

Full Council

Thursday, 15th December, 2016, Council Chamber, County Hall, Preston

Question time begins at 1.30 pm.

Full Council begins at 2pm or at the end of Question Time, whichever is earlier.

Agenda

Index

1. **Apologies and Announcements**
2. **Disclosure of Pecuniary and Non-Pecuniary Interests**
- A. Matters for Decision**
 3. **Confirmation of the Minutes from the Meeting held on 13 October 2016** (Pages 1 - 12)
 4. **Decision to opt in to the National Scheme for Auditor Appointments** (Pages 13 - 26)
 5. **Lancashire County Council Timetable of Meetings 2017/18** (Pages 27 - 30)
- B. Matters for Information**
 6. **Report of the Cabinet (Part B)** (Pages 31 - 34)
 7. **Report of Urgent Key Decisions** (Pages 35 - 38)
 8. **Report of County Council Committees**

To receive reports from:

(a) **The Overview and Scrutiny Committees** (Pages 39 - 46)

(b) **The Pension Fund Committee** (Pages 47 - 52)

NOTICES OF MOTION

C. Notices of Motion

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

Jo Turton
Chief Executive

County Hall
Preston

13 December 2016

Agenda Item 3

Minutes

At a meeting of the Full Council held at Council Chamber, County Hall, Preston, on Thursday, 13th October, 2016

Present:

County Councillor Janice Hanson (Chair)

County Councillors

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

1. Apologies and Announcements

Apologies for absence were presented on behalf of County Councillors T Aldridge, T Ashton, G Molineux, B Murray, D Smith, K Snape and V Taylor.

Announcements

The Chairman reported the following deaths:

Former County Councillor Wendy Dwyer, an Honorary Alderman of the Borough of Hyndburn, who passed away unexpectedly on Monday 25 July 2016. Mrs Dwyer was elected to the County Council as a Labour councillor in 1993, representing the Accrington South electoral division until 2009 and was the Chairman of Lancashire County Council in 2007/2008.

Mrs Dwyer served on many Council Committees including:

- Education Overview and Scrutiny Committee (Chair)
- Environmental Best Value Overview and Scrutiny Committee (Chair)
- Tourism Sub-Committee (Chair)
- Planning, Industrial Development and Tourism Committee (Vice-Chair)
- Social Services Committee
- Education & Cultural Services Committee
- Highways and Transportation Committee
- Development Control Committee
- Audit Committee
- Fire Service and Public Protection Committee
- Urgency Committee

She also served on the Lancashire Combined Fire Authority.

Honorary Alderman Harold Edward White who passed away peacefully in hospital on Sunday 4 September 2016 following a short illness.

Mr White was elected to the County Council as a Labour councillor in 1973 representing the Blackburn Cathedral and Green Bank electoral division until 1998, when Blackburn with Darwen became a unitary authority.

Mr White served on many Council Committees including:

- Library and Leisure
- Social Services
- Fire Service and Public Protection
- Policy and Resources
- Highways and Transportation
- Education
- Police
- Library, Museums and Arts
- Personnel Sub-Committee (Chairman 1981-1998))
- Personnel Equal Opportunities in Employment Sub-Committee (Chairman 1987-1989)
- Land and Buildings Sub-Committee
- Finance Sub-Committee

- Planning and Industrial Development Committee

The Chair invited Council to stand for one minutes silence in memory of Mrs Dwyer and Mr White.

The Full Council stood in silent tribute.

A number of Members spoke in memory of both Mrs Dwyer and Mr White and offered condolences to his family and friends.

2. Disclosure of Pecuniary and Non-Pecuniary Interests

The Full Council was notified that Members had been invited to make declarations of Pecuniary and Non-pecuniary interests in matters on the agenda in accordance with the County Council's Code of Conduct for Members. The following interests were declared:

Name of Councillor	Agenda Item Number	Nature of Interest (Non-pecuniary unless stated)
D Howarth	5. (Preston, South Ribble and Lancashire City Deal Programme: End of Year Review)	Member of South Ribble Borough Council
	5. (The Property Strategy – Responses to Consultation)	Member of Penwortham Town Council

3. Confirmation of the Minutes from the Meeting held on 21 July 2016

Resolved: - That the minutes of the meeting of the Full Council held on 21 July 2016 be confirmed and signed by the Chair.

4. Borrowing from the Municipal Bond Agency

The Deputy Leader reported that, following consideration of the previous report by Full Council at its meeting on 21 July 2016, the proposals had, as requested, been referred to the Audit and Governance Committee for consideration at its meeting on 26 September 2016. The Committee had specifically been requested to consider the potential risks involved and any possible mitigation of those risks.

It was noted that, whilst the Committee had recommended Full Council to approve the proposals, further consideration had been given to the proposals and the Deputy Leader moved that the report be withdrawn until a later date when any outstanding concerns had been resolved. The motion was seconded by the Leader of the County Council.

Upon being put to the vote, the motion was CARRIED and it was:

Resolved: - That the report, now presented, be withdrawn

5. Report of the Cabinet (Part B)

The Leader of the Council moved the report of the Cabinet from its meetings on 14 July, 8 September and 26 September 2016.

Resolved: - That the report of the Cabinet from its meetings on 14 July, 8 September and 26 September 2016 be noted.

(a) The Overview and Scrutiny Committees

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

- Children's Services Scrutiny Committee - 7 September 2016
- Education Scrutiny Committee - 19 July 2016
- Health Scrutiny Committee - 20 September 2016
- Scrutiny Committee - 17 June, 22 July, 22 September and 23 September 2016

Resolved: - That the reports of the Overview and Scrutiny Committees, now presented, be noted.

(b) The Audit and Governance Committee

County Councillor Terry Brown presented the report of the Audit and Governance Committee from its meeting held on 26 September 2016.

Resolved: - That the report of the Audit and Governance Committee, now presented, be noted.

(c) The Pension Fund Committee

County Councillor Kevin Ellard presented the report of the Pension Fund Committee from its meeting held on 15 September 2016.

Resolved: - That the report of the Pension Fund Committee, now presented, be noted.

(d) The Urgency Committee

The Leader presented the report of the Urgency Committee, which set out decisions of the Chief Executive under the Council's Urgent Business Procedure on behalf of the Urgency Committee.

Resolved: - That the report of the Urgency Committee, now presented, be noted.

7. Report of the Combined Fire Authority

County Councillor Frank de Molfetta presented the report of the Lancashire Combined Fire Authority from its meeting held on 19 September 2016.

Resolved: - That the report of the Lancashire Combined Fire Authority, now presented, be noted.

8. Notices of Motion submitted under Procedural Standing Order 14.2.1(a) (Part C)

1. It was moved by County Councillor Hennessy, with a minor revision to the wording, and seconded by County Councillor Beavers that:

Under the School Standards and Framework Act 1998 passed by the last Labour Government, schools that were not grammar schools at the beginning of the 1997/98 year cannot make the admission arrangements for selection by ability and parents may request for a ballot on whether existing grammar schools should retain selective admission arrangements.

Council believes that the principle of selection by ability is wrong educationally and makes it difficult for children, specifically children from BME backgrounds and children who qualify for free school meals. The principle is wrong because it assumes every child develops at the same rate. Council believes that the restriction against new grammar schools and provisions for parental balloting on existing grammar schools should be kept in place.

Council recognises the opposition for the Grammar school proposal amongst the teaching profession, a recent survey of more than 2,500 teachers, school leaders and heads, revealed that 80 per cent of the profession did not believe that the 11-plus test, taken to get into selective schools, could reliably measure long term academic potential. Kevin Courtney, general secretary of the National Union of Teachers, called the grammar schools proposal “a backward-looking policy”. He said: “Promoting grammar schools as the elite academic option instantly casts all other schools into the role of supporting actor.” This is damning evidence that the new government are out of touch with what this country really needs, we need an education system which works for everyone, not the few.

Council therefore requests that the Chief Executive writes to the Prime Minister outlining Lancashire's County Council's opposition to any move to open new grammar schools and commits the Council to working with the county's family of schools, the head teacher managerial association, parents, trade union partners and others to ensure that every child regardless of ability, gets the best education possible.

A recorded vote on the motion was then taken. The names of County Councillors who voted for or against the motion and those who abstained were as follows:

For (40)

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

Against (31)

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

Abstentions (3)

E Oades
S Perkins
S Serridge

Having been put to the vote, the motion was CARRIED and it was:

Resolved: - That:

Under the School Standards and Framework Act 1998 passed by the last Labour Government, schools that were not grammar schools at the beginning of the 1997/98 year cannot make the admission arrangements for selection by ability and parents may request for a ballot on whether existing grammar schools should retain selective admission arrangements.

Council believes that the principle of selection by ability is wrong educationally and makes it difficult for children, specifically children from BME backgrounds and children who qualify for free school meals. The principle is wrong because it assumes every child develops at the same rate. Council believes that the restriction against new grammar schools and provisions for parental balloting on existing grammar schools should be kept in place.

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and heads, revealed that 80 per cent of the profession did not believe that the 11-plus test, taken to get into selective schools, could reliably measure long term academic potential. Kevin Courtney, general secretary of the National Union of Teachers, called the grammar schools proposal “a backward-looking policy”. He said: “Promoting grammar schools as the elite academic option instantly casts all other schools into the role of supporting actor.” This is damning evidence that the new government are out of touch with what this country really needs, we need an education system which works for everyone, not the few.

Council therefore requests that the Chief Executive writes to the Prime Minister outlining Lancashire's County Council's opposition to any move to open new grammar schools and commits the Council to working with the county's family of schools, the head teacher managerial association, parents, trade union partners and others to ensure that every child regardless of ability, gets the best education possible.

2. It was moved by County Councillor Whipp and seconded by County Councillor Winlow that:

County Council notes the independent report by Price WaterhouseCoopers which sets out the future financial position of the county council and shows the stark deficit due to rising Social Care costs and inadequate central government funding.

Council also notes that in a recent BBC TV interview, Prime Minister Theresa May notably failed to comprehend the severity and causes of the financial crisis affecting every resident in Lancashire.

Council resolves that all-party representations be made to Mrs May, the Chancellor of the Exchequer and the Secretary of State for Communities and Local Government to request the Government to take urgent action to provide appropriate financial support to ensure that vital services continue to be provided by Lancashire County Council.

The following amendment was moved by County Councillor Driver and seconded by County Councillor Atkinson:

County Council notes the independent report by Price WaterhouseCoopers which sets out the future financial position of the County Council.

Council also understands and supports the two basic principles that have long underpinned the methodology of central government's financial support to local government which are designed to enable all local authorities to provide the level of service that their particular residents are entitled to expect.

Firstly, for a variety of reasons, not least of which is the age profile of its population, each local authority has different needs in terms of the services it has to provide for its residents. For example, with several areas of high deprivation and a relative elderly population, Lancashire County Council faces far greater demands for many of its services than some other County Councils.

Secondly, and again for a variety of reasons, each local authority has different levels of resources available to it to meet those demands upon its services. For example, Lancashire County Council's council tax base is below the average for all County Councils and therefore the "2% premium" that local authorities are allowed to levy specifically for Adult Social Care, in Lancashire only raises a fraction of the amount raised in some other counties with very similar populations and age profiles.

This Council is determined to do its best to ensure that the people of Lancashire receive their fair share of Government funding and therefore resolves:

"To instruct the Chief Executive to write to the Secretary of State for Communities and Local Government enclosing a copy of the report by Price WaterhouseCoopers and requesting that the costs of the level of services needed by the people of Lancashire and the resources available to the County Council to meet the costs of those services are properly and fully taken into account by the Government in determining any future grant settlements".

Following debate, County Councillor Hayhurst proposed that the meeting be adjourned for 20 minutes to allow the political group leaders to discuss a composite motion for consideration by Full Council. It was:

Resolved: - That the meeting be adjourned for a period of 20 minutes.

Following the adjournment, the following amendment was moved by County Councillor Mein and seconded by County Councillor Driver:

County Council notes the independent report by Price WaterhouseCoopers which sets out the future financial position of the County Council.

For a variety of reasons, not least of which is the age profile of its population, each local authority has different needs in terms of the services it has to provide for its residents. For example, with several areas of high deprivation and a relative elderly population, Lancashire County Council faces far greater demands for many of its services than some other County Councils.

Again for a variety of reasons, each local authority has different levels of resources available to it to meet those demands upon its services. For example, Lancashire County Council's council tax base is below the average for all County Councils and therefore the "2% premium" that local authorities are allowed to levy specifically for Adult Social Care, in Lancashire only raises a fraction of the amount raised in some other counties with very similar populations and age profiles.

This Council is determined to do its best to ensure that the people of Lancashire receive their fair share of Government funding and therefore resolves to instruct the Chief Executive to:

1) Write to the Prime Minister, Chancellor of the Exchequer and the Secretary of State for Communities and Local Government asking for an urgent all - party County Council group leaders meeting to discuss the seriousness of the County Council's financial situation.

2) Arrange an urgent meeting with all Lancashire MPs to gain their understanding of the financial reality of the County Council and gain their support in lobbying Ministers to secure additional monies to fill the big financial 'black hole'.

This amendment was accepted and the original amendment from the Conservative Group was withdrawn. On being put to the vote, the amendment was CARRIED and became the Substantive Motion.

On being put to the vote the motion was CARRIED and it was:

Resolved: - That:

County Council notes the independent report by Price WaterhouseCoopers which sets out the future financial position of the County Council.

For a variety of reasons, not least of which is the age profile of its population, each local authority has different needs in terms of the services it has to provide for its residents. For example, with several areas of high deprivation and a relative elderly population, Lancashire County Council faces far greater demands for many of its services than some other County Councils.

Again for a variety of reasons, each local authority has different levels of resources available to it to meet those demands upon its services. For example, Lancashire County Council's council tax base is below the average for all County Councils and therefore the "2% premium" that local authorities are allowed to levy specifically for Adult Social Care, in Lancashire only raises a fraction of the amount raised in some other counties with very similar populations and age profiles.

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1) Write to the Prime Minister, Chancellor of the Exchequer and the Secretary of State for Communities and Local Government asking for an urgent all - party County Council group leaders meeting to discuss the seriousness of the County Council's financial situation.

2) Arrange an urgent meeting with all Lancashire MPs to gain their understanding of the financial reality of the County Council and gain their support in lobbying Ministers to secure additional monies to fill the big financial 'black hole'.

3. It was moved by County Councillor Driver and seconded by County Councillor Atkinson that:

The Budget for the financial year 2016/2017, which was approved by Council in February 2016, provides sufficient funds to keep all the County Council's Libraries open and operational until 31st March 2017.

Council therefore resolves to re-open those Libraries which closed on 30th September and defer the planned closure of other Libraries until 31st March 2017, to give Community Groups and others the opportunity to consider all possible means of taking over the running of these much valued facilities.

The following amendment was moved by County Councillor Iqbal and seconded by County Councillor Whipp:

The budget for the financial year 2016/17 which was approved by council in February 2016, provides sufficient funds to reconfigure and transform the County Council's Library service, Children's Centres and create a network of community hubs. These changes will deliver budget savings in future years.

Council therefore resolves to continue to give community groups and others the opportunity to take over surplus buildings to enable them to enhance and develop their vital community work including the creation of independent community libraries.

Council further resolves to write to the Prime Minister to reinstate funding to ensure a Fair Deal for Lancashire.

A recorded vote on the amendment was then taken. The names of County Councillors who voted for or against the motion and those who abstained were as follows:

For (39)

A Ali	B Dawson	S Holgate	N Penney
A Barnes	F de Molfetta	D Howarth	C Pritchard
L Beavers	C Dereli	M Iqbal	S Prynne
D Borrow	K Ellard	M Johnstone	S Serridge
M Brindle	J Fillis	D Lord	R Shewan
T Brown	J Gibson	T Martin	M Tomlinson
D Clifford	J Hanson	J Mein	D Watts
L Collinge	P Hayhurst	Y Motala	D Whipp
C Crompton	C Henig	E Oades	B Winlow
M Dad	N Hennessy	J Oakes	

Against (31)

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

Abstentions (0)

The Amendment was therefore CARRIED and became the Substantive Motion.

On being put to the vote the motion was CARRIED and it was:

Resolved: - That:

The budget for the financial year 2016/17 which was approved by council in February 2016, provides sufficient funds to reconfigure and transform the County Council's Library service, Children's Centres and create a network of community hubs. These changes will deliver budget savings in future years.

Council therefore resolves to continue to give community groups and others the opportunity to take over surplus buildings to enable them to enhance and develop their vital community work including the creation of independent community libraries.

Council further resolves to write to the Prime Minister to reinstate funding to ensure a Fair Deal for Lancashire.

Jo Turton
Chief Executive

County Hall
Preston

Meeting of the Full Council

Meeting to be held on Thursday, 15 December 2016

Report submitted by: Director of Financial Resources

Part A

Electoral Division affected:
(All Divisions);

Decision to opt in to the National Scheme for Auditor Appointments

(Appendices 'A' and 'B' refer)

Contact for further information:

Neil Kissock, Tel: (01772) 536154, Director of Financial Resources,

neil.kissock@lancashire.gov.uk

Executive Summary

This report sets out proposals for appointing the Council's External Auditor for the five financial years commencing 1 April 2018. The Council's current arrangements continue to apply up to and including 2017/18 audits under the terms of a contract originally let by the Audit Commission which was novated to Public Sector Audit Appointments Limited (PSAA) following the closure of the Audit Commission.

At its meeting on 26 September 2016, the Audit and Governance Committee agreed to recommend to Full Council to 'opt in' to an approved sector led body, specifically PSAA, to act as the Appointing Person for the appointment of external auditors for the County Council.

A sector-wide procurement conducted by PSAA would benefit the Council as:

- The audit costs are likely to be lower than if the Council sought to appoint locally, as national large-scale contracts are expected to drive keener prices from the audit firms;
- Without the national appointment, the Council would need to establish a separate independent auditor panel, which could be difficult, costly and time-consuming.

Regulation 19 of the Local Audit (Appointing Person) Regulations 2015 requires that a decision to 'opt in' must be made by a meeting of the Council (meeting as a whole).

Recommendation

The Full Council is recommended to:

- (i) Accept Public Sector Audit Appointments Limited's invitation to 'opt in' to the sector led option for the appointment of external auditors for five financial years commencing 1 April 2018.
- (ii) Authorise the Council's s151 officer to sign and return the notice of acceptance at Appendix 'B' on behalf of Lancashire County Council.

Background and Advice

The Local Audit and Accountability Act 2014 (the Act) brought to a close the Audit Commission and established transitional arrangements for the appointment of external auditors and the setting of audit fees for all local government and NHS bodies in England. In October 2015 the Secretary of State for Communities and Local Government (CLG) determined that the transitional arrangements for local government bodies would be extended by one year to also include the audit of the accounts for 2017/18.

The Act also set out the arrangements for the appointment of auditors for subsequent years, with the opportunity for authorities to make their own decisions about how and by whom their auditors are appointed. Regulations made under the Act allow local authorities to 'opt in' for their auditor to be appointed by an 'appointing person'.

In July 2016 Public Sector Audit Appointments Limited (PSAA) was specified by the Secretary of State as an "appointing person" under regulation 3 of the Local Audit (Appointing Person) Regulations 2015. The appointing person is sometimes referred to as the sector led body and PSAA has wide support across local government. PSAA was originally established to operate the transitional arrangements following the closure of the Audit Commission under powers delegated by the Secretary of State. PSAA is an independent, not-for-profit company limited by guarantee and established by the LGA.

PSAA is inviting the Council to 'opt in', along with all other local authorities, so that PSAA can enter into a number of contracts with appropriately qualified audit firms and appoint a suitable firm to be the Council's auditor.

The principal benefits from such an approach are as follows:

- PSAA will ensure the appointment of a suitably qualified and registered auditor and expects to be able to manage the appointments to allow for appropriate groupings and clusters of audits where bodies work together;
- PSAA will monitor contract delivery and ensure compliance with contractual, audit quality and independence requirements;

- Any auditor conflicts at individual authorities would be managed by PSAA who would have a number of contracted firms to call upon;
- It is expected that the large-scale contracts procured through PSAA will bring economies of scale and attract keener prices from the market than a smaller scale competition;
- The overall procurement costs would be lower than an individual smaller scale local procurement;
- The overhead costs for managing the contracts will be minimised through a smaller number of large contracts across the sector;
- There will be no need for the Council to establish alternative appointment processes locally, including the need to set up and manage an 'auditor panel', see below;
- The new regime provides both the perception and reality of independent auditor appointment through a collective approach; and
- A sustainable market for audit provision in the sector will be easier to ensure for the future.

The Council's current external auditor is Grant Thornton UK LLP, this appointment having been made under a contract let by the Audit Commission. Following closure of the Audit Commission the contract was novated to PSAA, and since this date PSAA has demonstrated its capability in terms of auditor appointment, contract management, and monitoring audit quality.

The scope of the audit will still be specified nationally, the National Audit Office (NAO) is responsible for writing the Code of Audit Practice which all firms appointed to carry out the Council's audit must follow. Not all audit firms will be eligible to compete for the work, they will need to demonstrate that they have the required skills and experience and be registered with a Registered Supervising Body approved by the Financial Reporting Council.

Currently, there are only nine providers that are eligible to audit local authorities and other relevant bodies; all of these being firms with a national presence. This means that a local procurement exercise, as described immediately below, would seek tenders from these same firms, subject to the need to manage any local independence issues. Local firms could not be invited to bid.

Other options

If the Council did not opt in there would be a need to establish an independent auditor panel. In order to make a stand-alone appointment the auditor panel would need to be set up by the Council itself. The members of an auditor panel must be wholly or a majority of independent members as defined by the Act. Independent members for this purpose are independent appointees, this excludes current and former elected members (or officers) and their close families and friends. This means

that elected members will not have a majority input to assessing bids and choosing which audit firm to award a contract for the Council's external audit.

Alternatively, the Act enables the Council to join with other local authorities to establish a joint auditor panel. Again this will need to be constituted of wholly or a majority of independent appointees (members). Further legal advice would be required on the exact constitution of such a panel having regard to the obligations of each Council under the Act and the Council would need to liaise with other local authorities to assess the appetite for such an arrangement.

Neither of these options are recommended. Both these options would be more resource-intensive processes to implement and, without the bulk buying power of the sector led procurement, would be likely to result in a more costly service. It would also be more difficult to manage quality and independence requirements through a local appointment process.

The invitation

PSAA has now formally invited this Council to 'opt in'. Details relating to PSAA's invitation are provided at Appendix 'A'.

In summary, the national opt-in scheme provides the following:

- The appointment of a suitably qualified audit firm for each of the five financial years commencing 1 April 2018;
- Appointing the same auditor to other opted in bodies that are involved in formal collaboration or joint working initiatives to the extent this is possible with other constraints;
- Managing the procurement process to ensure both quality and price criteria are satisfied. PSAA will seek views from the sector to help inform its detailed procurement strategy;
- Ensuring suitable independence of the auditors from the bodies they audit and managing any potential conflicts as they arise;
- Minimising the scheme management costs and returning any surpluses to scheme members;
- Consulting with authorities on auditor appointments, giving the Council the opportunity to influence which auditor is appointed;
- Consulting with authorities on the scale of audit fees and ensuring these reflect scale, complexity and audit risk; and
- Ongoing contract and performance management of the contracts once these have been let.

The way forward

Regulation 19 of the Local Audit (Appointing Person) Regulations 2015 requires that a decision to 'opt in' must be made by a meeting of the Council (meeting as a whole). The Council then needs to formally respond to PSAA's invitation in the form specified by PSAA by early March.

PSAA will commence the formal procurement process after this date. It expects to award contracts in summer 2017 and consult with authorities on the appointment of auditors so that it can make an appointment by the statutory deadline of December 2017.

Consultations

At its meeting of 26 September 2016, the Audit and Governance Committee agreed to recommend to Full Council to 'opt in' to an approved sector led body, specifically Public Sector Audit Appointments Limited, to act as the Appointing Person for the appointment of external auditors for the County Council.

Implications:

This item has the following implications, as indicated:

Risk management

The principal risks are that the Council fails to appoint an auditor in accordance with the new frameworks or does not achieve value for money in the appointment process. These risks are considered best mitigated by opting in to the sector led approach through PSAA.

Legal implications

Section 7 of the Local Audit and Accountability Act 2014 requires a relevant Authority to appoint a local auditor to audit its accounts for a financial year not later than 31 December in the preceding year. Section 8 governs the procedure for appointment including that the Council must consult and take account of the advice of its auditor panel on the selection and appointment of a local auditor. Section 8 provides that where a relevant Council is a local authority operating executive arrangements, the function of appointing a local auditor to audit its accounts is not the responsibility of an executive of the Council under those arrangements.

Section 12 makes provision for the failure to appoint a local auditor: the Council must immediately inform the Secretary of State, who may direct the Authority to appoint the auditor named in the direction or appoint a local auditor on behalf of the Council.

Section 17 gives the Secretary of State the power to make regulations in relation to an 'appointing person' specified by the Secretary of State. This power has been exercised in the Local Audit (Appointing Person) Regulations 2015 (SI 192) and this gives the Secretary of State the ability to enable a Sector Led Body to become the

appointing person. In July 2016 the Secretary of State specified PSAA as the appointing person.

Financial Implications

The Council's external audit fee for the 2015/16 accounts was £112,995. There is a risk that current external fee levels could increase when the current contracts end in 2018.

Opting-in to a national scheme provides maximum opportunity to ensure fees are as low as possible, whilst ensuring the quality of audit is maintained by entering into a large scale collective procurement arrangement. The proposed fees for the subsequent years cannot be known until the procurement process has been completed, as the costs will depend on proposals from the audit firms.

If the national scheme is not used some additional resource may be needed to establish an auditor panel and conduct a local procurement. Until a procurement exercise is completed it is not possible to state what, if any, additional resource may be required for audit fees for 2018/19.

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

Paper	Date	Contact/Tel
Report to the Audit and Governance Committee – 'Appointment of External Auditors'	26 September 2016	Sam Parker/(01772) 538221

Reason for inclusion in Part II, if appropriate

N/A

27 October 2016

Email: appointingperson@psaa.co.uk

Jo Turton
Lancashire County Council
Po Box 78
County Hall Fishergate
Preston Lancashire PR1 8XJ

Copied to: Neil Kissock, Director of Financial Resources, Lancashire County Council
Ian Young, County Secretary & Solicitor, Lancashire County Council

Dear Ms Turton

Invitation to opt into the national scheme for auditor appointments

As you know the external auditor for the audit of the accounts for 2018/19 has to be appointed before the end of 2017. That may seem a long way away, but as there is now a choice about how to make that appointment, a decision on your authority's approach will be needed soon.

We are pleased that the Secretary of State has expressed his confidence in us by giving us the role of appointing local auditors under a national scheme. This is one choice open to your authority. We issued a prospectus about the scheme in July 2016, available to download on the [appointing person](#) page of our website, with other information you may find helpful.

The timetable we have outlined for appointing auditors under the scheme means we now need to issue a formal invitation to opt into these arrangements. The covering email provides the formal invitation, along with a form of acceptance of our invitation for you to use if your authority decides to join the national scheme. We believe the case for doing so is compelling. To help with your decision we have prepared the additional information attached to this letter.

I need to highlight two things:

- we need to receive your formal acceptance of this invitation by 9 March 2017; and
- the relevant regulations require that, except for a body that is a corporation sole (a police and crime commissioner), the decision to accept the invitation and to opt in needs to be made by the members of the authority meeting as a whole. We appreciate this will need to be built into your decision making timetable.

If you have any other questions not covered by our information, do not hesitate to contact us by email at appointingperson@psaa.co.uk.

Yours sincerely



Jon Hayes, Chief Officer

Appointing an external auditor

Information on the national scheme

Public Sector Audit Appointments Limited (PSAA)

We are a not-for-profit company established by the Local Government Association (LGA). We administer the current audit contracts, let by the Audit Commission before it closed.

We have the support of the LGA, which has worked to secure the option for principal local government and police bodies to appoint auditors through a dedicated sector-led national procurement body. We have established an advisory panel, drawn from representative groups of local government and police bodies, to give access to your views on the design and operation of the scheme.

The national scheme for appointing local auditors

We have been specified by the Secretary of State for Communities and Local Government as the appointing person for principal local government bodies. This means that we will make auditor appointments to principal local government bodies that choose to opt into the national appointment arrangements we will operate for audits of the accounts from 2018/19. These arrangements are sometimes described as the 'sector-led body' option, and our thinking for this scheme was set out in a prospectus circulated to you in July. The prospectus is available on the [appointing person](#) page of our website.

We will appoint an auditor for all opted-in authorities for each of the five financial years beginning from 1 April 2018, unless the Secretary of State chooses to terminate our role as the appointing person beforehand. He or she may only do so after first consulting opted-in authorities and the LGA.

What the appointing person scheme will offer

We are committed to making sure the national scheme will be an excellent option for auditor appointments for you.

We intend to run the scheme in a way that will save time and resources for local government bodies. We think that a collective procurement, which we will carry out on behalf of all opted-in authorities, will enable us to secure the best prices, keeping the cost of audit as low as possible for the bodies who choose to opt in, without compromising on audit quality.

Our current role means we have a unique experience and understanding of auditor procurement and the local public audit market.

Using the scheme will avoid the need for you to:

- establish an audit panel with independent members;
- manage your own auditor procurement and cover its costs;
- monitor the independence of your appointed auditor for the duration of the appointment;
- deal with the replacement of any auditor if required; and
- manage the contract with your auditor.

Our scheme will endeavour to appoint the same auditors to other opted-in bodies that are involved in formal collaboration or joint working initiatives, if you consider that a common auditor will enhance efficiency and value for money.

We will also try to be flexible about changing your auditor during the five-year appointing period if there is good reason, for example where new joint working arrangements are put in place.

Securing a high level of acceptances to the opt-in invitation will provide the best opportunity for us to achieve the most competitive prices from audit firms. The LGA has previously sought expressions of interest in the appointing person arrangements, and received positive responses from over 270 relevant authorities. We ultimately hope to achieve participation from the vast majority of eligible authorities.

High quality audits

The Local Audit and Accountability Act 2014 provides that firms must be registered as local public auditors with one of the chartered accountancy institutes acting in the capacity of a Recognised Supervisory Body (RSB). The quality of registered firms' work will be subject to scrutiny by both the RSB and the Financial Reporting Council (FRC), under arrangements set out in the Act.

We will:

- only contract with audit firms that have a proven track record in undertaking public audit work;
- include obligations in relation to maintaining and continuously improving quality in our contract terms and in the quality criteria in our tender evaluation;
- ensure that firms maintain the appropriate registration and will liaise closely with RSBs and the FRC to ensure that any quality concerns are detected at an early stage; and
- take a close interest in your feedback and in the rigour and effectiveness of firms' own quality assurance arrangements.

We will also liaise with the National Audit Office to help ensure that guidance to auditors is updated as necessary.

Procurement strategy

In developing our procurement strategy for the contracts with audit firms, we will have input from the advisory panel we have established. The panel will assist PSAA in developing arrangements for the national scheme, provide feedback to us on proposals as they develop, and helping us maintain effective channels of communication. We think it is particularly important to understand your preferences and priorities, to ensure we develop a strategy that reflects your needs within the constraints set out in legislation and in professional requirements.

In order to secure the best prices we are minded to let audit contracts:

- for 5 years;
- in 2 large contract areas nationally, with 3 or 4 contract lots per area, depending on the number of bodies that opt in; and
- to a number of firms in each contract area to help us manage independence issues.

The value of each contract will depend on the prices bid, with the firms offering the best value being awarded larger amounts of work. By having contracts with a number of firms, we will be able to manage issues of independence and avoid dominance of the market by one or two firms. Limiting the national volume of work available to any one firm will encourage competition and ensure the plurality of provision.

Auditor appointments and independence

Auditors must be independent of the bodies they audit, to enable them to carry out their work with objectivity and credibility, and in a way that commands public confidence.

We plan to take great care to ensure that every auditor appointment passes this test. We will also monitor significant proposals for auditors to carry out consultancy or other non-audit work, to protect the independence of auditor appointments.

We will consult you on the appointment of your auditor, most likely from September 2017. To make the most effective allocation of appointments, it will help us to know about:

- any potential constraints on the appointment of your auditor because of a lack of independence, for example as a result of consultancy work awarded to a particular firm;
- any joint working or collaboration arrangements that you think should influence the appointment; and
- other local factors you think are relevant to making the appointment.

We will ask you for this information after you have opted in.

Auditor appointments for the audit of the accounts of the 2018/19 financial year must be made by 31 December 2017.

Fee scales

We will ensure that fee levels are carefully managed by securing competitive prices from firms and by minimising our own costs. Any surplus funds will be returned to scheme members under our articles of association and our memorandum of understanding with the Department for Communities and Local Government and the LGA.

Our costs for setting up and managing the scheme will need to be covered by audit fees. We expect our annual operating costs will be lower than our current costs because we expect to employ a smaller team to manage the scheme. We are intending to fund an element of the costs of establishing the scheme, including the costs of procuring audit contracts, from local government's share of our current deferred income. We think this is appropriate because the new scheme will be available to all relevant principal local government bodies.

PSAA will pool scheme costs and charge fees to audited bodies in accordance with a fair scale of fees which has regard to size, complexity and audit risk, most likely as evidenced by audit fees for 2016/17. Pooling means that everyone in the scheme will benefit from the most competitive prices. Fees will reflect the number of scheme participants – the greater the level of participation, the better the value represented by our scale fees.

Scale fees will be determined by the prices achieved in the auditor procurement that PSAA will need to undertake during the early part of 2017. Contracts are likely to be awarded at the end of June 2017, and at this point the overall cost and therefore the level of fees required will be clear. We expect to consult on the proposed scale of fees in autumn 2017 and to publish the fees applicable for 2018/19 in March 2018.

Opting in

The closing date for opting in is 9 March 2017. We have allowed more than the minimum eight week notice period required, because the formal approval process for most eligible bodies, except police and crime commissioners, is a decision made by the members of an authority meeting as a whole.

We will confirm receipt of all opt-in notices. A full list of authorities who opt in will be published on our website. Once we have received an opt-in notice, we will write to you to request information on any joint working arrangements relevant to your auditor appointment, and any potential independence matters that would prevent us appointing a particular firm.

If you decide not to accept the invitation to opt in by the closing date, you may subsequently make a request to opt in, but only after 1 April 2018. The earliest an auditor appointment can be made for authorities that opt in after the closing date is therefore for the audit of the accounts for 2019/20. We are required to consider such requests, and agree to them unless there are reasonable grounds for their refusal.

Timetable

In summary, we expect the timetable for the new arrangements to be:

- Invitation to opt in issued 27 October 2016
- Closing date for receipt of notices to opt in 9 March 2017
- Contract notice published 20 February 2017
- Award audit contracts By end of June 2017
- Consult on and make auditor appointments By end of December 2017
- Consult on and publish scale fees By end of March 2018

Enquiries

We publish frequently asked questions on our [website](#). We are keen to receive feedback from local bodies on our plans. Please email your feedback or questions to: appointingperson@psaa.co.uk.

If you would like to discuss a particular issue with us, please send an email to the above address, and we will make arrangements either to telephone or meet you.

Appendix 'B'

Form of notice of acceptance of the invitation to opt in

(Please use the details and text below to submit to PSAA your authority's formal notice of acceptance of the invitation to opt into the appointing person arrangements)

To: appointingperson@psaa.co.uk

Subject: [Name of authority]

Notice of acceptance of the invitation to become an opted-in authority

This email is notice of the acceptance of your invitation dated 27 October 2016 to become an opted-in authority for the purposes of the appointment of our auditor under the provisions of the Local Audit and Accountability Act 2014 and the requirements of the Local Audit (Appointing Person) Regulations 2015.

I confirm that [name of authority] has made the decision to accept your invitation to become an opted-in authority in accordance with the decision making requirements of the Regulations and that I am authorised to sign this notice of acceptance on behalf of the authority.

Name: [Name of signatory]

Title: [Role title] (authorised officer)

For and on behalf of: [Name of authority]

Date:

Meeting of the Full Council
Meeting to be held on Thursday, 15 December 2016

Report submitted by: Head of Legal and Democratic Services

Part A

Electoral Division affected:
None;

Lancashire County Council Timetable of Meetings 2017/18
(Appendix 'A' refers)

Contact for further information:
Cath Rawcliffe, Tel: (01772) 533380, Democratic Services Officer
cath.rawcliffe@lancashire.gov.uk

Executive Summary

This report sets out a draft timetable of Full Council, Cabinet and Committee meetings for the period 1 June 2017 to 31 May 2018.

Recommendation

The Full Council is asked to approve the timetable of Full Council, Cabinet and Committee meetings for the period 1 June 2017 to 31 May 2018 inclusive as set out at Appendix 'A'.

Background and Advice

Attached at Appendix 'A' is a draft timetable of Full Council, Cabinet and Committee meetings for the period 1 June 2017 to 31 May 2018 inclusive.

The Full Council will note that some dates are marked as provisional. A decision on whether these meetings will be required will be taken nearer to each meeting and members will be informed accordingly.

The timetable has been prepared taking into account:

- The County Council's existing governance and decision making arrangements
- School holiday closures
- Conferences e.g. annual political party, national local government events (where dates are confirmed)

- Major religious holidays
- District Council budget meeting dates (where dates are confirmed)

Once agreed the timetable of meetings will be circulated widely around the County Council and to all 12 Lancashire District Councils for information.

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/Tel
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N/A

Reason for inclusion in Part II, if appropriate

N/A

		JUN '17	JUL '17	AUG '17	SEP '17	OCT '17	NOV '17	DEC '17	JAN '18	FEB '18	MAR '18	APR '18	MAY '18
Audit and Governance Committee (w)	2.00 pm Monday	26^	31		25^	23			29			30	
Cabinet (w)	2.00 pm Thursday	15	13		14	12	9	7	11^ 18	1	8	12	10
Cabinet Committee on Performance Improvement	2.00 pm Monday	27*				2		4		26		16	
Children's Services Scrutiny Committee (w)	2.00pm on Wednesday	14	28*		6	18		6	31		14	11	22*
Corporate Complaints Committee #	10.00 am Monday		24				20			5			14
Development Control Committee (w)	10.00 am Wednesday	7	19		13	25		13	24		7	18	23
Education Scrutiny Committee (w)	10.30 am Tuesday		18				28				27		
Employment Committee	2.00 pm Monday	12	10		11	9	13	11	15	12	12	9	14
Executive Scrutiny Committee (w)	2.00 pm Tuesday	13	11		12	10	7	5	9^ 16 30		6	10	8
Full Council (w)	1.30 pm Thursday		20			26		14		8 (B) 22			24(AGM)
Health Scrutiny Committee (w)	10.30 am Tuesday	6	25		19	31		12	23		5	17	
Lancashire Health and Wellbeing Board	2.00pm Tuesday	20			5		14		25*		20		15
Pension Fund Committee	10.00 am Friday	9			15			1			23		
Regulatory Committee (w)	10.30 am Wednesday	8*	26		27		15		17		15*		
Scrutiny Committee (w)	10.00am Friday	23	21		22	20	17	15	19	16	16	20	18
Student Support Appeals Committee #	10.00 am Monday		3		4	2	6	4	29		12	23	

^ = Provisional meeting

B = Budget

= Meeting not open to press and public

* = Change of day

AGM = Annual General Meeting

(w) = Meeting is webcast

Meeting of the Full Council
Meeting to be held on Thursday, 15 December 2016

Report submitted by: Head of Legal and Democratic Services

Part B

Electoral Division affected:
None;

Report of the Cabinet (Part B)
(Appendix 'A' refers)

Contact for further information:
Josh Mynott, Tel: (01772) 534580, Democratic and Member Services Manager,
josh.mynott@lancashire.gov.uk

Executive Summary

The report of Cabinet from its meeting on 6 October 2016.

Recommendation

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

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

Paper	Date	Contact/Tel
Agenda and minutes of Cabinet	6 October 2016	Josh Mynott/(01772) 534580

Reason for inclusion in Part II, if appropriate

N/A

Meeting of the Full Council - 15 December 2016

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

<http://council.lancashire.gov.uk/ieListMeetings.aspx?Committeeld=122>

Report of the Cabinet meeting on 6 October 2016

Flood & Water Management Act 2010 Section 19 Investigation - December 2015 Floods - Initial Report

A report on the Flood and Water Management Act 2010 Section 19 Investigation into the December 2015 floods across Lancashire was presented. It was noted that this was a statutory duty on the Council as the Lead Local Flood Authority.

Resolved: That

- i. the report at Annex 1 be approved as discharging the County Council's obligations under Section 19 of the Flood and Water Management Act 2010 in regard to the December 2015 floods
- ii. the proposal for further reports and the means of progressing flood investigations, communications and risk management activities within affected communities identified in the report at Annex 1 be approved.

Statutory Services Budget Review - PwC report

Cabinet considered the independent Statutory Services Budget Review produced by PwC.

Resolved: That the report be noted.

Money Matters - The County Council's Re profiled Capital Programme for 2016/17 to 2018/19 and later years

Cabinet considered a report setting out the proposed re-profiling of the County Council's Capital Programme for 2016/17 to 2018/19 and where appropriate later years.

Resolved: That

- i. the additions to the Capital Programme approved during quarters 1 and 2 of 2016/17 set out in section 2 of Table 1 in the main body of the report be noted
- ii. the re-profiling of the County Council's Capital Programme for 2016/17 to 2018/19 and where appropriate for later years as set out in section 3 of Table 1 to the report be approved.

Property Strategy (Neighbourhood Centres) – Community Asset Transfer

Cabinet considered a report in relation to the business cases submitted by community organisations interested in taking on the running of county council building where they were no longer required for the delivery of council services.

Resolved: That

- i. the recommendations set out in Tables 2, 3 and 4 of the report be endorsed
- ii. individual reports be presented in due course to the Deputy Leader of the County Council for decision in relation to Business cases set out in tables 2 and 3 of the report,
- iii. the business cases submitted in relation to Brierfield Library be taken into consideration as part of the ongoing assessment of service delivery options in that area, and
- iv. further bids for Community Asset Transfer be determined on their merits on the basis of the Community Asset Transfer Policy but that new Expressions of Interest are not considered where Business Cases made in line with the Property Strategy Consultation process are still under consideration, or where Community Asset Transfer to another group has already been agreed.

Approval of the District of Lancaster Highways and Transport Masterplan for Publication

Cabinet received a report on the Lancaster Highways and Transport masterplan. It was noted that this was the final Masterplan for approval and would complete the picture across Lancashire.

Resolved: That the District of Lancaster Highways and Transport Masterplan, as presented, be approved.

Meeting of the Full Council
Meeting to be held on Thursday, 15 December 2016

Report submitted by: Head of Legal and Democratic Services

Part B

Electoral Division affected:
(All Divisions);

Report of Urgent Key Decisions

Contact for further information:
Janet Nuttall, Tel: (01772) 533110, Business Support Officer,
janet.nuttall@lancashire.gov.uk

Executive Summary

Urgent key decisions taken by the Deputy Leader of the County Council and the Cabinet Member for Highways and Transport during the preceding three months.

Recommendation

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

It is a requirement of Standing Order 28 that any urgent key decisions taken must be reported to Full Council for information on a quarterly basis. The following urgent key decisions were taken by the Deputy Leader of the County Council:

1) Deputy Leader of the County Council

The following decision was taken on 10 October 2016:

Disposal of Land at Bluebell Way Preston

The Deputy Leader of the County Council approved the recommendation as set out in the full report.

This decision was implemented immediately for the purposes of Standing Order 34(3) as any delay could have adversely affected the execution of the County Council's responsibilities. The reason for this is that any delay could have risked losing the highest bidder and to demonstrate a firm intention to proceed.

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

The following decision was taken on 11 October 2016:

Disposal by way of formal tender Residential development land at Liverpool Road Hutton Preston

The Deputy Leader of the County Council approved the recommendation as set out in the full report.

This decision was implemented immediately for the purposes of Standing Order 34(3) as any delay in giving notice to the successful purchaser of the site would delay completion of the contract. It would further mean that there would be a delay in returning the deposits of successful bidders.

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

2) Cabinet Member for Highways and Transport

The following decision was taken on 10 November 2016:

Review of Tendered Bus Services in Ribble Valley

The Cabinet Member for Highways and Transport:

- (i) Approved the proposed revisions to the tendered bus service network in Ribble Valley.
- (ii) Requested that officers undertake the necessary contract variation process to allow the service revisions to commence on 5 December 2016.

This decision was implemented immediately for the purposes of Standing Order 34(3) as any delay could have adversely affected the execution of the County Council's responsibilities. The reason for this is to ensure that the revised tendered bus service network would commence on 5 December 2016.

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

Paper	Date	Contact/Tel
<u>Report to the Deputy Leader of the County Council</u>	10 October 2016	Andy Milroy/(01772) 530354
<u>Report to the Deputy Leader of the County Council</u>	11 October 2016	Andy Milroy/(01772) 530354
<u>Report to the Cabinet Member for Highways and Transport</u>	10 November 2016	Dave Gorman/(01772) 534261

Reason for inclusion in Part II, if appropriate

N/A

Meeting of the Full Council
Meeting to be held on Thursday, 15 December 2016

Report submitted by: Head of Legal and Democratic Services

Part B

Electoral Division affected:
(All Divisions);

Report of the Overview and Scrutiny Committees
(Annexes 1 to 3 refer)

Contact for further information:
Samantha Parker, Tel: (01772) 538221, Democratic Services Officer
sam.parker@lancashire.gov.uk

Executive Summary

The most recent cycle of meetings of the Overview and Scrutiny Committees took place in the period October to December 2016.

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

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

The meeting of the Scrutiny Committee due to be held on 14 October 2016 was cancelled.

Copies of the agenda and reports considered by the committees, 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?bcr=1>

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

The Executive Scrutiny Committee met on 4 October, 8 November and 6 December 2016 to consider all reports considered by Cabinet and Key Decisions considered by individual Cabinet Members.

Recommendation

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

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

Paper	Date	Contact/Tel
Agenda and minutes:		
Education Scrutiny Committee	29 November 2016	Samantha Parker/ (01772) 538221
Health Scrutiny Committee	18 October and 22 November 2016	Samantha Parker/ (01772) 538221
Scrutiny Committee	18 November 2016	Samantha Parker/ (01772) 538221
Executive Scrutiny Committee	4 October, 8 November, 6 December 2016	Chris Mather/(01772) 533559

Reason for inclusion in Part II, if appropriate

N/A

Meeting of the Full Council – 15 December 2016

Report of the Education Scrutiny Committee meeting on the 29 November 2016

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:

[Education Scrutiny Committee](#)

29 November 2016

Funding changes as a result of the White Paper

An update was provided to the Committee on the funding changes as a result of the White Paper with a summary on the five briefing sessions held with schools across Lancashire in relation to these proposed changes.

Resolved: That;

- i. The update and comments from the Committee be noted
- ii. Further information on the consultation (when available) be circulated to members
- iii. A member briefing on the proposed financial changes be considered

Early Education and Early Years School Improvement Service Update

A report on the Early Education and Early Years School Improvement Service was presented the Committee which provided an update on the work of the Early Education and Early Years teams following on from the initial report to the Committee on the 19 July 2016.

Resolved: That;

- i. The report and comments from the Committee be noted
- ii. Further information on the funding rates to childcare providers for the 30 hours free childcare be provided to members when available

Outcomes of the Property Strategy - Children's Centres

A report was presented to the Committee on the outcomes of the County Council's Property Strategy for children's centres across Lancashire.

Resolved: That the report and comments from the Committee be noted.

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

The Committee received a report which set out the overall attainment in Lancashire schools at the end of Key Stage 4 in 2016 based on provisional data not yet validated.

Resolved: That;

- i. The report and comments from the Committee be noted
- ii. A further report be presented to Committee in March on the new Key Stage 4 reporting model and potential impact on the curriculum

Meeting of the Full Council - 15 December 2016

Report of the Health Scrutiny Committee meetings on 18 October and 22 November 2016

Chair: County Councillor Steven Holgate

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

[Health Scrutiny Committee](#)

18 October 2016

Lancashire & South Cumbria Sustainable Transformation Plans

The Committee was presented with an update on the development of the Lancashire and South Cumbria Sustainability and Transformation Plan (STP).

Resolved: That;

- i. The presentation be noted
- ii. An update with next steps be presented at a future meeting
- iii. An invitation be extended to one of the local programmes to attend a future meeting to discuss the local delivery plans

NHS Improvement - Role and Remit

The Committee was provided with information on the role and remit of NHS Improvement.

The presentation included information on the NHS Improvement operating model and objectives, areas of focus and information on the local organisation.

Resolved: That the presentation be noted.

22 November 2016

Lancashire Teaching Hospitals Trust - Response to Scrutiny Report

The Committee was provided with a presentation on the Emergency Care Update.

The presentation provided a response to the recommendations contained within the 'Emergency Care Crisis – Chorley' scrutiny review report and included an update on the progress on the Chorley Emergency Department mobilisation plan.

Resolved: That;

- i. The response by the Trust and comments from the Committee be noted

- ii. The Communication and Engagement Plan from the Trust be provided to the Committee on the Emergency and Urgent Care Centre
- iii. An update be provided to the Committee in February from the Trust on the progress of the revised Chorley Hospital A&E and Urgent Care Centre provision

Health and Wellbeing Partnerships

The report presented to the Committee provided information on the current health and wellbeing partnership arrangements and the proposals for the future relationship with the Health and Wellbeing Board (HWB).

Resolved: That the report and comments be noted.

Meeting of the Full Council – 15 December 2016

Report of the Scrutiny Committee meetings held on 18 November 2016

Chair: County Councillor Bill Winlow

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

[Scrutiny Committee](#)

18 November 2016

Residential and Domiciliary Care – Quality and Sustainability

A report was presented to the Committee highlighted demographic pressures, increasing financial pressures on local government and significant workforce and retention difficulties which had raised concerns that the quality and sustainability of the adult social care markets for home care, residential and nursing home care were at risk.

Resolved: That;

- i. The Committee considered the report
- ii. A letter be sent by the Chair on behalf of the Committee to Central Government requesting that government:
 - Take account of change in demography and impact on demand and thus cost
 - Emphasise the major financial shortfall and say that existing funding is not sustainable
 - Ask for more support for primary care to reduce demand on adult services
 - provide a new settlement particularly for the north
 - Promote the wider determinants of health

Budget Scrutiny Working Group

The Budget Scrutiny Working Group had the responsibility for considering budget proposals and issues on behalf of the Overview and Scrutiny Committees. The report presented set out the proposed approach for the budget proposals due to be considered by Cabinet in December 2016.

Resolved: The Committee agreed the approach to be taken by the Budget Scrutiny Working Group as set out in the report.

Meeting of the Full Council
Meeting to be held on Thursday, 15 December 2016

Report submitted by: Head of Legal and Democratic Services

Part B

Electoral Division affected:
(All Divisions);

Report of the Pension Fund Committee
(Annex 1 refers)

Contact for further information:
Mike Neville, Tel: (01772) 533431, Senior Democratic Services Officer
mike.neville@lancashire.gov.uk

Executive Summary

The report of the Pension Fund Committee from its meeting on 2 December 2016 is attached at Annex 1.

Copies of the agenda and reports considered by the Committee are available to view on the County Councils website [here](#).

Recommendation

That the report of the Pension Fund Committee, as now presented, be noted.

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

Paper	Date	Contact/Tel
Agenda and Minutes of the Pension Fund Committee	2 December 2016	Mike Neville/(01772) 533431

Reason for inclusion in Part II, if appropriate

N/A

Report of the Pension Fund Committee - Matters for Information

Part I (Open to the Press and Public)

4. Temporary delisting of the Lancashire County Pension Fund as a signatory to the UK Stewardship Code.

The Committee received a report on a decision taken by the Chair, in consultation with the Head of Fund, in connection with the UK Stewardship Code.

Decision taken:

That the decision by the Chair to approve the Lancashire County Council Pension Fund being temporarily delisted as a signatory to the UK Stewardship Code for a period of 6 months pending the Fund's development of an Investment Strategy Statement is noted.

5. 2016 Actuarial Valuation of Lancashire County Pension Fund

A representative from the Fund's Actuary provided the Committee with a detailed valuation of the Fund based on the assets and liabilities at 31 March 2016. Additional information regarding the Valuation was circulated at the meeting.

In considering the Valuation the Committee explored the way in which the Fund would achieve both the bridging of the deficit within the Fund and a sustainable contribution plan for employers. Clarification was sought in relation to some of the information circulated at the meeting and the Committee agreed that, subject to any minor amendments which may be required as a result, the proposals set out in the report be approved in order that they could be discussed further with stakeholders and if approved form the core of the Funding Strategy Statement that the Fund was required to produce after each Valuation.

Decision taken:

1. That the results of the actuarial valuation are noted.
2. That, subject to any minor amendments which may be required to clarify the additional information presented at the meeting, the measures in relation to the setting of contribution rates set out in Appendix 'A' to the report presented are approved for consultation with stakeholders as part of the preparation of the Funding Strategy Statement.

6. LCPF Budget Monitoring to 30th September 2016

The Committee considered a summary of variances from budget for the period 1st April to 30th September 2016.

Decision taken:

That the report is noted.

7. Responsible Investment

The Committee considered an update report on Responsible Investment matters.

Decision taken:

That the report is noted.

8. Feedback from Committee members on external pension related training events and conferences

The Committee considered a report setting out details of attendance at external pension related training events and conferences since the last meeting and received feedback from individual members of the Committee.

Decision taken:

That the report and feedback presented at the meeting is noted.

9. Transaction of Urgent Business - Investment Strategy Statement

The Committee received a report on a decision which the Director of Governance, Finance and Public Services had taken under the procedure for dealing with matters of Urgent Business in relation to the publication of an Investment Strategy Statement by the 1st November 2016.

Decision taken:

That the report is noted.

Part II (Not open to Press and Public)

13. Local Pensions Partnership - Quarter 2 update

Exempt information as defined in Paragraph 3 of Part 1 of Schedule 12A of the Local Government Act, 1972. The report contains information relating to the financial or business affairs of any particular person (including the authority holding that information). It is considered that in all circumstances of the case the public interest in maintain this exemption outweighs the public interest in disclosing the information.

The Committee considered an update report on the second quarter of activities of the Local Pension Partnership.

Decision taken:

That the details, as set out in the report presented, are noted.

14. Investment Panel report

Exempt information as defined in Paragraph 3 of Part 1 of Schedule 12A of the Local Government Act, 1972. The report contains information relating to the financial or business affairs of any particular person (including the authority holding that information). It is considered that in all circumstances of the case the public interest in maintain this exemption outweighs the public interest in disclosing the information.

The Committee considered a report from the Investment Panel in relation to the work of the Panel since the last meeting of the Committee.

Decision taken:

That the report and updates presented at the meeting are noted.

15. Fund Performance report

Exempt information as defined in Paragraph 3 of Part 1 of Schedule 12A of the Local Government Act, 1972. The report contains information relating to the financial or business affairs of any particular person (including the authority holding that information). It is considered that in all circumstances of the case the public interest in maintain this exemption outweighs the public interest in disclosing the information.

The Committee considered a report which summarised the performance of the Fund up to the end of September 2016 and received a presentation from the Co-Chief Investment Officer of the Local Pension Partnership.

Decision taken:

That the report is noted.

16. Update on work undertaken on governance and risk

Exempt information as defined in Paragraph 3 of Part 1 of Schedule 12A of the Local Government Act, 1972. The report contains information relating to the financial or business affairs of any particular person (including the authority holding that information). It is considered that in all circumstances of the case the public interest in maintain this exemption outweighs the public interest in disclosing the information.

The Committee considered a report from the Head of Fund in relation to the review of the risk register with regard to the revised governance relationships with the Local Pension Partnership.

Decision taken:

That the report presented and draft risk register set out at Appendix 'A' are noted.

Meeting of the Full Council – 15 December 2016

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

1. By County Councillor Lizzi Collinge

This council notes:

That, as part of the Bus Services Bill currently passing through Parliament, there is the possibility that the government will seek to re-introduce "Clause 21" (removed by the House of Lords) which would effectively "prohibit a local authority from forming a company for the purposes of providing a local bus service".

This council believes:

- (i) If included in the final legislation, Clause 21 would contradict the general powers of competence and the spirit of the Localism Act 2011.
- (ii) If there is a need and a demand from their public, then Councils should be able to provide bus services through the formation of their own bus company.
- (iii) Consequently Clause 21 should be omitted from the Bus Services Bill.

That Full Council requests the Chief Executive:

- (i) To write to Christopher Grayling MP, Secretary of State for Transport, to call on the Department for Transport to omit Clause 21 from the final legislation.
- (ii) To write to Lancashire MPs to ask them to oppose the re-introduction of Clause 21, should it be re-introduced, when the Bus Services Bill is returned to the House of Commons and ask them to write to Christopher Grayling MP, Secretary of State for Transport, to raise concerns about Clause 21.
- (iii) To work with other councils, boroughs and parishes across Lancashire to support our communities by maintaining the right to develop new bus services.

2. By County Councillor Gina Dowding

There is real and well-founded concern within Lancashire's health sector that funding and staff shortages within the acute health care sector in Lancashire could result in loss of life or poorer-than-expected health outcomes this winter, particularly if we experience a strong surge in demand for hospital beds arising from either a prolonged cold spell, an outbreak of flu or respiratory disease, or other predictable winter conditions.

This Council believes that the Government and the Secretary of State Health should ensure that there is sufficient NHS 'surge capacity' to meet demand for hospital beds and ambulance services in the event of predictable winter demand conditions, in order to reduce preventable morbidity and mortality.

This Council therefore requests the Chief Executive to write to the Secretary of State for Health expressing Council's concerns and to ask him to provide assurance to the residents of Lancashire that sufficient staff, resources and other measures are in place to the meet

demands for hospital beds, and ambulance services to manage what is an entirely predictable winter surge in demand in Lancashire in order to reduce preventable morbidity and mortality.

3. By County Councillor David Whipp

County Council notes that a network of local organisations and charities has provided services for victims of domestic abuse for many years in Lancashire, and that in recent years many of these services have been successfully delivered with funding from a consortium of local councils and statutory authorities led by Lancashire County Council.

County Council further notes that this LCC led arrangement ceases at the end of this financial year and that the lead commissioner for these services will be the Police and Crime Commissioner, with funding provided by the County Council together with other council organisations.

County Council places on record it's thanks to the local charities involved with providing such vital support for some of the most vulnerable people in Lancashire and expresses the hope that these charities will continue to be involved with supporting victims of domestic abuse in future.