

Cabinet**Thursday, 29 June 2017, County Hall, Worcester,
10.00 am****Present:****Minutes**

Mr S E Geraghty (Chairman), Mr A T Amos, Mr M J Hart
Mrs L C Hodgson, Ms K J May, Mr A P Miller,
Dr K A Pollock and Mr J H Smith

Available papers

The Members had before them:

- A. The Agenda papers (previously circulated); and
- B. The Minutes of the meeting held on 6 April 2017 (previously circulated).

**1785 Apologies and
Declarations of
Interest
(Agenda item 1)**

Apologies were received from Mr A I Hardman and Mr A C Roberts.

**1786 Public
Participation
(Agenda item 2)**

None.

**1787 Confirmation of
the Minutes of
the previous
meeting
(Agenda item 3)**

RESOLVED that the Minutes of the meeting held on 6 April 2017 be confirmed as a correct record and signed by the Chairman.

**1788 Connecting
Worcestershire
Phase 3
Broadband
Programme
(Agenda item 4)**

The Cabinet considered the Connecting Worcestershire Phase 3 Broadband Programme. The details were set out in the report.

In the ensuing debate, the following principal points were raised:

- a) The Cabinet Member for Economy and Infrastructure introduced the report. He commented that the Council was in receipt of new funding from Broadband Delivery UK and the European Regional Development Fund. In addition, the Council had been able to reinvest an underspend from previous allocated capital allocations. These funds would enable the Council

to push broadband coverage beyond the current 95% of the County. He recognised that some areas were hard to reach so achieving 100% coverage was impossible but 96% coverage was achievable. The proposals were very important for the Council's Open for Business policy and would have a positive impact on children's education as well as for the care of older and vulnerable people. There were three options available for the reinvestment of the capital funds. Option 3 to use a combination of mechanisms was considered to be the best and most flexible option. For those hard to reach areas, it was recommended that a Community Fibre Partnership Support Fund be established. This Fund would require a contribution from the community to complement BT's scheme

- b) The attempts to introduce broadband for hard to reach areas was welcomed to help with digital inclusion and encourage different ways of working, for example, encouraging people to receive training in libraries and other venues to enable local people to use public access points/community internet hubs
- c) The Leader of the Council commented that the 95% broadband coverage target had been achieved but this next phase was intended to push coverage beyond that percentage. This Council was the only Council to set broadband connectivity as a business target. The policy had helped to boost productivity and create a successful local economy.

RESOLVED: that

- a) **the progress to date of the Superfast Worcestershire Programme be noted as set out in Paragraphs 7-13 of the report and Appendix A;**
- b) **authority be delegated to the Director of Economy and Infrastructure, in consultation with the Cabinet Member with Responsibility for Economy and Infrastructure, to undertake evaluation of tenders for the Phase 3 Broadband contract and, subject to being satisfied as to value for money and fully securing external public funding, to (i) finalise and execute that contract, and (ii) to approve**

future potential change controls to ensure pace is maintained from contract award in Summer 2017 until the end of the contract;

- c) **COUNCIL BE RECOMMENDED** to add £2.6m to the Capital Programme for the purposes of Phase 3 of the Broadband Programme, the funding of which comes from Broadband Delivery UK (BDUK) £1.5m and European Regional Development fund c.£1.1m (ERDF);
- d) the Director of Economy and Infrastructure be authorised, in consultation with the Cabinet Member with Responsibility for Economy and Infrastructure, when the solution to Phase 3 is known, to reinvest the remaining underspend from the previously allocated £8.5m County Council capital funding and up to £4m of Worcestershire County Council's proportion of further claw-back from Phase 1 and Phase 2, if it becomes available, in accordance with Option 3 in the report; also to agree to entering required discussions with other public funding bodies with regard to their proportion of claw-back; and
- e) the Director of Economy and Infrastructure be authorised to take all necessary actions to progress the Broadband Programme.

1789 Resources Report (Agenda item 5)

The Cabinet considered a Resources Report. The details were set out in the report.

In the ensuing debate, the following principal points were raised:

- a) The Leader of the Council introduced the report and made the following comments:
 - the provisional financial outturn was breakeven compared with the Council's budget. This outcome masked a number of issues including successes in the financial markets and delays to borrowing but also the pressure on social care and special educational needs transport. However this position was not assured for the future and active management was required to deliver the 2017/18 budget especially the demand pressures for children placements. This position would be kept under review
 - The Open for Business Board had

successfully invested a relatively small amount of funds (£3m) and created a number of jobs in the county

- The Transformation Programme had successfully delivered change and although there had been some slippage of the programme into this financial year, the Council continued to address its financial challenge through active management
 - The additional funding from the Government for Adult Social Care was welcomed and the Council was looking into how to deploy these resources over the next couple of financial years
 - The Council had spent over £130m on capital projects which was delivering major improvements to the county
 - Additional monies from the Government for specific projects in the county were welcomed
 - The Pension Fund had achieved an operating surplus of £34.4m for 2016/17 largely as a result of fluctuations in the financial market. The possibility of locking in those gains would be examined
 - £1m of earmarked reserves had been used to successfully replace Eastham Bridge
- b) The additional capital investment showed the Council's commitment to the Open for Business Policy through investment in major infrastructure projects, notably the Hoobrook Link Road. It was important to ensure that the changes set out in the Transformation Programme over the medium term were carried out to deliver the necessary savings as well as focussing on the key corporate priorities to deliver key projects and services
- c) Although the £3m allocated to the Open for Business Board was relatively small, it had brought about a number of positive projects aimed at stimulating the local economy as well as increasing income to enable investment to address the needs of children and older people. Private sector leverage was welcomed as a means of spending a small amount of public money to attract significant private sector funding into the county
- d) The Council had been working with Hartlebury Castle Preservation Trust with the aim of preserving the future of Hartlebury Castle by

creating an integrated visitor destination. The partnership had secured a £5m investment from the Heritage Lottery Fund (HLF) and officers were currently examining how this funding could be utilised within the guidelines set out by the HLF to move the project forward

- e) The Worcester Six capital programme project would produce a significant amount of employment for the county and encourage good transport links. Utility companies should be encouraged to interact with the Council to get their projects underway.

RESOLVED: that

- a) **The Cabinet Member with Responsibility for Finance's conclusions concerning financial performance for the year ending 31 March 2017 be endorsed as detailed in paragraphs 7 to 13 of the report and the statutory accounts be finalised on this basis;**
- b) **earmarked reserves and general balances be updated as detailed in paragraphs 43 to 47 of the report;**
- c) **the work and success of the Open for Business Board be endorsed;**
- d) **the current progress and successes regarding the service reforms programme be noted;**
- e) **the approach to allocate additional one-off Adult Social Care funding of £10.1 million in 2017/18, £6.8 million in 2018/19, and £3.4 million in 2019/20 received through a Section 31 Specific Grant be endorsed;**
- f) **COUNCIL BE RECOMMENDED to approve an increase to the capital programme cash limits to include additional schools, highways and skills funding as detailed in paragraph 34 of the report;**
- g) **the approach to support the cash flow position of the Hartlebury Castle Project be endorsed in advance of receiving approved grant funding, subject to appropriate financial due diligence being in place; and**
- h) **the report on borrowing and lending transactions during 2016/17 detailed in paragraphs 54 and 55 of the report and Appendix 4 be noted.**

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The meeting ended at 10.30am.

Chairman