

Full Council

Thursday, 18 December, 2014, at 2.30 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. **The Resolution of the Conduct Committee 26 November 2014 - County Councillor G Driver**
County Councillor G Driver to make a formal apology in the terms instructed by the Conduct Committee at its meeting on 26 November 2014

In accordance with the rules agreed by Full Council, there will be no debate.
 3. **Disclosure of Pecuniary and Non-Pecuniary Interests**
- A. Matters for Decision**
4. **Confirmation of Minutes from meeting held 2 October 2014**
(Pages 1 - 18)
 5. **Report of the Cabinet (Part A)** (Pages 19 - 54)
 6. **The Localism Act 2011 – Updated Pay Policy Statement 2014/15** (Pages 55 - 86)
 7. **Establishment of the Lancashire Pension Board** (Pages 87 - 106)
 8. **Application for Voluntary Redundancy** (Pages 107 - 108)
 9. **Political Governance Structures** (Pages 109 - 134)

10. **Protocol on Recording and Reporting on Meetings of the Council** (Pages 135 - 142)

B. Matters for Information

11. **Report of the Cabinet (Part B)** (Pages 143 - 150)
12. **Lancashire County Council's approach to the development of housing and support schemes for older people including those with dementia..** (Pages 151 - 156)
13. **Report of County Council Committees**

To receive reports from:

- (a) **The Overview and Scrutiny Committees** (Pages 157 - 166)
- (b) **Audit and Governance Committee** (Pages 167 - 172)
- (c) **Report of the Pension Fund Committee** (Pages 173 - 182)
- (d) **Report of the Urgency Committee** (Pages 183 - 186)

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

16 December 2014

Agenda Item 4

Minutes

At a meeting of the Full Council held at Council Chamber - County Hall, on Thursday, 2 October, 2014

Present:

County Councillor Kevin Ellard (Chair)

County Councillors

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

1. Apologies and Announcements

Apologies for absence were presented on behalf of County Councillors Albert Atkinson, Andrea Kay, Jim Lawrenson, Dorothy Lord, Sandra Perkins and Viv Taylor.

Deaths

The Chairman reported the following sad deaths:

- Former County Councillor and Honorary Alderman Mrs Irene Short died on 18 August 2014.
- Former County Councillor Alfred Jealous died on 15 September 2014.

Tributes were paid in their memory on behalf of the Labour, Conservative and Liberal Democrat Groups who also offered condolences to friends and family.

The council stood in silent tribute.

Special Meeting of the County Council

The Chairman reported that he had agreed to call a special meeting of the full council on the morning of Thursday 18 December so that council may consider conferring the title of honorary alderman on former long serving members of the council.

2. Disclosure of Pecuniary and Non-Pecuniary Interests

None disclosed.

3. Confirmation of Minutes from meeting held 17 July 2014

Resolved: That the Minutes of the meeting of the County Council held on the 17 July 2014 be confirmed and signed by the Chair.

4. Appointment to Independent Remuneration Panel

The Full Council was asked to approve the reappointment of Mr Denis Mendoros OBE DL as a member of the Independent Remuneration Panel for a further four years until 5 October 2018

Resolved: That the reappointment of Mr Denis Mendoros OBE DL as a member of the Independent Remuneration Panel for a further four years until 5 October 2018, be approved.

5. Timetable of Council Meetings 2015/16

The Full Council was asked to approve the timetable of Full Council, Cabinet and Committee meetings for 2015/16 as set out at Appendix A to the report now presented.

Resolved: That the timetable of Full Council, Cabinet and Committee meetings for 2015/16 as set out at Appendix A to the report now presented, be approved.

6. 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 15 July and 11 September 2014.

Resolved: That the report of the Cabinet from its meetings on the 15 July and 11 September 2014, be noted.

7. Member Officer Working Group on Political Governance Structures - Update Report

The Deputy Leader presented a report on the progress of the Member Officer Working Group on Political Governance.

Resolved: That the report of the Member Officer Working Group on Political Governance, as now presented, be noted.

8. The Overview and Scrutiny Committees

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

Committee	Date of Meeting
Scrutiny Committee	11 July 2014
Health Scrutiny Committee	22 July 2014
	2 September 2014
Education Scrutiny Committee	15 July 2014

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

8. Pension Fund Committee

County Councillor Terry Burns presented the report of the Pension Fund Committee from its meeting on the 5 September 2014.

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

9. Report of the Combined Fire Authority

County Councillor Frank De Molfetta presented the report of the Lancashire Combined Fire Authority from its meeting on the 8 September 2014.

Resolved: That the report of the Lancashire Combined Fire Authority, as now presented, be received.

Notices of Motion

The Chairman reported, in accordance with Procedural Standing Order 14.3.2, that a proposed Notice of Motion submitted by County Councillor Gina Dowding had been ruled 'out of order'.

The Motion related to the conflict in Israel and procurement from illegal Israeli settlements. It had been ruled out of order on the basis that Motions must be about matters for which the Council has a responsibility or which directly affect the Council's area. Much of the motion fell outside this requirement. The part of the Motion that did not fall outside this requirement contained a proposal that, if adopted, would lead to a breach of procurement law.

The Chairman then reported that two of the Motions submitted for consideration related to the same subject, namely, child sexual exploitation, and it was his intention that they be dealt with consecutively.

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

1. It was moved by County Councillor Fabian Craig-Wilson and seconded by County Councillor Tony Martin that:

At the meeting of the Council on 12 December 2013, Council affirmed its "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."

It is disappointing that no proposals have yet been brought forward and Council therefore resolves to request officers to submit a report to the Council meeting on 18th December 2014 setting out proposals for a Centre of Excellence for Dementia Care in North Lancashire.

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

Resolved: That,

At the meeting of the Council on 12 December 2013, Council affirmed its "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."

It is disappointing that no proposals have yet been brought forward and Council therefore resolves to request officers to submit a report to the Council meeting on 18th December 2014 setting out proposals for a Centre of Excellence for Dementia Care in North Lancashire.

2. It was moved by County Councillor Julie Gibson and seconded by County Councillor Janice Hanson that:

Council notes the recent work that has been carried out in Skelmersdale by the Trading Standards Team involving the seizing of faulty electronic cigarette chargers and unmarked liquid nicotine.

Council notes that the removal of such harmful products shows the commitment to the safety and well-being of residents within the Skelmersdale area and the whole of Lancashire.

Council resolves to:

- i) Continue to work with all partners to highlight the danger of purchasing dangerous goods, in order to promote community safety and protect the well-being of all residents across the County.
- ii) Support the Medicines and Healthcare Regulatory Authority (MHRA) who are currently considering Product Licences for e-cigarettes/liquids.
- iii) Call on the Government to implement, as soon as practically possible, the provisions, under the Children and Families Act 2014, which include a prohibition on the supply of nicotine products to under 18s.

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

Resolved: That,

Council notes the recent work that has been carried out in Skelmersdale by the Trading Standards Team involving the seizing of faulty electronic cigarette chargers and unmarked liquid nicotine.

Council notes that the removal of such harmful products shows the commitment to the safety and well-being of residents within the Skelmersdale area and the whole of Lancashire.

Council resolves to:

- i) Continue to work with all partners to highlight the danger of purchasing dangerous goods, in order to promote community safety and protect the well-being of all residents across the County.
- ii) Support the Medicines and Healthcare Regulatory Authority (MHRA) who are currently considering Product Licences for e-cigarettes/liquids.
- iii) Call on the Government to implement, as soon as practically possible, the provisions, under the Children and Families Act 2014, which include a prohibition on the supply of nicotine products to under 18s.

3. It was moved by County Councillor Geoff Driver and seconded by County Councillor Michael Green that:

The findings in the reports of Mr Peter Clarke and Mr Ian Kershaw into the so-called 'Trojan Horse' in schools in Birmingham should be of concern to everyone. Council wishes to be assured that this problem does not exist in Lancashire and therefore resolves to request Officers to submit a report to the Council meeting on 18 December 2014 setting out the measures in place to prevent it.

County Councillor Matthew Tomlinson, Cabinet Member for Children and Young People, circulated a position statement in response to the Motion.

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 (31)

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

Against (47)

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

Abstained (0)

Resolved: That the Motion be not carried

4. It was moved by County Councillor Geoff Driver and seconded by County Councillor Christian Wakeford that:

All right-minded people will be sickened by the findings of Professor Alexis Jay in her report on the sexual exploitation of young girls in Rotherham.

Professor Jay's inquiries uncovered many deeply disturbing facts including a perceived reluctance on the part of the Police to act for fear of being accused of racism. It is equally disturbing to discover that Rotherham Council did not appear to do enough to protect these children from this abuse for fear of alienating Labour voters in the Pakistani-heritage Community.

To some extent, Council can be assured that Lancashire County Council has mechanisms and procedures in place that will enable sexual exploitation of children to be identified and properly dealt with. However, it must be recognised that mechanisms and procedures will not in themselves fully protect children in Lancashire.

In order to eliminate this abomination from our society, there must also be an acceptance by everyone involved in child protection that the safeguarding of children must override every other consideration.

Council therefore resolves:

- firstly, to request confirmation from the Police and Crime Commissioner, the Crown Prosecution Service and the Chief Constable that they will investigate all allegations of sexual exploitation, regardless of the ethnicity of the alleged perpetrators, and

- secondly, to seek an assurance from this Administration that it will never allow Party Political considerations to interfere in the processes designed to protect children in Lancashire from sexual exploitation.

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 (31)

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

Against (47)

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

Abstained (0)

The Motion was therefore lost and it was,

Resolved: That the Motion be not carried

5. It was moved by County Councillor Matthew Tomlinson and seconded by County Councillor Jennifer Mein that:

This Council notes the shocking findings of the Jay report into the sexual exploitation of young people in Rotherham.

Council recognises that Child Sexual Exploitation and Human Trafficking are complex and multi-faceted issues which affects all communities, irrespective of race, religion, ethnicity or social background. As such it can only be addressed by all responsible agencies coming together in a coordinated way.

Council acknowledges the efforts of the Police, the Health Service, the Probation Service, Schools, voluntary and faith groups and others across Lancashire who work with this Council to minimise the effects of CSE and to bring the perpetrators before the law. In particular, Council notes the ground breaking work of the Lancashire Safeguarding Children's Board and the Multi Agency Safeguarding Hub (MASH) in bringing partners together to work in a coordinated fashion.

Council calls upon all agencies involved in Safeguarding and Child Protection in Lancashire to examine the findings of the Jay report in order to assure themselves that the systematic failings of agencies in places such as Rotherham, Oxfordshire and Cambridgeshire cannot be repeated in Lancashire.

County Councillor Geoff Driver moved the following **Amendment** which was seconded by County Councillor Tony Jones:

Add the following words at the end of the Motion:

"The County Council resolves to establish a Child Protection Scrutiny Committee, with a permanent remit to scrutinise all agencies involved in safeguarding and child protection in Lancashire."

Following a period of debate the Amendment 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 Amendment and those who abstained are set out below:

For (31)

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

Against (42)

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

Abstained (5)

M Brindle
D Howarth
J Sumner
D Whipp
B Winlow

The Amendment was therefore lost. The original Motion was then put to the vote and was carried at it was:

Resolved: That,

This Council notes the shocking findings of the Jay report into the sexual exploitation of young people in Rotherham.

Council recognises that Child Sexual Exploitation and Human Trafficking are complex and multi-faceted issues which affects all communities, irrespective of race, religion, ethnicity or social background. As such it can only be addressed by all responsible agencies coming together in a coordinated way.

Council acknowledges the efforts of the Police, the Health Service, the Probation Service, Schools, voluntary and faith groups and others across Lancashire who work with this Council to minimise the effects of CSE and to bring the perpetrators before the law. In particular, Council notes the ground breaking work of the Lancashire Safeguarding Children's Board and the Multi Agency Safeguarding Hub (MASH) in bringing partners together to work in a coordinated fashion.

Council calls upon all agencies involved in Safeguarding and Child Protection in Lancashire to examine the findings of the Jay report in order to assure themselves that the systematic failings of agencies in places such as Rotherham, Oxfordshire and Cambridgeshire cannot be repeated in Lancashire.

6. It was moved by County Councillor Bill Winlow and seconded by County Councillor David Whipp that:

Lancashire County Council:

- notes the result of the Scottish Referendum held on September 18th and is inspired by the strong and enthusiastic support for the democratic process shown by the people of Scotland.
- welcomes the increasing public discussion on the possible devolution of powers and finance to the North of England, and its implications for the people of Lancashire and the North West.
- recognizes the need for a new constitutional settlement, and supports demands for the transfer of significant legislative, executive and financial power from London to the nations and regions of Britain.
- supports the view that any extra powers given to Scotland should also be available to Wales, Northern Ireland and the English regions
- believes that decisions should be taken at the lowest practical level so that the people most likely to be affected by them should have the greatest opportunity to ensure that account is taken of their views
- notes that the North of England is more than just the large cities, and that the many areas not within cities and clear city regions must also gain greater powers and finance in order to build successful and prosperous futures.

Lancashire County Council therefore calls for the creation of a North West Constitutional Convention, representing the whole of economic and civil society as well as the region's political parties, to consider the experience of regional governance elsewhere in Europe, to reflect upon the options available for our region, and to propose arrangements for governance in the North West that, having taken account of our region's diversity, is best designed to promote its well-being and success.

Lancashire County Council instructs the Chief Executive to:

- copy this resolution to the Prime Minister, Deputy Prime Minister, all North West and North East MPs, the DCLG, BIS, the LGA and the main political parties.
- take soundings from neighbouring local authorities, political parties and others in civil society with a view to convening an initial meeting at County Hall, Preston.

County Councillor David Borrow moved the following **Amendment** which was seconded by County Councillor Jennifer Mein:

After the words "having taken account of our region's diversity, is best designed to promote its well-being and success"

Add the words "Council recognises that there is no public support for the early creation of another tier of elected Government and notes that the public would expect devolved budgets and powers to be managed by the existing structures of Local Government. For this to happen areas such as Lancashire would need to follow the examples of Greater Manchester and Merseyside and work toward the creation a combined authority with other local authorities in the County." after "having taken account of our region's diversity, is best designed to promote its well-being and success"

Delete the words "North East" from the penultimate bullet point.

On being put to the vote the Amendment was carried and therefore became the substantive Motion which was then put to the vote and was carried, and it was:

Resolved:

Lancashire County Council:

- notes the result of the Scottish Referendum held on September 18th and is inspired by the strong and enthusiastic support for the democratic process shown by the people of Scotland.
- welcomes the increasing public discussion on the possible devolution of powers and finance to the North of England, and its implications for the people of Lancashire and the North West.
- recognizes the need for a new constitutional settlement, and supports demands for the transfer of significant legislative, executive and financial power from London to the nations and regions of Britain.
- supports the view that any extra powers given to Scotland should also be available to Wales, Northern Ireland and the English regions
- believes that decisions should be taken at the lowest practical level so that the

people most likely to be affected by them should have the greatest opportunity to ensure that account is taken of their views

- notes that the North of England is more than just the large cities, and that the many areas not within cities and clear city regions must also gain greater powers and finance in order to build successful and prosperous futures.

Lancashire County Council therefore calls for the creation of a North West Constitutional Convention, representing the whole of economic and civil society as well as the region's political parties, to consider the experience of regional governance elsewhere in Europe, to reflect upon the options available for our region, and to propose arrangements for governance in the North West that, having taken account of our region's diversity, is best designed to promote its well-being and success.

Council recognises that there is no public support for the early creation of another tier of elected Government and notes that the public would expect devolved budgets and powers to be managed by the existing structures of Local Government. For this to happen areas such as Lancashire would need to follow the examples of Greater Manchester and Merseyside and work toward the creation a combined authority with other local authorities in the County.

Lancashire County Council instructs the Chief Executive to:

- copy this resolution to the Prime Minister, Deputy Prime Minister, all North West MPs, the DCLG, BIS, the LGA and the main political parties.
- take soundings from neighbouring local authorities, political parties and others in civil society with a view to convening an initial meeting at County Hall, Preston.

7. It was moved by County Councillor David Whipp and seconded by County Councillor David Howarth:

That County Council notes:

- 1) the review currently being carried out of Neighbourhood Policing in Lancashire.
- 2) the very inadequate service being provided to callers of the anti-social behaviour number 101, through lengthy waiting times for many callers; and that the inadequate service has been attributed to staff shortages following centralisation of police communications rooms at Hutton.
- 3) the increasing prevalence of unplanned public enquiry desk closures at police stations in parts of the county, again, attributed to staff shortages.

This county council believes that neighbourhood policing in Lancashire during the past decade has been a great success and has been a foundation stone of public confidence in the county's police service; and that any review should seek to preserve and enhance the provision of neighbourhood policing within communities.

County Council is concerned that the inadequate response to 101 calls and the unscheduled closures of police stations through staff shortages is of great concern and is undermining confidence in the police service in Lancashire. Accordingly, County Council resolves to request the Police and Crime Commissioner for Lancashire to:

1. ensure that the Chief Constable retains a robust and effective Neighbourhood Policing service within any new structures introduced following the review being undertaken;
2. take urgent action to restore call answering of 101 anti-social behaviour calls to adequate levels, and;
3. take urgent action to fill civilian staff vacancies and ensure police stations remain open.

County Councillor David Borrow moved the following **Amendment** which was seconded by County Councillor Azhar Ali

After "undermining confidence in the police service in Lancashire." add the words:

"Lancashire County Council recognises that improvements have been made to the adequacy of the Constabulary's response to 101 calls as highlighted and notes that the issues identified therein concern the management and day to day running of operations at Lancashire Constabulary and specifically to the filling of existing and currently vacant posts where these continue to exist." after "undermining confidence in the police service in Lancashire."

After "take urgent action to fill civilian staff vacancies and ensure police stations remain open." add the words:

"Lancashire County Council notes that services have been affected by recent and significant cuts to Lancashire's policing budget and calls on the Home Secretary to review the funding levels to Lancashire Constabulary that support local and neighbourhood policing in our County."

County Councillor Whipp accepted the Amendment which was put to the vote and was carried and therefore became the **Substantive Motion**.

County Councillor Geoff Driver then moved the following further **Amendment** which was seconded by County Councillor George Wilkins

Remove the words "Accordingly County Council" and replace with:

"Council regrets the decision to remove the financial provision for 48 Police and Community Support Officers, but nonetheless".....

On being put to the vote the Amendment was lost. The Substantive Motion was then put to the vote and was carried at it was:

Resolved:

That County Council notes:

- 1) the review currently being carried out of Neighbourhood Policing in Lancashire.
- 2) the very inadequate service being provided to callers of the anti-social behaviour number 101, through lengthy waiting times for many callers; and that the inadequate service has been attributed to staff shortages following centralisation of police communications rooms at Hutton.
- 3) the increasing prevalence of unplanned public enquiry desk closures at police stations in parts of the county, again, attributed to staff shortages.

This county council believes that neighbourhood policing in Lancashire during the past decade has been a great success and has been a foundation stone of public confidence in the county's police service; and that any review should seek to preserve and enhance the provision of neighbourhood policing within communities.

County Council is concerned that the inadequate response to 101 calls and the unscheduled closures of police stations through staff shortages is of great concern and is undermining confidence in the police service in Lancashire.

Lancashire County Council recognises that improvements have been made to the adequacy of the Constabulary's response to 101 calls as highlighted and notes that the issues identified therein concern the management and day to day running of operations at Lancashire Constabulary and specifically to the filling of existing and currently vacant posts where these continue to exist.

Accordingly, County Council resolves to request the Police and Crime Commissioner for Lancashire to:

1. ensure that the Chief Constable retains a robust and effective Neighbourhood Policing service within any new structures introduced following the review being undertaken;
2. take urgent action to restore call answering of 101 anti-social behaviour calls to adequate levels, and;
3. take urgent action to fill civilian staff vacancies and ensure police stations remain open.

Lancashire County Council notes that services have been affected by recent and significant cuts to Lancashire's policing budget and calls on the Home Secretary

to review the funding levels to Lancashire Constabulary that support local and neighbourhood policing in our County.

8. It was moved by County Councillor Lorraine Beavers and seconded by County Councillor Nicky Hennessy that:

Lancashire County Council believes that the government's "Bedroom Tax" is an unnecessary burden on hard-working families and is having devastating consequences on those affected by its implementation in Lancashire.

Council supports the Affordable Homes Bill, currently passing through Parliament, and welcomes it as a first step toward the abolition of the "Bedroom Tax". Council notes with concern, however, that all of Lancashire's Conservative MPs voted against it during the second reading.

Council registers its opposition to the "Bedroom Tax" and resolves to call on the Secretary of State for the Department of Work and Pensions, Rt Hon Ian Duncan Smith MP, and all Lancashire MPs, to support the *Affordable Homes Bill* as a first step toward its complete abolition.

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 (44)

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

Against (29)

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

Abstained (1)

P Hayhurst

The Motion was therefore carried and it was:

Resolved: That,

Lancashire County Council believes that the government's "Bedroom Tax" is an unnecessary burden on hard-working families and is having devastating consequences on those affected by its implementation in Lancashire.

Council supports the Affordable Homes Bill, currently passing through Parliament, and welcomes it as a first step toward the abolition of the "Bedroom Tax". Council notes with concern, however, that all of Lancashire's Conservative MPs voted against it during the second reading.

Council registers its opposition to the "Bedroom Tax" and resolves to call on the Secretary of State for the Department of Work and Pensions, Rt Hon Ian Duncan Smith MP, and all Lancashire MPs, to support the *Affordable Homes Bill* as a first step toward its complete abolition.

9. It was moved by County Councillor David Borrow and seconded by County Councillor Jennifer Mein that:

This council notes that Lancashire County Council will have to make estimated savings of £500 million between 2010-2017 as a result of a combination of cuts to Government grants, increased costs and growth in demand of children's services and adult social care.

Council asks the Chief Executive to write to all Lancashire MPs to request that they secure a meeting with the Chancellor, Rt Hon George Osborne MP, to help lobby the Government to deliver a fairer funding deal for our county and to help us protect the services relied upon by our County's most vulnerable residents.

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

Resolved: That,

This council notes that Lancashire County Council will have to make estimated savings of £500 million between 2010-2017 as a result of a combination of cuts to Government grants, increased costs and growth in demand of children's services and adult social care.

Council asks the Chief Executive to write to all Lancashire MPs to request that they secure a meeting with the Chancellor, Rt Hon George Osborne MP, to help lobby the Government to deliver a fairer funding deal for our county and to help us protect the services relied upon by our County's most vulnerable residents.

10. It was moved by County Councillor Azhar Ali and seconded by County Councillor Lorraine Beavers that:

This council opposes the privatisation and dismantling of the NHS and supports the private members bill being introduced by Clive Efford MP on the 21 November in Parliament to repeal the Health and Social Care Act. Furthermore it calls on all Lancashire MPs to vote and support this bill.

County Councillor Bill Winlow moved the following **Amendment** which was seconded by County Councillor David Whipp:

Remove the words "and supports the private members bill being introduced by Clive Efford MP on the 21 November in Parliament to repeal the Health and Social Care Act. Furthermore it calls on all Lancashire MPs to vote and support this bill."

Following a period of debate the Amendment was put to the vote and was lost. The original motion was then put to the vote and was carried and it was:

Resolved: That,

This council opposes the privatisation and dismantling of the NHS and supports the private members bill being introduced by Clive Efford MP on the 21 November in Parliament to repeal the Health and Social Care Act. Furthermore it calls on all Lancashire MPs to vote and support this bill.

Jo Turton
Chief Executive

County Hall, Preston

Meeting of the Full Council
Meeting to be held on 18 December 2014

Report submitted by: The Chief Executive

Part A

Electoral Division affected:
None

Report of the Cabinet
(Annexes 1 and 2 refer)

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

Executive Summary

This report relates to matters which were considered by Cabinet on 4 December 2014.

Recommendation

Full Council is recommended to consider the recommendations of Cabinet as set out in the reports attached at Annexes 1 and 2.

Background and Advice

The reports considered by Cabinet on 4 December 2014 are attached at Annexes 1 and 2. The Cabinet minutes are available via the following link:

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

Update on the Implementation of the Living Wage

Cabinet considered a report updating on the implementation of the Living Wage and recommended that Full Council approves the annual uplift of the Living Wage for centrally employed staff, to be applied from 1 April 2015.

Cabinet:

- (i) Noted the full introduction of the Living Wage for directly employed staff from 1 April 2014 as set out in the report;

- (ii) Noted successful accreditation of Lancashire County Council as a Living Wage Employer;
- (iii) Recommended that Full Council approves the annual uplift of the Living Wage for centrally employed staff, to be applied from 1 April 2015;
- (iv) Noted the significant number of schools adopting the Council's approach to the Living Wage;
- (v) Agreed to review the wider application of the Living Wage to council contracts on a case by case basis.

Lancashire Community Safety Agreement 2014/16

Cabinet considered a report setting out details of the Lancashire Community Safety Agreement 2014/16

Cabinet:

- (i) Recommended that Full Council approves, in line with the County Council's Constitution, the Community Safety Agreement 2014/16 as set out at Appendix 'A';
- (ii) Recommended that Full Council delegates authority to the Cabinet Member for Adult and Community Services to make any subsequent amendments to the Community Safety Agreement; and
- (iii) Noted the proposal that the Lancashire Chief Executives Group undertakes the function of the County Strategy Group and recommended that Full Council, as the responsible authority in legislation, approves the appointment of the members of the Lancashire Chief Executives Group as members of the County Strategy Group.

List of Background Papers

Paper	Date	Contact/Directorate/Tel
Agenda and Minutes of the Cabinet	4 December 2014	Dave Gorman, Office of the Chief Executive, (01772) 534261

Reason for inclusion in Part II, if appropriate

N/A

Cabinet - 4 December 2014**Report of the Chief Executive**

Electoral Division affected: All

Update on the Implementation of the Living Wage

Contacts for further information:

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eddie.sutton@lancashire.gov.uk or

Ben Kinley, (01772) 535085, County Treasurer's Directorate,

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Executive Summary

The report provides an update to Cabinet on the Living Wage within Lancashire County Council and requests approval for the annual uplift of the Living Wage to be applied to all centrally employed staff from 1 April 2015.

As recommended by Cabinet on 7 November 2013, and agreed by Full Council on 12 December 2013, the Living Wage was fully implemented for all centrally employed staff by 1 April 2014.

Having fulfilled all the criteria, as detailed in the full report, Lancashire County Council has now become accredited as a Living Wage Employer, one of only two shire counties to be accredited, with the right to use the Living Wage Employer Mark.

As part of our commitments as a Living Wage employer, we must adjust the Living Wage within 6 months of an annual uplift (in November each year) and let staff know about this within 28 days of the published uplift. The November increase was announced on 3 November, a 20p increase from £7.65 per hour to £7.85 per hour (a 2.7% rise). The recent budget submission included staff costs assuming an increase of 2.5% in the Living Wage in 2015/16. Cabinet is asked to note the further funding requirement of £46,612 (0.2% additional) for 2015/16, and to approve the overall rise in the Living Wage for all centrally employed staff from 1 April 2015.

Latest returns from schools show that a significant number of them, 582 out of 603 schools (97%), have also agreed to adopt the Living Wage, starting from 1 April 2014 or from the start of the new academic year in September 2014. Given that the vast majority of Lancashire Schools have adopted the Council's approach to the living wage, it is therefore expected that Schools will apply the 20p uplift effective from the 1 April 2015. However this is a decision for each individual school.

Cabinet, in November 2013, asked for a review of the impact of a broader application of the scheme in respect of all organisations that currently provide goods, services and works to the County Council. An initial review has identified a number of challenges in being able to accurately quantify the financial implications. Some good progress is being made in terms of future contracts, for example encouraging providers such as home care providers to pay their staff an improved hourly rate in return for efficiencies and better outcomes for older people and people with a physical disability in Lancashire. However, as detailed in the full report, rather than apply a blanket policy, taking into account that the County Council cannot impose a requirement on contractors to pay the Living Wage, the recommendation is to review the applicability of the Living Wage to individual contracts on a case by case basis.

Recommendation

Cabinet is recommended to:

- (i) Note the full introduction of the Living Wage for directly employed staff from 1 April 2014 as set out in the report;
- (ii) Note successful accreditation of Lancashire County Council as a Living Wage Employer;
- (iii) Recommend that Full Council approves the annual uplift of the Living Wage for centrally employed staff, to be applied from 1 April 2015;
- (iv) Note the significant number of schools adopting the Council's approach to the Living Wage;
- (v) Agree to review the wider application of the Living Wage to council contracts on a case by case basis.

Background and Advice

1. Introduction

Full Council, on 12 December 2013, agreed to introduce the Living Wage for all directly employed staff within the authority, the implementation of this to be introduced on a phased basis. The Living Wage is an informal benchmark, not a legally enforceable minimum level of pay, like the national minimum wage. The basic idea is that the Living Wage is a minimum pay rate needed to let workers lead a decent life.

The Living Wage of £7.65 an hour (rising to £7.85 an hour as announced on 3 November 2014) outside of London is considerably higher than the current national minimum wage of £6.50 an hour for those aged over 21.

At the time of the decision in November 2013, 3.4% of the adult full-time workforce of Lancashire County Council and 45.1% of the adult part-time workforce (of which 92.7% were employed within Lancashire County Commercial Group (LCCG)), earned less than the Living Wage. This included employees directly employed by the County Council working in a range of front line roles such as cleaning, catering, caring for older people and school crossing patrols.

2. Introduction of the Living Wage for Lancashire County Council centrally employed staff

It was agreed to introduce the Living Wage on a phased basis. The phasing would ensure the lowest paid centrally employed staff would immediately secure a benefit from this initiative.

Phase One

This involved the removal of Spinal Column Points 5 and 6 and the re-grading of all Lancashire County Council centrally employed employees on these Spinal Column Points to Spinal Column Point 7, as the new, minimum Spinal Column Point, at a rate of £6.69 per hour, backdated to take effect from 1 October 2013. This was at an overall cost of £172,612 in 2013/14, funded from the resources released from the outcome of a review of reserves.

Phase Two

As at 1 April 2014 the old Spinal Column Points 7, 8, 9 and 10 have been removed and a new Grade 2 with a single Spinal Column Point 10 created at a Living Wage rate of £7.65 an hour. All Lancashire County Council centrally employed employees at Spinal Column Points 7, 8, 9 and 10 have now been re-graded to the new Grade 2 with a single Spinal Column Point 10 (a Living Wage of £7.65 an hour). This change is further detailed in Table 1 below:

OLD GRADES (as at 1 October 2013)		SPINAL COLUMN POINT	HOURLY RATE WEF 1 ST April 2014(£)	NEW GRADES (as at 1 April 2014)	
	Grade 2	7	6.69		
		8	6.90		
		9	7.11		
		10	7.26		
Grade 3		NEW 10	7.65		Grade 2
		11	7.71		
		12	7.87	Grade 3	
		13	8.08		

Table 1

This change has impacted circa 3,638 employees and is due to cost the Council an additional £2.84m in 2014/15. The additional costs were taken account of in individual service area budgets as part of the County Council's agreed 2014/15 budget setting.

3. Accreditation of Lancashire County Council as a Living Wage Employer

As a result of fulfilling all the necessary commitments in an agreed license, the authority recently became accredited as a Living Wage Employer, one of only 2 shire counties to be accredited, with the right to use the Living Wage Employer Mark.

Formal Licence of Accreditation is granted by the Living Wage Foundation to those employers who are committed to an agreed timetable of implementation through the

award of the "Living Wage Employer" mark. To be accredited as an official "Living Wage Employer" an organisation must:

- Pay all its direct staff at least the Living Wage rate;
- Commit to adjusting this within 6 months of an annual updating;
- Demonstrate progress towards requiring existing and new contractors who have contract staff on the organisation's site or land for a designated amount of time to pay the Living Wage to those staff, to the extent permitted by law.

Since April 2014, Lancashire County Council has been in a position to fully comply with the first two requirements of the Living Wage Foundation and recently concluded a piece of work to allow us to comply with the latter one.

This piece of work has required us to identify all contracts where a contractor has staff that work for 2 or more hours in any given day for 8 or more consecutive weeks of the year on a County Council site or land. There are 24 such contracts within Lancashire County Council - for 11 of these, those contractor staff who fit within the above criteria are already being paid the Living Wage.

This leaves 13 contracts where it is believed not all staff who might be on our site or land for the prescribed time are being paid the Living Wage. Any commitment from a supplier would only extend to those particular contract staff on our site or land, so because of this and the lack of information about numbers of staff who might be impacted, which is understood to be low, it is difficult to quantify any potential future financial implication, if indeed there is one. To give some indication of the size of the particular contracts, the total annual value of 12 of the 13 contracts is circa £10m, with the remaining one contract for Construction New Build potentially of a value of up to £35m per annum depending on our new build requirements.

The Living Wage Foundation recognises that it would not be lawful to amend contracts to include a Living Wage clause part way through a contract, so allow organisations to approach this on a rolling basis as contracts expire. They also recognise that there are limitations to where a Living Wage commitment can be applied to a contract. Demonstrating progress is the key commitment. The first of the 13 contracts up for renewal is in June 2015.

Over the next two to three years as contracts come up for re-tendering the council will look to ensure to the extent permitted by law that those staff who work on council sites or land for 2 or more hours in any given day for 8 consecutive weeks be paid the Living Wage as a minimum. Individual contracts will be reviewed jointly by Legal Services and the Procurement Service at the time of contract re-tendering to assess whether a Living Wage clause is appropriate (see Legal Implications section below) and this is reflected in a milestone plan provided to the Living Wage Foundation as part of the licence agreement.

4. Uplift of the Living Wage in November 2014

As agreed in the Cabinet Report of 7 November 2013, there is a commitment to adjusting the Living Wage within 6 months of an annual updating (in November each

year). The Living Wage annual increase was confirmed on 3 November, as a 20p per hour increase from £7.65 per hour to £7.85 per hour, a 2.7% rise.

As detailed in the recent budget forecast, including 2015/16, the assumption in relation to increases in the Living Wage has been set at 2.5% each year in line with the assumption for RPI inflation. For other pay, the forecast is for a 1% increase in 2014/15 and 1% in 2015/16.

The Living Wage uplift is calculated on the basis of a set of indices which are only available in October each year, hence a marginally higher rate than the RPI forecast (0.2% higher than forecast). This difference equates to £46,612 additional cost in staff costs over and above the original forecast in the budget. Final budget proposals to be presented in February 2015 will reflect this additional cost and cover all elements of funding.

This increase applies to all those currently at Grade 2 on SCP10.

Approval is being sought from Cabinet for the overall increase in the Living Wage to be paid to all directly employed staff from 1 April 2015, thereby complying with the commitment to adjust the Living Wage within six months of an annual updating.

The impact of this change is further detailed in Table 2 below.

Grade		SCP	Current hourly rates £	New hourly rate as of 1 st April 2015, a 2.7% uplift. £	LW rate as of 1 st Jan 2015 Assuming 2.2% pay award £	New hourly rate as of 1 st Jan 2015 Assuming 2.2% pay award £
Grade 2		10	7.65	7.85		
	Grade 3	11	7.71			7.88
		12	7.87			8.05
		13	8.08			8.26

Table 2

Subject to approval, all staff impacted will be told about the increase due on 1 April 2015 following the Cabinet meeting via a Staff Notice.

5. Lancashire Schools

The Cabinet report of 7 November 2013 proposed that the position in relation to schools be the subject of discussion with the Schools Forum. It is recognised that the decision as to whether to adopt payment of the Living Wage ultimately sits with the individual school governing body but Lancashire County Council has encouraged adoption through the Schools Forum and other routes.

Latest returns to the Council from individual schools, as at 13 November 2014, detail that a significant number, 582 out of 603 schools responding (97%), have agreed to adopt the Living Wage from 1 April 2014 or from the start of the academic year in September 2014.

A small number of schools, 21 of them, have determined not to introduce the Living Wage at this time but have said they may well consider the introduction at a later date.

6. Broader application of the Living Wage to all contracts

There was a proposal in December 2013 that a further review take place to consider the benefits to the Lancashire economy and its citizens and the financial implications should a broader application of the scheme be considered in respect of all organisations that currently provide goods, services and works to the County Council.

Further work on this has highlighted a number of challenges in completing any such review to conclusion:

- Lancashire County Council has over 300 live contracts with many hundreds of suppliers within the county and some others outside the county. We have very little information on what those suppliers currently pay their staff, as other than commitments to statutory provisions such as the minimum wage, the pay of staff is either not referenced in the County Council requirements or agreed terms and conditions when current contracts are let. This lack of information means that it is almost impossible to quantify the financial implications.
- It would be illegal for a procurement policy to say the council can *only* engage with Living Wage paying suppliers, given the Living Wage is greater than the mandatory legal minimum wage. Private businesses and indeed the public and Voluntary, Community and Faith Sector (VCFS) could challenge such a position.

However, there are contracts where requiring a commitment from providers to raise wage rates towards the Living Wage is considered to be appropriate. Examples of these are the re-commissioning of home care services for older people and home care services for people with a physical disability in Lancashire. Both are the subject of major procurement exercises, which are potentially worth £350m over 7 years and include the adoption of some fresh approaches in relation to workforce, contracting and market management with the aim of delivering high quality care and support to Lancashire's citizens on the basis of improved staff recruitment, retention and training across the home care sector.

In the light of the Council's challenging financial position, it was clear that any proposals for home care had to be affordable in the context of the Adult Services budget over the lifetime of the current Medium Term Financial Strategy. An increase in hourly rate fees from the County Council to providers to enable them to pay their staff an increased wage is therefore balanced against anticipated savings and efficiencies which will come about by having fewer providers operating on a framework agreement who will work in defined zones to reduce travel costs and staff downtime. Whilst we do not expect providers to pay the full Living Wage of £7.65 (now risen to £7.85) from commencement of the new framework, we do expect providers to share our commitment to improving home care terms and conditions and pass the major proportion of the council's hourly rate increase to their staff. This will involve a commitment to increasing the pay rate for their staff from

commencement of the contract to £7.20 per hour where pay rates are currently below this. This will represent an increase of 7% on the current median wage rate for this sector of the social care workforce and be a major leap towards meeting the County Council's longer term commitment to the Living Wage and its responsibilities under the Social Value Act. For home care for older people, the anticipated commencement date for the contract is April 2015. For home care for people with a physical disability it will be later in 2015.

For other contracts there is necessarily a different set of considerations. As Council contracts come up for renewal, alongside that, the Council as an organisation will be changing. This will likely mean that requirements for services within contracts change. The authority does want to encourage the Living Wage more widely within the community, but given potential changes in service, and that the County Council cannot impose a requirement on contractors to pay the Living Wage, the recommendation is to review the applicability of the Living Wage to individual contracts on a case by case basis.

7. Further update to Cabinet

A further report will be submitted to Cabinet in November or December 2015 with a further update after the next Living Wage increase is announced on 3 November 2015.

Consultations

N/A

Implications:

This item has the following implications, as indicated:

Risk management

N/A

Financial

The cost of adopting the Living Wage policy in relation to centrally employed staff is reflected within the Council's Medium Term Financial Strategy, based on an assumed annual cost increase of 2.5%, which is in line with the more general inflation assumption built into the forecast. This is 0.5% greater than the level of increase assumed in future years.

Where the Council chooses to use its purchasing power to encourage suppliers in other fields to adopt the Living Wage then the financial implications fall to be met within the available purchasing budget as has been proposed as part of the Domiciliary Care procurement process.

Legal

Although the council has the right to encourage the Living Wage and adopt policies relating to the remuneration of its own staff, it cannot impose requirements on contractors to pay the Living Wage as a matter of policy. Requirements relating to Living Wage considerations must be lawful in terms of procurement, that is to say relevant to the actual goods or services being procured and not just applied on the grounds of policy. For example, if the Living Wage requirements are linked to contract performance and reliability and not purely cost, it may be appropriate to include a requirement that the nominated contractor must pay staff the Living Wage. In terms of commitments as part of the Living Wage Employer accreditation, for the 13 contracts where contractors have staff on site for 2 or more hours per day for 8 consecutive weeks, each one will be reviewed jointly by Legal and Procurement at the time of contract re-tendering to assess whether a Living Wage clause is appropriate. Where appropriate, the requirement will be included in the upfront tender documentation.

Human Resources

The current NJC pay proposals for 2014/16 are undergoing consultation with Councils and Trade Unions concurrently and this is due to end on 14 November 2014. There are a number of different elements to the pay proposals, however the main elements for consideration in relation to the Living Wage are as follows:

- The pay proposals cover the period up to 31 March 2016.
- 2.20% increase for NJC spinal column points 11 and above with effect from 1 January 2015.
- Deletion of SCP 5 with effect from 1 October 2015.

The pay award proposals still need to be agreed and there is no guarantee that the proposals will be the final agreed offer, however the pay award proposals are largely viewed as being the best that can be considered in the current financial circumstances.

The pay grade differentials have reduced with the introduction of the Living Wage and would reduce further with the implementation of the new Living Wage rate, as follows:

SCP	Current Hourly Rate	Differential	Proposed Hourly Rate	Differential
10 (Living Wage)	£7.65	N/A	£7.85	N/A
11	£7.71	6p	£7.88	3p
12	£7.87	22p	£8.05	20p
13	£8.08	43p	£8.26	41p

Although the future NJC pay award increases and Living Wage rate increases are unknown, the current trend is that the Living Wage rate increase is higher than the NJC pay award increase, therefore it is likely that the pay grade differentials will reduce even further and if this trend continues the Living Wage rate will potentially overtake SCP 11 and 12 in the next 2 years. Further reports will be submitted on an annual basis to consider the ongoing implications.

List of Background Papers

Paper	Date	Contact/Directorate/Tel
Report to Cabinet - 'Introduction of the Living Wage for Lancashire County Council Employees'	7 November 2013	Dave Gorman, Office of the Chief Executive, (01772) 534261
Reason for inclusion in Part II, if appropriate		
N/A		

Cabinet - 4 December 2014

Report of the Interim Executive Director for Children and Young People

Electoral Division affected: All

Lancashire Community Safety Agreement 2014/16

(Appendix 'A' refers)

Contact for further information:

Mel Ormesher, (01772) 580386, Directorate for Children and Young People,
mel.ormesher@lancashire.gov.uk

Executive Summary

We have a strong history of partnership working in Lancashire and are committed to continuing to make it a safe place to live, work and visit. Key community safety partners include:

Blackburn with Darwen Council	Lancashire Fire and Rescue Service
Blackpool Council	Lancashire Police & Crime Commissioner
Burnley Borough Council	Lancashire Probation Trust*
Chorley Borough Council	Lancaster City Council
Clinical Commissioning Groups	Pendle Borough Council
Crown Prosecution Service	Preston City Council
Fylde Borough Council	Ribble Valley Borough Council
HM Courts and Tribunal Service	Rosendale Borough Council
HM Prison Service	South Ribble Borough Council
Hyndburn Borough Council	West Lancashire Borough Council
Lancashire Constabulary	Wyre Borough Council
Lancashire County Council	

*Changes to the Probation service will mean that their duty will be carried out by the National Probation Service and the local Community Rehabilitation Company.

Lancashire Community Safety Strategy Group (LCSSG) brings together representatives of these organisations responsible for setting the strategic direction and coordinating joint activity under a range of statutory duties. As set out in the Crime and Disorder Act 1998, these 'responsible authorities' are required to work together to:

- Reduce crime and re-offending, tackle anti-social behaviour and substance misuse;
- Ensure information collection and sharing arrangements are in place to inform direction of services and develop a Community Safety Agreement (CSA) for Lancashire;

- Maintain good partnership working between organisations;
- Engage and consult communities on community safety issues; and,
- Have due regard for the strategies and priorities of the Police and Crime Commissioner for Lancashire where appropriate.

This report sets out, at Appendix 'A', the Community Safety Agreement for 2014/16 which has been developed by the LCSSG in consultation with local partners. Local arrangements are recognised as crucial to the effective delivery of improved outcomes. A review of partnership working has been conducted to ensure that our Community Safety partnership delivery landscape is both lean and best able to make a difference moving forward. The outcome of this review is set out at Appendix 'B' within the Community Safety Agreement at Appendix 'A'. In order to formalise sign-up to the Community Safety Agreement, partner organisations will also consider the agreement as part of their respective decision making processes. As such, consideration should be given to using delegated powers to ensure the Agreement is a 'living' document and adapted as appropriate.

Recommendation

Cabinet is asked to:

- (i) Recommend that Full Council approves, in line with the County Council's Constitution, the Community Safety Agreement 2014/16 as set out at Appendix 'A';
- (ii) Recommend that Full Council delegates authority to the Cabinet Member for Adult and Community Services to make any subsequent amendments to the Community Safety Agreement; and
- (iii) Note the proposal that the Lancashire Chief Executives Group undertakes the function of the County Strategy Group and recommend that Full Council, as the responsible authority in legislation, approves the appointment of the members of the Lancashire Chief Executives Group as members of the County Strategy Group.

Background and Advice

The Community Safety Agreement (CSA) sets out partnership aspirations for the next two years and determines how organisations will demonstrate key outcomes across Lancashire by:

“Working together to make Lancashire a better place for this and future generations, where crime continually reduces, innovative and excellent practice is the norm, and fear of crime is not a constraint to daily life and investment”.

Whilst crimes rates have fallen in recent years and the challenges on the public sector have increased, community safety partners recognise the need to focus on early action to tackle the key issues that cause the most harm to children and young people, vulnerable adults and communities.

To do this, partners need not only to work together, but to ensure that the strengths and assets within our communities are utilised, and supported to manage challenges positively. In commissioning services, we must support this aim by seeking to deliver added social value.

Priority Issues

The table below sets out the priority issues identified in the CSA and the shared outcomes to be delivered through partnership activity:

Priority Issues	Contributory Factors	Shared Outcomes
<ul style="list-style-type: none"> • Anti-Social Behaviour & Hate Crime • Child Sexual Exploitation • Domestic Abuse • Road Safety • Violent Crime 	<ul style="list-style-type: none"> • Alcohol and Drugs • Reoffending • Interpersonal Violence • Health • Deprivation 	<ol style="list-style-type: none"> 1. Communities are more cohesive and resilient 2. Victims are supported and harm is reduced 3. Offending and re-offending are reduced 4. There are fewer first-time entrants into the youth justice system 5. Crime and anti-social behaviour continue to reduce 6. Criminality is targeted and disrupted
Statutory Requirements		
<ul style="list-style-type: none"> • Serious Organised Crime • CONTEST and preventing extremism • Legislative changes • Consultation, Inspections, Domestic Homicide Reviews, and Serious Case Reviews 		

This Agreement acknowledges and reinforces the linkage with other local partnerships such as the Children’s Safeguarding Board, Children's Trust arrangements, the Lancashire Criminal Justice Board and the Health and Wellbeing Boards.

A review of partnership working arrangements has been conducted to establish a streamlined and effective structure through which partners can collectively focus on delivering improved outcomes against priority issues. The structure can be found at Appendix 'B' of the Strategy. As part of the commitment to reduce the meeting burden and duplication of agendas, subject to Full Council approval, the Lancashire Chief Executives Group has taken on the function of county strategy group (Lancashire Community Safety Strategy Group).

At a local level district based Community Safety Partnerships (CSP's) are collaborating through three Area Community Safety Steering Groups in order to further refine joint working.

- North Area Community Safety Steering Group (Blackpool, Fylde, Lancaster, Wyre)
- East Area Community Safety Steering Group (Blackburn with Darwen, Burnley, Hyndburn, Pendle, Ribble Valley, Rossendale)
- South Area Community Safety Steering Group (Chorley, Preston, South Ribble, West Lancashire)

CSPs will be retained at local discretion and where partners agree.

The Community Safety Agreement is not intended to detail all of the partnership activities to be undertaken, the strategic outcomes are informed and shaped both by knowledge and experience of the work in this area. To deliver these improved outcomes, partner organisations will collaborate further to develop strategies, activities and projects that align with this Agreement.

Consultations

The CSA has been developed in collaboration with community safety partners over several months and has been endorsed by the Lancashire Community Safety Strategy Group.

The priorities have been informed by local priorities which are then aggregated to a county level and used to inform the strategic priorities to be addressed.

The CSA has also been informed by findings from a range of community consultation including the Living in Lancashire surveys, partner surveys, and service user consultation.

Implications:

This item has the following implications, as indicated:

Financial

This report relates to a high level strategic agreement between partners across Lancashire and has no direct financial funding commitments attached to it. The authority's financial commitment relating to the activities will be funded from existing and future funding envelopes and does not constitute an additional funding commitment.

Risk management

Crime and Disorder

The Community Safety Agreement 2014/16 fulfils the statutory obligations of community safety partners as set out below:

- To have a Strategy Group to formulate and implement a community safety plan for that area (in order to reduce crime and re-offending and tackle anti-social behaviour and substance misuse) with representation from responsible

authorities including police, local authorities, clinical commissioning groups, fire and rescue service and probation (replaced on 1 June 2014 by the national probation service and community rehabilitation companies).

- To produce a Strategic Assessment that includes evaluation of previous work and the findings from community consultation to inform development of the CSA.
- To have an agreed Information Sharing Protocol to assist the sharing of datasets including de-personalised data.
- To conduct a Domestic Homicide Review where it is determined that a qualifying case has occurred.
- To have regard for the priorities of the Police and Crime Commissioner.
- In two-tier areas to have a county-wide Strategy Group and a clear process for escalation of issues from a local level.

List of Background Papers

Paper	Date	Contact/Directorate/Tel
Lancashire Community Safety Agreement 2011/14	July 2011	Mel Ormesher, Directorate for Children and Young People, (01772) 580386

Reason for inclusion in Part II, if appropriate

N/A



Lancashire

Community Safety Agreement 2014 - 2016



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Introduction

The public sector is in an unprecedented era of change where it has never been more important to ensure that we have the best arrangements for working together in order to get the most out of our resources and deliver the best outcomes for our communities. In addition, we are all finding ever more creative ways to reduce costs yet maintain performance and delivery of high quality services.

Whilst crimes rates have fallen in recent years and the challenges on the public sector have increased it is important, therefore, to ensure that we focus on early action to tackle the key issues that cause the most harm to children and young people, vulnerable adults and communities.

To do this, we need not only our organisations to work together, but to ensure that we utilise the strengths and assets within our communities and enable them to have the ability to manage challenges positively. In commissioning services, we must support this aim by seeking to deliver added social value.

This agreement sets out our aspirations for the next two years and determines how we will demonstrate key outcomes across Lancashire by:

“Working together to make Lancashire a better place for this and future generations, where crime continually reduces, innovative and excellent practice is the norm, and fear of crime is not a constraint to daily life and investment”.

Our Partnership

We have a strong history of partnership working in Lancashire and are committed to continuing to make it a safe place to live, work and visit. Key partners include:

Blackburn with Darwen Council
Blackpool Council
Burnley Borough Council
Chorley Borough Council
Clinical Commissioning Groups*
Crown Prosecution Service
Fylde Borough Council
HM Courts and Tribunal Service
HM Prison Service
Hyndburn Borough Council
Lancashire Constabulary
Lancashire County Council

Lancashire Fire and Rescue Service
Lancashire Police & Crime Commissioner
Lancashire Probation Trust**
Lancaster City Council
Pendle Borough Council
Preston City Council
Ribble Valley Borough Council
Rossendale Borough Council
South Ribble Borough Council
West Lancashire Borough Council
Wyre Borough Council

*Changes to organisational constitution have meant that the responsible authority duty for the NHS has passed from Primary Care Trusts to the Clinical Commissioning Groups.

**Changes to the Probation service will mean that their duty will be carried out by the National Probation Service and the local Community Rehabilitation Company.

Lancashire Community Safety Strategy Group brings together representatives of these organisations to set the strategic direction for coordinating partnership activity under a range of statutory duties, 'responsible authorities' are required to work together to:

- Reduce crime and re-offending, tackle anti-social behaviour and substance misuse;
- Ensure information collection and sharing arrangements are in place to inform direction of services and develop a Community Safety Agreement (CSA) for Lancashire;
- Maintain good partnership working between organisations;
- Engage and consult communities on community safety issues; and
- Have due regard for the strategies and priorities of the Police and Crime Commissioner for Lancashire where appropriate.

Local arrangements are crucial to the effective delivery of improved outcomes. We are working to ensure that our Community Safety Partnership delivery landscape is both lean and best able to make a difference moving forward.

This agreement acknowledges and reinforces the linkage with other local partnerships such as: Children's Safeguarding Boards; Adult Safeguarding Boards; Youth Justice Management Boards; Children's Trust arrangements; Road Safety Partnership; Lancashire Criminal Justice Board; and, the Health and Wellbeing Boards.

Although this document will not detail all of the partnership activities to be undertaken, our strategic outcomes are informed and shaped both by knowledge and experience of the work in this area. To deliver these improved outcomes, partner organisations will collaborate locally to develop strategies, activities and projects that align with this Agreement.

Our Principles

Across Lancashire, we will work together with the following guiding principles:

Communities: We will put benefit for communities at the heart of decision making whilst recognising local differences and accepting our accountabilities to our own organisations.

Culture: We will encourage a culture of open and honest debate, respecting differences of opinions and challenges to views.

Outcomes: We will focus on outcomes to achieve our objectives, get results and each take responsibility for delivering.

Our Progress and Achievements

- **Domestic Abuse Service Commission 2013 – 2016:** Commissioned services in Blackpool, Blackburn with Darwen and Lancashire providing specialist domestic abuse services for victims, children and young people and perpetrators.
- **Community Safety Intelligence:** Collaborative approach to data collection and analytical capacity in Lancashire which supports the production of strategic

- analytical products and a performance scorecard. This in turn informs evidence based decision making and commissioning of services.
- **Supporting Victims and Reducing Harm:** Anti-social Behaviour Risk Assessment Conferences support victims and manage risk of harm to the most vulnerable in our communities.
- **Multi Agency Safeguarding Hub:** Has a crucial role in reducing harm caused by domestic abuse and child sexual exploitation through effective information sharing and ensuring that the right agency provides appropriate support.
- **Re-settlement and Rehabilitation:** 'Inside Out' works with short sentence offenders before release to encourage them to take responsibility for their own resettlement and rehabilitation by utilising their assets and skills.
- **Preventing Entry to the Youth Justice System:** Youth Offending Teams in Lancashire, Blackburn with Darwen and Blackpool have commissioned a 'Triage' service to reduce the number of young people entering the youth justice system through providing early support to prevent future offending.
- **Reducing Alcohol Harm:** Our joint alcohol strategy focuses on specific harm reduction priorities, which includes Community Alcohol Networks (CANSafe) which engage communities, schools, and licensed premises to address anti-social behaviour and crime linked to underage drinking with a focus on safeguarding young people and enabling family support.
- **Partnership Communication:** Regular newsletters, campaign resources and a programme of stakeholder events to ensure partners are engaged, promote key messages, and sign-post service users to support.
- **Community Feedback:** 9 out of 10 respondents to the Living in Lancashire survey, consider their local area to be safe and over half believe this compares favourably to the national picture. Whilst 4 out of 5 tell us that anti-social behaviour isn't a problem in their area, we continue to improve our approach in providing support for the most vulnerable in our communities.

Our Challenge

Our ambition is to deliver stronger services. We will use the reality of diminishing resources as an opportunity to focus our efforts to work more effectively and efficiently. It is vital that we identify the key issues that cause harm to our communities, which we will do by working in partnership to ensure we achieve the greatest impact.

Our evidence base repeatedly identifies a number of key issues which continue to impact across the county, including:

- Anti-Social Behaviour
- Child Sexual Exploitation
- Domestic Abuse
- Road Safety
- Violent Crime

For a breakdown of local breakdown of issues, see www.saferlancashire.co.uk

Crime and anti-social behaviour are symptoms of underlying behaviours that are determined by a number of contributory and causal factors or determinants.

The key factors identified are:

- Alcohol and Drugs
- Reoffending
- Interpersonal Violence
- Health
- Deprivation

Partners across the public and voluntary, community and faith sectors (VCFS) are meeting the challenge of reduced budgets and shrinking resources whilst at the same time experiencing a rising demand for service. Ensuring connectivity between organisations and taking the right action the first time has never been more important in working with our communities to address harm, reduce vulnerability and prevent escalation to statutory services.

As such we need a partnership landscape that addresses shared priorities, reduces duplication and brings added value. It is apparent that we need to move away from addressing 'symptoms' and take timely action to address root causes. These factors must be addressed in order to have any long-term impact on crime and anti-social behaviour, with complementary delivery at the appropriate level.

The Living in Lancashire survey shows that whilst most communities consider their local area to be safe, there remains a significant worry regarding issues affecting their quality of life (e.g. noise and general nuisance).

Strategic Outcomes

The complexity and wider impact of these causal factors warrant a county wide approach and so through collaboration and integration of public services, we will take early action to ensure:

1. Communities are more cohesive and resilient
2. Victims are supported and harm is reduced
3. Offending and re-offending are reduced
4. There are fewer first-time entrants into the youth justice system
5. Crime and anti-social behaviour continue to reduce
6. Criminality is targeted and disrupted

Our Approach

Early help

At the forefront of our approach to addressing these priorities, must be our commitment to taking 'early help' to stop the development of issues that can often become more significant challenges for individuals and families and so require a far more intensive response from services.

Early help is about understanding the whole picture facing an individual, family or community with the right person in the right organisation taking the right action at the right time that will make the greatest difference.

Across the county there is investment in integrated early action approaches to work with vulnerable people and families at an earlier stage to address situations before they reach crisis point. In Lancashire this is called Early Help; in Blackburn with Darwen it is called Transforming Lives and in Blackpool it is called Springboard.

Working with families

We recognise that families are the experts on their own lives and as such it is essential that their views, experiences and strengths are at the centre of how we support and enable them to develop the skills to improve their circumstances. Funding through the Troubled Families programme has supported our approach to working with families and reducing the number of agencies they come into contact with through the adoption of a lead professional approach. Our challenge is to embed this approach and ensure that we are able to apply the learning in terms of reducing re-offending and anti-social behaviour.

Strength based approaches

Often we have approached community safety issues by focussing on weaknesses in tackling the problems that we see. Our recent strategic assessment takes a new approach by looking at the root causes behind the symptoms and so in addressing these we must look to the strengths already present in our communities in order to find sustainable solutions. Through joint commissioning, co-producing services with the VCFS, and putting the voice of the service user at the centre of the design, we will aim to promote resilience, recovery and independence. We have seen success in Lancashire through utilising asset approaches to supporting recovery from substance misuse and co-producing services with service users.

Understanding vulnerability and targeting resources

Effective sharing of information to streamline service provision provides another opportunity. Research undertaken by the Home Fire Assessment task groups has utilised multiple layers of organisational data to refine our understanding of vulnerability and better target resources. Further, by adopting local area coordination approaches, we can engage with VCFS partners to ensure that service users get the right support at the right time and make better use of resources.

Supporting victims and reducing harm

The national commitment to putting victims at the centre of service delivery is set out in the Victims Code 2013. Underpinning this in Lancashire we will work in partnership with the Police and Crime Commissioner in delivering the Victims Strategy. In moving towards a victim centred support, we should recognise the harm caused by crime and anti-social behaviour will vary case by case and so we need to take an individualised approach to both recognise and reduce the harm caused.

Interpersonal violence incorporates sexual assault; stalking; relationship violence; and issues of power and control, which are significant factors in causing harm, the repercussions of which are felt not just by individuals and families but across our communities. Commissioned services are in place in Blackpool, Blackburn with Darwen and now Lancashire, however we need to evidence their effectiveness and secure commitment to sustainable future funding. Further, we must continue our efforts to build pathways between organisations and to integrate services around the needs of our communities.

Anti-social behaviour (ASB) can be indicative of neighbourhoods experiencing low levels of cohesion and where un-checked can escalate into significant harm and criminality. A significant proportion of anti-social behaviour results from inconsiderate behaviour which can escalate into neighbour disputes and patterns of retaliation. Hate crime can also manifest as ASB and many cases can benefit from similar multi-agency responses in providing support to victims. This requires a more strategic approach to ensure both a victim centred focus and coherent provision of support.

Working with those who offend or are at risk of offending

Analysis has made clear that we must tailor support to meet the needs of key offender group's e.g. domestic abuse perpetrators, violent offenders and women offenders. In supporting the re-settlement and rehabilitation of offenders, key pathways such as: education, employment and training; mental health; substance misuse and appropriate housing remain challenges.

All offenders will be considered as appropriate for interventions, they will be offered opportunities to change their offending behaviour, failure to accept these opportunities or to change will ultimately result in targeted enforcement action.

We recognise that an offender is often part of a family unit or household where their offending behaviour can put the family or household at risk. We will develop interventions and support services around minimising that risk and to break inter-generational offending.

Women who offend are often also victims of violent crime and may present with specific needs and vulnerabilities. It is recognised locally and nationally that a gender specific approach is the most effective to reduce offending behaviour, prevent further victims and give the best outcomes for communities and families.

Through Integrated Offender Management we will take coordinated approach to improving provision and access to support whilst targeting offenders who cause sustained and recurrent harm such as domestic abuse and violence.

Young People

Known offending by young people is actually falling, and of those which are detected, most do not go on to re-offend. In recognising the vulnerability of young people, we will use effective preventive measure to reduce the risk of offending in the first place and to target those children and young people whose behaviour causes most public concern.

We must take early approach to preventing young people from entering the criminal justice system and ensuring that where they move on to adult services there are effective transfer and transition arrangements in place.

Commissioning

Effective commissioning is central to delivering the key activity that will have an impact. As a partnership, we have a commissioning framework which sets out how we will work together to share resources and design services that address our key priorities. Joint commissioning of services can offer a cost-effective approach in areas such as support to victims or domestic abuse and challenging the behaviour of perpetrators.

National Context

Public Sector Transformation

The public sector is re-shaping in a number of areas not least through the transforming rehabilitation agenda. This will see the delivery of probation services split between the National Probation Service and the competitively tendered Community Rehabilitation Companies. Impact will be felt across the community safety and criminal justice landscapes not least in the operation of the prison estates, the relationship with youth justice services, commissioning of un-paid work and the supervision of both statutory and non-statutory offenders.

It is essential we both maintain provision through the transition period and develop good working relationships with the new organisations. As a partnership, we must continue to take responsibility to reduce re-offending, both through our commissioning of services and in developing joint initiatives with the new providers.

The health economy has also been through considerable re-organisation and we are making steps to ensure that we have a good working relationship with new organisations such as clinical commissioning groups and that we take account of shared priorities through arrangements with Public Health Lancashire and Health and Wellbeing Boards.

National Strategies

The Anti-Social Behaviour Crime and Policing Act (2014) has introduced a range of new tools and powers for tackling anti-social behaviour, which we are working in partnership to implement.

There are also a number of national strategies which devolve responsibility for ensuring local delivery, these include:

CONTEST is a long-term plan for countering international terrorism and is divided into four strands that include Prevent; Pursue; Protect; and Prepare. In Lancashire, we focus on the Prevent element to support cohesive communities.

Violence against Women and Girls strategy recognises that violence against women and girls requires a sustained partnership approach. In Lancashire to tackle interpersonal violence we have commissioned a core offer of domestic abuse

support services and welcome the opening of a Sexual Assault and Referral Centre in Preston.

Serious and Organised Crime criminals intimidate, corrupt and can have a corrosive impact on our communities. It creates victims and often targets the most

vulnerable amongst us. In Lancashire, we will coordinate partnership activity to maximise multi-agency effort to reduce risk from organised crime.

Measuring Success

We will identify a range of indicators that show how well we are addressing our priority issues and reducing harm. We will monitor these indicators through the partnership governance structures and the [performance scorecard](#) that can found on the Safer Lancashire website.

The tool hosted on the Safer Lancashire website provides layers of performance information to support management of local delivery.

Where an indicator is not being effectively delivered, the lead organisation in partnership with key agencies will produce a critical recovery plan for consideration by the Strategy Group.

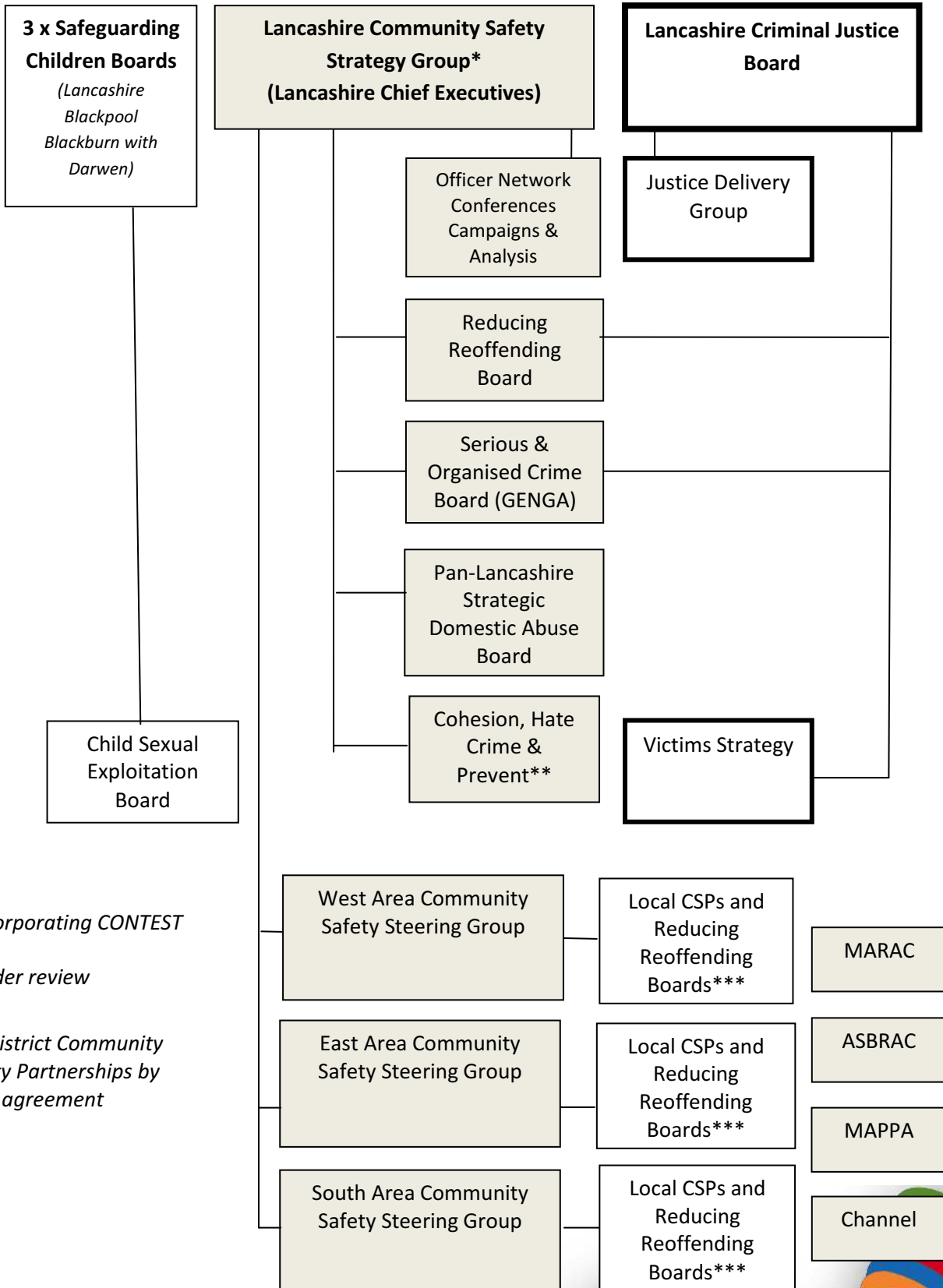
Appendix A: Strategic Activity

Strategic Activity		
Key countywide issues		Outcomes
Anti-Social Behaviour & Hate Crime	Domestic Abuse	Crime and ASB continue to reduce
	Violent Crime	Victims are supported and harm is reduced
Child Sexual Exploitation	Road Safety	
1	We will develop our response to anti-social behaviour and hate crime through the use of new tools and powers, supporting the vulnerable, and enabling victims to report incidents in confidence	
2	We will improve our understanding of vulnerability and the risk of harm in order to better target resources and safeguard children from sexual exploitation and support delivery of the LSCB CSE Strategy for Lancashire, Blackpool and Blackburn with Darwen	
3	We will develop strength based approaches in working with service users and engage the voluntary, community and faith sector in delivering support	
4	We will improve the way we tackle domestic abuse by working with children, young people, families and communities to: challenge attitudes and behaviours; provide support; reduce harm and the risk of harm; and bring perpetrators to justice	
5	We will seek to improve the skills and attitudes of drivers and riders in order to improve road safety and reduce the cost to agencies, individuals and communities	
6	We will treat victims of crime with respect and sensitivity and provide appropriate support to help them, as far as possible, to cope and recover and be protected from re-victimisation.	

Strategic Activity		
Contributory and Causal Factors		Outcomes
Alcohol and Drugs	Deprivation	Offending and re-offending are reduced
Reoffending	Health	There are fewer first time entrants to the youth justice system
7	We will work in partnership through delivery of the Lancashire Alcohol Strategy to: target irresponsible alcohol sales; reduce alcohol related violence and disorder; promote awareness of responsible consumption; and reduce the harm caused by misuse.	
8	We will reduce drugs misuse and dependence through enabling people to successfully recover from dependence, restricting the supply of drugs and prosecuting those involved in the trade.	
9	We will work with landlords of social housing, private rented properties and houses in multiple-occupation to develop a common approach to providing accommodation for vulnerable groups, offenders and transient populations in order to improve community cohesion, health and wellbeing.	
10	We will develop a shared approach to prevention and early help by enabling children, families and individuals to access appropriate support as early as possible, to help them maintain their quality of life, prevent any problems getting worse and reduce the demand for specialist support services.	
11	We will work with partners and the new deliverers of probation services to reduce offending and reoffending through the development of a reducing reoffending strategy and a range of activity including: IOM; Through the Gate; YOT re-offending project; and the Women Offenders Strategy.	
12	We will develop outcome focused commissioning to design effective and cost effective services and clear local pathways for service users to access support.	

Strategic Activity	
Statutory Requirements	Outcomes
<p>Serious Organised Crime</p> <p>CONTEST and preventing extremism</p> <p>Legislative changes</p> <p>Consultation, Inspections, Domestic Homicide Reviews, and Serious Case Reviews</p>	<p>Communities are more cohesive and resilient</p> <p>Criminality is targeted and disrupted</p>
13	We will build strong and inclusive partnerships in order to develop integrated services and closer working with NHS partners and the Health and Wellbeing Boards.
14	We will develop our understanding of threats through detailed analysis of crime and intelligence to better coordinate multi agency activity across borders.
15	We will develop local delivery arrangements to be able to effectively tackle organised crime, protect communities and build their confidence to report.
16	We will understand the local implications of legislative changes and make preparations to ensure effective action.
17	We will apply the learning gained from inspections, reviews and communities to ensure that we continue to improve how we design and deliver services.

Appendix B: Delivery Landscape



Appendix C: Legislation & Strategies

Legislation:

Crime and Disorder Act 1998

Police and Justice Act 2006

Police and Crime Act 2009

Police Reform and Social Responsibility Act 2011

Anti-Social Behaviour Crime and Policing Act 2014

Key National Strategies & Guidance:

[Getting it Right for Victims and Witnesses](#)

[Challenge it, Report it, Stop it: The Government's Plan to Tackle Hate Crime](#)

[Ending Violence Against Women and Girls](#)

[National Alcohol Strategy](#)

[National Drugs Strategy](#)

[National Prevent Strategy](#)

[Strategic Policing Requirement](#)

[Serious and Organised Crime Strategy](#)

Related Lancashire Partnership Strategies:

[Lancashire Children and Young People's Trust Priority](#)

Safeguarding Children's Boards: [Lancashire](#) / [Blackburn](#) / [Blackpool](#)

Safeguarding Adults Boards: [Lancashire](#) / [Blackburn](#) / [Blackpool](#)

[Lancashire Health & Wellbeing Board Priority \(Early Response to Domestic Abuse\)](#)

[The Police and Crime Plan for Lancashire](#)

[Lancashire Criminal Justice Board Strategy](#)

Meeting of the Full Council
Meeting to be held on 18 December 2014

Report submitted by: The Chief Executive

Part A

Electoral Division affected:
All

The Localism Act 2011 – Updated Pay Policy Statement 2014/15
(Appendix A refers)

Contact for further information:
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Chris.mather@lancashire.gov.uk

Executive Summary

The Localism Act 2011 requires local authorities to prepare and publish a pay policy statement each year. The pay policy statement must articulate the local authority's approach to a range of issues relating to the pay of its workforce, particularly its chief officers and its lowest paid employees.

The pay policy statement must be approved by Full Council before it comes into force.

In exceptional circumstances the pay policy statement can be reviewed/updated mid-year. The statement published in April 2014 has been reviewed and updated to reflect some changes to the council's pay arrangements, namely the appointment of the Chief Executive and the introduction of the Living Wage.

Recommendation

The Full Council is asked to approve the proposed updated Pay Policy Statement for 2014/15, 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.

Updated Pay Policy Statement

In exceptional circumstances the pay policy statement can be reviewed/updated mid-year. The statement published in April 2014 has been reviewed and updated to reflect some changes to the council's pay arrangements, namely the appointment of the Chief Executive and the introduction of the Living Wage. In addition, the Local Government Pension Scheme employee pension contribution bandings have changed as a result of the Government Actuary's view of the results of the actuarial valuation and these are reflected in the updated statement.

The Employment Committee at its meeting on 13 October 2014 considered the updated Pay Policy Statement for the financial year 2014/15 and agreed that the Full Council be recommended to approve the revised Statement, as set out at Appendix A.

The revised 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.

Following this mid-year review, the pay multiple between the median FTE salary and that of the Chief Executive is 1:10.31, which represents a decrease from the figures of 1:12.72 or 1:13.45 reported in the last pay policy statement.

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 revised 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 updated 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 updated Pay Policy Statement.

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
Openness and accountability in local pay: Guidance under section 40 of the Localism Act	February 2012	K Dunne (OCL) 01772 535787

Reason for inclusion in Part II, if appropriate

N/A

**Annual Pay Policy Statement 2014/15 (The Localism Act 2011)
(January 2015 update)**

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 January 2015. This annual pay policy statement will be subject to annual review and approval by Full Council by 31 March each year. However, the 1 April 2014 statement has been reviewed/amended mid-year and approved by the Full Council for publication on 1 January 2015.

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.

- 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.

Note: It is expected that those senior employees covered by the JNC for Chief Officers of Local Authorities, JNC for Chief Executives of Local Authorities or NHS Staff Council will be brought within the Council's terms and conditions, as part of the whole-council transformation, with effect from 1 April 2015.

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 August 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 post of Chief Executive/Head of Paid Service is £170,000 per annum, is 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 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 Health Improvement

The rewards package for this post is as set out in the NHS Terms and Conditions of Service Handbook. The current basic salary package (wef 1 April 2013) for this post 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. However, it is for the Council to determine whether or not the pay award should be applied to posts that have transferred.

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 August 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 to 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 £8,201 (as at 31 August 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 1.6 (as at 31 August 2014), subject to a maximum of 48 weeks. Compulsory redundancy payments are based upon the statutory redundancy payments scale only at actual pay.

Under Regulation 3 (10) of the Local government Pension Scheme (Transitional Provisions, Savings and Amendment) Regulations 2014 and Regulation 12 of the Local government Pension Scheme (Benefits, Membership and Contributions) Regulations 2007, the Council may award up to 10 years additional membership to a scheme member whose employment was terminated before 1 April 2014 on the grounds of redundancy or business efficiency, within six months of their date of termination, in exceptional and justifiable circumstances. This is a time limited discretion which expires on 30 September 2014 for those scheme members who employment is terminated on 31 March 2014.

Under Regulation 31 of the Local Government Pension Scheme Regulations 2013, the Council may award additional pension of not more than £6,500 a year (as at 31 August 2014) in exceptional and justifiable circumstances.

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 With effect from 1 April 2014 the County Council became a Living Wage employer. This means that from 1 April 2014 all employees are paid a minimum of £7.65 per hour, which is the equivalent of £14,759 per annum. (This excludes staff in schools, as the decision as to whether to adopt the Living wage sits with the individual Governing Body of each school).
- 3.3 As at 31 August 2014, the lowest grading level within the Lancashire pay spine is Living Wage Grade 2, which encompasses a single point (10 LW) of £14,759 per annum.

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 1:10.31 (figures based upon median average FTE salary of £16,998 and Chief Executive's salary of £175,000 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 1:10.31).

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 In addition to the policy highlighted above, re-employed pensioners who have previously retired on redundancy or efficiency grounds before October 2006 and been awarded compensatory added years, are also subject to abatement. This abatement applies only to the benefits which are payable in relation to the added years awarded. The benefits are adjusted where the aggregate of the pension and the earnings in the new employment exceed the rate of pay on leaving the first employment. There is no discretion for the Council as administrator of the Lancashire Pension Fund on whether or not they apply this particular abatement in respect of benefits payable as a result of the previous award of compensatory added years.
- 6.3 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.
- 6.4 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 1 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 – 2014/15 rates

<u>Full Time Equivalent Salary</u>	<u>Employee Contribution Rate</u>
Up to £15,431.99	5.0%
£15,432.00 to £21,387.99	5.6%
£21,388.00 to £26,823.99	7.1%
£26,824.00 to £49,472.99	9.3%
£49,473.00 to £70,630.99	12.5%
£70,631.00 to £111,376.99	13.5%
£111,377.00 and over	14.5%

SCP	£ (Annual)	Monthly Salary	Hourly Rate	Grades	Notes
5	12,435	1,036	6.45	Grade 1	Only to be used for apprentice posts
6	12,614	1,051	6.54	164 - 229 NJC points	
7	12,915	1,076	6.69		
8	13,321	1,110	6.90		
9	13,725	1,144	7.11		
10	14,013	1,168	7.26		
10 (LW)	14,759	1,230	7.65	LIVING WAGE Grade 2 230 - 254 NJC points	
11	14,880	1,240	7.71	LIVING WAGE Grade 3	
12	15,189	1,266	7.87	255 - 299 NJC points	
13	15,598	1,300	8.08		Grade 4 300 - 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 5 360 - 419 NJC points 158 - 186 Hay points
18	17,333	1,444	8.98		
19	17,980	1,498	9.32		
20	18,638	1,553	9.66		
21	19,317	1,610	10.01		
22	19,817	1,651	10.27		Grade 6 420 - 479 NJC points 187 - 222 Hay points
23	20,400	1,700	10.57		
24	21,067	1,756	10.92		
25	21,734	1,811	11.27		
26	22,443	1,870	11.63		Grade 7 480 - 539 NJC points 223 - 264 Hay points
27	23,188	1,932	12.02		
28	23,945	1,995	12.41		
29	24,892	2,074	12.90		
30	25,727	2,144	13.33		
31	26,539	2,212	13.76		Grade 8 540 - 599 NJC points 265 - 313 Hay points
32	27,323	2,277	14.16		
33	28,127	2,344	14.58		
34	28,922	2,410	14.99		
35	29,528	2,461	15.31		Grade 9 600 - 659 NJC points 314 - 373 Hay points
36	30,311	2,526	15.71		
37	31,160	2,597	16.15		
38	32,072	2,673	16.62		
39	33,128	2,761	17.17		
40	33,998	2,833	17.62		Grade 10 660 - 719 NJC points 374 - 443 Hay points
41	34,894	2,908	18.09		
42	35,784	2,982	18.55		
43	36,676	3,056	19.01		
44	37,578	3,132	19.48		Grade 11 720 - 779 NJC points 444 - 526 Hay points
45	38,422	3,202	19.92		
46	39,351	3,279	20.40		
47	40,254	3,355	20.86		
48	41,148	3,429	21.33		
49	42,032	3,503	21.79		Grade 12 780 - 849 NJC points 527 - 645 Hay points
50	42,931	3,578	22.25		
51	43,861	3,655	22.73		
52	44,743	3,729	23.19		
53	45,655	3,805	23.66		Not Used
54	46,570	3,881	24.14		
55					
56					
57					
58	51,537	4,295			Grade 13 850 - 909 NJC points 646 - 765 Hay points
59	52,507	4,376			
60	53,480	4,457			
61	54,082	4,507			
62	55,143	4,595			
63	56,203	4,684			
64					Not Used
65					
66					
67	60,764	5,064			
68	61,933	5,161			
69	63,097	5,258			Grade 14 910 - 969 NJC points 766 - 909 Hay points
70	64,042	5,337			
71	65,330	5,444			
72	66,612	5,551			
73					Not Used
74					
75					
76	76,560	6,380			D1 910 - 1065 Hay points
77	78,426	6,536			
78	80,298	6,692			
79	82,167	6,847			

80	84,036	7,003		
81	85,701	7,142		
82	87,573	7,298		D2
83	89,442	7,454		1066 - 1194 Hay points
84	91,314	7,610		
85	93,180	7,765		
86	105,000	8,750		
87	107,500	8,958	D3	
88	110,000	9,167	1195 - 1339 Hay points	
89	112,500	9,375		
90	115,000	9,583		
91	118,884	9,907		ED
92	121,467	10,122		1340 - 2060 Hay points
93	124,044	10,337		
94	126,624	10,552		
95	129,201	10,767		
96	170,000	14,167	CE	

1st April 2014

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.
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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

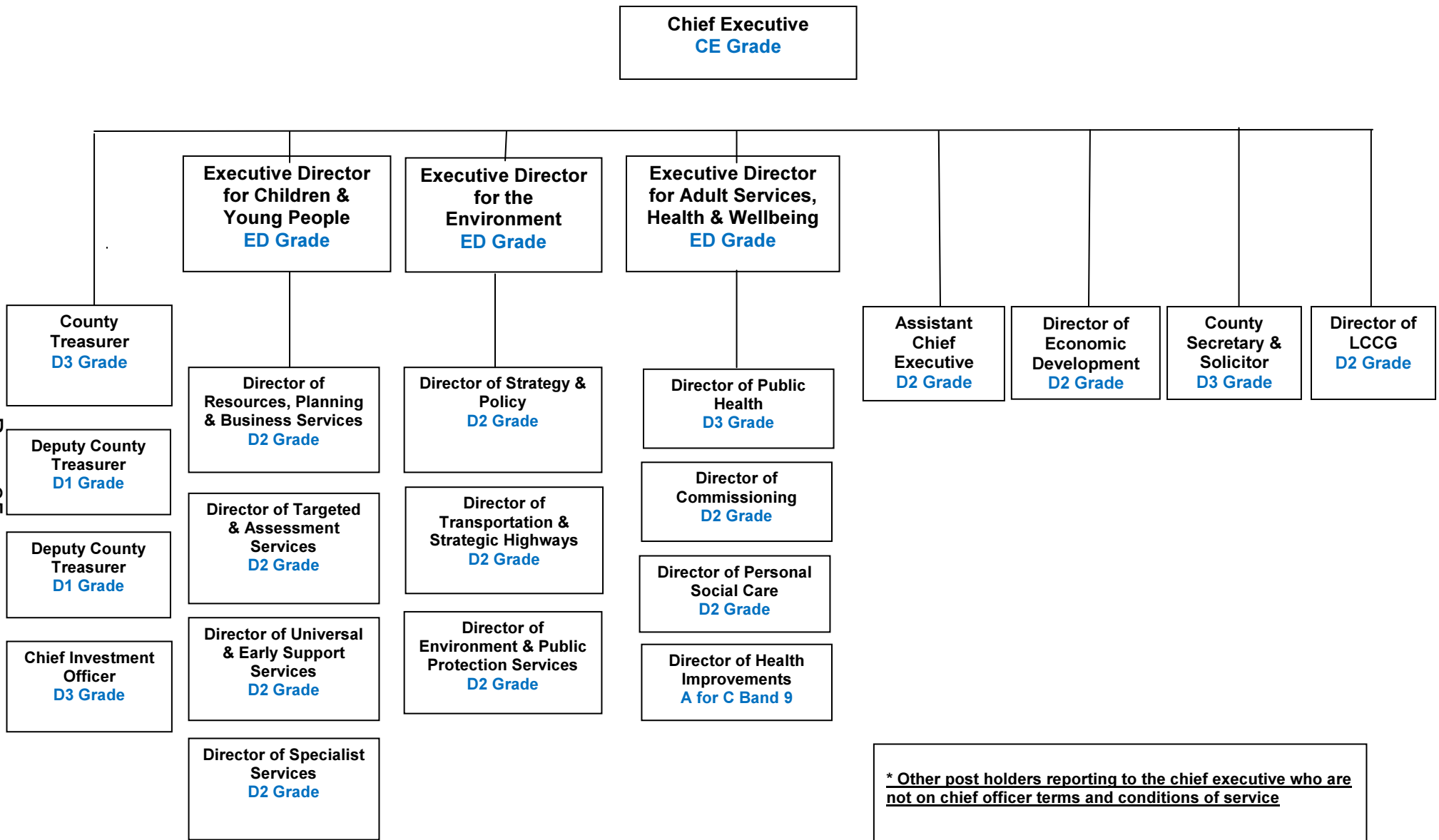
Type of Allowance or Expense	Amount or Rate Payable	Effective Date	Additional Information
Subsistence allowances (L.Ag)	The maximum amounts that can be claimed are as follows : Breakfast - £6.87 Lunch - £7.07 Dinner/Evening Meal - £11.71	1 April 2014 <u>Note:</u> These allowances will be increased as from 1 April each year by the annual increase in the Retail Price Index (RPI) published in the preceding November.	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. 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). Receipts for the full amount paid are required in respect of all claims. See Requirements to Qualify for Meal Allowances guidance for further details.
Meal charges for residential and allied staff (resident and non-resident staff) (N.Ag)	Breakfast - £1.00 Dinner/Main Meals - £1.74 Tea - £0.49 Snack Supper - £0.80 ----- Total - £4.03 For ease of administration, these rates may be used on the following basis: Weekly - £28.43 Monthly – £123.22 Per Annum - £1,478.64	1 April 2014 <u>Note:</u> These charges are reviewed annually in line with movements in the appropriate sectors of the RPI.	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.
Overnight allowance	In exceptional circumstances,	1 April 2014	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 - £144</p> <p>On business outside London - £125</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 £76.00 per day should be claimed and invoices/receipts need not be produced.</p>	<p>Flat rate amount effective from 1 April 2014.</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 £8,201 (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 2014</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 - £19.90 For spectacles - £49.00</p>	5 February 2014	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 HR Service will provide individual employees with

			a standard letter (on 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.



* Other post holders reporting to the chief executive who are not on chief officer terms and conditions of service

- Head of communication
Grade 14

Meeting of the Full Council
Meeting to be held on 18 December 2014

Report submitted by: The Chief Executive

Part A

Electoral Division affected:
All

Establishment of the Lancashire Pension Board
(Annex 1 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 proposals for the establishment of the Lancashire Pension Board as required by the Local Government Pension Scheme (Amendment) Regulations 2014.

Recommendation

The Full Council is asked to:

1. Agree the proposals for the establishment of the Lancashire Pension Board, as set out in the report (Annex 1).
2. Approve (i) the disestablishment of the Pension Fund Administration Sub Committee, and (ii) the proposed revised terms of reference for the Pension Fund Committee, as set out at Appendix 'B' to Annex 1.

Background and Advice

The Pension Fund Committee at its meeting on 28 November 2014 considered a report on the proposed establishment of the Lancashire Pension Board as required by the Local Government Pension Scheme (Amendment) Regulations 2014. A copy of the report is attached at Annex 1.

The report set out:

- the functions and position of the Pension Board in the Fund's Governance structure;

- the proposed composition of the Board and the appointment process including the appointment of an independent chair;
- proposals for the remuneration of Board members;
- the Board's terms of reference;
- the implications of the creation of the Board for the Fund's existing governance arrangements including the proposed disestablishment of the Pension Fund Administration Sub-Committee and consequential amendments to the Pension Fund Committee's terms of reference (Appendix 'B'); and
- the outcome of consultations on the proposals including the views of officers thereon.

The first meeting of the new Board has to be held before July 2015 with the membership of the Board in place by April 2015.

The Pension Fund Committee agreed that that Full Council should be requested to approve the proposed arrangements, as set out in the report (Annex 1), at this meeting to enable the recruitment timetable to commence in January 2015.

Consultations

As set out in Annex 1.

Implications:

This item has the following implications, as indicated:

Risk management

As set out in Annex 1.

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

Paper	Date	Contact/Directorate/Tel
Report to Pension Fund Committee	28 November 2014	Chris Mather, OCE, 01772 533559

Reason for inclusion in Part II, if appropriate

N/A

Pension Fund Committee

Meeting to be held on 28 November 2014

Electoral Division affected: None

Establishment of the Lancashire Pension Board

Contact for further information:

George Graham, (01772) 538102, County Treasurer's Directorate,
george.graham@lancashire.gov.uk

Executive Summary

The new Local Government Pension Scheme Governance regulations require each LGPS administering authority to create a Pensions Board to assist its work in managing its pension fund. This report sets out the proposed composition and terms of reference for the Lancashire Pension Board and asks the Committee to recommend these to the Full Council for approval.

Recommendation

The Committee is recommended to:

- i. Endorse the proposals for the Lancashire Pension Board set out in this report and recommend them to the County Council for adoption.
- ii. Recommend the County Council approve the dissolution of the Administration Sub Committee and approve the proposed revised terms of reference for the Committee set out at Appendix B.

Background and Advice

The Local Government Pension Scheme (Amendment) Regulations 2014, consultation on which has previously been reported to the Committee are now at an advanced stage in the approval process and given the timescale for implementation it is necessary to put arrangements in place to ensure that the Lancashire County Pension Fund can comply with the regulations when they come into force.

Key Provisions

The key provisions of the regulations are associated with the creation of a Pension Board in order:

- a) to secure compliance with:
 - i. the Regulations;

- ii. other legislation relating to the governance and administration of the LGPS;
 - iii. and the requirements imposed by the Regulator in relation to the LGPS, and
- b) to ensure the effective and efficient governance and administration of the LGPS.

It is important to note that the Board is not a committee set up under the Local Government Acts but a specific creation of the relevant regulations under public sector pension legislation, therefore requirements such as political balance do not apply. The Board is also not a decision making body, its role is to "assist" the Administering Authority and the Scheme Manager.

The regulations provide for a Board to be made up of equal numbers of employee and employer representatives with a minimum number of 2 of each, the latter giving an indication of the intention that these should be relatively small bodies. It is a matter for the administering authority (in this case the County Council) to make appointments to the Board and to assure itself that the Board is both representative of both employers and members of the Fund and that members of the Board meet the requirements for membership in terms of what the regulations describe as "relevant experience and capacity", but which in other contexts is referred to as knowledge and understanding.

There are restrictions on which County Council members or officers may be members of the Board in order to prevent conflict of interest. In essence from a member point of view it is not possible to be a member of both the Pension Fund Committee and the Pension Board, while no officer involved in the running of the Fund could be either an employer or employee representative.

It is possible to appoint other members to Boards who do not fall into either the employer or employee category, for example as an independent chair.

The Functions and Position of the Pensions Board in the Fund's Governance Structure

The regulations and guidance clearly set out the role of the Pensions Board as a non-executive function while the Pension Fund Committee remains the decision making body in the new arrangements.

The roles of the various governance bodies are:

Administering Authority – The Full County Council responsible for making appropriate arrangements for the administration of the Fund.

Scheme Manager – The Pension Fund Committee responsible for the effective management of the Fund, with specific activities delegated to officers.

The Pension Board – Responsible for providing advice to ensure the above functions are carried out efficiently, effectively and in accordance with the relevant regulations.

It is expected that an ongoing dialogue will be maintained between the Pension Board and the Pension Fund Committee and that the Board will produce an annual report to the Full Council and would report to the Full Council if it identified any breach of regulations which the Committee determined not to address.

Proposed Composition of the Lancashire Board

Given the need for a relatively small but representative body and to ensure that the Board is able to provide appropriate and knowledgeable challenge to the Pension Fund Committee as Scheme Manager it is proposed that:

1. The Lancashire Pension Board be chaired by an Independent Member with significant relevant experience either as a Pension Fund trustee or in the running of pension funds, preferably, within the Local Government Pension Scheme.
2. That the voting membership of the Board consist of 4 employer and 4 employee representatives.
3. That the 4 employee representatives be drawn:
 - a. 2 from active members of the Fund;
 - b. 1 from deferred members of the Fund;
 - c. 1 from pensioner members of the Fund.
4. That the 4 employer representatives be drawn:
 - a. 2 from Lancashire County Council
 - b. 1 from the other local authority employers within the Fund (excluding Parish and Town Councils);
 - c. 1 from all other employers within the Fund (including the Parish and Town Councils).

This provides representation for employers broadly in line with membership and while for employees membership in the three categories is roughly equally divided it is felt likely to be easier to secure representation from the active membership.

It will be a separate matter for the County Council (in its role as the major employer within the Fund) and the other local authorities to determine whether to appoint elected members or officers to represent them.

Appointment Process

The following appointment process, which meets the criteria of openness and transparency set out in the relevant guidance, is proposed for each category of membership:

1. Independent Chair – To be appointed following public advertisement in appropriate publications such as the Financial Times using an interview process similar to that for the Fund's independent investment advisers, but with representatives of the Full Council as administering authority.

2. Employer representatives – Through seeking nominations from the respective "constituencies". If there were more nominations than places then subject to all nominees satisfying the "relevant experience and capacity test" a ballot of the relevant employer group would be held. It is expected that the County Council would appoint representatives through its usual processes and the other local authorities through some mechanism such as the Lancashire Leaders' Group. However, for the other employers there is clearly the potential for a ballot to be required.
3. Employee representatives – Through seeking nominations from the respective "constituencies". If there were more nominations than places then subject to all nominees satisfying the "relevant experience and capacity test" a ballot of the relevant employee group would be held. While this process is potentially lengthy and more expensive than potential alternatives such as nomination by representative bodies it is the only process which is fully open and transparent giving an equal chance for all members of the Fund to be appointed, as set out in the relevant guidance.

It is proposed that appointments would be for four years, although for any councilors appointed this would be subject to the results of any election in the intervening period. A term of office of this length, with the potential for reappointment, provides the opportunity for members of the Board to develop a degree of expertise, which will be of value to the Board. If elected members of the County Council are appointed this will be mid-way through their four year term and thus there is the potential for some staggering in the turnover of members to be introduced from the beginning of the life of the Board which is desirable.

The "relevant experience and capacity" test will need to be applied in line with the provisions of the guidance produced by the Shadow Scheme Advisory Board to ensure both that it operates effectively, but at the same time does not operate as an unnecessary deterrent to potential members who are able to undertake appropriate development activity.

Remuneration of Board Members

Consideration needs to be given to whether members of the Board should be remunerated and if so, how. Clearly there is the potential for member representatives who are still in employment either to be deterred from putting themselves forward or to be out of pocket as a result of being appointed if there is no remuneration.

The following would seem to be an approach which balances the various issues which arise in this difficult area. As these appointments are not subject to the standard local authority rules and therefore are not subject to the Remuneration Panel's recommendation these are matters for the Council, acting as Administering Authority to decide, although clearly reference to the policies and principles recommended by the Remuneration Panel is good practice.

1. All members of the Board shall be reimbursed for travel and subsistence expenses they have actually and necessarily incurred in the conduct of their duties as a member of the Board, including attendance at relevant training and development activities. Rules in relation to the production of receipts etc. would apply.
2. In relation to members of the Board who are not councilors and are in employment, their employer will be able to reclaim a sum equivalent to salary, employers' national insurance contributions and employers' pension contributions, in respect of time spent by the individual in fulfilling their duties as a member of the Board, including attendance at relevant training and development activities.

The above attempts to ensure that no member of the Board will be out of pocket as a result of their membership and seeks to remove potential disincentives to membership while not providing a solely financial incentive to take part in the work of the Board.

For Councilors who are appointed to the Board the role would be part of the various council appointments they take on. It is therefore a matter for the particular Council making the appointment to consider how the responsibilities of membership should be dealt with as part of the relevant Members Allowance Scheme.

The role of Chair is different to those of other members as the aim is to seek an individual with both a significant degree of knowledge and experience and also the stature to guide the work of the Board. It is also likely that the Chair will have to undertake work in addition to attendance at meetings of the Board and attendance at training and development events, for example attendance at agenda planning meetings, and preparation of the Board's Annual report. If the analogy of the Members' Allowance Scheme is maintained then this would indicate some degree of "special responsibility" for which an allowance would be appropriate. Bearing in mind both the nature of the work required and the necessity to attract an individual of appropriate standing to this role it is suggested that an allowance of £10,000 per annum increased each April by the Retail Prices Index the previous September be approved. This is roughly 30% of the base fee payable to the Fund's Independent Investment Advisers whose commitment amounts to at least 1 day per month plus an expectation around maintaining the currency of their knowledge, responding to enquiries and dealing with issues through correspondence. While the input required of the Chair cannot easily be determined in advance the same basic requirement of attending meetings and training sessions maintaining knowledge and dealing with issues through correspondence will be required. As this is driven by the four meetings of the Board which is about 1/3 of the number of meetings for the advisers a base rate of c. 1/3 of the advisers seems appropriate.

Terms of Reference

It will be necessary to agree appropriate terms of reference for the Board and reflect these within the Fund's Governance Policy Statement, which is, in effect the constitution for the Fund.

Attached at Appendix A are draft terms of reference for approval by the Full Council. These are somewhat fuller than would usually be the case as they need to be able to stand in isolation from the rest of the Council's constitutional documents.

Implications of the Creation of the Pension Board for the Fund's Existing Governance Arrangements

The creation of the new Pension Board with an explicit compliance role presents, as it develops, the opportunity to review the Fund's existing Governance arrangements as part of work being undertaken by the County Council to review its overall governance arrangements.

Within any review of this sort key factors are likely to be:

- The size, effectiveness and manageability of the Committee (the current committee is 21 members against an average in England and Wales of 10 with most in the range 10-15) ;
- The representativeness of the Committee in terms of the various employer and member interests within the Fund, bearing in mind its responsibility to exercise functions of the County Council.
- The division of responsibility between the Committee and officers.

The conduct of any review of this sort is a matter for the County Council through the appropriate mechanisms. In the interim the creation of the Board creates the potential for some overlap in agendas with the Administration Sub Committee, and it is therefore recommended that the Committee recommend to the Council the abolition of this sub-committee and the amendments to its own terms of reference reflecting this set out at Appendix B. As well as reflecting the abolition of the Administration Sub Committee the opportunity has also been taken to structure the terms of reference more in line with the themes of activity undertaken by the Committee.

Timetable

The first meeting of the new Board has to be held before July 2015 with the membership of the Board in place by April 2015. Subject to approval of the arrangements set out in this report by the full County Council in December this should be achievable and an outline timetable is set out below. The process for the Independent Chair will run in parallel with this.

Selection by ballot	
By 9 January 2015	Invite Nominations
By 15 February 2015	Circulate ballot papers (if required)
1 March 2015	Closing date for ballot papers to be returned (if required)
2 March 2015	Counting of ballot papers and declaration of results (if required), successful candidates advised.
3 March 2015	Appointment details on LCPF website
27 March 2015	Report results of process to Pension Fund Committee

Following appointment a training programme will be arranged for all members of the new Board prior to it commencing its work.

Consultation

Any views received from the employer community and staff representative bodies will be reported orally at the meeting.

In general the responses received at the time of writing are either supportive or raise questions of detail, however, Unison in the North West made the following specific points:

1. They would prefer to see 5 member representatives and 5 employer representative as they feel this would be the appropriate size Board for a Fund of this size. The size of the Fund should not be a determining factor in the size of the Board, rather the size should be determined by the ability for the Board to be effective. In addition given the way in which 5 employer seats would logically have to be divided the County Council would begin to have a predominant influence which defeats the objective of the Board providing a genuinely independent oversight function.
2. They feel that it is inappropriate to have an independent chair. This is clearly a difference of opinion, but it is the view of officers that the additional knowledge and expertise that this role will provide will add to the effectiveness of the Board in providing appropriate challenge and scrutiny.
3. They would prefer all member representatives to be active members. This would not be in line with the guidance which indicates that all members of the Fund should be represented, which includes both pensioner and deferred members. It is, though, accepted that representatives of pensioner and deferred members may be more difficult to secure.
4. Unison are clear that they believe that Trade Union facility time should be provided for those acting as member representatives. This is a matter for individual employers, but the financial arrangements suggested in this report similarly are intended to ensure that there is no disincentive to employers to release staff, or to employees to put themselves forward.

5. Unison indicate a commitment to provide training for members who wish to become members of Boards, which is welcomed.
6. Unison express a preference for five year terms of office, which is the maximum suggested in the guidance. The suggestion of four years is a matter of administrative convenience to align with electoral cycles where councillors are appointed as members of the Board.

Implications:

Risk management

The creation of the Board and its effective operation is intended to reduce the Fund's exposure to a range of risks associated with compliance with regulations and the Pensions Regulator's code for public service schemes,

Financial

Any costs incurred in the establishment and running of the Pension Board are chargeable to the Pension Fund under the terms of the relevant regulations.

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

Paper	Date	Contact/Directorate/Tel
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Reason for inclusion in Part II, if appropriate

N/a

Pension Board of the Lancashire County Pension Fund

Terms of Reference and Delegated Authorities

1) Role of the Local Pension Board

The role of the Lancashire Pension Board as defined by sections 5 (1) and (2) of the Public Service Pensions Act 2013, is to –

- a) To assist Lancashire County Council as Administering Authority in its role as Scheme Manager; –
 - i. to secure compliance with the LGPS regulations and any other legislation relating to the governance and administration of the LGPS
 - ii. to secure compliance with requirements imposed in relation to the LGPS by the Pensions Regulator
 - iii. in such other matters as the LGPS regulations may specify
- b) To secure the effective and efficient governance and administration of the LGPS for the Lancashire County Pension Fund
- c) To provide the Scheme Manager with such information as it requires to ensure that any member of the Pension Board or person to be appointed to the Pension Board does not have a conflict of interest.

The Pension Board will ensure it effectively and efficiently complies with the code of practice on the governance and administration of public service pension schemes issued by the Pension Regulator.

The Pension Board will also help ensure that the Lancashire County Pension Fund is managed and administered effectively and efficiently and complies with the code of practice on the governance and administration of public service pension schemes issued by the Pension Regulator.

The Pension Board shall meet sufficiently regularly to discharge its duties and responsibilities effectively, but not less than four times in any year.

2) Membership and Appointment Process

The Pension Board shall consist of 9 members and be constituted as follows:

- a) 4 employer representatives, of whom;
 - i. 2 shall be nominated by Lancashire County Council, where these are councilors or officers they shall meet the requirements of the relevant regulations in relation to avoidance of conflict with the County Council's role as Administering Authority:

- ii. 1 shall be nominated by the Unitary, City, and Borough Councils and the Police and Fire bodies which are employers within the Lancashire County Pension Fund;
 - iii. 1 shall be nominated by all other employers within the Fund.
- b) 4 scheme member representatives of whom;
- i. 2 shall represent and be drawn from active members of the Lancashire County Pension Fund;
 - ii. 1 shall represent and be drawn from pensioner members of the Lancashire County Pension Fund;
 - iii. 1 shall represent and be drawn from deferred members of the Lancashire County Pension Fund.
- c) 1 independent member selected by the Scheme Manager, who shall not be a member of the Lancashire County Pension Fund and who shall be appointed as Chair of the Board. Such appointment will only be made following an openly advertised competition for the role.

Members in all categories will only be appointed to the Board by the Scheme Manager if they meet the skill and knowledge requirements set out in the relevant regulations and guidance, and as set out in section 7, below.

Members of the Board in categories a) iii., and b) i., ii., and iii., shall only be appointed after all employers or members of the Fund in those categories have been invited to put forward nominations. Where there is more than one nomination in any category then any nominee who meets the relevant knowledge and skills requirement will be included on a ballot of all members or employers in the relevant category. The winner in such a ballot will be the candidate with the greatest number of votes under the "first past the post" method.

Members of the Board will serve for a term of four years. Other than as a result of retirement at the expiry of this period the term of office will come to an end:

- a) For employer representatives who are councilors if they cease to hold office as a councillor;
- b) For employer representatives who are not councilors when they cease to be employed by the employing body where they were employed on appointment;
- c) For scheme member representatives if they cease to be a member of the relevant member group.

Each Board member should endeavour to attend all Board meetings during the year and is required to attend at least 3 meetings each year. Given the nature of the Board as a supervisory body and the need for appropriate knowledge and skills and the clear avoidance of conflicts of interest substitute members are not permitted.

In the event of consistent non-attendance by any Board member, then the tenure of that membership should be reviewed by the other Board members in liaison with the Scheme Manager.

Other than by ceasing to be eligible as set out above, a Board member may only be removed from office during a term of appointment by the unanimous agreement of all of the other members. The removal of the independent member requires the consent of the Scheme Manager.

3) Quorum

The Board shall not be quorate unless the Chair and at least 2 employer representatives and 2 scheme member representatives are present.

4) Conflicts of Interest

The policy for identifying conflicts of interest is set out in a separate policy document.

5) Board Review Process

The Board will undertake each year a formal review process to assess how well it and its members are performing with a view to seeking continuous improvement in the Board's performance.

6) Advisers to the Board

The Board may be supported in its role and responsibilities through the appointment of advisers, in addition to the Scheme Manager's officers and the Fund's various advisers and shall, subject to any applicable regulation and legislation from time to time in force, consult with such advisers to the Board and on such terms as it shall see fit to help better perform its duties.

The Board shall ensure that the performances of the advisers so appointed are reviewed on a regular basis.

7) Knowledge and Skills

A member of the Pension Board must be conversant with –

1 The legislation and associated guidance of the Local Government Pension Scheme (LGPS).

2 Any document recording policy about the administration of the LGPS which is for the time being adopted by the Lancashire County Pension Fund.

A member of the Pension Board must have knowledge and understanding of –

a) The law relating to pensions, and

b) Any other matters which are prescribed in regulations.

It is for individual Pension Board members to be satisfied that they have the appropriate degree of knowledge and understanding to enable them to properly exercise their functions as a member of the Pension Board.

In line with this requirement Pension Board members are required to be able to demonstrate their knowledge and understanding and to refresh and keep their knowledge up to date. Pension Board members are therefore required to maintain a written record of relevant training and development.

Pension Board members will undertake a personal training needs analysis and regularly review their skills, competencies and knowledge to identify gaps or weaknesses.

Pension Board members will comply with the Scheme Manager's training policy.

8) Board Meetings – Notice Minutes and Reporting

The Scheme Manager shall give notice to all Pension Board members of every meeting of the Pension Board, and shall ensure that all papers are published on the Lancashire County Pension Fund Website at least 5 working days prior to each meeting. These may at the discretion of the Scheme Manager be edited to exclude items on the grounds that they would either involve the likely disclosure of exempt information as specified in Part 1 of Schedule 12A of the Local Government Act 1972 or it being confidential for the purposes of Section 100A(2) of that Act and/or they represent data covered by the Data Protection Act 1998.

The Scheme Manager shall ensure that a formal record of Pension Board proceedings is maintained. Subsequent to each meeting the Chair will be asked to approve the minutes for publication as a draft and circulation to all members of the Board.

The Pension Board shall on an annual basis produce a report on both the nature and effect of its activities for consideration by the Administering Authority. The contents of this annual report will be subject to consideration and agreement at a meeting of the Board, but should include, inter alia:

- a) Details of the attendance of members of the Board at meetings,
- b) Details of the training and development activities provided for members of the board and attendance at such activities;
- c) Details of any recommendations made by the Board to the Scheme Manager and the Scheme Manager's response to those recommendations;
- d) Details of the costs incurred in the operation of the Board

The Board in considering items of business at its ordinary meetings shall in relation to each item consider whether it wishes to make a recommendation to the Scheme Manager, to which the Scheme Manager shall respond at the subsequent meeting.

9) Remit of the Board

The Pension Board must assist the Scheme Manager with such other matters as the scheme regulations may specify. It is for scheme regulations and the Scheme Manager to determine precisely what the Pension Board's role entails. This role involves but is not limited to oversight and comment on:

- Performance standards;
- Customer service standards;
- Data quality and record keeping;
- Relative and absolute costs of running the fund;
- Learning from appeals and complaints;
- The application of specific policies within the fund, and
- The steps required to address any deficit within the fund.

10) Standards of Conduct

The role of Pension Board members requires the highest standards of conduct and therefore the "seven principles of public life" will be applied to all Pension Board members and embodied in their code of conduct.

These principles are –

- Selflessness
- Integrity
- Objectivity
- Accountability
- Openness
- Honesty
- Leadership

11) Decision making

Each member of the Pension Board will have an individual voting right but it is expected the Pension Board will as far as possible reach a consensus. The Chair of the Pension Board will not have a final deciding vote.

12) Publication of Pension Board information

Scheme members and other interested parties will want to know that the Lancashire County Pension Fund is being efficiently and effectively managed. They will also want to be confident that the Pension Board is properly constituted, trained and competent in order to comply with scheme regulations, the governance and administration of the scheme and requirements of the Pension Regulator. Up to date information will be posted on the Lancashire County Pension Fund website showing

- The names, contact details and other relevant information about the Pension Board members
- How the scheme members are represented on the Pension Board
- The responsibilities of the Pension Board as a whole
- The full terms of reference and policies of the Pension Board and how they operate
- Details of the Pension Board appointment process
- Any specific roles and responsibilities of individual Pension Board members.

The Scheme Manager will also consider requests for additional information to be published or made available to individual scheme members to encourage scheme member engagement and promote a culture of openness and transparency.

13) Accountability

The Pension Board will be collectively and individually accountable to the Scheme Manager.

14) Expense Reimbursement and Remuneration

All members of the Board shall, on the production of relevant receipts be reimbursed for travel and subsistence expenses they have actually and necessarily incurred in the conduct of their duties as a member of the Board, including attendance at relevant training and development activities.

Members of the Board shall be reimbursed a mileage allowance for use of their own car at the rate proscribed by the Inland Revenue from time to time as adopted by Lancashire County Council.

Where members of the Board are in employment their employer will be able to reclaim from the Lancashire County Pension Fund a sum equivalent to salary, employers' national insurance contributions and employers' pension contributions, in respect of time spent by the individual in fulfilling their duties as a member of the Board, including attendance at relevant training and development activities.

The Chair of the Board shall receive a fixed annual allowance set initially (2015) at £10,000 pa (in addition to travel and subsistence expenses) to be inflated in April each year by the retail price index for the previous September.

15) Reporting Breaches

Any breach brought to the attention of the Pension Board, whether potential or actual, shall be dealt with in accordance with the procedure set out in a separate policy document.

16) Definitions

The undernoted terms shall have the following meaning when used in this document:

“Pension Board” or “Board”

Means the local Pension Board for the Lancashire County Council as administering authority for the Lancashire County Pension Fund as required under the Public Service Pensions Act 2013

“Scheme Manager”

Means the Pension Fund Committee as administering authority of the Lancashire County Pension Fund.

“Chair”

The individual responsible for chairing meetings of the Board and guiding its debates.

“LGPS”

The Local Government Pension Scheme as constituted by the Local Government Pension Scheme Regulations 2013, the Local Government Pension Scheme (Transitional Provisions, Savings and Amendment) Regulations 2014 and the
The Local Government Pension Scheme (Management and Investment of Funds) Regulations 2009

“Scheme”

Means the Local Government Pension Scheme as defined under
“LGPS”

Proposed Revised Terms of Reference for the Pension Fund Committee

Pension Fund Committee

Composition and role

1. The Pension Fund Committee ("the Committee") comprises fourteen County Councilors and seven voting co-optees representing the following organisations:
 - a. One co-optee representing the Further and Higher Education sector in Lancashire;
 - b. One co-optee from Blackburn with Darwen Council;
 - c. One co-optee from Blackpool Council;
 - d. Two co-optees representing Trade Unions; and
 - e. Two co-optees representing the Lancashire borough and city councils.
2. The role of the Committee is to:
 - a. Fulfil the role of Scheme Manager, as set out in regulations, of the Lancashire County Pension Fund ("the Fund");
 - b. establish policies in relation to investment management, which shall include meeting with the Investment Panel to consider future Investment policy for the Fund;
 - c. monitor and review investment activity and the performance of the Fund; and
 - d. present an annual report to the Full Council on the state of the Fund and on the investment activities during the preceding year.
3. Meetings of the Committee shall be open to the public, but the public may be excluded where information of an exempt or confidential nature is being discussed – see Access to Information Procedure Rules set out at Appendix 'H' to the County Council's Constitution.

Terms of Reference

General

1. To exercise Lancashire County Council's responsibility for the management of the Fund, including the administration of benefits and strategic management of Fund assets and liabilities.
2. To determine which pension related functions and responsibilities should be exercised under the Council's Scheme of Delegation to Chief Officers.
3. To review governance arrangements and the efficient and effective use of external advisors to ensure good decision-making.

4. To appoint a minimum of two suitable persons to an Investment Panel through a sub committee convened for that purpose.
5. To meet at least quarterly, or otherwise as necessary, with the Investment Panel in attendance
6. To approve the overall appropriate and necessary training requirements for members of the Committee.

Policy and Strategic Planning

7. To approve the following key policy documents:
 - a) A rolling 3 Year Strategic Plan;
 - b) Statement of Investment Principles,
 - c) Governance Policy Statement
 - d) Governance Compliance Statement.
 - e) Pension Fund Annual Report, including the Annual Administration Report.
 - f) The Funding Strategy Statement to include the Fund's policy in respect of:
 - i. the Funding Target;
 - ii. the collection of employee contributions;
 - iii. the collection of employer contributions;
 - iv. the collection of additional employer contributions; and
 - v. Admissions and Terminations.
 - g) Pensions Administration strategy statement;
 - h) Communication Policy statement;
 - i) Internal Dispute Resolution Procedure;
 - j) Death Grant Procedure;
 - k) Bulk Transfer Payment Policy;
 - l) Commutation policy (small pensions);
 - m) Transfer policy; and
 - n) Abatement policy

Monitoring Performance

8. To receive periodic reports from the Director – Lancashire County Pension Fund to ensure that best practice is being adopted and value for money being delivered in relation to
 - a. The performance of the Fund's investments;
 - b. The performance of the Fund's administration service

Investment

9. To have overall responsibility for investment policy.
10. To approve and review on a regular basis an overall Investment Strategy and subsidiary Strategies for such asset classes as the Investment Panel consider appropriate.

11. To submit an annual report to the Full Council on the performance and state of the Fund and on the investment activities during the year.
12. To approve the policies and procedures for any internally managed Fund investments.

Procurement

13. To approve the procurement process, tender award criteria and evaluation methodology in advance of any tender being invited for the appointment of external advisers and other external assistance in relation to the management of the Fund, to include:
 - a. external Investment Managers to discharge functions to be determined by the Committee relating to the management of the Fund's investments;
 - b. external property agents and advisors;
 - c. an external corporate governance adviser;
 - d. an external Fund custodian;
 - e. external performance measurement advisers;
 - f. the Fund Actuary; and
 - g. the Fund's AVC Provider.

**Meeting of the Full Council
Meeting to be held on 18 December 2014**

Report submitted by: The Chief Executive

Part A

Electoral Division affected:
None

Application for Voluntary Redundancy

Contact for further information:

Chris Mather, 01772 533559, Office of the Chief Executive,
Chris.mather@lancashire.gov.uk

Executive Summary

This report relates to an application for voluntary redundancy from the County Treasurer and S.151 Officer.

Recommendation

The Full Council is asked to consider the recommendations of the Employment Committee in relation to the application for voluntary redundancy submitted by the County Treasurer.

Background and Advice

The Employment Committee at its meeting on 15 December 2014 will be asked to consider an application for voluntary redundancy submitted by the County Treasurer who is also the Council's S.151 Officer.

The Committee is responsible for the appointment and dismissal (including dismissal by reason of redundancy) of the Chief Executive, Executive Directors, the Monitoring Officer and the S.151 Officer. Further, in the case of the s.151 officer (and similarly the Monitoring Officer), dismissal also requires the approval of the Full Council (or Urgency Committee acting on its behalf).

The terms of reference also reflect the legislative requirement that before notice of dismissal is served the proposed action must be notified to all cabinet members and that either:

- (a) within the period specified in the notification no objection has been made by the Leader on behalf of the Cabinet to the proposed action; or

- (b) the Committee making the decision is satisfied that any objection made is not material or is not well founded; or
- (c) the Leader has, within the period specified in the notification, notified the Committee that neither he/she nor any member of the Cabinet has any objections.

A decision to agree to a request from the s.151 officer for voluntary redundancy amounts to a dismissal for the purposes of these provisions.

It is proposed that immediately following the resolution of the Employment Committee on 15 December 2014 there will be notification to members of the Cabinet in accordance with the requirement indicated above. Subject to any objections received, the chair of the Employment Committee will then report on the resolution of the Employment Committee at this meeting and invite the approval of Full Council.

If approved the voluntary redundancy would be effective as from 31 March 2016.

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
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N/A

Reason for inclusion in Part II, if appropriate

N/A

**Meeting of the Full Council
Meeting to be held on 18 December 2014**

Report submitted by: The County Secretary and Solicitor

Part A

Electoral Division affected:
None

Political Governance Structures
(Appendices A - E refer)

Contact for further information:
Josh Mynott, (01772) 534580, Office of the Chief Executive,
Josh.mynott@lancashire.gov.uk

Executive Summary

The Full Council agreed at its meeting on the 27 February 2014 (see Appendix A) 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.

This report presents the findings of that Working Group and requests that the Full Council determine the most appropriate future political governance structure for Lancashire County Council.

Three options are presented for consideration: A cabinet system, a hybrid system and a committee system. Full details of the proposed options, with implications and analysis are contained in Appendices B-E

Recommendation

Full Council is asked to:

- i. Note the findings of the Working Group as set out in this report and accompanying Appendices.
- ii. Consider and approve the preferred option for the future political governance structure of the County Council, to be further developed and refined by the Working Group.
- iii. If the decision of Full Council is to change to a committee system of governance, to agree the publication of the statutory notice of the intention to change the governance system.
- iv. Agree that the Working Group reconvenes to consider and report back on

any implications arising from the Full Council's decision on its preferred governance system, including the timetable for implementation of any new structure and consideration of the issues outlined for all systems in Appendix C.

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."

The Full Council at its meeting on the 27 February 2014 considered a detailed report from the interim Chief Executive in relation to the County Council's political governance structure and options available within the statutory framework outlining the following:

- the current statutory position
- the process required for any change
- the current programme for organisational transformation facing the County Council and the implications and relationship to the County Council's political management structure
- existing Cabinet and Committee systems operating under current legislation and the advantages and disadvantages of each system
- the County Council's currently adopted Committee system
- implications for the County Council of any change

The Full Council also received brief details of alternative options to a Cabinet or Committee system and an outline of those authorities who have adopted or are considering adopting a Committee system or an alternative.

A copy of the detailed report presented to Full Council is set out at Appendix A.

The Full Council decided:

1. To establish a cross party member officer working group, on the basis of 3 Labour, 2 Conservative, 1 Liberal Democrat and 1 Independent Member, to thoroughly investigate options for any change in political management structure and make recommendations to the Council on a future governance structure.

2. That regular progress reports be provided by the working group to the Full Council.
3. That the member officer working group be requested to report back on its proposals to the Full Council in December 2014.

Method of the Review

In undertaking the review of the Council's Political Management Structure, the Working Group considered;

- Existing research produced by the LGA and Centre for Public Scrutiny.
- Evidence from other authorities that had changed, or considered changing, governance structures, including Norfolk, Cambridgeshire, Nottinghamshire, Kent and Cornwall.
- Legislation and guidance relating to governance systems and structures.
- The specific traditions, practices and culture within Lancashire County Council.
- The views of Councillors and Officers in Lancashire.

The Working Group agreed the following set of criteria as determining factors to develop possible models for consideration;

- Cost and resources.
- Councillor time and commitment.
- Speed and efficiency of decision making.
- Inclusivity (councillors).
- Transparency and openness.
- Accountability.
- Locality area Working/Partnerships.

Findings

The Working Group has met on a number of times and has thoroughly examined all potential options for change taking into account national research and evidence obtained from other Local Authorities (including Nottinghamshire, Kent and Cornwall). The Working Group has identified three models as options for a future political governance structure for the County Council, and agreed that it would be appropriate to present the three models to Full Council to consider and identify the most appropriate for Lancashire. The models (the detail of which is set out in the Appendices) are:

- Cabinet model.

- Hybrid model.
- Committee model.

Note that, in assessing the advantages and disadvantages of the three models, the Working Group felt that there was a significant issue in relation to the committee system of balancing the need to keep decision making efficient and streamlined, and yet to ensure that there were sufficient meetings in the calendar. For this reason, Appendices D and E offer two versions of the Committee system, one meeting monthly and the other 6 weekly.

The Working Group present the following supporting information set out in the attached Appendices:

- Appendix B – Summary of the systems
- Appendix C – Issues for consideration common to all systems
- Appendix D – Resource implications
- Appendix E – Financial resource comparison

The Working Group are clear that, in assessing the three options, the following issues must be fully taken into account by Full Council.

1. Effective, transparent and efficient decision making and accountability arrangements.
2. The impact on service delivery, the community and the Council's partner organisations.
3. The impact on resources, both in terms of direct Democratic Services support to committees and decision making, and the wider support structures and officer arrangements for advising and supporting councillors, and supporting the political arrangements. The Working Group are clear that given the scale of financial savings facing the Authority that the impact on resources should be in line with the overall imperative to reduce the costs of being in business.
4. 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. The Working Group have given particular prominence to the need to align any new political governance structure with the agreed new management structure to be implemented in 2016.
5. The significant impact on the County Council's Constitution and the decision making rules and process within it including Scheme of Delegations to members and officers, standing orders and financial regulations.
6. The future options for locality working arrangements.

These issues have been taken into account in developing the options which are set out at Appendices B and C, and it is clear that significant work will be needed in further development following the selection of the Council's favoured option, particularly in relation to items 5 and 6.

Once Full Council has identified its preferred option, detailed work on a revision and appropriate changes to the Council's constitution will be required to ensure that the model can be fully implemented.

Issues relevant to all systems

The working group agreed a number of points which would apply across all systems.

- Standard committee membership to be 13. This allows all groups to be represented on all committees whilst keeping the committees to a reasonable size.
- The role of Full Council would be reviewed to ensure its effectiveness.
- Locality and Area member bodies should be further reviewed, taking into account the overall governance model chosen, recent full council resolutions on devolution and options for future working arrangements with other local authorities.
- There would be no immediate changes to O&S procedures such as Call In, although these could be reviewed in the next stages of the review once Full Council has identified its preferred model.
- There would need to be a review of allowances in all systems.
- Whatever the system chosen, there would need to be further work on the Scheme of Delegation, in accordance with the principle previously agreed by Full Council that, going forward, chief officers would have the power to take all decisions except where specifically reserved to the Full Council, a Committee or the Executive (either the Cabinet or a Cabinet Member).

Consultations

A number of other authorities have recently changed or are considering changing governance structures. The Working group received evidence from a number of these, notably Cornwall, Kent and Nottinghamshire, representing different approaches. In general, it was clear that the proposals developed in these authorities reflected the political culture and specific requirements of the authority. It was clear from all authorities that there was a feeling that there was a need to keep all arrangements under regular review. Those authorities who have chosen hybrid arrangements or modified cabinet arrangements have particularly highlighted the flexibility this approach gives them. The Working Group have taken the experiences of other authorities and attempted to develop options suitable specifically for Lancashire. One very important way in which this can be seen is in the hybrid proposal. In most other authorities, it is cabinet committees which have been created to advise the cabinet member. In Lancashire, the proposal is for scrutiny committees to take on a similar role, highlighting the emphasis on strengthening accountability and creating a positive balance between cabinet and council.

Implications:

This item has the following implications, as indicated:

Risk management

See Appendix B for the advantages and disadvantages of the options before Full Council.

Legal

In law, both the Cabinet and the Hybrid systems are deemed to be "Cabinet systems", and there is no formal statutory process to undergo in order to change from one to the other. However, if the Full Council chooses to implement a Committee system, the Council is required to give formal public notice of the date when the change will be effective (which must be at the next or a future Full Council AGM) and cannot change its system again within 5 years of the date of the change (except where such a change is required as the result of a local referendum).

Financial

See Appendix E

Local Government (Access to Information) Act 1985

List of Background Papers

Paper	Date	Contact/Directorate/Tel
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N/A

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:
All

The County Council's Political Governance Structure

Contact for further information:

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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
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Nil

Reason for inclusion in Part II, if appropriate

N/A

Cabinet

Summary	<p>This system maintains the current arrangements. The vast majority of decisions are made by Cabinet, collectively and individually in Decision Making Sessions (DMS). The Executive Scrutiny Committee will scrutinise all cabinet and individual key decisions, and the Budget Scrutiny Working Group will continue its role.</p> <p>The existing scrutiny committees continue with the current remits.</p>
Resources (see Appendices C&D for detail)	<p>The cabinet model was originally created with the intention that it was an efficient and non-bureaucratic decision making model. It is considered that the model can be delivered within the available resources with no specific areas where additional resources will be required.</p>
Compatibility with organisational transformation	<p>The Cabinet model has a good deal of flexibility. It is entirely within the gift of the Leader to determine the number of cabinet posts and the portfolios held by each cabinet member.</p> <p>The current scrutiny arrangements are also flexible, with two "generic" committees – the ESC and the Scrutiny Committee – which can therefore very easily sit alongside the new shape of the organisation. The two other scrutiny committees (Health and Education) reflect specific statutory requirements.</p>
Key advantages	<p>No large scale changes needed. The system is now well understood, and would require very little rewriting of constitutional rules and procedures. Lines of responsibility are clear internally and externally.</p>
Key disadvantages	<p>Decision making power in the hands of a small number of councillors. Always unlikely to mirror the political balance of the council.</p>
Main areas of further work required (see also Appendix B on general issues)	<p>To review cabinet portfolios. To review Lead member and Champion roles. To review number and scope of cabinet committees and working groups.</p>

Hybrid

Summary	<p>In this model, decisions are made by Cabinet and Cabinet members, but only after pre-scrutiny by a politically balanced committee. These new committees will be formally appointed scrutiny committees of the council.</p> <p>It is proposed that there are 4 scrutiny committee: Policy and Resources, Start Well, Live Well and Age Well. These new scrutiny committees will replace the existing scrutiny structure, and will conduct both "pre-decision" scrutiny in line with the current ESC model, but also more traditional policy review and development work.</p>
Resources (see Appendices C&D for detail)	<p>As the system would be, in law, a cabinet system, this system does introduce a degree of duplication in requiring officers to service both a partial committee and a cabinet decision making system. This is partially offset by the replacement of existing scrutiny committees with the new style scrutiny arrangements. However, experience with the existing ESC has highlighted some areas of duplicated work (for example in the production of almost identical agenda for ESC and Cabinet) which will requires resourcing and needs to be addressed.</p>
Compatibility with organisational transformation	<p>Cabinet is flexible (see cabinet section above). However, care will have to be taken when framing the specific remits of the new scrutiny committees. The proposal is currently to have committees themed on Start Well, Live Well, Age Well alongside a Policy and Resources scrutiny committee, but the detail of this will need further work. In general terms, committees are less flexible and slower to respond than individual decision makers.</p>
Key advantages	<p>Expands positive experiences of ESC felt by many members. Ensures that cross party engagement exists before decisions are taken. Gives scrutiny a formal, and perhaps stronger role.</p>
Key disadvantages	<p>May require additional resources. Some evidence that such committees (as with all committees) discourage consensus working and may impact on "non-political" nature of scrutiny. Possible confusion over influence and responsibility between cabinet members and committee chairs.</p>
Main areas of further work required (see also Appendix B on general issues)	<p>To agree precise remit of scrutiny committees. To agree protocols for role of call in where there is pre-decision scrutiny. To consider most appropriate arrangements for existing cabinet working groups and committees and existing O&S task groups to assess if current arrangements fit best with the intention of a hybrid system.</p>

Committee

Summary	<p>Decisions made by five politically balanced committees appointed by full council. There is no overview and scrutiny. The proposed committees are:</p> <ul style="list-style-type: none"> • Policy and Resources • Children's Services • Adult Social Care and Health • Highways and Transport • Environment and Communities
Resources (see Appendix C&D for detail)	<p>Dependent on the frequency of meetings. The model proposed has fewer meetings than either the hybrid or cabinet models, reflecting a possibly reduction in resources (although see "disadvantages" below). However, whilst resources within democratic services and member allowances may be reduced, this would be offset with an increase in less formal resources, as the system is likely to see an increase in the number and complexity of briefings, both formal and informal, between officers and members.</p>
Compatibility with organisational transformation	<p>Aligning the committees and the new organisational structure is difficult. Coherent committee decision making depends on significant levels of service area knowledge by politicians, requiring committee to be largely service based. This does not reflect the new organisational structure, and there may be conflicts</p>
Key advantages	<p>All councillors directly involved in decision making. Knowledge and expertise of councillors (in their own service area) increases. System understood by many members of the public. May restore full council to a more important role.</p>
Key disadvantages	<p>Represents a formal change of decision making system, is therefore fixed for 5 years minimum. Decision making can be slow and unresponsive. This can be tackled by more meetings, but resources required increase quickly in that event. Possibly makes it more difficult for public and partners to identify responsibility for a function, decision or activity. Potential creation of "kitchen cabinet" and whipped voting. Likely increase in the use of urgency for decisions which can mean fewer councillors are involved in many important decisions.</p>
Main areas of further work required (see also Appendix B on general issues)	<p>Complete rewrite of constitution required. Precise remit of committees to be agreed.</p>

Other committees & responsibilities

In reviewing the governance system, it is considered appropriate to review the other committees of the council, as well as the roles and functions of sub committees and working groups as well as individual responsibilities taken by some members

1. Committees:

In all systems, it is proposed that the following committees are retained, to meet 4 x per year, (except where stated)

- Audit & Governance
- Dev Control (6 weekly)
- Regulatory
- HWB
- Employment
- Urgency (meets only when required)

It is also proposed that the following Committees are removed

- Complaints – This is a non statutory function, the Ombudsman does not require or expect councillor involvement in individual complaints. Councillors would retain an overview of complaints through other existing committees.
- Conduct – This will become part of Audit & Governance. Complaints to be heard by Panel selected from A&G membership
- Commons & Town Greens – This will be incorporated into Regulatory, with Sub Committees setup for individual Village Green claims if required.
- Standing Joint Health O&S Cttee – to be replaced by ad hoc arrangements

The following committees will need to be reviewed in line with expected government regulations and guidance:

- Student Support Appeals
- Pension Fund

2. Sub Committees and Working Groups

In the Cabinet and Hybrid systems, a review will be required of all existing Cabinet and Overview and Scrutiny Sub Committees and Working Groups to ensure that the appropriate balance is struck and responsibilities lie with the most appropriate body. In the Committee system, appropriate sub Committees will need to be agreed and established from the outset.

3. Lead Members and Champions

In all systems, a review should be undertaken of the roles which give individual councillors specific responsibilities. In a Committee system, further work would be required on the responsibilities of any Champion or lead role, and how those members with those roles with function with the committee(s) responsible.

4. Full Council

The opportunity to review and reform Full Council may also be considered. The Working Group have highlighted that further consideration could be given to the frequency of full council, as well as to certain elements of the meetings, such as Question Time.

Resources:

System	Committee	Members	Total members involved (max)	Coopted Members*	Frequency of meetings	Total per year#	Total per year (all meetings)	Total member attendance at meetings**	Briefings	Total Briefings
Cabinet	Cabinet	8	60	0	Monthly	11	44	2640	11	44
	ESC	13		0	Monthly	11			11	
	Scrutiny	13		0	Monthly	11			11	
	Ed Scrutiny	13		5	3 per year	3			3	
	Health Scrutiny	13		12	6 weekly	8			8	
Hybrid	Cabinet	8	60	0	Monthly	11	55	3300	11	55
	P&R O&S	13		0	Monthly	11			11	
	Start Well O&S	13		5	Monthly	11			11	
	Live Well O&S	13		0	Monthly	11			11	
	Age Well O&S	13		12	Monthly	11			11	
Committee (6 weekly cycle)	P&R	13	65	0	6 weekly	8	40	2600	32	160
	Children's Servs	13		5	6 weekly	8			32	
	Adult Social Care & Health	13		0	6 weekly	8			32	
	Highways and Transport	13		0	6 weekly	8			32	
	Environment & Communities	13		0	6 weekly	8			32	
Committee (monthly cycle)	P&R	13	65	0	Monthly	11	55	3575	44	220
	Children's Servs	13		5	Monthly	11			44	
	Adult Social Care & Health	13		0	Monthly	11			44	
	Highways and Transport	13		0	Monthly	11			44	
	Environment & Communities	13		0	Monthly	11			44	

*Co-opteds: We are required by law to have 5 voting co-opteds on the committee responsible for Education matters. We have also had a long standing arrangements (not required by law, but encouraged in guidance) to include a representative from each district on our health scrutiny committee

#Committees do not meet in August.

** Not including co-opteds

Financial Resources

Model	a. Dem Servs Staff	b. Basic Allowance	c. SRAs (Cab / O&S or Committees)	d. SRAs (other committees & appointments)	e. SRAs Leader /Deputy & political Group appts	f. Travel & Subsistence	g. Print & distribution cost	h. Other staffing costs	i. Total
Cabinet	571,819	851,676	127,464	106,252	97,717	24,000	10,154	31,328	1,820,410
Hybrid	571,819	851,676	138,104	106,252	97,717	26,000	11,000	39,160	1,841,728
Committee (6 weekly)	571,819	851,676	108,575	106,252	97,717	11,000	10,154	62,680	1,819,873
Committee (monthly)	571,819	851,676	108,575	106,252	97,717	15,000	14,000	85,185	1,850,224

a. Figure as at 31 10 14. As with all costs associated with the costs of being in business, it is likely that there will be a requirement for savings to be made in these costs over the period from now until 2017/18

b. Basic allowance – 84 x £10139

c. SRAs (Cab / O&S or Committees). The total SRAs for Cabinet members (not including the Leader / Deputy – see e below) and O&S Committee Chairs & Deputies in the Cabinet or Hybrid, or for Committee Chairs and Deputies in the Committee model. Note the following:

i. In the current (Cabinet model) there is no SRA for the Chair or Deputy of the Executive Scrutiny Committee

ii. In the Committee model, the SRA for the Committee Chair has been set at 50% of the Leader / Leader of the largest Group's SRA (see e below). This reflects practice in councils operating this model, where the SRA for a Committee Chair generally varies between 40% & 60% of the Leaders SRA.

d. SRAs (other committees and appointments). Includes chairs of other committees, Champions and Lead Members. The position of the latter two categories will be reviewed in each of the systems. Committee systems elsewhere often include spokespersons from opposition groups who receive an SRA instead or as well as "Champion"-type positions

e. SRAs (Leader, Deputy Leader and Political Group appointments). The Leader & Deputy are included here for consistency – in the Cabinet or hybrid systems, the SRA is for the Leader and Deputy of the Council, whereas in the Committee model, the same SRA would be paid to the Leader and Deputy Leader of the largest political group who would normally be appointed as Leader and Deputy Leader of the Council (as is the case in other committee systems)

f. Travel and subsistence. Figures are approximations and, in the case of hybrid and committee, estimates. The hybrid system features more meetings whilst retaining cabinet members. The committee system has no cabinet members and fewer meetings. It also features significantly more briefing meetings.

g. Costs of printing and posting agendas, based on actual costs 2012/13, so includes committees active during that time. It does not therefore include the ESC, but does include committees that would not exist in the new proposals.

h. Staffing costs. This is extremely difficult to assess, as briefings represent a small part of a large number of people's jobs. The assumption is that a committee is equivalent to 3 hours of 3 Director level officers' time, and a briefing equivalent to 2. Director = SCP 83, hourly rate £47.46

Numbers used

All figures quoted are based on the 2014/15 Members Allowance Scheme (attached) which needs to be updated to reflect the recently approved staff pay award, except the figures for Committee Chairs and Deputies in the Committee system for the reasons mentioned in cii above . The indicative figure for these Chairs is £14477 and £7238 for Deputies.

Figures shown for the Committee system are based on 8 meetings per year of each of the 5 committees. No account has been taken in these figures of the likelihood of additional meetings or the creation of sub-committees, both of which are risks within this option, and which would increase the costs in several areas. As an approximate figure, each additional meeting would incur a cost of up to £1000, depending on the size of the committee, length of the meeting and so on. An SRA for a Chair of an additional Sub Committee could be expected to be between £3000 and £7000.

Independent Remuneration Panel

The Independent Remuneration Panel would need to consider any changes to the Members' Allowance Scheme and make recommendations to the Full Council on the revised number and level of SRAs to be paid. This applies to any of the models outlined and effectively means that all of the costs in the table could be different, depending on the overall budget allocated for allowances.

Agenda Item 10

Meeting of the Full Council Meeting to be held on Thursday 18 December 2014

Report submitted by: The County Secretary and Solicitor

Part A

Electoral Division affected:
None

Protocol for the recording and reporting on meetings of the Council (Appendix A refers)

Contact for further information:
Josh Mynott, (01772) 534580, Office of the Chief Executive,
josh.mynott@lancashire.gov.uk

Executive Summary

The government has recently introduced legislation and guidance for Local Authorities on the rights of the public and the media to record and report on meetings of the County Council.

Whilst Lancashire County Council has never restricted reporting or recording (other than where it would be disruptive to the meeting itself), it is considered appropriate to use the opportunity presented by the guidance to develop a clear set of rules in this area.

The draft protocol is attached as Appendix A.

It is intended that this protocol will form Appendix P to the County Council's constitution.

Recommendation

That the Full Council approves the Protocol on reporting on and recording meetings of the County Council as Appendix P to the Constitution.

Background and Advice

Section 40 of the Local Audit and Accountability Act 2014 gave the Secretary of State power, by regulations, to make provision for allowing persons to film, photograph or make sound recordings of proceedings of meetings of certain local

government bodies; for allowing those not present at meetings to see and hear the proceedings; and for allowing reporting and commentating on the proceedings.

These provision were introduced through the Openness of Local Government Bodies Regulations 2014.

In short, these regulations required that Local Authorities make appropriate arrangements to allow meetings of the authority to be recorded (either video or sound) and for members of the press and public to be able to use social media to report on meetings.

Lancashire County Council has never placed any restrictions on either of these things, other than where such activities would disrupt the meeting, and indeed most of the Council's meetings are already webcast. However, it was felt that the regulations presented the opportunity for the County Council to produce clear guidance on the issue. A draft protocol, intended to form part of the Constitution, is attached at Appendix A.

In producing a Protocol on reporting on and recording meetings of the County Council, a number of issues have been taken into account.

The regulations do not require that confidential meetings or parts of meetings are open to filming or reporting.

The right to record or report on a meeting does not override any existing constitutional requirements in relation to the smooth running of meetings. The Chair of a meeting is still empowered to deal with any disruption to a meeting and, if necessary require that recording or reporting is stopped where it is causing the disruption.

Whilst the regulations do not allow the County Council to insist on notice being given, the protocol sets out that anyone intending to record or report on a meeting should notify the Council in advance, and in any case that the Chair should be made aware. To this end, a "script" for Chairs will be developed to firstly request that anyone intending to record or report on a meeting makes the meeting aware, and secondly that the rules pertaining to that activity are set out by the Chair.

Consultations

N/A

Implications:

This item has the following implications, as indicated:

Risk management

Legal

The County Council is required to abide by the Openness of Local Government Bodies Regulations 2014.

As the County Council has not previously placed any restriction on the recording or reporting on meetings, it is not considered that there would be any significant further implications.

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

Paper	Date	Contact/Directorate/Tel
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N/A

Reason for inclusion in Part II, if appropriate

N/A

Protocol on reporting on and recording meetings of the County Council.

The County Council is committed to open and transparent decision making. This protocol explains the rights of the press and public to report on or record meetings of the council.

All formal meetings of the County Council, its Cabinet, committees, sub committees and joint committees are open to the public, except where there are legal requirements preventing them from being so.

Members of the Press or public are not required to give notice of their intention to attend a meeting that is open to the public. However, in order to make sure appropriate arrangements are in place to facilitate attendance, it is requested that individuals with special access needs or large groups wishing to attend a meeting contact Democratic Services in advance of the meeting on 01772 530596 democratic.services@lancashire.gov.uk.

Filming and photography

The council provides a webcasting facility, whereby meetings are broadcast live over the internet and are also available to view for 6 months after the meeting.

Scheduled meetings of the following committees are webcast:

- Full Council
- Cabinet
- Development Control
- Regulatory
- Scrutiny Committee
- Health Scrutiny Committee
- Executive Scrutiny Committee
- Education Scrutiny Committee
- Joint Health Overview and Scrutiny Committee

Webcasts are available on the County Council website.

Anyone intending to film or record a meeting of the County Council should notify Democratic Services in advance of the meeting on 01772 530596 democratic.services@lancashire.gov.uk.

Unless specific permission is given by the Monitoring Officer of the meeting in advance, filming or photography must be from a fixed spot and should aim to focus on the speaker. Any member of the public in attendance who has indicated that they do not wish to be filmed or photographed must not be. In no circumstances should any children in attendance at a meeting be filmed or photographed. County Councillors who are members of the committee may not request that they are not filmed.

The County Council requests that any video recordings or photographs made during a meeting are not subsequently edited in a way that would misrepresent the views of a speaker or the general proceedings.

All recording activity must be done in such a way that does not disrupt or interfere with the running of the meeting or with the ability of other observers to view or record the proceedings. For that reason, large or distracting equipment (such as lighting rigs, flash photography, floor standing cameras) would generally not be allowed without the express permission of the Monitoring Officer.

Anyone recording or attending a meeting is not permitted to provide an oral commentary from within the room.

Social media

Members of the public and the Press are welcome to tweet or blog (or use any other form of real time social media) from any meeting of the council that is open to the public.

Oral commentary from within the meeting room is not permitted.

Any use of social media within a meeting room must not disrupt or interfere with the meeting.

General

All recording must be overt. At the beginning of any meeting, the Chair will ask anyone intending to record or report on a meeting to make the fact known to the meeting.

All recording must be discreet and conducted in a way that does not disrupt the meeting. In general all recording devices and equipment should operate quietly and unobtrusively (electronic devices, such as Smart phones, should be switched to silent, for example).

The rights set out in this protocol are subject to the County Council's existing rules set out in the constitution on members of the public attendance at meetings. These rules allow for the Chair of a meeting, after giving a warning, to order that a member of the public be removed from the meeting, or that a meeting be adjourned.

Any queries about this protocol or requests for special permissions requiring the Monitoring officer's consent, should be directed to Democratic Services on 01772 530596 democratic.services@lancashire.gov.uk

On all matters connected to this protocol, the decision of the Monitoring Officer (outside of the meeting) or the Chair of the meeting (during the meeting) are final.

Agenda Item 11

Meeting of the Full Council Meeting to be held on 18 December 2014

Report submitted by: The 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 9 October 2014, 6 November 2014 and 4 December 2014.

Recommendation

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

List of Background Papers

Paper	Date	Contact/Directorate/Tel
Agenda and Minutes of Cabinet	9 October 2014 6 November 2014 4 December 2014	Dave Gorman, Office of the Chief Executive, (01772) 534261

Reason for inclusion in Part II, if appropriate

N/A

Meeting of the Full Council - 18 December 2014

Report of the Cabinet Meeting held on 9 October 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>

Proposed New Employee Structure for Lancashire County Council

Cabinet considered a report setting out proposals for a new structure for the County Council.

Cabinet resolved that:

- (i) The contents of this report, now presented, be noted;
- (ii) The proposed new structure for the County Council for posts at, or above, Grade 11 set out at Appendix 'A' to this report, now presented, be approved;
- (iii) The principles for making appointments to the new County Council structure for all posts, including those at, and below, Grade 10, set out at Appendix 'B' to this report, now presented, be approved;
- (iv) The establishment of an Employee Welfare function, comprising one post at Grade 11 and three posts at Grade 10, be approved with immediate effect, appointments to be made as soon as possible to support the transformation process;
- (v) The Urgency Committee be recommended to agree:
 - (1) that, for the purposes of the Transformation process only, and subject to statutory requirements, the Employment Committee be responsible for appointments to the posts of:
 - (a) Corporate Director Commissioning and Deputy Chief Executive;
 - (b) Corporate Director Operations and Delivery;
 - (c) Director of Development and Corporate Services;
 - (d) Director of Adult Services;
 - (e) Director of Children's Services;
 - (f) subject to applications being received from staff holding an appropriate professional qualification allowing them to also be appointed as the Council's Monitoring Officer or S.151 Officer, the Director of Governance, Finance and Public Services; and
 - (g) Subject to the appointment of the Monitoring Officer or S.151 Officer at (f) above, the Director of Financial Resources and/or the Director of Legal and Democratic Services, the successful applicant being appointed as the Monitoring Officer or S.151 Officer;
 - (2) that all other appointments be delegated to the Head of the Paid Service;
 - (3) that all appointments be made in accordance with the principles referred to in paragraph (iii) above and that the role of the Employment Committee in future appointments to senior posts then be reviewed;

- (4) that all appointments to the Council's structure at all grades, including Director grades and above, will be made on the basis of Lancashire County Council Terms and Conditions of Employment, and that this principle also be applied to the Chief Executive on the basis set out in the report;
 - (5) that a Chief Officer Car Leasing Scheme be implemented based on the same entitlements/costs as at present, the details of the Scheme to be finalised and approved by the Chief Executive;
 - (6) to approve the Appeals Procedure set out at Appendix 'C' to this report, now presented.
- (vi) The Chief Executive, Management Team, and officers involved in the design of the new structure, be thanked for their work.

Approval of the County Council's Procurement Strategy

Cabinet considered a report setting out, for approval, a draft Procurement Strategy for the County Council.

Cabinet resolved that:

- (i) The results of the consultation on the draft Procurement Strategy, which involved public, private and third sector organisations, now presented, be noted;
- (ii) The final Procurement Strategy, set out at Appendix 'A' to the report, now presented, which includes the amendments made to reflect the feedback received during the consultation process, be approved;
- (iii) That the Deputy County Treasurer and her team be thanked for the work undertaken on the draft strategy.

Approval to Adopt the West Lancashire Highways and Transport Masterplan

Cabinet considered a report setting out, for approval, the West Lancashire Highways and Transport Masterplan.

Cabinet resolved that:

- (i) The publication of the West Lancashire Highways and Transport Masterplan, presented at Appendix 'A' to the report, now presented, and the delivery of the strategies that will allow the masterplan to be taken forward be approved;
- (ii) As part of the masterplan, the rescinding of the route protection on the line currently protected for an Ormskirk Bypass be approved.

Report of the Cabinet Meeting held on 6 November 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>

Preston Bus Station and Multi Storey Car Park

Cabinet considered a report setting out a number of proposals in respect of Preston Bus Station and Multi Storey Car Park which would support the creation of a modern and vibrant public service hub.

Cabinet resolved that:

- (i) Approval be given to the proposals set out in this report, now presented, which overall will see the regeneration of Preston Bus Station and Multi Storey Car Park, primarily as a public services hub focusing on facilities for young people, bus and coach transportation, pedestrian safety, highway improvements, car parking and the creation of accessible and useable public open space within the heart of Preston City Centre;
- (ii) Approval be given to reallocate the County Council contribution of £8.3m to the construction of a new bus station, contained within the approved capital programme, to the refurbishment of the Preston Bus Station and Multi Storey Car Park;
- (iii) The Cabinet Member for Children, Young People and Schools be requested to review and reprioritise resources already allocated in the Children and Young People's overall capital programme with the view of releasing £2m of funding to support the development of the Preston Youth Zone Plus;
- (iv) Officers be requested:
 - (1) To work with the Preston Youth Zone partners to develop the scheme for the Preston Youth Zone Plus;
 - (2) To work with the contractors recently selected for the County Council's Construction Framework to refine the estimates set out in this report;
 - (3) To complete the Conservation Management Plan;
 - (4) To prepare a consolidated development proposal for consideration by Cabinet;
 - (5) To prepare and submit an application for listed building consent/planning permission;
 - (6) To review with external grant funding organisations the potential for external grant funding.
- (v) The Preston, South Ribble and Lancashire City Deal Executive and Stewardship Board be recommended to endorse the revised proposals for Preston Bus Station and Multi Storey Car Park on the basis set out in the report and to include them within the 2015/18 City Deal Infrastructure Delivery Plan;
- (vi) That an international design competition be held for the design of the public open space.

Money Matters - Update on the County Council's Financial Position for 2014/15

With the agreement of the Chair, this item was dealt with as part of the item below.

Money Matters - The Financial Strategy for 2015/16 to 2017/18

Cabinet considered reports setting out updates on the County Council's financial position for 2014/15 and the financial strategy for 2015/16 - 2017/18.

Cabinet resolved that:

- (i) The forecast of the financial outlook for the County Council over the next three years and the increase in the level of savings required from £161m to £176m, as set out in the report, now presented, be noted;
- (ii) Consultation on the package of service offer proposals put forward for consideration by the Chief Executive and her Management Team, as now presented, takes place, with responses to be received by the 15 December 2014, to enable Cabinet to consider all responses at the meeting of the Cabinet on 8 January 2015;
- (iii) The views of the Budget Scrutiny Working Group be requested on all the proposals set out in these resolutions for consideration at the meeting of Cabinet on 4 December 2014;
- (iv) The Chief Executive and her Management Team be tasked to bring forward further service offer recommendations which bridge the gap in 2015/16 and future years.

The Service Offer proposals, together with relevant equality analyses, are available at: <http://council.lancashire.gov.uk/ieListDocuments.aspx?CId=122&MId=3015>

Report of the Cabinet Working Group on the Care and Urgent Needs Support Scheme

Cabinet considered a report setting out a review of the Care and Urgent Needs Support Scheme's first year of operation.

Cabinet resolved that:

- (i) The report of the Cabinet Working Group on the Care and Urgent Needs Support Scheme, set out at Appendix 'A' to the report, now presented, be noted;
- (ii) That the recommendations of the Cabinet Working Group on the Care and Urgent Needs Support Scheme, set out at Appendix 'A' to the report, now presented, be supported.

Potential Health Impacts of the Proposed Shale Gas Exploration Sites in Lancashire

Cabinet considered a report setting out the potential health impacts of the proposed shale gas exploration sites in Lancashire. This was as a result of the health impact assessment undertaken on the two proposed sites at Preston New Road and Roseacre Wood.

Cabinet resolved that:

- (i) The recommendations that the County Council can address and those that are directed to other agencies in this report, now presented, be endorsed;
- (ii) The Director of Public Health be authorised to take steps to action the recommendations set out in the report, now presented;

- (iii) The advice of the Director of Public Health to the County Council's Development Management Group, as set out in the report now presented, be noted;
- (iv) In respect of recommendation 39, the words 'and a rigorous inspection programme' be added to the end of that recommendation;
- (v) That the Director of Public Health be thanked for his comprehensive report and the work undertaken on the health impact assessment.

Report of the Cabinet Meeting held on 4 December 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>

The Annual Audit Letter for Lancashire County Council - Year Ended 31 March 2014

Cabinet considered a report setting out details of the external auditor's Annual Audit Letter for Lancashire County Council for the year ended 31 March 2014.

Cabinet resolved that the key messages set out in the Annual Audit Letter for Lancashire County Council for the year ended 31 March 2014, as set out at Appendix 'A', be noted.

Investors in People

Cabinet considered a report which, following a detailed review between 15 and 26 September 2014, confirmed that the County Council has retained its status as an employer that meets the Investor in People (IiP) standard.

Cabinet resolved that:

- (i) The report from Investors in People set out at Appendix 'A' to this report be noted;
- (ii) Agreement be given to the potential risks and areas for continuous improvement identified in the report from Investors in People be picked up as part of the on-going transformation programme; and
- (iii) The Chief Executive be requested to bring back a further report following the 18 month review in Spring 2016.

Money Matters - Update on the County Council's Revenue Budget for 2015/16 to 2017/18

Cabinet considered a report setting out a further update on the Council's financial position for 2015/16 - 2017/18, in particular, the areas of risks and uncertainty highlighted to Cabinet in November.

Cabinet resolved that:

1. The update from the County Treasurer on the risks and uncertainties within the Council's financial position over the next three years be noted;
2. The views of the Budget Scrutiny Working Group in framing Cabinet's budget proposals for 2015/16 to 2017/18 be considered;
3. Consultation takes place on the revised service offer proposals put forward by the Chief Executive and her Management Team, with responses to be received by the 19 December 2014, to enable Cabinet to consider all responses at the meeting of Cabinet on 8 January 2015;
4. That the views of the Budget Scrutiny Working Group be requested on the further proposals set out in these resolutions for consideration at the meeting of Cabinet on 8 January 2015.

The additional Service Offer proposals, together with relevant equality analyses, are available at:

<http://council.lancashire.gov.uk/ieListDocuments.aspx?CId=122&MId=3016>

Lancashire Safeguarding Children Board Annual Report 2013/14

Cabinet considered a report setting out details of the Annual Report of the Lancashire Safeguarding Children Board for 2013/14. Lancashire County Council is a significant member agency of the Lancashire Safeguarding Children Board.

Cabinet resolved that the report be noted.

**Meeting of the Full Council
Meeting to be held on 18 December 2014**

Report submitted by: The Executive Director for Adult Services, Health & Wellbeing

Part B

Electoral Division affected:
All

Lancashire County Council's approach to the development of housing and support schemes for older people including those with dementia.

Contact for further information:
Steve Gross, 01772 534286. Adult Services, Health and Wellbeing.
Stephen.gross@lancashire.gov.uk

Executive Summary

At the meeting on 2 October 2014 Full Council resolved that a report should be submitted to the December meeting regarding the development of a new service in North Lancashire to support older people including those with a diagnosis of dementia. This report provides an update on the development of new models of housing and support provision across Lancashire.

Lancashire County Council is committed to supporting the development of extra care specialist housing which will better enable older people, including those with dementia, to retain their independence and offers a viable alternative to residential care. Building on the success of Brookside in Ormskirk, schemes are now at varying stages of consideration and development in seven Districts. Two schemes are at an advanced stage and building will commence during 2015.

The majority of people say that they prefer to retain their independence, privacy and dignity by remaining in their own home or alternative self-contained accommodation. LCC investment in new services should fully reflect population need, demand and expectations and this requires us to look at new models which will be fit for purpose for the coming decades. Our aim is to embrace best practice and ensure that new services are truly innovative, inclusive and transformational. To this end, LCC and other partners have been working with Lancaster University to develop an ambitious scheme which will incorporate the very best practice and design, and will benefit not only the residents of the scheme but older people across Lancashire and beyond. However this scheme is at an early stage of development and requires complex negotiations with partners. A report will be submitted to the Cabinet Member when further details emerge.

Recommendation

Full Council is asked to note the content of this report which proposes developments which will put Lancashire at the forefront of care and support for older people.

Background and Advice

Lancashire County Council is committed to developing excellent services for all citizens. This is reflected in strategic priorities, such as the Extra Care and Specialist Housing Strategy, and key services re-designs, including the new domiciliary care framework which is underpinned by an emphasis on quality. It is recognised that as citizen expectations and needs change, new models of service are required across Lancashire. The scale and nature of these new services requires a partnership approach, with LCC using its resources to maximise the opportunities and benefits. Our population is ageing, with many people living longer with multiple long term conditions, chronic disease and increasing numbers with dementia. New services need to be flexible and able to meet increasing complexity of need, enabling people to remain in their own home and minimising the need for admission to a care home.

The delivery of health and social care is changing, with much greater collaboration and integration. There is increasing investment in services that enable older people to receive support, care and treatment in or close to their own home. The emphasis is on prevention and early intervention, rehabilitation, recovery and use of technology as well as continuing advances in diagnosis and treatment.

Care provision for older people has remained broadly unchanged for many years, with the cornerstones based on domiciliary care to support people in their own home and residential/nursing care for those who cannot be supported at home. Sheltered housing, much of which was developed during the 1970's/1980's provides another option, but was not designed to support people with more complex needs so for many is not a home for life. The benefits of 'extra care' are well understood, but the development of this type of specialist housing for rent has been very slow, with only two new build schemes in Lancashire.

In many parts of the County there is an oversupply of residential and nursing homes and placement rates are considerably higher than comparable authorities. As social care services become more integrated with those of the NHS, with better rehabilitation and 'step down' facilities from hospital, placement rates are reducing. Whilst there is likely to be a continuing need for good quality care home provision, demand will reduce as alternatives develop and people's expectations change. The 'baby boomer' generation are less likely to accept traditional models of care and to exhibit much stronger preferences for independent living arrangements, greater autonomy and choice in services than previous generations.

So in planning new developments we are not seeking to replicate the models of the past, but to meet the needs and expectations of the next generation and beyond. Any new services must be fit for purpose for at least the next 20/30 years.

Extra care specialist housing will lead to less demand for residential and nursing home care, but it is not a straightforward substitution. A move into a care home is often at a time of crisis following an illness or accident, whereas this is not the case with extra care which needs to be planned. For the majority of people, an extra care apartment can be a home for life with flexible health and social care support available regardless of complexity of need. The companionship and support derived

from being part of a community serves to address some of the debilitating consequences of loneliness and isolation, which are often factors leading to care home admission. We know that greatly increasing numbers of people will suffer from dementia but with thoughtful design and flexible support, they should have the same opportunities to be supported in their own home and not need to move to a congregated care home setting simply because of their diagnosis or because existing services cannot meet their needs.

In September 2014, LCC Cabinet approved an Extra Care and Specialist Housing Strategy. This makes the case to initially develop a scheme in each District (providing in the region of 800 extra care apartments) with the intention to expand provision significantly in future years. Bringing these schemes to fruition is time consuming and complex, and requires the involvement and commitment of numerous partners. For example the Ormskirk scheme involved LCC, the (then) Central Lancashire Primary Care Trust, West Lancashire Borough Council, Arena Housing, the Homes and Communities Agency (HCA), care providers and Third Sector organisations. Only through collaboration and the sharing of effort, resources, investment and risk can these schemes be delivered.

This is an ambitious programme which requires us to explore all options. When it is not possible for a scheme to be developed without additional public funding, LCC will consider providing financial input, including any land value, not representing more than 30% of the total cost of the project. However in most cases the contribution of LCC would be expected to be significantly less.

Good progress is being made, with schemes at varying stages of consideration and development in seven districts. Two schemes (Fleetwood and Preston) have been awarded HCA funding and building will commence during 2015. Inevitably schemes do take time to come to fruition. For example, whilst funding is in place for the Fleetwood scheme, construction will only start in August 2015 with completion early in 2017.

Fleetwood Development

This scheme is a partnership between Wyre Borough Council, LCC, Regenda, (which is a housing association and regeneration organisation) and Fylde and Wyre Clinical Commissioning Group. Regenda own Wansbeck House, a 1960's sheltered housing scheme in Fleetwood which is no longer fit for purpose. The site adjoins the LCC owned former Chatsworth Resource Centre. Regenda secured planning consent to develop the combined site earlier this year. This scheme will provide 72 self-contained extra care apartments on an affordable rent basis. As with the Ormskirk scheme, this will incorporate a wide range of facilities which includes the potential for health care services. Included in this scheme is the opportunity to develop the adjacent former Chatsworth library site to provide community health and wellbeing resources for the use of the extra care tenants and the wider community. Fylde and Wyre CCG have prepared an outline business case to secure NHS funding for this element of the scheme.

Lancaster Health Innovation Campus

LCC and other partners have been working with Lancaster University to develop an ambitious scheme which will improve all aspects of support, care, technology and other resources that enable older adults to age well and have productive and fulfilling lives.

The 'Health Innovation Campus' is a core project within the Lancashire Enterprise Partnership's Growth Deal which was announced in September 2014, and has been allocated an indicative £18m of capital funding. It is proposed that the scheme will include a 'Wellbeing Village' which will allow residents to access flexible accommodation, care and support dependent upon their needs. The proposal is ambitious and innovative, and as such carries a range of risks and will inevitably take some years to deliver but will improve the quality of care, treatment and outcomes for older people across Lancashire.

The development of the scheme will be led by Lancaster University in partnership with Lancaster City Council, LCC, Lancashire North CCG, Carillion and others. This nature of scheme requires complex negotiations, and at this stage it is not possible to specify timescales. As further details emerge a report will be submitted to the Cabinet Member.

Consultations

N/A at this stage of the development

Implications:

This item has the following implications, as indicated:

Risk management

Financial implications.

The County Council's Extra Care Strategy provides for support for the development of Extra Care Housing schemes of two types:

1. The making available of sites for development, at either nil or nominal value, subject to compliance with the terms of the General Disposal Consent.
2. Capital grants

Either or both is available to any scheme within the overall £18m resource envelope identified within the Extra Care Strategy to support the significant expansion of extra care units across Lancashire, but any contribution towards the cost of an individual scheme is subject to a financial appraisal to confirm whether an entirely market driven solution, in terms of the provision of the relevant assets, is a viable option or not. This will maximise the outputs available from the funding identified and in total support from the County Council should equate to no more than 30% of the total development cost of an individual scheme. In addition to this, the County Council will

be responsible together with individual service users for the costs of care provided within these facilities. Expansion of Extra Care capacity should ultimately deliver net savings on adult social care budgets, and therefore provide greater overall value to the County Council, as the intention is that a proportion of the available places will be available to people otherwise at risk of entering residential care at increased cost.

Legal Implications.

Full consideration will be given to any legal issues that arise in relation to the Lancaster scheme in due course.

Local Government (Access to Information) Act 1985

List of Background Papers

Paper	Date	Contact/Directorate/Tel
The Development of an Extra Care Scheme in Fleetwood (Part II)	December 2014	Sarah McCarthy 01772 530551

[Extra Care and Specialist Housing Strategy for Lancashire \(Appendix A\)](#)

Reason for inclusion in Part II, if appropriate

N/A

Meeting of the Full Council
Meeting to be held on 18 December 2014

Report submitted by: The Chief Executive

Part B

Electoral Division affected:
All

Report of the Overview and Scrutiny Committees
(Annexes 1- 3 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 September - November 2014.

The reports of the committees are attached as Annexes 1 - 3 as follows:

- Annex 1 - Scrutiny Committee**
- Annex 2 - Health Scrutiny Committee**
- Annex 3 - Education Scrutiny Committee**

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 9 September, 7 October, 4 November and 2 December 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	12 September 2014 10 October 2014 7 November 2014 20 November 2014	Executive/33361
Health Scrutiny Committee	07 October 2014 25 November 2014	
Education Scrutiny Committee	21 October 2014	
Executive Scrutiny Committee	09 September 2014 07 October 2014 04 November 2014 02 December 2014	

Reason for inclusion in Part II, if appropriate

N/A

Meeting of the Full Council – 18 December 2014

Report on the Scrutiny Committee Meetings held on 12 September, 10 October, 7 November and 20 November 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?CommitteeId=120>

12 September 2014

Internal Energy Policy for Lancashire County Council - Outline Position

The report proposed the introduction of an over-arching internal energy policy, primarily focused at reducing the consumption of energy in County Council buildings and schools whilst paying heed to other linked areas of development.

The Committee supported the development of an over-arching internal energy policy document, with a view in future to monitoring progress towards achieving targets set in the final policy, as approved by Cabinet.

Local Growth Task Group - Executive Response

A full response was provided by the Leader to the recommendations of the Task Group.

Parking Fee Schemes

The report provided a commentary on a RAC Foundation report on Local Authorities' parking finances, published in August 2013.

10 October 2014

Regulation of Investigatory Powers

A report was presented on how the Regulation of Investigatory Powers Act 2000 (RIPA) provided a framework for certain public bodies, including local authorities, to use 'covert surveillance' gather information about individuals without their knowledge for the purposes of undertaking statutory functions in connection with the prevention or detection of crime.

The Committee noted:

- i. The adoption of the revised authorisation arrangements agreed at

- Cabinet on 10 June 2014
- ii. The publication of the revised RIPA Policy agreed at Cabinet on 10 June 2014
 - iii. The response made to the OSC by the Chief Executive on 10 June 2014,
 - iv. The use made of RIPA by the Council Trading Standards Service since the last report in September 2013.

Position Statement on Flood Risk Management Related Issues - Land Drainage Management, Partnership Working, General Update

The report presented an update setting out the County Council's current position on flood risk management issues.

It was agreed that:

- i. The Environment Agency be requested to attend a meeting of the Scrutiny Committee, to discuss the position in relation to Alt-Crossens and other flood risk management issues, as well as the issue of Water quality.
- ii. Strong concerns about the approach of the Environment Agency and Defra to the issue of flooding in the Alt-Crossens area be expressed.
- iii. The efforts of the County Council and West Lancashire District Council on the Alt-Crossens issue are welcomed.
- iv. The views of the Committee on the Government Consultation on SuDS "Delivering Sustainable Drainage Systems" be included in the response from the Cabinet Member, including:
 - a. the committee's strong support for the original proposals in relation to SuDS, in preference to the proposals presented in this consultation.
 - b. DEFRA provide clarity as soon as possible on mechanisms for charging householders for future maintenance of SUDS systems.
 - c. that provision be made urgently for the Lead Local Flood Authority to be a statutory consultee on planning applications.
- v. District Councils in Lancashire be encouraged to respond to the government's SuDs delivery consultation "Delivering Sustainable Drainage Systems".
- vi. District Councils be strongly encouraged to seek the views of the County Council's flood risk management officers until such point that the County Council becomes a statutory consultee on such matters, noting that excellent links have developed already between the county and district councils on this issue.
- vii. The Flood Risk Asset Register information be made available to Councillors.

- viii. Further detail be provided to the committee on homes in Lancashire at risk of flooding and schemes being undertaken by the County Council and other stakeholders to address flood risks.

Work Plan and Task Group Update

It was agreed that the proposed item on the health service response to domestic abuse would be moved to the January meeting, and that the December meeting be set aside to consider the issue of child protection and child sexual exploitation. It was also agreed that an appropriate slot be found for the Environment Agency to attend to discuss the various issues raised in the previous item.

7 November 2014

Lancashire Community Safety Agreement 2014-16

A report on the Community Safety Agreement to be considered by Cabinet in December was presented to the Scrutiny Committee.

The Committee agreed to,

- i. Support the Community Safety Agreement and for their comments to be forwarded to the Executive Scrutiny Committee for further discussion with particular regard to how accountability between partners is identified and managed;
- ii. Request that all the additional information be provided to Members;
- iii. Give consideration to future engagement of scrutiny with the Police and Crime Commissioner

Work Plan and Task Group Update

A report was presented summarising the work to be undertaken by the Committee in the coming months, including an update on task group work.

20 November 2014

A meeting was convened under the County Council's Call In procedures to consider the Cabinet's recent decision on Preston Bus station and the Multi Storey Car Park. After consideration of the issue, the Committee resolved not to request that the decision be reconsidered by Cabinet.

Meeting of the Full Council – 18 December 2014

Report on the Health Scrutiny Committee meetings on 7 October and 25 November 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>

7 October 2014

Public Health actions to address the impacts of economic downturn

As part of the ongoing scrutiny of the 'Living Well' element of the Health & Wellbeing Strategy, the Committee was provided with a report which presented an overview of the actions being taken to address the impact of the economic downturn on the health and wellbeing on the population of Lancashire.

Report of the Health Scrutiny Committee Steering Group

On 15 August the Steering Group had met with officers from North West Ambulance Service to discuss their 5 year plan and Lancashire Care Foundation Trust who provided an update on inpatient facilities. A summary of the meeting was at Appendix A to the report presented.

Work Plan 2014/15

The Committee received a draft work plan for both the Health Scrutiny Committee and its Steering Group, including current Task Group reviews.

It was reported that a work planning workshop would be arranged in March 2015 at which the Committee could consider and agree topics for the 2015/16 programme of work.

25 November 2014

Healthy Environments

As part of the ongoing scrutiny of the 'Living Well' element of the Health & Wellbeing Strategy, the Committee was provided with a report which presented an overview of the opportunities to influence the development of healthy environments as a way of improving the health of the local population.

The Committee agreed that the Chair of the Health Scrutiny Committee write to the Chairs of Planning Committees and Directors of Planning to make them aware of the concerns identified by members, and that a copy of the minutes of the meeting be provided as a summary of the discussion.

Adult Social Care Complaints and Representations Annual Report 2013-2014

The report explained that the production of the Annual Complaints and Customer Feedback Report was a longstanding statutory requirement. It contained statistical information, analysis and learning for the organisation in relation to adult social care complaints, comments and compliments received from 1 April 2013 to 31 March 2014.

It was agreed that:

- i. the Adult Social Care Complaints and Customer Feedback Annual Report 2013/14 be received and the associated learning from customer feedback for the past year be acknowledged; and
- ii. it be agreed that the Adult Social Care Complaints and Customer Feedback Annual Report for 2013/14 can be shared as a public document.

Report of the Disabled Facilities Grants Task Group

The report of the Task Group was presented by the Chair who emphasised the need to maximise opportunities to take advantage of funding streams coming forward which would lead to more Disabled facilities Grants going to more people. He commended the recommendations of the Task Group to the Committee and recommended that they be taken forward in time for the new financial year.

It was agreed that,

- i. The recommendations of the Task Group be supported; and
- ii. The Cabinet Member for Adult and Community Services be asked to provide an interim response within two months and a full and final response within six months.

Report of the Health Scrutiny Committee Steering Group

On 5 September the Steering Group met with officers from NHS England, Lancashire Area Team. A summary of the meeting was presented at Appendix A.

On 26 September the Steering Group met with officers from the Care Quality Commission. A summary of the meeting was presented at Appendix B.

On 17 October the Steering Group met with officers from Lancashire Teaching Hospitals Trust and Fylde & Wyre Clinical Commissioning Group. A summary of the meeting was presented at Appendix C.

Meeting of the Full Council – 18 December 2014

Report on the Education Scrutiny Committee Meeting 21 October 2014

Chair: County Councillor Cynthia Dereli

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

<http://council.lancashire.gov.uk/mgCommitteeDetails.aspx?ID=181>

Lancashire School Term and Holiday Arrangements from 2016/17

The report provided the background to the current school holiday arrangements and possible future arrangements, and a summary of the responses received from key groups regarding the future arrangements for the Lancashire School Term and Holidays.

The Committee supported the continued practice of Lancashire County Council negotiating and agreeing a framework with the recognised Teacher Associations and Diocesan/Church Authorities based on the principles of the Standard School Year, and that this approach be commended to all Lancashire schools.

A summary of the provisional results at the end of Key Stage 2 and Key Stage 4 at Lancashire and District level.

The report set out the overall attainment in Lancashire schools at the end of Key Stages 2 and 4 in 2014. It was based on provisional data which had not yet been validated. The results had been analysed at District level and showed progress over the past three years.

It was agreed that:

- i. Officers be thanked for all their work around attainment in Lancashire schools.
- ii. Validated data relating to Key Stage 2 and Key Stage 4 attainment be sent, via a link, to members of this Committee when available;
- iii. A further report on validated Key Stage 2 and Key Stage 4 attainment be provided to this Committee at its next meeting in March.

A summary of partnership arrangements amongst Lancashire schools.

The report explained the purpose and range of partnerships between schools in Lancashire which were invaluable in helping schools to improve the quality of education they provided; these partnerships were constantly evolving to meet new

challenges and opportunities. It also set out strategies to promote partnership working between schools.

It was agreed that:

- i. Officers be thanked for their report;
- ii. The importance of partnership working and the ongoing good work in this connection be recognised; and
- iii. The importance of peer to peer support for school governors be recognised and work to improve support for governors be welcomed.

Work Plan 2014/15

The Committee received an update on the current work plan and task groups, and suggestions for the future.

**Meeting of the Full Council
Meeting to be held on 18 December 2014**

Report submitted by: The Chief Executive

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 29 September 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=3008&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	29 September 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 29 September 2014:

1. Internal Audit annual report to Lancashire County Council for 2013/14

The committee considered the Internal Audit annual report for 2013/14, as presented by Ruth Lowry, chief internal auditor.

The report summarised the work of the Internal Audit Service during 2013/14 and the key themes arising in relation to internal control, governance and risk management across the council.

The opinion given in the report confirmed that only limited assurance could be given overall that the council operated generally sound systems of internal control.

It was reported that there had been a number of high profile issues during 2013/14 and that these matters alone indicated fundamental weaknesses in the council's corporate governance arrangements that precluded any more favourable evaluation of the council's risk management, control and governance arrangements. It was further reported that, although these events took place during 2013/14, the issues were rooted in decisions made, and actions taken, from 2010 onwards.

The assurance given in previous years was discussed. The chief internal auditor pointed to a gradual deterioration over recent years of the level of assurance she had been able to provide, and to the previously even spread between substantial full assurance and limited/ nil assurance. That balance had now tipped and only limited/ nil assurance had been provided over the majority of control systems for 2013/14.

Decision Taken: That the internal audit annual report to the authority for 2013/14 as set out at Appendix A to the report now presented be noted.

2. Annual Governance Statement 2013/14

Ian Young, county secretary and solicitor presented the Annual Governance Statement (AGS) for 2013/14, for inclusion in the County Council's Statement of Accounts for 2013/14.

The AGS had been carefully considered by the Management Team, recognising that whilst the chief internal auditor had provided limited assurance overall that there was generally a sound system of internal control.

The committee noted that the council had over the past twelve months experienced exceptional challenges which had absorbed and diverted a considerable amount of senior leadership time, circumstances which had impacted upon a number of the issues relevant to the adequacy and effectiveness of the council's control environment highlighted by the chief internal auditor's annual report.

It was also noted that all outstanding actions would now form part of the chief internal auditor's Audit Plan for 2014/15 with the intention that all areas of high and moderate risk currently assessed as limited or nil assurance would achieve at least a substantial assurance assessment in the chief internal auditor's report for the year ending 31 March 2015.

Decision Taken: That the Annual Governance Statement for 2013/14 as now presented at Appendix A to the report be approved for inclusion in the County Council's Statement of Accounts for 2013/14.

3. Approval of the County Council and Pension Fund Letters of Representation 2013/14

A report was presented on the County Council's Management Representation Letter at Appendix A and that for the Lancashire County Pension Fund at Appendix B to the report.

The committee was informed that the Management Representation Letters should be made available to the external auditors before the audit report was issued.

Decision Taken: That the management representation letters as shown at Appendices A and B to the report now presented be approved.

4. External Audit Lancashire County Council 2013/14 - Audit Findings Report

A report was presented on the overall findings of the external auditor in relation to the audit of the annual accounts of Lancashire County Council, their proposed opinion on those accounts, and conclusion on the council's value for money arrangements.

In commenting on the county council's accounts, Karen Murray, external auditor, informed the committee that the draft accounts were, overall, prepared to a good standard. However, a number of misstatements and misclassifications had been identified within the accounts and these had been discussed with the County Treasurer and members of her team and the accounts amended.

The report also included the value for money conclusion. The opinion given in the report confirmed that the council did not have proper arrangements in place to secure value for money. This took account of the balance between those areas where the council's arrangements were demonstrably strong, and those areas of corporate and financial governance where the council had recently identified a number of fundamental weaknesses in its arrangements. It was acknowledged that the issues had emerged during the year but that they related to arrangements, decisions and actions taken in previous years.

The committee also noted that the external auditor was unable to formally conclude the audit and issue an audit certificate until they had completed their consideration of matters brought to their attention by the Council in 2013. However they were

satisfied that these matters did not have a material effect on the financial statements or a significant impact on their value for money conclusion.

Decision Taken: That:

- i) The external audit findings report covering the audit of the County Council for year ended 31 March 2014 be noted.
- ii) The adjustments to the financial statements and other issues raised by the external auditor as set out in the report presented, be noted.

5. Approval of the County Council's Statement of Accounts 2013/14

The committee was asked to approve the county council's Statement of Accounts for 2013/14, as presented by George Graham, deputy county treasurer.

The committee was informed that the Statement of Accounts had been prepared in accordance with the Accounting Code of Practice issued by the Chartered Institute of Public Finance and Accountancy (CIPFA).

A number of accounting adjustments agreed with the external auditor and shown in their Audit Findings report at Item 8 of the agenda were reflected within the statement

The committee was taken through the main components and key issues of the statement.

Decision Taken: That the Lancashire County Council Statement of Accounts for 2013/14 be approved and signed by the chair of the committee.

10. External Audit Lancashire County Pension Fund Annual Audit Findings - 2013/14

A report was presented on the audit findings in relation to the accounts of the Lancashire County Pension Fund.

In commenting on the Lancashire County Pension Fund account, Karen Murray, external auditor, informed the committee that the audit work had not identified any material adjustments affecting the Fund's reported financial position. However, a number of adjustments had been identified to improve the presentation of the financial statements.

It was reported that the pension fund's financial statements gave a true and fair view of the financial transactions of the pension fund during the year ended 31 March 2014 and the amount and disposition of the fund's assets and liabilities.

Decision Taken: That:

- i) The external audit findings report covering the audit of the Lancashire County Pension Fund for year ended 31 March 2014 be noted.
- ii) The adjustments to the financial statements and other issues raised by the external auditor as set out in the report presented, be noted.

11. Approval of the Lancashire County Pension Fund's Statement of Accounts 2013/14

The committee was asked to approve the Lancashire County Pension Fund's Statement of Accounts for 2013/14, as presented by George Graham, deputy county treasurer.

The Statement of Accounts had been prepared in accordance with International Financial Reporting Standards and initial consultation with the external auditors, Grant Thornton and included details of the Fund account, the Statement of Net Assets, investment policy and performance and the actuarial valuation.

Decision Taken: That the Lancashire County Pension Fund's Statement of Accounts for 2013/14 be approved and signed by the chair of the committee.

12. 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 during the current financial year to the end of August 2014.

Decision Taken: That the review of treasury management activities for the period 1 April to 31 August 2014 shown at appendix A to the report now presented, be noted.

13. Public Interest Disclosure Act 1998 (Whistleblowing Act) Summary

Ruth Lowry, chief internal auditor presented a report on the complaints dealt with arising from the council's Whistleblowing Policy in the previous 12 months.

Since the last report in 2013, the internal audit service had received 21 complaints under this policy. Details of the complaints were shown at Appendix A to the report.

Decision Taken: That the report be noted.

**Meeting of the Full Council
Meeting to be held on 18 December 2014**

Report submitted by: The Chief Executive

Part B

Electoral Division affected:
All

Report of the Pension Fund Committee
(Appendix A refers)

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

Executive Summary

The Report of the Pension Fund Committee from its meeting on 28 November 2014 is attached at Annex 1.

Copies of the agenda and reports considered by the Committee are available on the County Council's website at the following link:
<http://council.lancashire.gov.uk/ieListMeetings.aspx?CommitteeId=183>

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

Recommendation

The Full Council is asked to note the report of the Pension Fund Committee from its meeting on 28 November 2014, as now presented.

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

Paper	Date	Contact/Directorate/Ext
Agenda & Minutes of the Pension Fund Committee	28 November 2014	Chris Mather, Office of the Chief Executive, Tel: 01772 533559

Report of the Pension Fund Committee - Matters for Information

The following matters were considered by the Pension Fund Committee at its meeting on 28 November 2014.

Part I

1. Announcement:

The Committee was informed that the Lancashire County Pension Fund had been recognised at the recent Investment & Pension Europe Awards 2014 held in Vienna. The Committee welcomed the news that the Fund had been highly commended in the 'In house Investment Team ' category, as well as being shortlisted in the 'Best Public Pension Fund' category.

2. Transaction of Urgent Business - Response to Government Consultations

Details of the Committee's responses to the following Government consultations were presented:

- Consultation on the Local Government Pension Scheme (Amendment) (Governance) Regulations 2014
Better Governance and Improved Accountability in the Local Government Pension Scheme
- Local Government Pension Scheme
Draft Guidance on the creation and operation of Local Pension Boards in England and Wales

It was noted that the responses had been approved under the County Council's Urgent Business Procedure as the Government's closing dates were prior to the next scheduled meeting of the Committee.

Decision taken

The Committee noted the report.

3. Establishment of the Lancashire Pension Board

The Committee considered a report on the proposed establishment of the Lancashire Pension Board as required by the Local Government Pension Scheme (Amendment) Regulations 2014.

The report set out:

- the functions and position of the Pension Board in the Fund's Governance structure;
- the proposed composition of the Board and the appointment process including the appointment of an independent chair;

- proposals for the remuneration of Board members;
- the Board's terms of reference;
- the implications of the creation of the Board for the Fund's existing governance arrangements including the proposed disestablishment of the Pension Fund Administration Sub-Committee and consequential amendments to the Pension Fund Committee's terms of reference (Appendix 'B'); and
- the outcome of consultations on the proposals including the views of officers thereon.

It was noted that the first meeting of the new Board had to be held before July 2015 with the membership of the Board in place by April 2015. Subject to the views of the Committee, it was proposed to request the Full Council to approve the arrangements, as set out in the report, on 18 December 2014. This would enable the recruitment timetable to commence in January 2015.

Decision taken

The Committee agreed that:

1. The proposals for the establishment of the Lancashire Pension Board, as set out in the report, be endorsed and recommended to the Full Council for adoption.
 2. The Full Council be requested to approve (i) the disestablishment of the Pension Fund Administration Sub Committee, and (ii) the proposed revised terms of reference for the Pension Fund Committee, as set out at Appendix 'B'.
- 4. Impact of County Council Transformation Programme on the arrangements for managing the Lancashire County Pension Fund**

The Committee considered a report on the impact of the County Council's transformation programme on the arrangements for managing the Lancashire County Pension Fund.

It was noted that the opportunity had been taken as part of the transformation programme to strengthen the arrangements for delivering the Council's responsibilities as administering authority for one of the largest pension funds within the Local Government Pension Scheme.

A separate organisational unit for the Fund had been established to come into effect on 1 April 2015. The new unit would remove the potential for any conflicts of interest between the Fund and the County Council as its 'sponsor'. The unit would report direct to the Chief Executive and all aspects of the work of the Pension Fund would be brought together under a single manager (Director) whose time would be fully dedicated to the Fund in a way that had not been possible until now. The Committee welcomed the announcement that George Graham had been appointed as the new Director of the Lancashire County Pension Fund.

Decision taken

The Committee noted the report.

5. Report of the Appointments Sub-Committee

The Committee considered a report on the appointment of an Independent Adviser to succeed Mr Mills.

The Appointments Sub-Committee had conducted interviews on 24 October 2014 and had unanimously agreed to appoint Ms Aoifinn Devitt for an initial term of two years as from 1 March 2015.

Decision taken

The Committee noted the appointment of Ms Aoifinn Devitt as an Independent Adviser to the Fund for an initial term of two years as from 1 March 2015.

6. Shareholder Voting and Engagement Report

The Committee considered a comprehensive report on the Fund's shareholder voting arrangements and activity, and engagement activity for the period 1 July to 30 September 2014. The report also set out details of potential class actions in relation to companies in which the Lancashire County Pension fund currently owned shares or had previously owned shares.

It was noted that the Fund had voted on 318 occasions during this period and had opposed or abstained in 39% of votes.

Decision taken

The Committee noted the report.

7. UK Stewardship Code compliance

The Committee considered a report on the annual review of the Fund's statement of compliance with the UK Stewardship Code.

The proposed Stewardship Code Compliance Statement for the Fund for 2014 was presented at Appendix 'B'. It was noted that the adoption of the statement and identified actions would ensure the Fund's compliance with the Code.

Decision taken

The Committee approved the Stewardship Code Compliance Statement for 2014, as set out at Appendix 'B'.

8. Report of the Socially Responsible Investment Working Group

The Committee considered the report of the Socially Responsible Investment working group which had been set up to consider any issues and make recommendations to the Committee on the social and environmental impacts of the Fund's investment strategy and activity.

The working group had met on three occasions and a wide range of issues relating to Socially Responsible Investment/Environmental, Social, and Governance (ESG) areas were discussed. These focussed on requirements arising from the Committee's fiduciary duty to beneficiaries and recent studies in this area, as well as examining the activities currently undertaken by the Fund in this area, and proposals for further activity.

The working group had drawn up an action plan to progress the recommended actions in relation to the fiduciary duty, existing investment activities, governance and policy matters, and analysis and monitoring of carbon footprints and risks/ESG issues across the Fund's portfolio. Details of the proposed action plan were presented at Appendix 'B'.

Decision taken

The Committee:

1. Welcomed the report of the Socially Responsible Investment Working Group.
2. Agreed that the Working Group's action plan and recommendations, as set out at Appendix 'B', be adopted by the Fund.

9. Interim Administration Report

The Committee considered the interim administration performance report which had been produced following the introduction and implementation of the new Local Government Pension Scheme 2014 on 1 April 2014.

The report set out performance against standards and targets as defined in a Service Level Agreement with Your Pension Service. The report indicated that service delivery had been maintained throughout the period of change.

Decision taken

The Committee noted the interim administration report, as set out at Appendix 'A'.

10. Feedback on External Pension Fund Training Events Attended by Members

The Committee received feedback from those members who had attended external pension fund training events, as follows:

- 18 September 2014 - CIPFA Pensions Network "Introduction to the Local Government Pension Scheme". The event was attended by County Councillors Lorraine Beavers and Keith Sedgewick; and
- 1 October 2014 – 33 Consulting Elected Member Educational Event. The event was attended by County Councillors David Borrow and Barrie Yates.

The members confirmed that both events were informative and provided a broad and detailed insight into the local government pension scheme, as well as the many

issues facing local authority pension funds. The events were recommended to other members of the Committee.

Decision taken

The Committee noted the feedback provided by members of the Committee in relation to recently attended external pension fund training events.

11. External Audit Findings Report - Lancashire Pension Fund - 2013/14

The Committee considered the Audit Findings Report which set out the findings of the external auditor following their audit of the Pension Fund Accounts for 2013/14.

It was noted that the report had been presented to the Council's Audit Committee on 29 September 2014 and that the external auditor had provided an unqualified audit opinion on the pension fund accounts following that meeting.

Decision taken

The Committee noted the external Audit report following the audit of the County Pension Fund Accounts for 2013/14.

Part II

12. Investment Performance Report

(Exempt information as defined in Paragraph 3 of Part 1 of Schedule 12A to the Local Government Act, 1972. It was considered that in all the circumstances of the case the public interest in maintaining the exemption outweighed the public interest in disclosing the information)

The Committee considered a report on the performance of the Fund as at 30 June 2014, focussing on the key areas of:

- the funding position;
- cash flow;
- fund investment performance;
- management performance;
- investment allocations; and
- risk management of the Fund including liability, credit, liquidity, investment and operational risks.

Decision taken

The Committee noted the report.

13. Investment Panel Report

(Exempt information as defined in Paragraph 3 of Part 1 of Schedule 12A to the Local Government Act, 1972. It was considered that in all the circumstances of the case

the public interest in maintaining the exemption outweighed the public interest in disclosing the information)

The Committee received a report from the Investment Panel setting out the work of the Panel at its meeting held on 4 September 2014. The Committee's attention was specifically drawn to the following key areas:

- The Investment Context in which the Fund was operating;
- Update on the Property tender process; and
- Liability Risk Management including detailed worked examples and scenario testing.

Decision taken

The Committee noted the report.

14. Property Management Procurement

(Exempt information as defined in Paragraph 3 of Part 1 of Schedule 12A to the Local Government Act, 1972. It was considered that in all the circumstances of the case the public interest in maintaining the exemption outweighed the public interest in disclosing the information)

The Committee considered a report on the appointment of the Fund's National and Local Property Investment manager which had been approved under the Urgent Business Procedure.

Decision taken

The Committee noted the report.

15. Collaboration with other Funds

(Exempt information as defined in Paragraph 3 of Part 1 of Schedule 12A to the Local Government Act, 1972. It was considered that in all the circumstances of the case the public interest in maintaining the exemption outweighed the public interest in disclosing the information)

The Committee considered a further report on the potential scope for collaborative working with the London Pension Fund Authority (LPFA).

The Committee at its meeting on 5 September 2014 authorised officers to hold discussions with the LPFA and report back to this meeting. It was reported that discussions had progressed well and a shared view of a concept that could achieve the degree of collaboration both funds would seek but maintaining autonomy around specific key areas and decision making processes was emerging.

It was now proposed to undertake further detailed work to produce proposals for the creation of an Asset and Liability Management Partnership which would in effect create a single pool of commonly invested assets sitting between the two funds.

It was confirmed that the LPFA had considered and approved a similar report.

Decision taken

The Committee:

1. Welcomed the progress of discussions with the London Pension Fund Authority on potential collaborative working arrangements.
2. Agreed that specific proposals for the creation of an Asset and Liability Management Partnership be developed for consideration at a future 'special' meeting of the Committee.

**Meeting of the Full Council
Meeting to be held on 15 December 2014**

Report submitted by: The Chief Executive

Part B

Electoral Division affected:
None

Report of the Urgency Committee

Contact for further information:

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Executive Summary

This report sets out the decisions of the Urgency Committee from its meetings on 9 and 22 October 2014.

Recommendation

The Full Council is asked to note the report.

Background and Advice

1. Urgency Committee meeting held on 9 October 2014

The Urgency Committee at its meeting on 9 October 2014 considered a report and recommendations on the new employee structure for the County Council which had been agreed by the Cabinet earlier in the day.

The Committee resolved:

- (1) That, for the purposes of the Transformation process only, and subject to statutory requirements, the Employment Committee be responsible for appointments to the posts of:
 - (a) Corporate Director Commissioning and Deputy Chief Executive;
 - (b) Corporate Director of Operations and Delivery (where the postholder holds an appropriate qualification the post will also be designated as the statutory Director of Children's Services or Director of Adult Services role);

- (c) Dependent upon whether the postholder appointed at (b) is also designated as one of the statutory roles, the Director of Children's Services and/or Director of Adult Services;
- (d) Director of Development and Corporate Services;
- (e) Subject to applications being received from staff holding an appropriate professional qualification allowing them to also be appointed as the Council's Monitoring Officer or S.151 Officer, the Director of Governance, Finance and Public Services; and
- (f) Subject to the appointment of the Monitoring Officer or S.151 Officer at (e) above, the Director of Financial Resources and/or the Director of Legal and Democratic Services, the successful applicant being appointed as the Monitoring Officer or S.151 Officer.

- (2) That all other appointments be delegated to the Head of the Paid Service.
- (3) That all appointments be made in accordance with the principles approved by Cabinet on 9 October 2014 and that the role of the Employment Committee in future appointments to senior posts then be reviewed.
- (4) That all appointments to the Council's structure at all grades, including Director grades and above, be made on the basis of Lancashire County Council Terms and Conditions of Employment, and that this principle also be applied to the Chief Executive on the basis set out in the report.
- (5) That a Chief Officer Car Leasing Scheme be implemented based on the same entitlements/costs as at present, the details of the Scheme to be finalised and approved by the Chief Executive.
- (6) That the Appeals Procedure, as set out at Appendix 'C', be approved.

2. Urgency Committee Meeting held on 22 October 2014

The Urgency Committee considered a report in relation to the appointment of the Council's Monitoring Officer.

The Committee approved the appointment of Ian Young, as the Council's Monitoring Officer in his new role as Director of Governance, Finance and Public Services with effect from 1 April 2015.

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
Reports to the Urgency Committee	9 and 22 October 2014	Chris Mather, OCE, 01772 533559

Reason for inclusion in Part II, if appropriate

N/A

Meeting of the Full Council – 18 December 2014

Agenda Part C - Notices of Motion submitted under Procedural Standing Order 14. 2.1(a)

1. By County Councillor Julie Gibson:

That Council recognises and applauds the White Ribbon Campaign which aims to highlight and show this Council's commitment, to tackle domestic violence across the County.

That Council recognises that during this festive period, there are often heightened incidences of domestic violence and abuse, and places on record its commitment to working with partners across the public, voluntary, community and faith sectors to tackle these.

That Council welcomes the Community Safety Strategy 2014-2016 which includes within it a commitment to addressing domestic violence not just by bringing perpetrators to justice, but by working with children, young people, families and communities to challenge attitudes and behaviour.

2. By County Councillor Gina Dowding:

Lancashire County Council:

A) Registers its opposition to the Northern and Trans Pennine Express franchise requirement for driver only trains and Government's plans to make driver only trains mandatory.

B) Expresses its concern at the removal of on board conductors on The Northern and Trans Pennine routes as well as hundreds of essential rail jobs.

C) Believes that, if implemented the plan would result in cuts to funding, fare rises, service and timetable cuts and the loss of local rail jobs.

D) Also believe that as a result of the loss of skilled jobs, passenger service and passenger safety will be worsened by this plan to remove guards and conductors from services and introduce Driver Only Operated Trains.

E) Notes that these proposals come on top of rail fare hikes and the pre existing under staffing of many rail stations and the closure of ticket offices, making guards and on board conductors even more essential to passenger safety.

F) Believes that safeguarding and increasing staffing levels are the most effective way of improving security and passenger safety.

G) Notes that the driver is responsible for safe operation of the train and the on board conductor is responsible for the protection of the passengers.

H) Notes that currently, guards and on board conductors are fully trained in the operational safety, route knowledge, including safely securing doors, protecting the train and acting in emergencies such as driver incapacity.

and therefore asks the Cabinet Member with responsibility for Transport, and as Lancashire County Council's representative on Rail North, to ensure that any negotiations in renewing the franchise will not result in cuts to staff and reduction in passenger safety.

15 December 2014