covered by the shifts is 11 hours or more;
- There are at least four hours between the starting time of the earliest and latest shifts;
- The number of 'normal office hour' shifts does not exceed one half (i.e. 1 in 2) of the total number of shifts. Normal office hours will be as determined by the Service concerned.
- The shift pattern must vary by at least 33.3% (i.e. 1 in 3 shifts must vary).

Split Duty:

Employees, whose normal daily duty necessitates more than one attendance with a continuous break between attendances of not less than two hours, including the normal break, shall be paid an additional 5p per hour for all hours worked during such spread over duty. The payment shall not be taken into account in calculating payments in respect of overtime and shall not apply to employees called upon to return to work or employees engaged on night work.

Allowances and Expenses

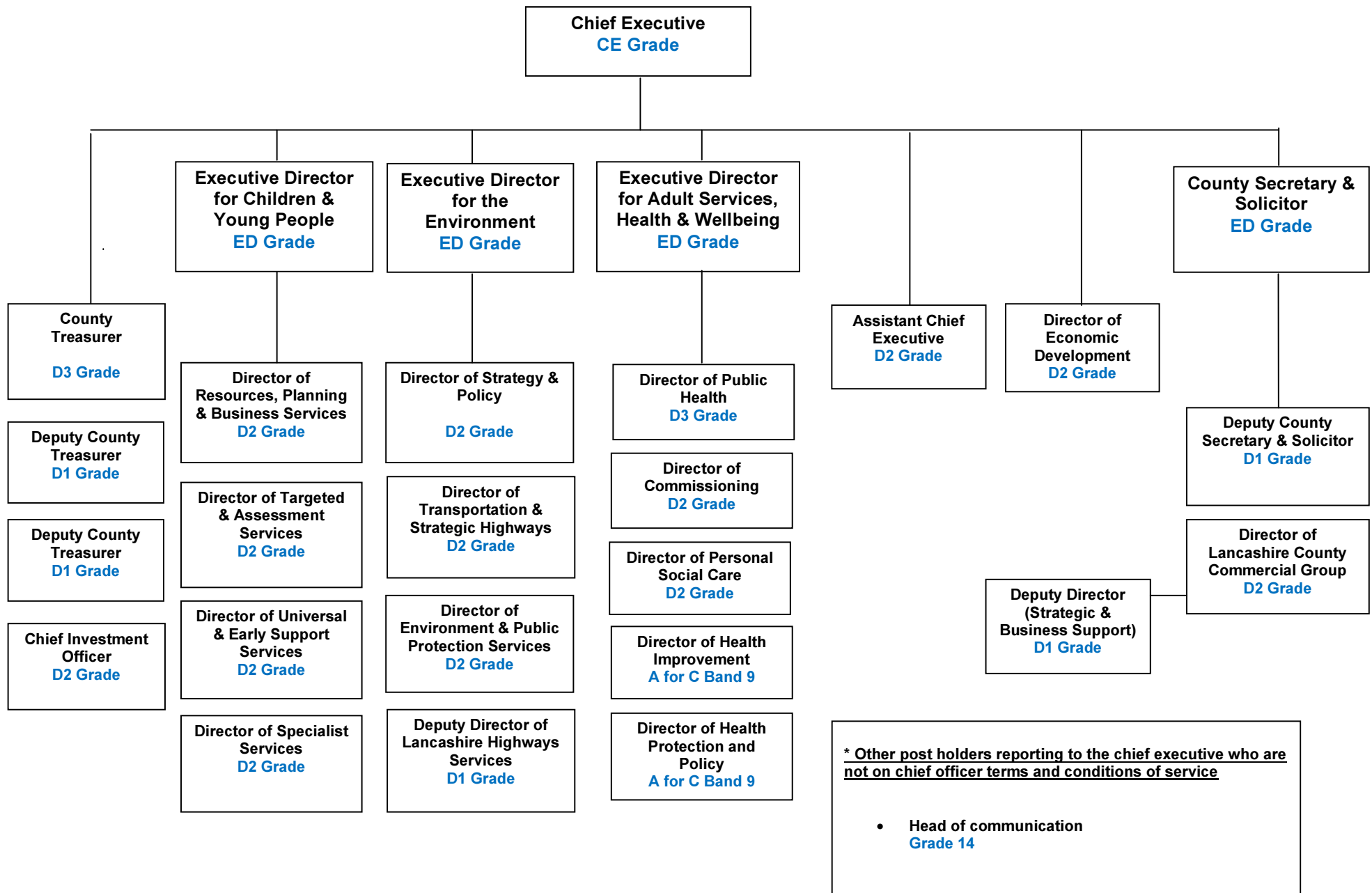
Type of Allowance or Expense	Amount or Rate Payable	Effective Date	Additional Information
Subsistence allowances (L.Ag)	<p>The maximum amounts that can be claimed are as follows :</p> <p>Breakfast - £6.70</p> <p>Lunch - £6.89</p> <p>Dinner/Evening Meal - £11.41</p>	<p>1 April 2013</p> <p><u>Note:</u> These allowances will be increased as from 1 April each year by the annual increase in the Retail Price Index (RPI) published in the preceding November.</p>	<p>Subsistence allowances will be payable to employees who are prevented by their official duties from taking a meal at their home, administrative centre or establishment where they normally take their meals, and thereby incur additional expenditure.</p> <p>Subsistence allowances will only be payable when an individual travels outside the boundaries of Lancashire (for this purpose the boroughs of Blackburn with Darwen and Blackpool will be regarded as being within the Lancashire boundary).</p> <p>Receipts for the full amount paid are required in respect of all claims.</p> <p>See Requirements to Qualify for Meal Allowances guidance for further details.</p>
Meal charges for residential and allied staff (resident and non-resident staff) (N.Ag)	<p>Breakfast - £0.98</p> <p>Dinner/Main Meals - £1.71</p> <p>Tea - £0.48</p> <p>Snack Supper - £0.78</p> <p>-----</p> <p>Total - £3.81</p> <p>For ease of administration, these rates may be used on the following basis:</p> <p>Weekly - £27.87</p> <p>Monthly – £120.80</p> <p>Per Annum - £1,449.65</p>	<p>1 April 2013</p> <p><u>Note:</u> These charges are reviewed annually in line with movements in the appropriate sectors of the RPI.</p>	<p>The Green Book (Part 3 Paragraph 8) provides that arrangements in the former APT & C and Manual national agreements in relation to (i) free meals and (ii) accommodation and meal charges will remain in place unless and until alternative arrangements are agreed locally.</p>
Overnight allowance	In exceptional circumstances,	1 April 2013	Wherever possible overnight accommodation will be booked and

(including London) (CCAP)	<p>where it is not possible for the County Council to make a direct booking, the actual <u>receipted cost</u> of accommodation, including breakfast, will be reimbursed subject to the following maximum limits:</p> <p>On business in London - £140</p> <p>On business outside London - £122</p>	<p><u>Note:</u> These allowances are linked to the Members' Allowance Scheme agreed by the County Council and will be updated in line with that scheme.</p>	<p>paid for by the County Council either directly or via Business Travel Plus. Normal subsistence allowance arrangements will apply in relation to any meals not provided.</p> <p>See Overnight Allowance guidance for further details.</p>
Expenses where employees are travelling outside Great Britain (CCAP)	<p>See Expenses where Employees are Travelling Outside Great Britain guidance for further details in respect of claiming for accommodation, travel (to/from the country) and hospitality.</p> <p>For all other expenses, including travel whilst abroad and subsistence expenses, a flat rate of £74.00 per day should be claimed and invoices/receipts need not be produced.</p>	<p>Flat rate amount effective from 1 April 2013.</p> <p><u>Note:</u> The flat rate amount will be increased from 1 April each year by the annual increase in the RPI published in the preceding November.</p>	<p>The following arrangements apply in respect of employees travelling outside Great Britain in connection with their official duties.</p> <p>For these purposes travel to Northern Ireland, the Isle of Man and the Channel Islands qualifies for payment of the allowance.</p>
Relocation allowances (CCAP)	<p>Up to a maximum of £7,978 (including VAT).</p> <p>The maximum allowance payable to any appointed employee will be the maximum allowance operating at the date of their appointment.</p>	<p>1 April 2013</p> <p><u>Note:</u> The revised allowance will operate from 1 April each year and will be based on the annual percentage increase in the RPI as at the preceding January.</p>	<p>Chief Officers may authorise the payment of relocation allowances.</p> <p>See Relocation Allowance Scheme for further details.</p>
Mileage allowances (L.Ag)			

<p><u>Business mileage</u></p>	<p><u>Car Users</u></p> <p>45.0p per mile for the first 10,000 business miles in the tax year. 25.0p per mile for each business mile over 10,000 in the tax year.</p> <p><u>Motorcycles</u></p> <p>24.0p per mile.</p> <p><u>Bicycles</u></p> <p>20.0p per mile.</p> <p><u>Car Contract Hire Users</u></p> <p>Variable. See 'Additional Information' (opposite).</p>	<p>1 July 2012</p> <p><u>Note:</u> These rates will be updated in line with any changes to the HMRC rates.</p> <p>1 April 2012</p> <p><u>Note:</u> The County Council will apply any new rates at the beginning of each calendar quarter – on 1 March, 1 June, 1 September and 1 December – in line with HMRC timescales.</p>	<p><u>Car, Motorcycle and Bicycle Users</u></p> <p>Business mileage is reimbursed at the HMRC recommended rates.</p> <p><u>Car Contract Hire Users</u></p> <p>Business mileage for car contract hire users (including all chief officers) is reimbursed at the HMRC advisory fuel rates for company cars, details of which can be found on the HMRC website at www.hmrc.gov.uk/cars/advisory_fuel_current.htm.</p> <p>This mileage rate will apply to all mileage undertaken by car contract hire users.</p>
<p><u>Training mileage</u></p>	<p><u>Car Users</u></p> <p>15.0p per mile.</p> <p><u>Motorcycles</u></p> <p>15.0p per mile.</p>	<p>1 April 2013</p> <p><u>Note:</u> This rate will be reviewed on 1 April each year.</p>	<p><u>Training Mileage</u></p> <p>The training mileage rate is in line with the minimum HMRC advisory fuel rate for a petrol engine car.</p>
<p><u>Excess travel mileage</u></p>	<p><u>Car Users</u></p> <p>15.0p per mile.</p> <p><u>Motorcycles</u></p> <p>15.0p per mile</p>	<p>1 April 2013</p> <p><u>Note:</u> This rate will be reviewed on 1 April each year.</p>	<p><u>Excess Travel Mileage</u></p> <p>Excess travel mileage is the difference in mileage between home and current workbase and home to new workbase. See Excess Travel Policy for further details.</p>

			<p>The excess travel mileage rate is in line with the minimum HMRC advisory fuel rate for a petrol engine car.</p> <p>Excess travel will not be included in the calculation of the business mileage threshold for car users.</p>
Travelling expenses for medical examinations (N.Ag)	See 'Excess Travel Mileage Rate' (above)	1 July 2012	When employees have travelled to attend medical examinations at the Authority's request reimbursement will, depending upon the mode of travel, either be at the appropriate public transport rate or at the prevailing mileage rate applicable for excess travel.
DSE users – reimbursement of cost of eyesight tests and spectacles (CCAP)	<p>The maximum amount of reimbursement is:</p> <p>For eyesight tests - £23.00 For spectacles - £62.00</p>	18 July 2012	See DSE Guidance on Eye and Eyesight Tests .
Allowances for first aid qualifications (CCAP)	<p>For designated first aid representatives - £104 per annum</p> <p>For designated deputy first aid representatives - £52 per annum</p> <p>This allowance will not be payable where the requirement to hold a first aid qualification forms part of an employee's core duties and responsibilities.</p>	N/A	<p>Chief Officers have delegated authority to approve the number of first aiders and the payment of the appropriate first Aid allowance.</p> <p>See Guidance on the Health and Safety (First Aid) Provision.</p>
Payment of prescription charges for inoculation against Hepatitis 'B' (L.Ag)	Cost of prescription/Hepatitis 'B' inoculation.	N/A	Reimbursement of prescription charges is available for inoculation against Hepatitis 'B', on the recommendation of a General Practitioner following medical assessment, for employees whose work brings them into contact with Hepatitis 'B'.
Laundry expenses – income tax relief (CCAP)	Tax relief – claim to be submitted to HM Revenue and Customs.	N/A	Where employees are issued with items of uniform/protective clothing that the County Council expects the employee to launder at regular intervals for reasons of cleanliness, hygiene, safety or appearance, the Human Resource and Payroll Service will provide

			individual employees with a standard letter (in request) that they can then use to make a claim to HM Revenue and Customs for tax relief.
Long service award (CCAP)	Up to a maximum of £262.00 (excluding VAT)	1 July 2013 <u>Note:</u> This amount will be increased in value every two years in line with inflation.	See Recognition of Long Service Policy for further details.



Meeting of the Full Council
Meeting to be held on 27 February 2014

Report submitted by: The Interim Chief Executive

Part A

Electoral Division affected:
All

Members' Allowance Scheme 2014/15
(Appendix A refers)

Contact for further information:
Chris Mather, (01772) 533559, Office of the Chief Executive,
Chris.mather@lancashire.gov.uk

Executive Summary

This reports sets out the proposed Members' Allowance Scheme for 2014/15.

Recommendation

The Full Council is asked to approve the 2014/15 Members' Allowance Scheme, as presented at Appendix A.

Background and Advice

The County Council is required to approve its Members' Allowance Scheme before the beginning of each financial year.

The Local Authorities (Members' Allowances) (England) Regulations 2003 require the County Council to have regard to the recommendations of its Independent Remuneration Panel before making or amending the Members' Allowance Scheme.

A meeting of the Panel to consider the Members' Allowance Scheme and make recommendations on any changes to the Full Council would normally take place prior to this meeting. However, the 2003 Regulations provide that "A scheme may make provision for an annual adjustment of allowances by reference to such an index as may be specified by the County Council and where the only change made to a scheme in any year is that effected by such an annual adjustment in accordance with such an index the scheme shall be deemed not to have been amended". The fact that the existing Members' Allowance Scheme provides for an annual adjustment of allowances in accordance with specified indices (as shown below) and given that no other changes are proposed, the Full Council can approve a Scheme for 2014/15 without a meeting of the Panel having to be convened.

	Allowance	Index
1	Basic allowance, Special Responsibility Allowance and Carers/dependents allowance	Annual uprating on 1 April. This uprating shall equate to the average annual percentage increase in employees' pay under the National Joint Council for Local Government Services pay structure.
2	Overnight Accommodation, Travel Abroad and Subsistence allowances	To be increased annually with effect from 1 April in every year in line with the Retail Price Index (All Items) published in November of the preceding year.
3	Motor car, motor cycle, and bicycle travelling allowances	To be revised annually with effect from 1 April in every year in accordance with the maximum allowance for Income Tax purposes as determined by HM Revenue and Customs.

Attached at Appendix A is the proposed Members' Allowance Scheme for 2014/15. The Full Council will note that the allowances mentioned at 1 and 3 above have not been uprated as the 2014/15 employee pay settlement has not yet been agreed and the HMRC rates have not changed from 2013/14. The allowances mentioned at 2 above have been increased by the November 2013 Retail Price Index of 2.6%.

Consultations

N/A

Implications:

This item has the following implications, as indicated:

Risk management

No significant risks have been identified.

Local Government (Access to Information) Act 1985

List of Background Papers

Paper	Date	Contact/Directorate/Tel
-------	------	-------------------------

N/A

Reason for inclusion in Part II, if appropriate

N/A

Lancashire County Council

Members' Allowance Scheme

Lancashire County Council, in exercise of the powers conferred by the Local Authorities (Members' Allowances) (England) Regulations 2003, hereby makes the following Scheme:

1.0 This Scheme shall have effect for the period 1 April 2014 to 31 March 2015 and subsequent years.

2.0 In this Scheme

"Councillor" means an elected member of Lancashire County Council.

"Co-opted member" means a person other than a councillor who is appointed to serve on a Council Committee or Sub-Committee.

"Year" means the twelve months commencing 1st April.

"Meetings" means a meeting of the Full Council or a body of Members formally established by the Full Council, the Leader of the County Council, the Cabinet or a Council Committee.

3.0 In this scheme, the total allowances shall consist of Basic Allowances and Special Responsibility Allowances. (For the avoidance of doubt, Attendance Allowance shall not be payable under this Scheme).

3.1 These total allowances shall be updated annually in line with employee percentage pay increases as described in more detail in Schedule 'A'.

4.0 Basic Allowance

4.1 Subject to paragraph 7.0 below, an equal Basic Allowance of £10,139 shall be paid to every councillor. The amount of Basic Allowance is shown in paragraph 1.0 of Schedule 'A' of this Scheme.

4.2 This Basic Allowance is intended to recognise the time commitment of all councillors including such inevitable calls on their time as meetings with officers and constituents, and political group meetings. It is also intended to cover incidental costs such as the use of councillors' homes.

5.0 Special Responsibility Allowance

5.1 Subject to paragraph 7.0 below, each councillor or co-opted member who holds a special responsibility as defined within the Regulations and specified within this Scheme, will receive a Special Responsibility Allowance as shown in paragraph 2.1 of Schedule 'A' of this Scheme. A councillor may not receive more than one Special Responsibility Allowance.

6.0 Renunciation

6.1 A councillor may elect to forego any part of his/her entitlement to an Allowance under this Scheme. Such election shall be in the form of a written notice delivered to the Chief Executive.

7.0 Adjustments to Entitlements in Year

7.1 The provisions of this paragraph apply in relation to the entitlement of a councillor to Allowances where, in the course of a year:

- (a) The scheme is amended.
- (b) A person becomes, or ceases to be, a councillor.
- (c) A councillor accepts or relinquishes a special responsibility in respect of which a Special Responsibility Allowance is payable.
- (d) A councillor is suspended or partially suspended from his/her responsibilities or duties as a Member of the County Council.

7.2 If, during the year, the Scheme is amended and this results in a change to a councillor's entitlement to Special Responsibility Allowance and/or Basic Allowance, the actual entitlement shall be based on:

- (a) A proportion of the original annual Allowance based on the number of days up to the date of amendment plus
- (b) A proportion of the revised annual Allowance based on the number of days from the date of amendment.

7.3 When the term of office of a councillor either begins and/or ends during the course of a year, the entitlement to Basic Allowance shall be based on the number of days in office during that year. Similar pro rata entitlements will apply in situations where Basic Allowance is amended under sub-paragraph 7.2 above.

7.4 Where, for a part of the year, a councillor has such special responsibilities as specified in this Scheme, the entitlement to Special Responsibility Allowance shall be based on the number of days during that year that the councillor has held such special responsibilities, such entitlement being pro rata to a full year. Similar pro rata entitlement will apply in situations where Special Responsibility Allowances have been amended under sub-paragraph 7.2 above.

7.5 Where a councillor is suspended or partially suspended from his/her responsibilities or duties as a Member of the County Council in accordance with Part III of the Local Government Act 2000 (or Regulations made under that Part), the part of the Basic, Special Responsibility, Travel and Subsistence Allowances payable in respect of the period of suspension may be withheld by the County Council.

8.0 Carers/Dependants Allowance

8.1 Subject to paragraphs 8.2 and 8.3, a carers/dependants allowance may be claimed in respect of named children aged 16 or under or in respect of other named dependants where there is medical or social evidence that care is required.

8.2 Payment of carers/dependants allowance shall:

- (a) Be based on actual receipted expenditure subject to a maximum hourly rate and a maximum annual allowance, as specified in paragraph 3 of Schedule 'A' of this Scheme.
- (b) Not be made where a Councillor already receives a carer's allowance from the Department for Works and Pensions.
- (c) Not be payable where the carer is a parent or is a member of the household.
- (d) Not be payable unless the carer has been cleared by the Criminal Records Bureau.

8.3 The carers/dependants allowance may be claimed where the actual expenditure has been incurred in connection with the approved duties that apply to claims for travel and subsistence as detailed in Schedule 'D' of this Scheme.

9.0 Co-optees Allowance

9.1 Co-opted members shall receive an allowance, which equates to travel and subsistence expenses they have actually and necessarily incurred calculated under the rules set out in this scheme, in accordance with paragraphs 10 and 11.

10.0 Method of Payment

- 10.1 Payments of Basic Allowance and Special Responsibility Allowance shall be made monthly on the last working day of each month. The monthly amount payable shall be one-twelfth of the annual allowance(s) specified in this Scheme and subject to paragraph 7.0 above.
- 10.2 Separately, individual claims for carers/dependants allowances, travel and subsistence shall be made on a monthly basis and shall be paid on the last working day of the following month. Claims **must** be submitted via the electronic Members' Allowances System as soon as possible at the end of each month. Claims may be submitted by non-electronic means (by an agreed paper based method) only in exceptional circumstances approved by the County Secretary and Solicitor. Claims **must** be submitted within two months of the period to which they relate or a payment will not be made unless it is approved by the Chief Executive, good cause having been shown by the member submitting the late claim.
- 10.3 Each claim shall be certified by the councillor or co-opted member that he/she has **actually and necessarily incurred** the expenditure claimed in the performance of approved duties as defined in Schedule D and that he/she will not make any other claim in respect of that expenditure other than under this Scheme.

11.0 Travelling and Subsistence Allowances

- 11.1 A councillor or co-opted member shall be entitled to receive travelling and/or subsistence allowances at the rates specified in Schedule C.
- 11.2.1 Subsistence Allowances are payable where such expenditure has been **actually and necessarily incurred** in the performance of an approved duty as defined in Schedule D where a councillor or co-opted member is absent from their normal place of residence.
- 11.2.2 When claiming subsistence allowances, councillors should identify all approved activities attended in the period of absence recorded, including any political group meetings
- 11.3 A councillor or co-opted member may claim **up to** the maximum amounts set out in Schedule C where expenditure has been **actually and necessarily incurred** when absent from home for the periods stated.
- 11.4 Appropriate receipts **must** be obtained and retained in respect of any claims made by a councillor or –co-opted member for the payment of subsistence allowances or reimbursement of public transport and taxi fares, car parking fees and other incidental expenses.

- 11.5 Receipts must be retained for 3 years following the financial year in which the expenses were incurred.
- 11.6 A councillor or co-opted member must produce his/her receipts if required by claim processing officers, as well as internal or external auditors.
- 11.7 Each councillor or co-opted member shall agree with the County Secretary and Solicitor a fixed mileage for journeys between his/her home address and County Hall for the purpose of verifying travel expense claims. The schedule of agreed and approved mileages will be updated following the County Secretary and Solicitor being notified of a change of address.

12. Pensions

- 12.1 All Councillors shall be entitled to join the Local Government Pension Scheme in respect of both Basic and Special Responsibility Allowances

13. Scheme Amendments

- 13.1 The amounts specified in paragraphs 1.0, 2.0 and 3.0 (basic allowance, special responsibility allowance and carers/dependents allowance respectively) of Schedule A are subject to an annual uprating on 1 April. This uprating shall equate to the average annual percentage increase in employees' pay under the National Joint Council for Local Government Services pay structure.
- 13.2 Overnight Accommodation, Travel Abroad and Subsistence allowances shall be increased annually with effect from 1st April in every year in line with the Retail Price Index (All Items) published in November of the preceding year.
- 13.3 Motor car, motor cycle, and bicycle travelling allowances shall be revised annually with effect from 1st April in every year in accordance with the maximum allowance for Income Tax purposes as determined by HM Revenue and Customs.

Lancashire County Council
Members' Allowance Scheme
Schedule 'A'

1.0 Basic Allowance

An annual Basic Allowance of £10,139 is payable to each councillor.

2.0 Special Responsibility Allowance

2.1 Based on an annual Special Responsibility Allowance total of £344,474, the actual individual Allowances are detailed in Schedule 'B'. The amounts quoted in Schedule 'B' are in respect of a full year term of office.

3.0 Carers/Dependants Allowance

3.1 Payment of a Carers/Dependants Allowance, as provided for in Paragraphs 8.1 to 8.3 of this Scheme, shall be based on actual receipted expenditure subject to a maximum hourly rate of £6.97. Total payments in any one year shall not exceed £1,458.

4.0 Travelling and Subsistence Allowances

The amounts payable by way of Travelling and Subsistence Allowances including Overnight Accommodation, Day Subsistence and Travel Abroad shall be subject to the rates specified in Schedule 'C' of this Scheme.

Lancashire County Council
Members' Allowance Scheme
Schedule 'B' - Special Responsibility Allowances

Position		Amount £	% of Leader	
Leader		28,953	100.00	
Deputy Leader		20,267	70.00	
Cabinet	6 @	15,924	55.00	
Lead Members	5 @	7,962	27.50	
Chairs	Overview & Scrutiny	3 @ 7,238	25.00	
	Corporate Parenting Board	7,238	25.00	
	Development Control	8,686	30.00	
	Pension Fund	7,238	25.00	
	Regulatory	7,238	25.00	
	Audit and Governance	2,895	10.00	
	Corporate Complaints	7,238	25.00	
	Lancs County Dev Ltd	7,817	27.00	
	Champion	Older People	5,067	17.50
		Young People	5,067	17.50
		Parish Councils	5,067	17.50
		Disabled People	5,067	17.50
		Armed Forces Veterans	5,067	17.50
	Digital Inclusion**	-	-	
Deputy Chairs	Overview & Scrutiny *	3 @ 3,402	47.00	
Majority Group	Secretary	4,343	15.00	
	Whip	4,343	15.00	
Largest Opposition Group	Leader	15,924	55.00	
	Deputy Leader	7,962	27.50	
	Secretary	2,895	10.00	
	Whip	2,895	10.00	
Second Opposition Group	Leader	8,686	30.00	
	Deputy Leader	4,343	15.00	
	Secretary	1,448	5.00	
	Whip	1,448	5.00	

* This is the % of the amount paid to the chair of O & S Committees

** No SRA is paid in respect of this position

Lancashire County Council

Members' Allowance Scheme

Schedule 'C' – Travelling & Subsistence Allowances

Travelling by Private Vehicle

The rate for travel by a councillor or co-opted member in his/her own private vehicle, or one belonging to a member of the family or otherwise provided for the councillor or co-opted member's use, shall not exceed:

Type of vehicle	First 10,000 miles	Above 10,000 miles
Cars and vans	45p	25p
Motorcycles	24p	24p
Cycles	20p	20p

In addition to the rates detailed above, the actual and receipted expenditure incurred on public transport, taxis, tolls, ferries or parking fees, including overnight garaging may be claimed.

Overnight Accommodation

Where the nature of the duties being undertaken result in a councillor or co-opted member being absent from his/her usual place of residence, overnight accommodation will be booked and paid directly by the County Council.

In exceptional circumstances where it is not possible for the County Council to make a direct booking on behalf of a councillor or co-opted member, the actual receipted cost of accommodation, including breakfast, will be reimbursed to the councillor or co-opted member. Such reimbursement will be subject to a maximum allowance per night of £148 for London and £129 elsewhere in the UK.

Day Subsistence

A councillor or co-opted member may claim **up to** the following maximum amounts when absent for the periods stated below from their normal place of residence:

- (a) a period less than 4 hours - £6.49
- (b) a period between 4 and 8 hours - £12.92
- (c) a period between 8 and 12 hours - £24.82
- (d) a period in excess of 12 hours - £38.75

Actual expenditure in excess of £38.75 may be reimbursed subject to the production of receipts.

Travel Abroad

For councillors or co-opted members travelling outside Great Britain on approved duties (including, for the purpose of this section, travelling in Northern Ireland), a flat daily rate of £71.82 will be provided. This allowance is intended to cover costs incurred on meals and transport whilst actually abroad. An unused portion of this allowance, say in respect of meals provided at no cost to the councillor or co-opted member, must be returned to the County Council.

Lancashire County Council

Members' Allowance Scheme

Schedule 'D' – Travel & Subsistence – Approved Duties

(see also Part B of the Guidance Notes to the Members' Allowance Scheme)

Appropriate travel and subsistence allowances may be claimed in accordance with the above details where such travelling and/or subsistence has been undertaken in connection with one or more of the following duties:

- (a) The attendance at a meeting of the Authority or of any Committee, Sub-Committee, Task Group, Working Group, Board, Forum, Panel of the Authority, or of any body to which the Authority makes appointments or nominations, or of any Committee or Sub-Committee of such a body.
- (b) The attendance at any other meeting, the holding of which is authorised by the Authority, or a Committee or Sub-Committee of the Authority, or a joint Committee of the Authority and one or more local authority within the meaning of section 270(1) of the Local Government Act 1972, or a Sub-Committee of such a joint committee provided that:
 - (i) where the Authority is divided into two or more political groups it is a meeting to which members of at least two such groups have been invited, or
 - (ii) if the Authority is not so divided, it is a meeting to which at least two members of the Authority have been invited.
- (c) The attendance at a meeting of any association of authorities of which the Authority is a member.
- (d) The attendance at a meeting of the executive or a meeting of any of its Committees, where the Authority is operating executive arrangements.
- (e) For the purposes of paragraphs (a) to (d) above, claims for travel and subsistence can only be made in respect of attendance at meetings of a Committee, Sub-Committee or other body of which the Councillor claiming is a Member. However, any Councillor can claim for attendance at a meeting of the Cabinet.
- (f) The performance of any duty in pursuance of any Procurement Rule under section 135 of the Local Government Act 1972 requiring a Member or Members to be present while tender documents are opened.

- (g) The performance of any duty in connection with the discharge of any function of the Authority conferred by or under any enactment and empowering or requiring the Authority to inspect or authorise the inspection of premises.
- (h) The performance of any duty in connection with arrangements made by the Authority for the attendance of pupils at any school approved for the purposes of section 342 (approval of non-maintained special schools) of the Education Act 1996.
- (i) The carrying out of any other duty approved by the Authority, or any duty of a class so approved, for the purpose of, or in connection with, the discharge of the functions of the Authority or any of its Committees or Sub-Committees. All duties which derive from a position of responsibility for which a Member receives a special responsibility allowance are approved duties for the purpose of this paragraph.

**Meeting of the Full Council
Meeting to be held on 27 February 2014**

Report submitted by: The Interim Chief Executive

Part A

Electoral Division affected:
All

The County Council's Political Governance Structure

Contact for further information:

Roy Jones, Office of the Chief Executive, (01772) 533619,
Roy.jones@lancashire.gov.uk

Executive Summary

The Full Council at its meeting on the 12 December 2013 debated a Notice of Motion on a possible return by the authority to a Committee system and resolved:

"The County Secretary and Solicitor is instructed to bring a Report to the Full Council Meeting on the 27 February 2014 setting out the options and necessary actions that need to be taken to discontinue the existing Leader and Cabinet system of decision making and revert back to a Committee system.

We also instruct the Interim Chief Executive to give an indicative time scale for the introduction of such a change, given that several other County Councils have made or are making this transition."

This report sets out the statutory framework; possible options for political governance structures for local authorities including a Committee system; timescales; and initial indications of the implications of implementation of any change.

Recommendation

In order to give effective and detailed consideration to the wide ranging implications of any change in political system of governance, the Full Council is recommended to:

- i. Establish a cross party member officer working group to thoroughly investigate options for any change in political management structure and make recommendations to the Council on a future governance structure.
- ii. Agree that the member officer working group be requested to report back on its initial findings to the Full Council in December 2014.

Background and Advice

The Full Council at its meeting on the 12 December 2013 debated a Notice of Motion on a possible return by the authority to a Committee system and resolved:

"The County Secretary and Solicitor is instructed to bring a Report to the Full Council Meeting on the 27 February 2014 setting out the options and necessary actions that need to be taken to discontinue the existing Leader and Cabinet system of decision making and revert back to a Committee system.

We also instruct the Interim Chief Executive to give an indicative time scale for the introduction of such a change, given that several other County Councils have made or are making this transition."

Statutory Position

The Local Government Act 2000 introduced a requirement for all local authorities to end the committee system of governance, and introduce an executive system (essentially either a Leader and Cabinet system or a Mayoral system). The only exceptions were small district authorities such as Ribble Valley BC in Lancashire, which were permitted to continue with a streamlined version of a committee system.

Local Authorities now have, through provisions in the Localism Act 2011, the ability to choose their governance arrangements. The options available are:

- A Leader and Cabinet system or Elected Mayor model
- Committee system
- Prescribed arrangements

The County Council has operated a Leader and Cabinet form of governance since 2001. The Council now has the ability to change its current Cabinet system to either a Committee system or to 'prescribed arrangements'.

'Prescribed arrangements' means an alternative form of governance that is neither a cabinet system or a committee system proposed by the Authority but this must be approved by the Secretary of State and only if those alternative arrangements would be appropriate for other authorities. No Authority has so far adopted or proposed an alternative model, and it is difficult to say what such a system might look like.

Process of change

Any change from the current Cabinet system to another form of governance including a committee system would involve:

- A resolution approving the change at Full Council.

- Publishing a notice outlining the new arrangements with the date the change would take effect. There is no requirement to formally consult on any proposals.
- The change must be implemented either at the next Annual General Meeting (AGM) following the approval or at a later AGM specified in the resolution where the approval was given.
- The Full Council can therefore decide at which AGM in future it may wish any new governance arrangements to be introduced.
- Once the change is made the new system cannot be changed again for 5 years from the date of the approval.
- It is likely that interim arrangements would be required during a changeover to a new system.

Organisational Transformation

Any consideration of a change of governance must be considered alongside the major process of organisational transformation the County Council is now embarking on. The aim of this process is to create a new organisation aligned to the County Council's key priorities and to the size of its future substantially reduced resources. This process is likely to create an entirely new officer structure by April 2016. It is clear that the system of governance making decisions and the organisational structure supporting and implementing those decisions need to be fully aligned and complementary. It would be premature to advance decisions on any change of governance before any decisions on the new organisation are taken.

Cabinet System

The current Cabinet system was established by the Local Government Act 2000 and has the following key principles:

- The executive (known as the Cabinet) is responsible for specified functions of a local authority and is responsible for most day to day management and service decisions of an authority. A Cabinet can have up to a maximum of 10 members.
- Executive decisions are taken by members of the Cabinet either collectively, individually or by Cabinet Committees. Political balance rules (requirement to have the same proportion of members of each group on a body as on the Full Council) do not apply to the Cabinet or Cabinet Committees.
- Some decisions (deemed non-executive) are reserved for the Full Council and some Committees. Political balance rules apply to these Committees and any Sub-Committees.
- Committee decisions tend to be of a quasi-judicial or regulatory nature, for example Development Control.
- At least one Scrutiny Committee must be established with certain powers and functions of scrutiny set out in legislation. These include duties in relation to health, flood risk management and crime and disorder, and powers to hold to account including 'call-in' and requiring attendance of certain individuals.

- Full Council sets the Budget/Council tax and approves certain policy framework documents, for example the Corporate Plan. It also has responsibility for the Constitution and matters relating to elections.
- Ability to have area based Committees (also applies to a Committee system). The Council currently operates Three Tier forums which are currently under review.
- Extensive delegation of procedural and routine decisions to officers.

Committee System

A Committee system would have the following key principles:

- Decisions are taken through politically balanced committees, appointed by full council.
- There are no restrictions on the number of committees, meeting frequency, or the size of the membership.
- There is no requirement for a separate Scrutiny Committee, although the statutory scrutiny functions in relation to health, flood risk management and crime and disorder would need to be exercised by the authority via its committees. There would be no statutory "Call In" process.
- Full Council sets the budget/Council tax and approves certain policy framework documents, for example the Corporate Plan. It also has responsibility for the Constitution and matters relating to elections.
- Ability to have area based Committees.
- Extensive delegation of procedural and routine decisions to officers.
- Powers may be delegated in some circumstances to the Chair of a Committee.

The key principles set out above leave individual local authorities with significantly wide scope to develop a governance system appropriate to local circumstances. Taken with the option of "prescribed arrangements", there is clearly the opportunity for Lancashire to develop a system of governance best suited to meet the challenges being faced both now and in the future.

Current Position

The County Council's current Cabinet System does already include a number of statutory and non-statutory Committees. This is in addition to the statutory overview and scrutiny function which currently comprises 4 Committees and a number of Health Joint Committees, working groups and Task Groups.

The County Council in July 2013 established a new Executive Scrutiny Committee, which enables pre-scrutiny of forthcoming Cabinet and Cabinet Member decisions.

Implications of change

There are significant implications for the County Council in changing its decision making structure to any new governance arrangements:

- A comprehensive rewrite of the County Council's constitution, governance and decision making processes would be required.
- Comprehensive review of the Scheme of Delegation to Chief Officers.
- A new approach would be required to engagement with partners and partnerships, in the significantly changed partnership environment.
- Impact on the decision flow and relationship with current Directorate officer structure.
- Significant resource implications for those officers involved in formal and informal engagement with Councillors. Specific significant implications for Democratic Services.
- Complete overhaul of the members' remuneration arrangements.
- Review of full council processes – for example, question time and budget decision making processes.
- Additional extensive training for members and officers.
- There would be no requirement for a formal scrutiny committee, but health, flood risk management and crime and disorder scrutiny functions would need to be retained.
- A number of newly created bodies would have to be integrated within the system, for example the Health and Wellbeing Board, Police and Crime Panel.

The majority of these significant issues will in any event have to be addressed as part of the overall organisational transformation of the County Council. Therefore, the effective and detailed consideration to the wide ranging implications of any change to the current political system of governance represents a key and integral element of the overall organisational transformation of the County Council.

Advantages and Disadvantages

In considering a change specifically from a Cabinet form of Governance to a Committee system there are a number of advantages and disadvantages of each system which would have to be considered and looked at in close detail. The following is a very brief snapshot of what are often put forward as the pros and cons of each system

Cabinet:

Arguments often put in favour include: efficient decision making; clear lines of responsibility and transparency; clear Leadership of the Council; clear separation between decision makers and those holding to account; and easier partnership working.

Criticisms include: power concentrated in a few hands; under-utilised backbenchers; decisions taken "behind closed doors".

Committees:

Arguments often put in favour include all members involved in decision making; debate takes place before decisions considering all alternatives; all decisions in public; politically balanced Committees.

Criticisms include: voting on party political lines and application of the 'whip'; bureaucratic and slower decisions; increased officer briefings and support; no individual responsibility and accountability; much higher cost of administration.

Alternative Options

In considering a change of governance arrangements, the Council could consider a number of alternatives to a formal Committee system:

- A hybrid system, similar to that operated by Kent County Council. This could involve a structure of Committees for each service area making recommendations to and advising the Cabinet and each Cabinet Member.
- Enhanced Cabinet system – which could involve more decisions being taken by Cabinet collectively rather than Cabinet members with increased scrutiny from non-cabinet members.
- Enhancing the role of Full Council, which could include a greater role in strategic decisions and pre-Cabinet decision scrutiny and debate
- An as yet undefined system that would meet the criteria for "prescribed arrangements".

Committee Systems elsewhere

A number of authorities have in recent years chosen to move from a Cabinet system to a Committee system or to what is referred to as a hybrid system. Below is a snapshot of Local Authorities who have already moved to a committee system:

Name	Type of authority
Hartlepool	Unitary
Newark	District
Reading	Unitary
Stroud	District
Brighton & Hove	Unitary
Kingston Upon Thames	London Borough
Nottinghamshire	County
South Gloucestershire	Unitary
Sutton	London Borough

Local Authorities who are operating "hybrid" arrangements, which is not a formal change of governance and retains the Cabinet System but builds in a layer of Committees advising and making recommendations to the Cabinet:

Name	Type of authority
Cheshire East	Unitary
Cornwall	Unitary
Kent	County
Sevenoaks	District
Tunbridge Wells	District
Wandsworth	London Borough
Wirral	Metropolitan Borough

Local Authorities currently believed to be considering changes to governance arrangements:

Name	Type of authority
Barnet	London Borough
Cambridgeshire	County
Fylde	District
Kensington and Chelsea	London Borough
Norfolk	County
Northumberland	Unitary
Nottingham	Unitary
Wokingham	District

Note. The above information has been taken from information produced by the LGA and Centre for Public Scrutiny. It is not intended as an exhaustive list, and the current position of individual councils, especially those listed as "considering changes" may change. "Fourth option" authorities are not included in the list.

It is evident from the initial research undertaken that a conversion from a Cabinet System to a Committee system is an enormous change for an Authority and one that those authorities involved have not taken lightly and have had to invest significant officer and member resource into effecting the change, which in all cases have taken a significant amount of time.

Conclusion

There are clearly major implications for any change in governance arrangements, in terms of resources, transparency of decisions, effective engagement with the public and effective use of County Council and officer time.

A clear fundamental principal of any governance review must be that any system of governance must reflect and be designed to meet the requirements of the Council so that it can function effectively and efficiently and that its supports its service delivery framework to the community. Independent research undertaken by the Centre for Public Scrutiny supports this.

Recommendations

In order to give effective and detailed consideration to the wide ranging implications of any change in political system of governance, the Full Council is recommended to establish a cross party member officer working group to thoroughly investigate options for any change in political management structure and make recommendations to the Council on a future governance structure. It is suggested that the working group will aim to report back to Full Council on its initial findings at its meeting in December 2014.

Consultations

N/A

Implications:

This item has the following implications, as indicated:

Risk management

There are significant risks to the County Council in any change of political governance structure as highlighted in this report in terms of cost; impact on resources; reputational issues; effective governance of the authority; effective operation of the County Council's decision making structure in accordance with statutory requirements; and impact on the Council's member and officer structures.

The County Council would have to ensure that it continued to demonstrate transparency in decision making and effective engagement with the public particularly during any transitional period.

These significant risk issues and the detailed consideration of implications of any change to the political governance structure will have to be addressed and be an integral part of the Council's major process of overall organisational transformation.

Local Government (Access to Information) Act 1985

List of Background Papers

Paper	Date	Contact/Directorate/Tel
-------	------	-------------------------

Nil

Reason for inclusion in Part II, if appropriate

N/A

Agenda Item 9

Meeting of the Full Council Meeting to be held on 27 February 2014

Report submitted by: The Interim Chief Executive

Part B

Electoral Division affected:
None

Report of the Cabinet (Annex 1 refers)

Contact for further information:
Dave Gorman, (01772) 534261, Office of the Chief Executive,
dave.gorman@lancashire.gov.uk

Executive Summary

The report of Cabinet from its meetings on 5 December 2013, 11 December 2013, 9 January 2014, 24 January 2014, and 6 February 2014, on matters which have not previously been reported to the Full Council is attached at Annex 1.

The reports considered by Cabinet can be viewed via the County Council's website:
<http://council.lancashire.gov.uk/mgCommitteeDetails.aspx?ID=122>

Recommendation

That the report of the Cabinet, as now presented, be noted.

List of Background Papers

Paper	Date	Contact/Directorate/Tel
Agenda and Minutes of the Cabinet	5 December 2013 11 December 2013 9 January 2014 24 January 2014 6 February 2014	Dave Gorman, Office of the Chief Executive, (01772) 534261

Meeting of the Full Council - 27 February 2014

Report of the Cabinet Meeting held on 5 December 2013

The agenda and minutes of the meeting may be viewed on the County Council's website at the following link:

<http://council.lancashire.gov.uk/mgCommitteeDetails.aspx?ID=122>

External Audit

Lancashire County Council and Lancashire County Pension Fund - Annual Audit Letter 2012/13

The Cabinet considered a report setting out the external auditor's Annual Audit Letter for Lancashire County Council and the Lancashire County Pension Fund for 2012/13.

Cabinet noted the audit conclusions summarised in the Annual Audit Letter for 2012/13 for Lancashire County Council and the Lancashire County Pension Fund as set out at Appendix 'A'.

Proposal to Introduce 0300 Telephone Numbers for Lancashire County Council Services

The Cabinet considered a report setting out a proposal to replace the County Council's series of 0845 telephone numbers with 0300 telephone numbers by 31 March 2014.

Cabinet:

1. Agreed to the replacement of the County Council's series of 0845 telephone numbers with 0300 telephone numbers by 31 March 2014; and
2. Requested the Interim Chief Executive to report to the Cabinet meeting scheduled for 24 January 2014 on the implementation of these changes including the proposed communications strategy and any implications for the County Council beyond those outlined in this report.

Money Matters - The Financial Strategy 2014/15 - 2017/18

The Cabinet considered a report setting out an update on the Council's financial strategy for 2014/15 to 2017/18.

Cabinet:

1. Endorsed the further savings identified through the ongoing work by the Council's management team of £8.744m in 2014/15, as set out in Annex 1 to the resolutions;

2. Noted the remaining uncertainties within the 2014/15 revenue budget relating to:
 - the announcement of the Chancellors Autumn Statement of the 5th December;
 - the level of funding, together with the conditions of, the Health and Social Care Integration Fund;
 - the forecast level of the council tax base in 2014/15;
 - the forecast level of business rates in 2014/15;
3. Proposed that Cabinet considers its proposals for Council Tax at its meeting on 9 January 2014;
4. Proposed, for consultation, further policy options which impact on services totalling £1.827m in 2014/15 rising to £2.538m in 2017/18, as set out in Annex 2 to the resolutions;
5. Requested the views of the Budget Scrutiny Working Group on the proposals set out in these resolutions for consideration at future Cabinet meetings.

Preston City Centre

The Cabinet considered a report proposing to transfer the ownership of Preston Bus Station and Multi Storey Car Park site from Preston City Council to Lancashire County Council; and for the County Council to enter into a collaboration agreement with Preston City Council to progress the regeneration and development of Preston City Centre.

Cabinet:

- (i) Agreed to the transfer of the ownership of Preston Bus Station and Multi Storey Car Park from Preston City Council to Lancashire County Council on the principal terms outlined in this report;
- (ii) Authorised the Leader of the County Council, in consultation with the Interim Chief Executive, the County Secretary and Solicitor, and County Treasurer, to agree and conclude the final terms of the transfer of the ownership of Preston Bus Station and Multi Storey Car Park from Preston City Council to Lancashire County Council;
- (iii) Agreed to the County Council entering into a collaboration agreement with Preston City Council for the regeneration and development of Preston City Centre on the principal terms outlined in this report; and
- (iv) Authorised the Leader of the County Council, in consultation with the Interim Chief Executive, the County Secretary and Solicitor, and County Treasurer to agree and conclude the final terms of the collaboration agreement with Preston City Council for the regeneration and development of Preston City Centre.

Lancashire Fairness Commission Feasibility Study

The Cabinet considered a report on proposals for a feasibility study on the potential establishment of an independent Fairness Commission in Lancashire

Cabinet:

- (i) Approved that a feasibility study be undertaken on the establishment of a Lancashire Fairness Commission;
- (ii) Approved that this study is undertaken by an Officer/Member working group that will present its findings to the meeting of Cabinet on 6 March 2014.

Report of the Cabinet Meeting held on 11 December 2013

The agenda and minutes of the meeting may be viewed on the County Council's website at the following link:

<http://council.lancashire.gov.uk/mgCommitteeDetails.aspx?ID=122>

One Connect Ltd

The Cabinet considered a report setting out a number of financial and performance issues concerning One Connect Limited, the County Council's joint venture with British Telecommunications Plc (BT), which have been considered by the County Council's Cabinet, the County Council's Audit and Governance Committee and the Leader of the County Council.

Cabinet:

- (i) Noted the contents of this report;
- (ii) Requested Officers to investigate whether the partnership with BT is securing the intended benefits for the County Council. This will include the issues outlined in paragraphs 2 - 5 of the report and any other matters which may be identified; and
- (iii) Authorised the County Secretary and Solicitor and the County Treasurer to seek external legal and financial assistance to support this process.

Report of the Cabinet Meeting held on 9 January 2014

The agenda and minutes of the meeting may be viewed on the County Council's website at the following link:

<http://council.lancashire.gov.uk/mgCommitteeDetails.aspx?ID=122>

Early Action Response

The Cabinet considered a report setting out proposals for the establishment of an Early Action Response service, in collaboration with Lancashire Constabulary that will provide enhanced out-of-hours and intensive support to prevent the need for statutory assessment or intervention across children, young people and adults.

Cabinet:

- (i) Agreed the re-alignment of a maximum of £3.0m strategic investment reserve allocation towards an early action approach (£1.0m for each of the next financial years subject to review);

- (ii) Agreed the development of a multi-disciplinary, integrated early response service in principle; and
- (iii) Supported an approach to statutory and Voluntary, Community and Faith Sector (VCFS) partner organisations to contribute resource to the early response service.

Money Matters: The 2014/15 Budget and Financial Strategy 2015/16 to 2017/18

The Cabinet considered a report setting out an update on the 2014/15 Budget and Financial Strategy 2015/16 to 2017/18.

Cabinet:

1. Noted the impact of the Local Government Finance Settlement which was published on 18 December 2013 increasing the provisional level of Council resources by £0.393m in 2014/15 and by £1.149m in 2015/16;
2. Noted the additional costs identified of £0.190m in 2014/15 relating to Preston Bus Station and £3.506m in 2015/16 relating to the removal of government funding for the Care and Urgent Needs support programme;
3. Endorsed the proposed re-phasing of proposals that brings £2.182m of savings in to 2014/15 with the consequential impact of reducing the savings delivered in 2015/16 by £2.182m, the reductions in cost base that have been identified of £0.970m in 2014/15 and the further efficiency savings of £2.967m in 2014/15 summarised in Annex 1 of the resolutions;
4. Proposed, for consultation, policy options for reductions in service and for increasing income through charging options totalling £0.480m in 2014/15 rising to £5.140m in 2017/18, as set out in Annex 2 of the resolutions;
5. Proposed, for consultation, a Council Tax increase of 1.99%, giving a charge of £1,107.74 for a Band D property in 2014/15. This is subject to the publication of the Council Tax referendum threshold principles by the government;
6. Noted the impact on the revenue budget of these resolutions as summarised below:

	2014/15 £m	2015/16 £m	2016/17 £m	2017/18 £m	Total £m
Savings gap following Cabinet 5 December	16.280	64.665	46.959	45.552	173.456
<i>Additional costs:</i>					
Preston Bus Station	0.190				0.190
Removal of funding for the Care and Urgent Needs Support programme		3.506			3.506
<i>Additional Resources:</i>					
Results of Local Government Finance Settlement	-0.393	-1.149			-1.542
<i>Further Savings proposals:</i>					
Re-phasing of savings	-2.182	2.182			-

	2014/15	2015/16	2016/17	2017/18	Total
	£m	£m	£m	£m	£m
Reductions to the cost base	-0.970				-0.970
Efficiency savings	-2.967				-2.967
Policy Options	-0.480	-0.740	-2.140	-1.780	-5.140
Increase in Council Tax by 1.99%	-7.246				-7.246
Remaining Gap	2.232	68.464	44.819	43.772	159.287

7. Proposed that the remaining gap in 2014/15 up to a maximum of £5m be met by the use of County Fund balances. This to be subject to any further changes resulting from the final Local Government Finance Settlement, the final confirmation of the tax base by the District Councils in early February and the results of the budget consultation;
8. Requested that Management Team continues to identify efficiency savings and cost reduction measures throughout 2014/15 in order that the drawdown of reserves is not required in 2014/15;
9. Requested that Management Team brings forward proposals for the reshaping and the reduction in size of the County Council in order to deliver the savings target of £159.287m for the three year period from 2015/16 to 2017/18;
10. That the District Councils' provisional forecast of the surplus of £4m on the 2013/14 Council Tax account be added to the Council's downsizing reserve;
11. Noted the level of the Council's share of the 2014/15 returned New Homes Bonus top-slice of £0.583m and the pressure in 2014/15 of £0.359m resulting from the level of New Homes Bonus grant being lower than forecast and agree that the available net resource of £0.224m be added to the Council's downsizing reserve;
12. Requested the views of the Budget Scrutiny Working Group on all the proposals set out in these resolutions for consideration at Cabinet on 6 February 2014;
13. Agreed to formally consult the following organisations in relation to the 2014/15 budget proposals:
 - The 12 Borough and City Councils within Lancashire,
 - The Police and Crime Commissioner for Lancashire,
 - Lancashire Constabulary,
 - The Lancashire Combined Fire Authority
 - The unitary councils of Blackburn with Darwen and Blackpool
 - The recognised Trades Unions,
 - The Lancashire Youth Council,
 - The Lancashire Enterprise Partnership,
 - Other representative bodies of Lancashire business
14. In relation to the Schools Budget, agreed that:
 - The County Council's allocation of Dedicated Schools Grant (DSG) is applied in its entirety to the Authority's Schools Budget and not to supplement the Schools Budget from other resources available to the Authority, and
 - The detailed allocation of resources within the Schools Budget should be determined at a later date by the Cabinet Member for Children, Young People and Schools in consultation with the Interim Executive Director for Children

and Young People and the County Treasurer in conjunction with the Lancashire Schools Forum.

15. Noted the Council's capital programme for 2014/15 and future years;
16. Approved the addition of £0.080m to the capital programme in respect of Environmental and Community projects and the consequential increase in the level of over-programming.

Report of the Cabinet Meeting held on 24 January 2014

The agenda and minutes of the meeting may be viewed on the County Council's website at the following link:

<http://council.lancashire.gov.uk/mgCommitteeDetails.aspx?ID=122>

Implementation of 0300 Telephone Numbers for Lancashire County Council Services

The Cabinet considered a report explaining the proposed implementation of the agreed replacement of the County Council's series of 0845 telephone numbers with 0300 telephone numbers.

Cabinet approved the proposal for the implementation for the replacement of the County Council's series of 0845 telephone numbers with 0300 telephone numbers, with a go live date for all 0300 numbers on 27 March 2014 on the terms set out in this report.

One Connect Limited

The Cabinet considered a report setting out proposals in relation to One Connect Limited. This item was considered under Part II (Not for Publication – Exempt information as defined in Paragraphs 3 and 5 of Part 1 of Schedule 12A to the Local Government Act, 1972. It is considered that in all the circumstances of the case the public interest in maintaining the exemption outweighs the public interest in disclosing the information)

Cabinet approved the recommendations set out in the report.

Recommendations of the Cabinet Working Group on Household Waste Recycling Centres

The Cabinet considered a report setting out details of the recommendations of the Cabinet Working Group on Household Waste Recycling Centres. This item was considered under Part II (Not for Publication – Exempt information as defined in Paragraphs 3 and 4 of Part 1 of Schedule 12A to the Local Government Act, 1972. It is considered that in all the circumstances of the case the public interest in maintaining the exemption outweighs the public interest in disclosing the information)

Cabinet approved the recommendations set out in the report.

Report of the Cabinet Meeting held on 6 February 2014

The agenda and minutes of the meeting may be viewed on the County Council's website at the following link:

<http://council.lancashire.gov.uk/mgCommitteeDetails.aspx?ID=122>

Money Matters - Update on the County Council's Financial Position for 2013/14

The Cabinet considered a report on the County Council's financial position at 31 December 2013, i.e. the third budget monitoring report for 2013/14, which highlighted the high risk financial issues facing the County Council, both in the current and future financial years, together with any action which may be required; the Council's likely financial position at the end of the financial year and the impact on the Council's overall financial outlook.

Cabinet:

- (i) Noted the forecast position for the 2013/14 revenue budget and capital investment programme;
- (ii) Approved that £1.8m relating to unrealised commitments that are no longer required that are held on the Council's balance sheet be transferred into the Downsizing reserve;
- (iii) Noted the forecast position on the Council's County Fund Balance and Downsizing Reserve.

Approval of the East Lancashire Highways and Transport Masterplan

The Cabinet considered a report setting out the East Lancashire Highways and Transport Masterplan for approval.

Cabinet:

- (i) Approved the publication of the joint East Lancashire Highways and Transport Master Plan and the delivery of the studies that will allow the masterplan to be taken forward;
- (ii) Approved, as part of this work, the more detailed work necessary to establish whether there is a business case for a bypass, including what could ultimately be done along the North Valley to increase capacity as well as detailed consideration of all possible routes for an A56 Colne to Foulridge bypass.

**Meeting of the Full Council
Meeting to be held on 27 February 2014**

Report submitted by: The County Secretary and Solicitor

Part B

Electoral Division affected:
All

Report of Urgent Key Decisions

Contact for further information:
Janet Nuttall, (01772) 533110, Office of Chief Executive,
Janet.nuttall@lancashire.gov.uk

Executive Summary

Urgent Key Decisions taken by the Deputy Leader of the County Council, the Cabinet Member for Highways and Transport, the Cabinet Member for Adult and Community Services, and the Cabinet Member for Health and Wellbeing during the preceding three months.

Recommendation

That the urgent key decisions, as now presented, be noted.

It is a requirement of Standing Order 28 that any urgent key decision taken must be reported to the Full Council for information on a quarterly basis. The following urgent key decisions have been taken by the Deputy Leader of the County Council, the Cabinet Member for Highways and Transport, the Cabinet Member for Adult and Community Services and the Cabinet Member for Health and Wellbeing.

1) Urgent Key Decision taken by the Deputy Leader of the County Council and the Cabinet Member for Highways and Transport

The following decision was taken on 28 November 2013:

The Completion of Heysham to M6 Link – Approval to carry out further advance works, increase the budget and make payments to Statutory Undertakers

The Deputy Leader of the County Council and the Cabinet Member for Highways and Transport approved a number of recommendations as set out in the report.

This decision was implemented immediately for the purposes of Standing Order 34(3) as any delay could adversely affect the execution of the County Council's responsibilities as the advance work need to start as soon as possible for reasons given in the report.

This report was dealt with under Part II. The full report is not available for publication as it contains exempt information as defined in Paragraph 3 of Part 1 of Schedule 12A to the Local Government Act, 1972. The report contains information relating to the financial or business affairs of any particular person (including the authority holding that information). It is considered that in all the circumstances of the case, the public interest in maintaining the exemption outweighs the public interest in disclosing the information.

2) Urgent Key Decision taken by the Deputy Leader of the County Council

The following decision was taken on 13 December 2013:

Partnering Framework for Electrical Engineering Repair and Maintenance Work

The Deputy Leader of the County Council approved a list of contractors to be strategic partners for Electrical Engineering Repair and Maintenance work for a period of four years to take effect on 1 December 2013.

This decision was implemented immediately for the purposes of Standing Order 34(3) as any delay could adversely affect the execution of the County Council's responsibilities. The reason for this is to ensure that contracts can be put in place as soon as possible.

This report was dealt with under Part II. The full report is not available for publication as it contains exempt information as defined in Paragraph 3 of Part 1 of Schedule 12A to the Local Government Act 1972. The report contains Information relating to the financial or business affairs of any particular person (including the authority holding that information). It is considered that in all the circumstances of the case the public interest in maintaining the exemption outweighs the public interest in disclosing the information.

3) Urgent Key Decision taken by the Cabinet Member for Adult and Community Services and the Cabinet Member for Health and Wellbeing

The following decision was taken on 24 January 2014:

Better Care Fund Plans

The Cabinet Member for Adult and Community Services and the Cabinet Member for Health and Wellbeing:

- (i) Approved the proposals for Better Care Fund Plans as set out in the report;
- (ii) Authorised the Executive Director for Adult Services, Health and Wellbeing to approve the detail of the plans, on behalf of Lancashire County Council and in consultation with the Cabinet Member for Adult and Community Services and the Cabinet Member for Health and Wellbeing, following sign off of the plans by the Lancashire Health and Wellbeing Board on 28 January 2014 in line with the requirements of the Department of Health.

This decision was implemented immediately for the purpose of Standing Order 34(3) as any delay could adversely affect the execution of the County Council's responsibilities. The reason for this is that sign off plans will take place at the meeting of the Lancashire Health and Wellbeing Board on 28 January 2014 in order to meet Department of Health deadlines.

**Local Government (Access to Information) Act 1985
List of Background Papers**

<u>Report to the Deputy Leader of the County Council and the Cabinet Member for Highways and Transport</u>	28 November 2013	Stuart Benson, Office of the Chief Executive, (01772) 534022
<u>Report to the Deputy Leader of the County Council</u>	13 December 2013	Stuart Benson, Office of the Chief Executive, (01772) 534022
<u>Report to the Cabinet Member for Adult and Community Services and the Cabinet Member for Health and Wellbeing</u>	24 January 2014	Dave Gorman, Office of the Chief Executive, (01772) 534261

Meeting of the Full Council
Meeting to be held on 27 February 2014

Report submitted by: The Interim Chief Executive

Part B

Electoral Division affected:
All

Report of the Overview and Scrutiny Committees
(Annexes 1 and 2 refer)

Contact for further information:
Janet Mulligan, 01772 533361, Office of the Chief Executive
Janet.mulligan@lancashire.gov.uk

Executive Summary

The most recent cycle of meetings of the Overview and Scrutiny Committees took place in the period December – February 2014.

The reports of the committees are attached as Annexes 1 and 2 as follows:

Annex 1 - Scrutiny Committee
Annex 2 - Health Scrutiny Committee

There have been no meetings of the Education Scrutiny Committee since the last report to Full Council.

Copies of the agenda and reports considered by the committee, together with minutes of the relevant meeting may be viewed on the County Council's web site at the following link:

<http://council.lancashire.gov.uk/mgListCommittees.aspx#scrutiny?bcr=1>

Officers specified in each report can also be contacted for further information.

The Executive Scrutiny Committee met on 11 December 2013, 7 January, 21 January and 4 February 2014 to consider all reports considered by Cabinet and Key Decisions by individual cabinet members.

Recommendation

That the report of the Overview and Scrutiny Committee, as now presented, be noted.

Background Papers

Paper	Date	Contact/Directorate/Ext
Agenda and minutes:		Janet Mulligan/Office of the Chief
Scrutiny Committee	06 December 2013 17 December 2013 17 January 2014	Executive/33361
Health Scrutiny Committee	03 December 2013 14 January 2014	
Education Scrutiny Committee	N/A	
Executive Scrutiny Committee	11 December 2013 07 January 2014 21 January 2014 04 February 2014	

Reason for inclusion in Part II, if appropriate

N/A

Meeting of the Full Council – 27 February 2014

Report on the Scrutiny Committee Meetings held on 6 and 17 December 2013 and 17 January 2014.

Chair: County Councillor Bill Winlow

The agenda and minutes of the meetings may be viewed on the County Council's web site at the following link:

<http://council.lancashire.gov.uk/ieListMeetings.aspx?Committeed=120>

6 December 2013

Remodelling Learning Disability Supported Living Schemes

The Committee received a report on Remodelling Learning Disability Supported Living Schemes.

As part of the budget savings proposals for 2011/14 a proposal was approved to establish a temporary Learning Disability Supported Living Remodelling Team which had been fully operational since April 2012. The project was to ensure that those people who live in supported living schemes were supported in the most appropriate, flexible and cost effective way based on the principles of self directed support, maximising the use of personal budgets, local assets and universal services.

The Committee,

1. Endorsed the ongoing work of the Learning Disability Remodelling Project through the different work streams.
2. Noted the matters identified in the risk management section in particular with regards to the legal challenges.
3. Requested a further report be presented in six months.

Halal Meat Supplies Task Group Report

The report of the Halal Meat Supplies Task Group was presented.

The Task Group was to consider all issues relating to the supply of Halal meat to the County Council in order to recommend to the Cabinet the basis for a policy on the provision of Halal meat. Initial analysis had made it clear that by far the most significant area in which the supply of Halal meat was an issue was in relation to the provision of school meals. It was therefore this area where the Task Group concentrated their attention.

The Task Group's recommendations were presented, considered and supported subject to an amendment to recommendation number two.

17 December 2013 (special meeting)

Preston City Centre

The Committee considered the request made by six members of the County Council that the decision made by the Cabinet on 5 December 2013 on Preston Bus Station and the City Centre be "Called In".

It was agreed that the Cabinet is not asked to reconsider its decision of 5 December 2013 on Preston City Centre

One Connect Limited

The Committee considered the request made by six members of the County Council that the decision made by the Cabinet on 11 December 2013 on One Connect Limited be "Called In".

It was agreed that the Cabinet is not asked to reconsider its decision of 5 December 2013 on One Connect Limited.

17 January 2014

Emotional Health and Wellbeing including Specialist CAMHS

As a result of the 2012 Safeguarding and Children Looked After Inspection an action plan had been developed to implement the recommendations of the inspection. In total 5 priority areas for improvement had been identified in relation to CAMHS which translated into 11 specific actions.

The report now provided an update on actions contained within the plan in addition to information on the wider developments of emotional health and wellbeing services for Children and Young People including specialist CAMHS.

The Committee noted the report and requested a future report on the progress be received.

Towards a Stronger Sense of Place (Pan Lancashire Arts, Culture and Entertainment) - Update report on Recommendations from Scrutiny Committee 2012

The report set out the progress against the recommendations in the Arts Development Task Group Report on arts funding presented to the Scrutiny Committee in July 2012.

It was agreed that the Committee contact the Lancashire Enterprise Partnership regarding Arts and Tourism.

Highway Maintenance

The report informed the Committee about work that the Environment Directorate was currently leading on to:

- Improve the strategic management of the County Council's highway assets;
- Improve the day to day management of highway repairs;
- Improve the County Council's defence from claims under Section 58 of the Highways Act.

It was agreed that a report on potholes be requested for a future meeting and that a letter be sent to United Utilities asking them to attend a future meeting.

Workplan and Task Group Update

The task group looking at local economic growth and business support had almost concluded its evidence gathering.

The task group on Educational Attainment of Children on Free School Meals was underway.

The task group on Planning Matters would get going in early 2014.

Meeting of the Full Council – 27 February 2014

Report on the Health Scrutiny Committee Meetings 3 December 2013 and 14 January 2014

Chair: County Councillor Steven Holgate

The agenda and minutes of the meetings may be viewed on the County Council's web site via the following link:

<http://council.lancashire.gov.uk/mgCommitteeDetails.aspx?ID=182>

3 December 2013

Complaints and Customer Feedback Annual Report

The Annual Complaints and Customer Feedback Report was presented. It contained statistical information, analysis and learning for the organisation in relation to adult social care complaints, comments and compliments received from 1 April 2012 to 31 March 2013.

Report of the Care Complaints Task Group

The report of the 'Care Complaints' task group, including conclusions and recommendations was attached as Appendix A to the report presented.

The Health Scrutiny Committee agreed:

- i. To support the recommendations of the Task Group, as set out in Appendix A to the report now presented;
- ii. That an interim response to the Task Group's recommendations be received from the Cabinet Member for Adult and Community Services by the Steering Group by the end of January 2014..
- iii. That a full response from the Cabinet Member be received by this Committee by April 2014.

Report of the Health Scrutiny Committee Steering Group

On 27 September the Steering Group had met with West Lancashire Clinical Commissioning Group and Lancashire Care Foundation Trust. A summary of the meeting was set out at Appendix A to the report presented.

On 18 October the Steering Group had met with Fylde & Wyre Clinical Commissioning Group. A summary of the meeting was set out at Appendix B to the report presented.

14 January 2014

Lancashire County Council's Public Health Responsibilities

Dr Karunanithi, Director of Public Health, Adult Services, Health and Wellbeing Directorate, presented the report which explained that responsibility for the majority of public health services had transferred from the NHS to Lancashire County Council on 1 April 2013 providing a number of opportunities to more closely integrate public health interventions with other local authority services and to increase local democratic accountability for public health.

The report provided a brief overview of the County Council's public health responsibilities and highlighted key public health challenges to help inform the Health Scrutiny Committee about potential areas of public health for it to focus on.

It was agreed that:

- i. A list of programmes of work being undertaken by Public Health be provided to the Health Scrutiny Committee. The list to include the responsible officer, timescales, how objectives would be achieved; and how outcomes would be measured.
- ii. A workshop be held to enable members of the Health Scrutiny Committee to consider the programme of work referred to at (i) above and identify topics for further scrutiny
- iii. It be recommended that a greater number of decisions taken within the County Council be subject to a health and wellbeing impact assessment.

Report of the Health Scrutiny Committee Steering Group

On 8 November the Steering Group had met with officers from Lancashire Teaching Hospitals Trust to discuss the work and performance of the Trust. A summary of the meeting was set out at Appendix A to the report presented.

On 29 November the Steering Group had met with the Chief Executive of Lancashire Healthwatch. A summary of the meeting was set out at Appendix B to the report presented.

Meeting of the Full Council
Meeting to be held on 27 February 2014

Report submitted by: The Interim Chief Executive

Part B

Electoral Division affected:
All

Report of the Audit and Governance Committee
(Annex 1 refers)

Contact for further information:

Cath Rawcliffe, Tel: (01772) 533380, Office of the Chief Executive

cath.rawcliffe@lancashire.gov.uk

Executive Summary

The report of the Audit and Governance Committee from its meeting held on 27 January 2014 is attached at Annex 1.

Copies of the agenda reports considered by the committee are available to view via the following link:

<http://council.lancashire.gov.uk/ieListDocuments.aspx?CId=728&MId=1895&Ver=4>

Councillors can also contact the officers specified in each report for further information about each item.

Recommendation

That the report of the Audit and Governance Committee, as now presented, be noted.

Local Government (Access to Information) Act 1985

List of Background Papers

Paper	Date	Contact/Directorate/Ext
Agenda & Minutes of the Audit and Governance Committee	27 January 2014	Cath Rawcliffe, Office of the Chief Executive, Tel: 01772 533380

Report of the Audit and Governance Committee - Matters for Information

The following matters were considered by the Audit and Governance Committee at its meeting on 27 January 2014:

1. Accounts of Lancashire County Developments Limited 2012/13

A report was presented by Beryl Rhodes, head of commercial and central finance on the 2012/13 audited Statement of Accounts for Lancashire County Developments Limited (LCDL).

The committee was informed that the company had made a pre-tax profit of £4,663,998 for the period. This was mainly attributable to a £8,212,000 gain on disposal of assets as a result of the fire at the Lancashire Business Park in Leyland. There had also been a loss of £4,054,284 resulting from the reduction in the valuation of property assets following the revaluation of the property portfolio.

Decision Taken: That the 2012/13 Statement of Accounts for Lancashire County Developments Limited as set out at appendix A to the report, be noted.

2. Update on Treasury Management Activity

A presentation was made to the committee by Mike Jensen, chief investment officer on a review of the county council's treasury management activities for the period from August to November 2013 and included:

- A review of the economic conditions
- An assessment of the appropriateness of treasury strategy within the current and predicted economic environment
- Borrowing activity
- Investment activity
- Actual results measured against 2013/14 prudential indicators and treasury management indicators.

Details of the treasury management activities were presented at appendix A.

Decision Taken: That the review of treasury management activities for the period from August to November 2013 as shown at appendix A to the report now presented, be noted.

3. Internal Audit Service Progress Report

Ruth Lowry, chief internal auditor, presented the internal audit progress report for the nine months to 31 December 2013.

The report summarised the main issues emerging from the internal audit work completed to date. The report also set out the work performed against the annual

audit plan for the year and the assurance assessment provided where work had been completed, including work to assess progress against management's agreed action plans.

The report highlighted the key issues impacting on the audit plan including the suspension and departure of the former chief executive and a number of matters relating to the council's strategic partnership with BT plc.

It was noted that whilst the Internal Audit Service was itself experiencing difficulties in completing the audit programme as planned, a number of service areas were likewise experiencing delays in implementing the actions agreed as necessary to improve internal controls. Examples of the delays identified during the year to date and which the Internal Audit Service regarded as being of high or moderate risk and most of which had been given either limited or nil assurance were highlighted.

The committee raised concern at the delays in implementing the actions and agreed that the Executive Directors for Adult Services, Health and Wellbeing and Children and Young People be invited to present a progress report to the next meeting on the actions taken to improve internal controls in each of their respective service areas listed in paragraph 2.4 of Appendix A to the report.

The committee also raised concern at the controls in place in relation to Oracle HR/ Payroll and expenses systems which had been given limited and nil assurance respectively. They endorsed the view set out in the report that there was a need to establish more closely the council's expectations of its managers, and to ensure that the council's Oracle HR/ Payroll and expenses systems and other systems were operated more effectively to meet the council's requirements.

Decision Taken: That:

- i) The Executive Director of Adult Services, Health and Wellbeing and the Executive Director of Children and Young People be invited to attend the next meeting of the committee on the 31 March 2014 to present progress reports on the actions taken to improve internal controls in each of their respective service areas listed in paragraph 2.4 of Appendix A to the report.
- ii) The internal audit progress report for the nine months to 31 December 2013 as now presented be noted.

4. External Audit - update report January 2014

Karen Murray, district auditor, presented an update of the audit work proposed to be undertaken in carrying out the 2013/14 Audit.

The report included a summary of emerging issues and developments which the district auditor felt may be relevant to the Council and a number of challenge questions in respect of these emerging issues for the committee to consider.

Decision Taken: That the report be noted.

**Meeting of the Full Council
Meeting to be held on 27 February 2014**

Report submitted by: The Interim Chief Executive

Part B

Electoral Division affected:
All

**Report of the Lancashire Combined Fire Authority
(Annex 1 refers)**

Contact for further information:

Diane Brooks, 01772 866720, Lancashire Fire & Rescue Service
dianebrooks@lancsfirerescue.org.uk

Executive Summary

Annex 1 sets out a summary report of the Lancashire Combined Fire Authority following its meetings on the 9 December 2013 and 10 February 2014. This is now presented to the Full Council for information.

Recommendation

That the report of the Lancashire Combined Fire Authority, as now presented, be noted.

Background Papers

Paper	Date	Contact/Directorate/Ext
Proceedings of the Lancashire Combined Fire Authority.	12 December 2013 and 10 February 2014	Diane Brooks Lancashire Fire & Rescue Service

Reason for inclusion in Part II, if appropriate

N/A

Report of the Lancashire Combined Fire Authority

9 December 2013

1. Emergency Cover Review – Outcomes 2013

At the CFA Planning Committee meeting on 21 November 2013, Members considered the outcomes of the Performance Report and Action Plan 2013 consultation; and more specifically, the response to the proposals arising out of the Emergency Cover Review (ECR).

The Planning Committee considered two aspects in respect of the ECR: the adequacy of the consultation exercise surrounding the proposals and the conclusions post-consultation. Members duly determined that the consultation had been adequate in scale and scope.

Final recommendations were agreed for consideration by the full Authority, specifically to change from a 4 year to a 3 year Emergency Cover Review and to inter-change aspects of the proposals contained within years 3 and 4 and to move South Shore into year 4 and to move Lancaster into year 3. Details of the recommendations are:

Year 1 – 2014/15

- Remove one whole time fire engine from Hyndburn.
- Remove one retained duty system fire engine from Padiham.

This would save approximately £1m per annum and mean a reduction of 24 whole time and 8 retained duty system posts.

Year 2 – 2015/16

- Maintain the whole time fire engine at Bamber Bridge, change to the Day Crewing Plus (DCP) shift pattern and maintain the retained duty system fire engine.
- Change the whole time fire engine at Chorley to DCP shift pattern and maintain the retained duty system fire engine but relocate it to Euxton.
- Split the Urban Search and Rescue (USAR) function and vehicles between Bamber Bridge and Chorley and use staff at those two stations to crew USAR vehicles.

This would save approximately £1.6m per annum and mean a reduction of 42 whole time posts.

Year 3 – 2016/17

- Change the whole time fire engine at Skelmersdale to DCP.
- Remove one whole time fire engine from Lancaster (continuing efforts to introduce a retained duty system fire engine).

This would save approximately £1.4m per annum and mean a reduction of 38 whole time posts (although 10 posts would be created subject to the introduction of the retained duty system fire engine in Lancaster).

The Authority considered that the consultation process had been undertaken in an extremely detailed, extensive and fair manner. The proposed outcomes served to demonstrate that the Authority had listened to the representations made by staff, Trade Unions and members of the public. The Authority endorsed the Planning Committee recommendations.

2. Capital Budget 2014/15 – 2018/19 and Revenue Budget 2014/15 – 2017/18

The Authority noted and endorsed the draft Capital Programme for 2014/15 - 2018/19 and Revenue Budget for 2014/15 - 2017/18.

The Authority also authorised consultation with representatives of non-domestic ratepayers and Trade Unions on the budget proposals and agreed to give further consideration to both at their Budget Fixing Meeting scheduled for 10 February 2014.

10 February 2014

1. New Year's Honours List

The Chairman, County Councillor Frank DeMolfetta and Authority Members congratulated Chief Fire Officer, Chris Kenny who had been awarded The Queen's Fire Service Medal which was awarded to members of the Fire Service for their distinguished service.

The Chairman and Authority Members also congratulated Watch Manager Steve Darby who had been awarded an MBE in recognition of his work with Operation Florian; a UK Humanitarian charity who were committed to provide help in parts of the world in the aftermath of wars or natural disasters.

2. Member Champion Activity

In December 2007, the Authority introduced the "Champion" role and allocated a £5,000 budget per Member in respect of the subject areas. These positions were currently filled by:

- Equality and Diversity - County Councillor Sylvia Taylor
- Older People - County Councillor Mark Perks
- Environment - County Councillor Malcolm Barron
- Road Safety – Councillor Fred Jackson

The Member Champion for Older People, County Councillor Mark Perks highlighted the success of the SAFER Together Campaign. Over the last three years nearly half of the fire deaths in Lancashire had occurred during the three week period at the end of December and early January. Over 90% of people who lost their lives during this time were older people, living alone with no working smoke alarm. The Service launched the SAFER Together Campaign to raise awareness and to actively involve members of the public.

Firefighters from all stations attended various locations on 21 December 2013 to try to reach older people through their families, friends and neighbours. There were 880 referrals for home fire safety checks and 929 smoke alarms were distributed.

3. Service Headquarters Relocation

At its meeting in September 2013, the Authority agreed to place the procurement process for the new Service Headquarters (SHQ) at Euxton on hold until greater clarity was available on government plans for the future of Fire and Rescue Services. Since then, the anticipated steer of a government White Paper due in autumn had not materialised. It was clear that economic austerity would prevail for the duration of the current five year capital programme. Given the current demands on budgets the Authority agreed to extend the current postponement of considering moving SHQ to Euxton until 2018/19.

This would enable a balanced capital programme to be delivered over the next five years, as well as eliminating any borrowing requirement in this period and providing scope to continue to pay off debt as it matured. In doing so this reduced pressure on the revenue budget, saving up to £0.7m per annum on financing charges, mitigating some of the future pressures on front line services and reductions in staff.

4. Revenue Budget 2014/15 - 2017/18

The Authority considered a report of the Treasurer that presented a gross revenue budget requirement for 2014/15 of £58.383m. After allowing for a council tax freeze grant, the drawdown of reserves and allowing for the increase in council tax base and improved council tax collection rates this resulted in a net budget requirement of £57.838m and a council tax of £63.65 per Band D Property, a freeze.

FRANK DE MOLFETTA
Chairman

LFRS
Fulwood

Agenda Annex

To All County Councillors

Phone: (01772) 533361

Fax:

Email: Janet.mulligan@lancashire.gov.uk

Your ref:

Our ref: DS/JM

Date: 24 February 2014

Dear Councillor

Meeting of the Full Council – 27 February 2014

Agenda Part C - Notices of Motion submitted under Procedural Standing Order 14.2.1(a)

1. By County Councillor Malcolm Barron:

"Lancashire County Council regrets reports that the Lancashire Constabulary will no longer marshal traditional Parades and walking days which contribute so much to the traditions and life of the County and asks the Chief Constable and Police and Crime Commissioner to reconsider this action and requests that in future they will continue to marshal these parades."

2. By County Councillor David Westley:

"In view of recent events regarding the distribution of Part II papers to Members, the Interim Chief Executive is asked to review the principles of the release of Part II papers to ensure that all those members who are considering a relevant report for action or decision receive the report at the same time."

3. By County Councillor Dorothy Lord:

"This Council recognises the concerns of the families and friends of those who are currently residing at Stanley Grange, Samesbury. Therefore this Council resolves to ask the Chief Executive to write to the Trustees and Chief Executive of HFT seeking an urgent meeting to discuss the future of Stanley Grange and to establish if there are any alternatives to closure."

4. By County Councillor Julie Gibson:

"That Council notes that National Libraries Day held on 8 February 2014 was one of the most vibrant and inspiring community events across the County. That Council would like to place on record congratulations and thanks to all staff in the Library and Cultural Services Division for the planning, organisation and delivery that made the day such a success."

Yours faithfully

Jo Turton

Chief Executive